

## **RECOMMENDATION BY THE NOMINATION COMMITTEE OF NEXT BIOMETRICS GROUP ASA**

### **TO THE GENERAL MEETING TO BE HELD ON JUNE 19th 2020**

#### **1. PRESENTATION OF THE WORK OF THE NOMINATION COMMITTEE**

In its recommendation of 20 May 2020, the nomination committee of NEXT Biometrics Group ASA (the "Company") proposed cash remuneration to the board members for the period from the 2020 annual general meeting to the 2021 annual general meeting, and that proposal was approved by the annual general meeting on 21 May 2020. With effect from that general meeting, the nomination committee has consisted of chairman Jon Frode Vaksvik and member Haakon Sæter.

Given the important phase in which the Company currently is, where extraordinary involvement by the board members will be required, the nomination committee has considered ways to compensate the board members for the expected extra efforts. The committee has in connection therewith been in contact with the Company's management, the chairperson of the board, board members and some of the large shareholders to discuss incentives. Based on such considerations and discussions, the committee proposes that board members participate in the Company's new share option program to be voted on by the shareholders at the extraordinary general meeting to be held on 19 June 2020.

The nomination committee acknowledges that the proposal represents a deviation from recommendation no. 11 of the Norwegian Code of Practice for Corporate Governance. The committee is of the view that this deviation is warranted by the phase in which the Company is, and does not believe that the proposed participation in the option program will weaken the board's independence.

The participation in the share option program will not have any effect on the cash remuneration approved by the annual general meeting.

#### **2. PROPOSAL**


The nomination committee proposes that the general meeting resolves to grant the chairman of the board 1 000 000 share options and board members 200 000 share options each, subject to the

following key terms:

- Each share option shall give the right to one share in the Company.
- The exercise price of the share options shall be equal to the average volume-weighted market price of the shares over the five last trading days prior to the date of grant.
- Vesting period: Fifty per cent of the options will vest Q3 2020, and the remaining 50 per cent will vest Q3 2021.
- The date of expiry for all vested options is the date falling 36 months after the date of grant. Any options that are not exercised at, or prior to, that date will elapse.
- The vesting of the options is conditional upon the person being a member of the board of directors at the date of vesting. Any resigning board members will not lose their vested options. Vested options must be exercised within 6 months from the date of the end of term.
- Board members that are dismissed upon a resolution by the general meeting or who are not re-elected, will keep their vested options, while any unvested options will elapse.

Other than as set out above, the Company's ordinary terms for employee options shall apply to the extent they are relevant. The more detailed terms shall be set out in a separate share option agreement to be entered into with each board member following approval of the share options by the general meeting.

Oslo, 5th June 2020

  
Jon Frode Vaksvik

  
Haakon Sæter