Agenda for the 2006 Extraordinary General Meeting of Shareholders of Axalto Holding N.V.

The Extraordinary General Meeting of Shareholders of Axalto Holding N.V. (the "Company") is to be held at the Sheraton Amsterdam Airport Hotel, Schiphol Boulevard 101, Schiphol Airport, the Netherlands at 10.30 a.m. CET on Tuesday January 31, 2006. Registration will take place between 9.30 a.m. and 10.15 a.m. CET.

Agenda
1. Opening.
2. Proposal to approve the following resolution:
   (i) approve the proposed Combination of the Company and Gemplus International S.A. and of all steps and acts of the Company necessary to implement the Combination as described in the Explanatory Notes to this agenda, and
   (ii) amend the Articles of Association of the Company, as described in the Explanatory Notes and Annex 1 to this agenda, and authorise in connection with the amendment of the Articles of Association any and all members of the Board as well as any and all lawyers and paralegals practising with De Brauw Blackstone Westbroek N.V. to apply for the required ministerial declaration of non objection on the draft mentioned as well as to execute the notarial deed of amendment to the Articles of Association, with effect of completion of the Contribution in Kind, and
   (iii) increase the number of members of the Board to eleven (11) as per the date of completion of the Contribution in Kind, as required under the Combination Agreement, subject to the condition of execution of the deed of amendment of the Articles of Association:
      a. the appointment of Mr. Alex Mandl as Executive Chairman of the Board, for a term beginning on the date of completion of the Contribution in Kind, as required under the Combination Agreement, and expiring eighteen (18) months after the effective date of his appointment,
      b. the appointment of Mr. David Bonderman, Mr. Geoffrey Fink, Mr. Johannes Fritz and Mr. John Ormerod as non-executive members of the Board as per the date of completion of the Contribution in Kind, as required under the Combination Agreement,
      c. the acknowledgement of the resignations of Mr. Maarten Scholten and Mr. Willem Stolwijk as members of the Board as per the date of completion of the Contribution in Kind, and granting of discharge for the fulfilment of their duties until the end of their terms of office,
      d. until the time that the Board will submit a proposal for the appointment of an eleventh non-executive independent Board member to the approval of
the shareholders at a future shareholders meeting, the Board will be constituted of ten (10) Board members, the aforementioned under (iii) are described in the Explanatory Notes and Annex 2 to this agenda, and

(iv) As a consequence of the changes in the Articles of Association regarding the dismissal of the Chief Executive Officer, amend the Company’s Remuneration Policy for the Chief Executive Officer, including the terms of the remuneration in the form of shares or rights to acquire shares, as described in the Explanatory Notes and Annex 3 to this agenda, with effect of completion of the Contribution in Kind. The Company's Remuneration Policy for the Chief Executive Officer, once amended, will also apply in principle for determining the remuneration of the Executive Chairman.

3. Any other business.

4. Adjournment.

This agenda, including the explanatory notes, as well as a copy of the draft deed of amendment of the Company’s Articles of Association (in Dutch and in English), information on the persons proposed for appointment to the Board and the proposed amendments to the Remuneration Policy for the Chief Executive Officer are available, free of charge, at the Company's head office (Joop Geesinkweg 541-542, Amsterdam, the Netherlands) and at the offices of Axalto International S.A.S. (50, avenue Jean Jaurès, Montrouge Cedex, France) and are published on the Company's website (www.axalto.com).
Re Agenda Item 2

The Board of Directors of the Company and the Board of Directors of Gemplus International S.A. (“Gemplus”) have determined that it is in the best corporate interests of the Company and Gemplus to effect the combination of their respective businesses (the “Combination”) in a “merger of equals”.

The shareholders are asked to approve the Combination and the items to implement the Combination through the single resolution hereunder.

Item 2

A Discussion on and approval of the Combination

Background to and rationale for the Combination

In an industry fragmented and having matured, ready for consolidation, the Company and Gemplus have decided to seize the first mover advantage and to select each other as their best partner for leveraging the industry growth that they both see ahead.

By doing so, the Company and Gemplus combine
- their Sales & Marketing coverage for superior customer service,
- their Research & Development extensive capabilities for innovation and new product deployment,
- their best practices, combined volume and worldwide presence to improve their production efficiencies and their supply chain, to enable their suppliers to optimize their manufacturing processes, and overall reduce their overhead ratios.

By doing so, the Company and Gemplus aim at extending their value propositions to their customers, at redefining what their industry and themselves can offer in terms of secure trusted platforms and products, at developing and promoting new standards more rapidly for the new applications of their technologies, and overall at bringing new advanced convenient trusted products and capabilities to the world consumers and citizens.

By doing so, the Company and Gemplus aim at improving significantly their returns to shareholders compared to what each of their companies would have done individually, and at providing significant additional career and development opportunities for their employees.

Financial analysis of the Combination

The Combination will be executed in two steps. TPG Giant, LLC, TPG Partners III, L.P. and T3 Partners, L.P. (“S1”) and Mrs. Johanna Quandt, Mr. Stefan Quandt, Acton 1
Beteiligungs GmbH, Acton 2 Beteiligungs GmbH and Acton 3 Beteiligungs GmbH ("S2"), Gemplus’ largest shareholders, have agreed to contribute their shares to the Company at an exchange ratio of 2 Company shares for every 25 Gemplus shares. Concurrent with this Contribution in Kind, Gemplus will distribute € 0.26 per share to all its shareholders including S1 and S2. The exchange ratio, taking into account the distribution payable to Gemplus shareholders, represents a nil-premium transaction on the basis of the share price of the two companies, measured on a 30-day trailing basis.

Following the completion of the Contribution in Kind, the Company will launch a voluntary public exchange offer for the remaining Gemplus shares, based on the same exchange ratio of 2 Company shares for 25 Gemplus shares. Gemplus shareholders will receive in total, assuming full acceptances, approximately 50.2 million newly issued Company shares, representing 55.6% of the outstanding capital of the combined group, with the Company’s shareholders representing 44.4% of the share capital.

Structure of the Combination

It is intended to perform the Combination as follows:

(i) general: the Combination will be effected by a two step transaction: (1) the Contribution in Kind (as defined below) whereby the Company shall issue new shares of its common stock with a par value of EUR 1 ("Company Shares") to S1 and S2 in exchange for their shares of Gemplus common stock ("Gemplus Common Stock") and (2) an offer to exchange new Company Shares to be made to shareholders of Gemplus other than S1 and S2 for their shares of Gemplus Common Stock and certain other securities subject to the offer, if any. The Combination of the respective businesses of Gemplus and the Company would commence upon completion of the Contribution in Kind. The parties, having taken into consideration the respective valuations of Gemplus (following a distribution of Euros 0.26 per share from Gemplus reserves to the Gemplus shareholders) and the Company, have set for purposes of the Combination an exchange ratio of 25 shares of Gemplus Common Stock for 2 Company Shares (the "Exchange Ratio"), on the terms and subject to the conditions set forth in the Combination Agreement dated December 6, 2005 by and among the Company, Gemplus, S1 and S2 with respect to the Combination (the “Combination Agreement”);

(ii) as the initial step in the Combination, the Company and S1, holder of 159,305,600 shares of outstanding Gemplus Common Stock (the “S1 Shares”), representing approximately 25.3 % of the entire issued and outstanding share capital of Gemplus, and S2, holder of 115,508,200 shares of outstanding Gemplus Common Stock (the “S2 Shares”), representing approximately 18.4 % of the entire issued and outstanding share capital of Gemplus, have negotiated the transfer of the S1 Shares and the S2 Shares respectively to the Company to be made simultaneously with the filing of the French Offer (as defined below) (as evidenced by the publication of the
Avis de Dépôt) in exchange for the issuance by the Company to S1 and S2 respectively of new Company Shares in the amounts of 12,744,448 for S1 and 9,240,656 for S2, in each case determined in accordance with the Exchange Ratio (hereinafter referred to as the “S1 Contribution in Kind” and the “S2 Contribution in Kind” respectively, and together, the “Contribution in Kind”), on the terms and subject to the conditions set forth in the Combination Agreement;

(iii) as the second step in the Combination, the Company and Gemplus have negotiated the launching in France by the Company of a voluntary exchange public tender offer (the “French Offer”) to exchange, in accordance with the Exchange Ratio, new Company Shares for all shares of Gemplus Common Stock, and certain other securities issued by Gemplus, if any, owned by any and all security holders of Gemplus, with the exception of certain security holders to which the US Offer (as defined below) would be made to the extent a US Offer is launched by the Company, on the terms and subject to the conditions set forth in the Combination Agreement;

(iv) the Company and Gemplus have negotiated that, if the Company deems it to be required under applicable law or to be otherwise advisable, an exchange offer shall be launched in the United States (the “US Offer”) to exchange, in accordance with the Exchange Ratio, new Company Shares, or American depository shares representing new Company Shares as applicable, for Gemplus Common Stock tendered by US resident holders or American depositary shares representing Gemplus Common Stock tendered by holders without regard to residency, on the terms and subject to the conditions set forth in the Combination Agreement;

B Amendment of the Articles of Association

In connection with the Combination, it is proposed to amend the Articles of Association of the Company, with effect of completion of the Contribution in Kind. For the proposal, reference is made to the Dutch draft of the deed of amendment of the Company’s Articles of Association drawn up by De Brauw Blackstone Westbroek N.V. in Amsterdam, as published on the Company's website (www.axalto.com). Changes include the change of the name of the Company to Gemalto N.V. and the introduction of a temporary new function in the Board of Directors, the Executive Chairman, for a term beginning on the date of completion of the Contribution in Kind and expiring eighteen (18) months after said date of completion and changes regarding the dismissal of the Chief Executive Officer, which provision shall also apply to the Executive Chairman.

An unofficial English translation of the draft deed of amendment of the Articles of Association is attached to this explanatory memorandum (Annex 1). The Dutch draft deed
of amendment of the Articles of Association is available for inspection at the offices of the Company.

The proposal also implies the authorisation in connection with the amendment of the Articles of Association of any and all members of the Board, as well as any and all lawyers and paralegals practising with De Brauw Blackstone Westbroek N.V. to apply for the required ministerial declaration of non objection on the draft mentioned as well as to execute the notarial deed of amendment to the Articles of Association.

**C Increase the number of members of the Board and appointment of Mr. Alex Mandl as Executive Chairman of the Board, as well as appointment of other members of the Board**

In view of the Combination it is proposed to the General Meeting of Shareholders to increase the number of members of the Board to eleven (11) as per the date of completion of the Contribution in Kind, as required under the Combination Agreement, subject to the condition of execution of the deed of amendment of the Articles of Association, including the appointment of Mr. Alex Mandl as Executive Chairman of the Board, for a term beginning on the date of completion of the Contribution in Kind and expiring eighteen (18) months after said date of completion, the appointment of Mr. David Bonderman, Mr. Geoffrey Fink, Mr. Johannes Fritz and Mr. John Ormerod as non-executive members of the Board as per the date of completion of the Contribution in Kind, as required under the Combination Agreement, and the acknowledgement of the resignations of Mr. Maarten Scholten and Mr. Willem Stolwijk as members of the Board as per the date of completion of the Contribution in Kind, and granting of discharge for the fulfilment of their duties until the end of their terms of office.

The Board will submit a proposal for the appointment of an eleventh non-executive independent Board member to the approval of the shareholders at a future shareholders meeting. Until such time the Board will be constituted of ten (10) Board members.

For further details on the proposed candidates’ careers and experiences reference is made to the attached resumes (Annex 2).

The Board has chosen not to use its right to make a binding nomination.

**D As a consequence of the changes in the Articles of Association regarding the dismissal of the Chief Executive Officer, amend the Company’s Remuneration Policy for the Chief Executive Officer, including the terms of the remuneration in the form of shares or rights to acquire shares with effect of completion of the Contribution in Kind.**
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. As a consequence of the proposed changes in the Articles of Association regarding the dismissal of the Chief Executive Officer, this agenda item is to amend the Company’s Remuneration Policy for the Chief Executive Officer, including the terms of the remuneration in the form of shares or rights to acquire shares. For a description of the proposed amendments to the remuneration policy reference is made to Annex 3 to these Explanatory Notes. It is intended that the Company's Remuneration Policy for the Chief Executive Officer, once amended, will also form the basis for determining the remuneration of the Executive Chairman.

**Conclusion**

The General Meeting of Shareholders is asked to approve the above-described single resolution regarding the Combination and the items to implement the Combination. This resolution under agenda item 2 is adopted by a majority of at least two thirds of the votes cast at a General Meeting of Shareholders, at which at least one third of the issued share capital is represented.