



## *OUR VALUES*

### **Making the most of our unique assets**

Gemalto is a leader in digital security with operations in about 100 countries and 11,000 employees including 1,500 R&D engineers. In a world where the digital revolution is increasingly transforming our lives, Gemalto's solutions are designed to make personal digital interactions more convenient, secure and enjoyable. Gemalto provides end-to-end digital security solutions, from the development of software applications through design and production of secure personal devices such as smart cards, SIMs, e-passports, and tokens to the management of deployment services for its customers. More than a billion people worldwide use the company's products and services for telecommunications, financial services, e-government, identity management, multimedia content, digital rights management, IT security, mass transit and many other applications.

Three company values that focus on customers, people and innovation underpin our work:

- **Customers** - we put their needs at the center of all we do, develop partnerships and exceed their expectations.
- **People** - we value their diversity, encourage teamwork, and conduct ourselves with integrity.
- **Innovation** - we continually develop valuable new ideas and creative approaches to business and technology challenges.

**"To succeed requires the highest standards of corporate behaviour towards our employees, consumers and the societies and world in which we live. This is our road to sustainable, profitable growth for our business and long-term value creation."**

The Values & Business Practices is a broad outline, designed to guide your moral decision-making and help you handle business situations professionally and fairly. It supports a whole range of codes, company policies, standards, guidelines, business processes and procedures that set out our obligations and responsibilities to behave ethically in every aspect of our business life.

Every one of us in Gemalto needs to carefully read and understand those Values and Business Principles. We are all individually responsible for complying with those principles and the Gemalto policies on which it is based. By doing this, we can all play our part in meeting the expectations of our customers, shareholders and colleagues, as well as many other stakeholders.

**Olivier Piou**

Chief Executive Officer

December 2006



**1. Standard of Conduct:** We conduct our operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees.

**2. Integrity and dealing with international differences:** Acting ethically is not just about complying with the formal laws and regulations that govern our business. It is also about following the highest standards of quality and personal integrity. It goes without saying that everyone in Gemalto must respect and follow the laws of the countries in which we operate. Even if you are operating in a country where local laws or common practices do not come up to the same levels as those set out in the Company's codes and our company policies, we always expect you to maintain the high standards of ethical behavior to which Gemalto is committed.

**3. Employees:** Gemalto is committed to diversity in a working environment where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of our company. As a company, we encourage fair employment practices worldwide and offer equal opportunities to all our employees regardless of race, color, age, sex, religion or national origin. We also try to take family considerations into account in any decisions about personnel matters or assignments. We expect all our employees to treat each other in a professional way, based on mutual respect, trust and individual dignity. We are committed to safe and healthy working conditions for all employees. We will maintain good communications with employees through company based information and consultation procedures.

**4. Customers:** Gemalto is committed to excellence in everything we seek to do. We aim to do business in a consistent and transparent way with all our customers. Customers place a great deal of trust in us, particularly when it comes to handling sensitive and confidential information. Our reputation for integrity and fair dealing is vitally important in winning and retaining this trust.

**5. Shareholders:** Gemalto will conduct its operations in accordance with internationally accepted principles of good corporate governance. We will provide timely, regular and reliable information on our activities, structure, financial situation and performance to all shareholders.

**6. Partners, Channel, Technology:** Gemalto is committed to establishing mutually beneficial relations with our suppliers, customers and business partners. In our business dealings we expect our partners to adhere to business principles consistent with our own.

**7. Community Involvement:** Gemalto people represent more than 60 nationalities. We live and work in more than 100 countries worldwide. As a company, we believe in contributing to community economic development in particular in recruiting and training individuals from the countries in which we operate.

**8. The Environment:** Gemalto is committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business.

**9. Confidentiality and security of Information:** It is essential to our reputation and our survival as a business that we protect important information, whether it belongs to Gemalto or to others who have entrusted it to us. You must conform to the Gemalto corporate standard and as well as the IT security procedures that relate to this standard.



**10. Innovation:** In our innovation we endeavour to meet customer needs we will respect the concerns of our customer and of society. We will work on the basis of sound science, applying rigorous standards of product safety.

**11. Competition:** Gemalto believes in vigorous yet fair competition and supports the development of appropriate competition laws. Gemalto companies and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.

**12. Business Integrity:** Gemalto does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or receive any gift or payment, which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management. Gemalto accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

**13. Conflicts of Interests:** All Gemalto employees are expected to avoid personal activities and financial interests that could conflict with their responsibilities to the company. Gemalto employees must not seek gain for themselves or others through misuse of their positions.

**14. Stock Transactions:** Gemalto and its employees are committed to comply the insider regulations, in doing so Gemalto has established an Insider Trading Code on which employees do regularly receive training. All Gemalto employees are expected to maintain knowledge and in doubt should refer to the designated Central Officer. Employees at the level of N-1 and N-2, N-3 for functions shall be considered as Designated Persons as per the Gemalto Insider trading Code and will have to comply with the Closed Period defined in section VIII,60 of the above mentioned code. "N" shall have the meaning of the Chief Executive Officer and "Functions" shall refer to personnel, finance and legal functions in the sense of Gemalto practice.

**15. Trade controls:** As a global company, we provide our products and services to companies in various countries throughout the world. Many of these countries have specific trade and customs laws and regulations governing the import or export of the kinds of products or services

Gemalto offers. Each of us is responsible for taking appropriate actions to ensure that every import, export or re-export of products, services, technology, or software complies with all the relevant local and international trade laws and rules, including customs regulations.

**16. Public Activities:** Gemalto will co-operate with governments and other organisations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations that may affect legitimate business interests.

**17. Proper use of corporate assets** You must get appropriate management authorization if you need access or to give someone access to the company's assets (including buildings, equipment, data, records, accounts, etc.). You must ensure that you have the appropriate management authorization for any transactions that you carry out on behalf of Gemalto.



**18. Accounting and Financial Reporting:** All transactions shall be recorded as necessary to permit the preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP) and International Accounting Standards (IAS, IFRS). These transactions should be described accurately in the books of account or in supporting documents. All company assets and liabilities must form part of the books of account included in the company's uniform financial statements, and we will ensure that all books of account and supporting documents are fully available for audit by internal auditors and independent external auditors.

**19. Software, copyright and licensing:** As a company, Gemalto respects copyright laws and observes the terms and conditions of software license agreements. You must never make any unauthorized copies of software. All the software we use must be properly licensed, and you, or your local IT team, must keep a record of the license agreement and documentation.

**21. Internal Control:** Employees shall at all times comply with the authority limits accompanied with the delegation of powers established and updated by the Gemalto management, as well as endeavours to deploy and/or use the internal control, insurance and risk management tools.

**22. Compliance - Monitoring - Reporting:** Compliance with these principles is an essential element in our business success. The Gemalto Board is responsible for ensuring these principles are communicated to, and understood and observed by, all employees. Day-to-day responsibility is delegated to the senior management of the regions and operating companies. They are responsible for implementing these principles, if necessary through more detailed guidance tailored to local needs. Assurance of compliance is given and monitored each year. Compliance with the Values and Business Principles is subject to review by the Board supported by the Audit Committee, the Nomination and Governance Committee and the Compensation Committee. Any breaches of the Values and Business Principles must be reported in accordance with the procedures specified by the Company Secretary and the other available codes. The Board of Gemalto will not criticise management for any loss of business resulting from adherence to these principles and other mandatory policies and instructions. The Board of Gemalto expects employees to bring to their attention, or to that of senior management, any breach or suspected breach of these principles. Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

*In these Values and Business Principles the expressions 'Gemalto' and 'Gemalto companies' are used for convenience and mean the Gemalto Group of companies comprising Gemalto N.V., its subsidiary companies. The Board of Gemalto means the Directors of Gemalto N.V.*

*These Values and Business Principles are developed in much broader text also available to the employees and any other stakeholders under "Code of Ethics".*