Agenda for the 2005 Annual General Meeting of Shareholders of Axalto Holding N.V.

Agenda for the 2005 Annual General Meeting of Shareholders of Axalto Holding N.V. (the “Company”) to be held at the Crowne Plaza Hotel Amsterdam-Schiphol, Planeetbaan 2, Hoofddorp, the Netherlands at 10:00 a.m. CET on Wednesday 11 May 2005. Registration will take place between 9:00 a.m. and 9:45 a.m. CET.

1. Opening
2. Announcements
3. Annual Report of the Board
4. Adoption of the 2004 Financial Statements
5. Discussion on Dividend and Reservation Policy
6. a. Discharge of the Chief Executive Officer for the fulfilment of his duties during the past financial year
   b. Discharge of the non-executive members of the Board for the fulfilment of their duties during the past financial year
7. Discussion on Corporate Governance
8. Adoption of Remuneration Policy for the Chief Executive Officer
9. Remuneration of the non-executive members of the Board
10. Appointment of new non-executive member of the Board
11. Extension of the authorization of the Board to repurchase shares
12. Re-appointment of external auditor
13. Any other business
14. Adjournment

This Agenda, as well as copies of the Company’s 2004 Annual Report (including the Company’s 2004 Financial Statements) are available, free of charge, at the Company’s head office (Joop Geesinkweg 541-542, Amsterdam, the Netherlands), at the office of Axalto International SAS (50, avenue Jean Jaurès, Montrouge Cedex), and at the office of Credit Agricole Investor Services Corporate Trust (14 rue rouget de Lisle, 92862 Issy-Les Moulineaux Cedex 09) and are published at the Company’s website (www.axalto.com).
Explanatory Notes to the Agenda

1. Explanation item 4
   **Adoption of the 2004 Financial Statements**
   This agenda item includes the proposal to adopt the Company's 2004 Financial Statements.

   **Role of auditor.**
   Pursuant to provision V.2.1. of the Dutch Corporate Governance Code (the "Code") the General Meeting of Shareholders may question the external auditor and the external auditor has the right to address the meeting (provision V.2.1). Therefore our external auditor PricewaterhouseCoopers Accountants will be invited to attend the Annual General Meeting. Please note that the questions put to the auditor must relate and are limited to the auditor’s statement regarding the Company's 2004 Financial Statements and his audit activities. The contents of the Company's 2004 Financial Statements and the policy in relation thereto will therefore continue to be the Board's responsibility.

2. Explanation of item 5
   **Discussion on Dividend and Reservation Policy**
   The Company's current dividend and reservation policy is to not pay any dividends on its shares, nor to distribute any reserves, but to add those proceeds to the retained earnings.

3. Explanation of item 6
   **Discharge of members of the Board**
   These agenda items include the proposals to discharge both the Chief Executive Officer and the non-executive members of the Board from liability in respect of the fulfilment of their duties during the financial year 2004.

4. Explanation of item 7
   **Discussion on Corporate Governance**
   The Board will provide a summary of the Company’s corporate governance structure as described in the Corporate Governance Chapter in the 2004 Annual Report.

5. Explanation of item 8
   **Adoption of Remuneration Policy for the Chief Executive Officer**
   The Company's Articles of Association stipulate that the Board determines the remuneration of the Chief Executive Officer within the limits of the remuneration policy as adopted by the General Meeting of Shareholders.
This agenda item includes the proposal to adopt the Company's Remuneration Policy for the Chief Executive Officer. The Remuneration Policy includes information regarding the remuneration of the Chief Executive Officer in the form of Company shares or rights to acquire such shares.

For a description of the proposed remuneration policy reference is made to Appendix 1 to these Explanatory Notes.

6. Explanation of item 9
   *Remuneration of the non-executive members of the Board*
   Dutch law and the Company's Articles of Association stipulate that the General Meeting of Shareholders, upon the proposal of the Board, determines the remuneration of the non-executive members of the Board. The remuneration structure does not need to be amended with the exception of an increase of the remuneration of the Audit Committee. The Board proposes to increase the remuneration of the non-executive members of the Audit Committee as follows:
   The current annual Audit Committee fee is €5,000 for members and €7,500 for the chairman of the Committee. The proposal is to increase this annual fee to €10,000 for members and €12,500 for the chairman of Audit Committee, with effect from 11 May 2005.
   After review, the Remuneration Committee proposed this increase to the Board and is confident that the fee is competitive in attracting and retaining qualified Audit Committee members.

7. Explanation of item 10
   *Appointment of new non-executive member of the Board*
   The Board proposes to appoint Mr. K. Atkinson as new non-executive member of the Board as per 11 May 2005 for a period ending at the end of the Company's Annual General Meeting of Shareholders to be held in 2009. Mr. K. Atkinson is proposed to be appointed as non-executive member of the Board because of his expertise in finance and experience as a non-executive director of listed companies.
   Upon appointment, Mr. K. Atkinson will be a member of the Company's Audit Committee. Mr. K. Atkinson will also act as chairman of the Audit Committee.

   The Board has chosen not to use its right to make a binding nomination. Therefore, the resolution to appoint Mr. K. Atkinson shall be adopted by an absolute majority of the votes cast, without a quorum being required.
For further details on Mr K. Atkinson, reference is made to Appendix 2 to these Explanatory Notes.

The remuneration of Mr K. Atkinson shall be in accordance with the remuneration referred to under item 9.

8. Explanation of item 11

*Extension of the authorization of the Board to repurchase shares*

The authorization granted in 2004 prior to IPO will expire in the course of 2005. Therefore the authorization must be renewed.

The Board proposes to renew the authorization as follows:

To irrevocably authorize the Board of the Company as from 11 May 2005 to cause the Company to acquire, whether as on or off financial market purchase, shares in the share capital of the Company up to the maximum as permitted under Dutch law for a period of eighteen-months ending on 11 November 2006, on such dates and in such tranches as the Board may deem appropriate, in accordance with applicable provisions of Dutch law and the Company’s Articles of Association of the Company, and against a purchase price per share which shall not be less than the par value of the shares to be repurchased and not be more than 110% of the average closing share price per share in the Company on the Premier Marché of Euronext Paris S.A. in the 5 business days preceding the date on which the shares concerned are acquired by the Company.

9. Explanation of item 12

*Re-appointment of external auditor*

In line with the Dutch Corporate Governance Code, the Audit Committee has conducted an evaluation of the performance of the external auditor over the financial year 2004. The evaluation focused on independence (level of audit services vs. non audit services) of the external auditor, the provision of information to the Audit Committee, and the planning and control of the audit.

The Chief Financial Officer, also on behalf of the Chairman of the Audit Committee, will inform the General Meeting of Shareholders of the main conclusions coming forth out of the evaluation.

The Board proposes to re-appoint PricewaterhouseCoopers Accountants N.V. as the Company’s external auditor.
Appendix 1

Remuneration Policy for the Chief Executive Officer

The goals of the Axalto Remuneration Policy for Senior Management, including our Chief Executive Officer are to attract, retain and reward talented staff and management, by offering compensation that is competitive in the industry, motivates to surpass the Company’s business objectives and aligns the interests of management with the interests of the shareholders.

To meet these goals the remuneration package should be a combination of cash payments (base salary, variable bonus or incentives), perks and long term or deferred benefits (equity based plan, pension plan).

The remuneration of the Company's Chief Executive Officer shall be calibrated by comparison with other relevant International/European high tech companies (the "Comparison Group").

The Chief Executive Officer has an employment contract governed by French law with Axalto International SAS, a subsidiary of the Company. In addition the Chief Executive Officer, as a member of the Board is entitled to a fixed remuneration. The sum of the base salary under his French employment contract and the fixed board remuneration constitute the “Total Reference Compensation”.

Remuneration policy positioning:
The overall remuneration of the Chief Executive Officer, assuming that challenging but achievable targets have been set and met, should be clearly above the market average of the remuneration practices of the Comparison Group.

In case of exceptional achievement, where the Company has realized exceptional financial results, the total compensation can be in the upper quartile of the market.

Base salary:
The Total Reference Compensation is reviewed every year but not necessarily adjusted every year. The policy targets Total Reference Compensation for the Chief Executive Officer slightly above mid-point (near the 60th percentile) by comparison with the Comparison Group.

Variable bonus or incentives:
In addition to this amount, the Chief Executive Officer receives variable compensation equal to 0-75% of his Total Reference Compensation. Part of this variable compensation, typically half, is related to the Company's financial results, such as, for example, Earnings Per Share (EPS), Revenue and/or Net Income to be determined by the Board on an annual basis. The remainder depends on success in delivering on a limited number (typically 4-6) of specific strategic, tactical or individual objectives, also to be determined by the Board on an annual basis. The variable compensation related to financial results may be increased, as much as doubled, if exceptional financial results are achieved, to encourage and reward exceptional results in excess of the 100% achievements. As a result, total variable remuneration may equal up to 112.5% of the Total Reference Compensation. The attainable total variable compensation at 100% achievement of objectives shall be clearly above mid point (60th percentile on target performance i.e. at 100% achievement of objectives,) of the Comparison Group.

**Long term or deferred Incentive:**
The Company has established a Global Equity Incentive Plan (The “GEIP”) for its employees.
Under the GEIP, the Chief Executive Officer may receive any of the following:
- Options
- Restricted shares units
- Shares appreciation rights.

Any options granted to the Chief Executive Officer are unconditional. When granting option rights however, the Board shall apply performance criteria. Any option rights granted to the Chief Executive Officer may only be exercised upon expiration of four years after their date of grant and will be valid for up to nine and a half years as of such date. The exercise price of the options will be equal to the average of the closing price of the Axalto share on the Euronext Paris stock exchange during the five trading days preceding the grant date.

The long term or deferred Incentive part of the total remuneration package for the Chief Executive Officer shall be clearly above mid-point by comparison with the Comparison Group.

**Pension:**
The Chief Executive Officer does not benefit from any special pension plan provided by Axalto.

**Severance Payment:**
The Chief Executive Officer's length of service with Schlumberger is taken into account in determining his seniority with Axalto. On this basis, he is entitled to a
severance payment equal to two years of gross salary (excluding the 6-month notice period). The Chief Executive Officer will not be entitled to a severance payment upon voluntary resignation.
Appendix 2

Kent Atkinson

BIOGRAPHICAL DETAILS

Date of Birth: 19 May 1945 (Recife, Brazil)

Nationality: British

Languages: Spanish (Bilingual)
           Portuguese (Good)

Education: Secondary Education

Mr. K. Atkinson holds no shares in the Company's share capital.

CURRENT ROLES

2005 – : Standard Life Assurance Company
          Audit Committee and Life & Pensions Board Member

2002 – present: Marconi Corporation plc (£1.4bn market cap communications
               (company). Senior Independent Director, Chairman of the Audit Committee,
               and Member of the Remuneration Committee and the
               Nominations Committee

1998 – present: Coca-Cola HBC SA (The company has a market cap of about
                €6.4bn (GBP4.4bn). Senior Independent Director, Chairman of
                the Audit Committee and Member of the Nominations Committee

PREVIOUS NON-EXECUTIVE ROLES
2003 – 2005: Cookson Group plc (£800m market cap materials technology Group) Senior Independent Director, Chairman of the Audit Committee, and Member of the Remuneration Committee and the Nominations Committee.

2002 – 2003: Lloyds TSB Group plc
Non-Executive Director

1998 – 2000: Coca-Cola Beverages plc
Non-Executive Director

EXECUTIVE CAREER SUMMARY

1964 – 2002: Lloyds TSB Group plc (Formerly Lloyds Bank plc
1994 – 2002: Group Finance Director
1994 – 1994: General Manager, Retail Operations
1989 – 1994: Regional Executive Director, South East
1986 – 1989: General Manager, Southern Cone (South America)
1964 – 1985: Various Management roles in London, Argentina, Paraguay, Colombia, Ecuador, Nassau, Bahrain and Dubai

Mr. K. Atkinson joined the overseas operations of the Bank of London & South America (which was later acquired by the Lloyds Bank Group) straight from school. During his early years he worked predominantly outside the UK in South America and the Middle East on a range of corporate and retail banking tasks.

His first general management role was to look after part of South America, based in Buenos Aires. He had full P&L responsibility for the development of the bank’s businesses in Argentina, Chile, Peru, Bolivia, Paraguay and Uruguay with approximately 6,000 staff and 75 branches.

In 1989 Mr. K. Atkinson returned to the UK where he was appointed a regional Executive Director looking after the South East region of Lloyds Bank covering approximately 6,500 staff and 350 branches. He was a member of the retail bank’s Executive Committee responsible for the strategic development of this leading UK retail bank.

In 1994 he was promoted to the main board as Group Finance Director. At this time it was common practice for the UK bank’s to appoint a senior banker to this role. He
was therefore for nearly eight years the main board finance director of one of the UK’s largest financial services groups. He was responsible for group financial control, tax, investor relations, the group legal department, the group economic research department and a member of the Group Executive Committee. He had significant accountability at board level for corporate governance, compliance, regulation, audit controls and the audit committee as well as the strategic development and management of the Lloyds TSB Group. He was closely involved in a number of major corporate financial transactions including the acquisitions of Cheltenham & Gloucester, TSB Group, Lloyds Abbey Life, Scottish Widows and Chartered Trust. He was also responsible for leading the Group’s registration with the Securities and Exchange Commission and the subsequent listing of the group on the New York Stock Exchange. He had substantial investor relations responsibilities dealing with major institutional investors and analysts in the UK, Europe and the United States.

In 2002, at the age of 57, Mr. K. Atkinson took early retirement although he remained on the Board for another year until April 2003 as a Non-Executive Director.

Since then Mr. K. Atkinson has been building a portfolio of Non-Executive positions. He went on to the board of Coca-Cola Beverages in 1998 where he was involved in the demerger of Coca-Cola Australia to form the UK listed company Coca-Cola Beverages Plc and its merger with the Hellenic Bottling Company in Greece. He is the senior Non-Executive and Chairman of the Audit Committee.

He joined the board of Marconi at the end of 2002. Marconi is a global telecommunications equipment company which had been through a particularly troubled and difficult time. Mr. K. Atkinson is the Senior Non-Executive Director and Chairman of the Audit Committee, and also sits on the Remuneration and Nominations Committees. In 2003 he joined Cookson group plc, an international materials science company, and is also the Senior Independent Director and Chairman of the Audit Committee, and sits on the Remuneration and Nominations Committees. In January of this year he joined Standard Life Assurance Company, one of the largest life companies in Europe, where he is a member of the Audit Committee and a member of the Life and Pensions Board as well as sitting on the main board.