Gemalto N.V.
Minutes of the Annual General Meeting of Shareholders
held on May 19, 2006 (at that time still called Axalto Holding N.V.)

(This is not a verbatim account of the proceedings)

1. Opening and announcements

Mr. John de Wit, chairman ("Chairman") of the board of directors ("Board") of Gemalto N.V., at that time still called Axalto Holding N.V. ("Company"), speaking on behalf of the Board, opens the 2006 Annual General Meeting of Shareholders of the Company ("AGM"), at the Crowne Plaza Hotel Amsterdam-Schiphol at Planetbaan 2, Hoofddorp, the Netherlands at 10:30 a.m. CET on Friday, May 19, 2006 and welcomes the shareholders and all others present. The Chairman introduces to the meeting each Board member attending and informs the meeting that Mr. Arthur van der Poel has asked to be excused.

The Chairman welcomes Mr. Jean-Pierre Charlet, the Company Secretary and appoints Mr. Jean-Pierre Charlet as the secretary of the meeting ("Secretary") in accordance with the Company’s articles of association ("Articles of Association").

The Chairman also welcomes the Company’s civil-law notary, Mr. Frans Rosendaal of the law firm De Brauw Blackstone Westbroek N.V., as well as the Company’s external auditor, Mr. Fernand Izeboud of the accountants firm PricewaterhouseCoopers N.V.

The Chairman notes that the proceedings of the meeting will be recorded, only for internal purposes and use, to facilitate the preparation of the minutes. The official language of the meeting shall be English.

The meeting has been convened with due observance of all legal and statutory provisions. The notice to attend the meeting, including the agenda, has been published in ‘Het Financieele Dagblad’ and ‘La Tribune’ on May 3, 2006.

All documents, in English and French, including the agenda and the explanatory notes, as well as copies of the 2005 Annual Report, including the 2005 Financial Statements, are available at the meeting. These documents have been available for inspection at the offices of the Company in Amsterdam and at the offices of Axalto International SAS in Meudon as of May 3, 2006 and have been published on Gemalto’s website and the AMF’s website.

No shareholders have requested to place any items on the agenda.

In accordance with article 27 of the Articles of Association, the resolutions placed on the agenda and set out in the explanatory notes to the agenda, which resolutions the AGM is asked to approve, shall be adopted by an absolute majority of votes cast in a General Meeting of Shareholders where at least one fourth of the issued capital is present or represented, except for the resolution to re-appoint Mr. Willem Stolwijk as non-executive member of the Board, which resolution shall be adopted by an absolute majority of the votes cast in a General Meeting of Shareholders, without a quorum being required.
The Chairman informs the meeting that, according to the attendance list, the holders of 10,743,570 shares are present or represented at the AGM, who may cast 10,743,570 votes, which is more than one fourth of the issued share capital, excluding the number of shares owned by the Company in its own share capital, so valid resolutions can be taken.

In accordance with the Articles of Association, the Chairman decides that voting during the meeting shall be by acclamation per item, provided that persons entitled to vote are free to explicitly cast their votes against a proposal or to abstain from voting during the meeting. There are no objections against this decision from the meeting.

2. Annual Report 2005

The Chairman proceeds with the second item on the agenda: the Annual Report of the Board on the financial year 2005.

The Chairman expresses his appreciation to the Board for its Annual Report. Further to the invitation of the Chairman, Mr. Olivier Piou, Chief Executive Officer of the Company (“CEO”) presents to the meeting a summary of the most important developments in the financial year 2005 and the current state of affairs, and Mr. Charles Desmartis, Chief Financial Officer of the Company (“CFO”) informs the meeting on the financial affairs. (For more information see the presentations, which have been made available on the Gemalto website).

The Chairman thanks the CEO and the CFO for their presentation and gives the shareholders the opportunity to discuss and ask questions regarding the Annual Report.

Since none of the shareholders wishes to ask questions or make remarks, the Chairman concludes the item of the meeting.

3. Adoption of the 2005 Financial Statements

The Chairman proceeds with the third item on the agenda: the adoption of the Financial Statements for the year 2005, consisting of the balance sheet as per December 31, 2005, the profit and loss account regarding the financial year 2005 and the explanatory notes thereto, as well as the consolidated balance sheet, the consolidated profit and loss account and the explanatory notes thereto.

The Financial Statements have been prepared in the English language due to the international structure of the Company. Prior to the IPO, the General Meeting of Shareholders approved the preparation of the Financial Statements, as well as the Annual Reports, in the English language.

The Chairman gives the shareholders the opportunity to discuss and ask questions regarding the Financial Statements. Since none of the shareholders wishes to ask questions or make remarks, the Chairman proposes to the meeting to adopt the 2005 Financial Statements of the Company.

The Chairman asks whether there are any votes against the proposal or any abstentions. Netherlands Management Company B.V. (“NMC”), on behalf of Euroclear France S.A., confirms that 10,743,570 shares have voted in favour of the resolution and 0 shares have voted against or have abstained from voting. As 100% of the shares have voted in favour, the Chairman determines that the proposal is adopted.
The Chairman concludes the item of the meeting.

4. **Allocation of profits**

The Chairman proceeds with the fourth item on the agenda: the allocation of profits.

The Company’s current policy on additions to reserves and distributions of dividends is that the amount of dividends to be paid by the Company to its shareholders shall be determined by taking into consideration the Company’s capital requirements, return on capital, current and future rates of return and market practices, notably in its business sector, as regards the distribution of dividends.

The Chairman informs the meeting that the Company will not pay a dividend in 2006 in respect of the 2005 financial year, as the Board has determined with due observance of the Company's policy on additions to reserves and distributions of dividends to appropriate the profits to the retained earnings.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions or make remarks, the Chairman concludes the item of the meeting.

5a. **Discharge of the CEO for the fulfillment of his duties during the past financial year**

The Chairman proceeds with section (a) of the fifth item on the agenda: discharge of the CEO for the fulfillment of his duties during the past financial year.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions or make remarks, the Chairman proposes to the meeting to discharge the CEO for the fulfillment of his duties during the past financial year.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A., confirms that 10,542,248 shares have voted in favour of the resolution and 186,822 shares have voted against. Furthermore, 14,500 shares have abstained from voting. As 98,13% of the shares have voted in favour, the Chairman determines that the proposal is adopted.

The Chairman concludes the item of the meeting.

5b. **Discharge of the non-executive members of the Board for the fulfillment of their duties during the past financial year**

The Chairman proceeds with section (b) of the fifth item on the agenda: discharge of the non-executive members of the Board for the fulfillment of their duties during the past financial year.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions or make remarks, the Chairman proposes to the meeting to discharge the non-executive members of the Board for the fulfillment of their duties during the past financial year.
The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A., confirms that 10,542,248 shares have voted in favour of the resolution and 186,822 shares have voted against. Furthermore, 14,500 shares have abstained from voting. As 98,13% of the shares have voted in favour, the Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

6. Authorization of the Board to repurchase shares in the Company

The Chairman proceeds with the sixth item on the agenda: authorization of the Board to repurchase shares in the Company.

This is a matter that is commonly included on the agenda for Annual General Meetings of Shareholders of Dutch public listed companies.

The authorization granted on May 11, 2005 will end on November 11, 2006. Therefore the Board proposes to the shareholders to irrevocably authorize the Board as from May 19, 2006 to cause the Company to acquire, whether as an on or off financial market purchase, shares in the share capital of the Company up to the maximum of 10% of the issued share capital of the Company, as permitted under Dutch law for a period of eighteen-months up to and including November 19, 2007, on such dates and in such portions as the Board may deem appropriate, in accordance with applicable provisions of Dutch law and the Company's Articles of Association, 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 Eurolist by Euronext Paris S.A. in the five business days preceding the date on which the shares concerned are acquired by the Company.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions or make remarks, the Chairman, referring to the aforementioned proposed resolution, asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A., confirms that 10,022,289 shares have voted in favour of the resolution and 59,000 shares have voted against. Furthermore, 662,281 shares have abstained from voting. As 93,29% of the shares have voted in favour, the Chairman determines that the proposal is adopted.

The Chairman concludes the item of the meeting.

7. Re-appointment of external auditor for the financial year 2006

The Chairman proceeds with the seventh item on the agenda: re-appointment of the external auditor for the financial year 2006.

In line with the Dutch corporate governance code, the Audit Committee has conducted an evaluation of the performance of the external auditor during the financial year 2005. Based on the outcome of the evaluation, the Audit Committee has positively advised the Board in relation thereto. Therefore the Board proposes to the shareholders to re-appoint PricewaterhouseCoopers Accountants N.V. as the Company's external auditor for the financial year 2006.
The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask any further questions or make remarks, the Chairman proposes to the meeting to re-appoint PricewaterhouseCoopers Accountants N.V. as the Company’s external auditor for the financial year 2006.

The Chairman asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A., confirms that 10,670,438 shares have voted in favour of the resolution and 73,132 shares have voted against. Furthermore, 0 shares have abstained from voting. As 99,32% of the shares have voted in favour, the Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.

8. Remuneration of the non-executive members of the Board

The Chairman proceeds with the eighth item on the agenda: remuneration of the non-executive members of the Board.

Dutch law and the 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.

In view of the substantial additional work in 2005 and 2006 related to the proposed Combination of the Company and Gemplus International S.A., the Board proposes to the shareholders to grant a one time additional remuneration of 15,000 euros (fifteen thousand euros) to the Company’s non-executive Board members Messrs. Kent Atkinson, Arthur van der Poel, Maarten Scholten, Michel Soublin, Willem Stolwijk, and of 25,000 euros (twenty five thousand euros) to Mr. John de Wit in his quality of current Chairman of the Company and to Mr. John Ormerod in his quality of future Chairman of the Audit Committee of Gemalto. Payment will be done subject to completion of the Contribution in Kind, as required under the Combination Agreement.

After review, the Remuneration Committee has recommended the one time additional remuneration to the Board and is confident that the non-executive members of the Board are fairly compensated for the work involved in overseeing the management of the Company and that the fee is competitive in attracting and retaining qualified non-executive members of the Board.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions or make remarks, the Chairman, referring to the aforementioned proposed resolution, asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A., confirms that 10,671,970 shares have voted in favour of the resolution and 57,100 shares have voted against. Furthermore, 14,500 shares have abstained from voting. As 99,33% of the shares have voted in favour, the Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.
9. If the Contribution in Kind has not been completed prior to the AGM, re-appointment of Mr. W. Stolwijk as non-executive member of the Board

The Chairman proceeds with the ninth item on the agenda: re-appointment of Mr. W. Stolwijk as non-executive member of the Board, if the Contribution in Kind has not been completed prior to the AGM.

The Chairman informs the meeting that the Contribution in Kind has not yet been completed.

The members of the Board are appointed by the General Meeting of Shareholders, upon the proposal of the Board. Pursuant to the Articles of Association, the Board shall consist of such number of members as may be determined by the General Meeting of Shareholders.

Presently the number of members of the Board is set at 7 as approved by the General Meeting of Shareholders prior to the IPO. The number of members of the Board will be increased to 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, as approved by the Extraordinary General Meeting of Shareholders held on January 31, 2006. However until the time that the Board will submit a proposal for the appointment of an 11th non-executive independent Board member to the approval of the shareholders at a future General Meeting of Shareholders, the Board will be constituted of 10 Board members.

At this AGM the present term of Mr. Stolwijk ends, in accordance with the retirement schedule as drawn up by the Board. The Board welcomes the fact that Mr. Stolwijk is available for re-appointment and proposes to re-appoint Mr. Stolwijk as non-executive member of the Board of Directors as per May 19, 2006 for a period ending at the end of the Company's Annual General Meeting of Shareholders to be held in 2010, or ending at the date of the completion of the Contribution in Kind, if earlier. The Board also proposes that the remuneration of Mr. Stolwijk is in accordance with the remuneration of the non-executive members of the Board and of the Board committees.

Upon re-appointment, Mr. Stolwijk will be a member of the Company's Audit Committee.

The Board has chosen not to use its right to make a binding nomination. Therefore, the resolution to re-appoint Mr. Stolwijk shall be adopted by an absolute majority of the votes cast in a General Meeting of Shareholders, without a quorum being required.

The Chairman gives the shareholders the opportunity to discuss and ask questions. Since none of the shareholders wishes to ask questions or make remarks, the Chairman, referring to the aforementioned proposed resolution, asks whether there are any votes against the proposal or any abstentions. NMC, on behalf of Euroclear France S.A., confirms that 10,655,938 shares have voted in favour of the resolution and 73,132 shares have voted against. Furthermore, 14,500 shares have abstained from voting. As 99.18% of the shares have voted in favour, the Chairman determines that the proposal is adopted.

The Chairman concludes this item of the meeting.
10. Any other business

The Chairman proceeds with the tenth item on the agenda and gives the shareholders the opportunity to ask questions with respect to items that have not previously been discussed.

Since none of the shareholders wishes to ask questions or make remarks, the Chairman concludes the item of the meeting.

Adjournment

The Chairman thanks everyone on behalf of the Board for their attendance and contribution to the discussion at the AGM and closes the meeting at 11:30 a.m.

Signed,

Chairman
Mr. John de Wit

Secretary
Mr. Jean-Pierre Charlet