The Company firmly believes that strong adherence to high standards of corporate governance is the surest foundation of long-term shareholder value. The board of directors in this regard plays an important role by ensuring the highest quality of its members and a strong adherence to applicable law and regulations.

THE MEMBERS OF THE BOARD OF DIRECTORS

Under Luxembourg law, our board of directors is vested with broad powers to manage our company. All powers not expressly reserved by law or by the articles of incorporation to the shareholders fall within the powers of the board of directors.

Our board of directors currently has twelve members. Members of the board are appointed by the shareholders to serve terms not to exceed three years and may be re-appointed for consecutive terms. They may resign at any time, and their functions as members of the board may be terminated at any time by a simple majority of the votes of the shareholders voting at a general meeting. Under Luxembourg law, a director may be an individual or a corporation.

Our board of directors conducts its activities in accordance with governance principles set forth in applicable regulations, exchange rules, and the company’s articles of incorporation, corporate governance guidelines, committee charters and other adopted practices.

The board of directors is headed by a Chairman, who is not the Chief Executive Officer of the Company since those two functions are independent of each other.
As of January 1, 2005, as well as on April, 2006, the following individuals comprised our board of directors:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Date of appointment</th>
<th>Expiration of Term</th>
<th>Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominique Vignon</td>
<td>58</td>
<td>June 21, 2002</td>
<td>April 2007</td>
<td>Chairman of our board of directors</td>
</tr>
<tr>
<td>David Bonderman</td>
<td>63</td>
<td>December 19, 2001</td>
<td>April 2007</td>
<td>Vice-Chairman of our board of directors; Managing Partner, Texas Pacific Group</td>
</tr>
<tr>
<td>Alex Mandl</td>
<td>62</td>
<td>October 29, 2002</td>
<td>April 2007</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Michel Akkermans</td>
<td>46</td>
<td>April 27, 2004</td>
<td>April 2007</td>
<td>Founder and Chairman Clear2Pay</td>
</tr>
<tr>
<td>Geoffrey Fink</td>
<td>36</td>
<td>October 28, 2003</td>
<td>April 2007</td>
<td>Principal, Texas Pacific Group</td>
</tr>
<tr>
<td>Johannes Fritz</td>
<td>51</td>
<td>December 19, 2002</td>
<td>April 2007</td>
<td>Head of Quandt family office</td>
</tr>
<tr>
<td>Kurt Hellström</td>
<td>62</td>
<td>April 27, 2004</td>
<td>April 2007</td>
<td>Advisor, Investor AB</td>
</tr>
<tr>
<td>Werner Koepf</td>
<td>64</td>
<td>October 28, 2003</td>
<td>April 2007</td>
<td>Member of the board of directors of Marconi Corporation plc</td>
</tr>
<tr>
<td>Peter Kraljic</td>
<td>66</td>
<td>April 17, 2002</td>
<td>April 2007</td>
<td>Member of the McKinsey Advisory Council</td>
</tr>
<tr>
<td>Daniel Le Gal</td>
<td>55</td>
<td>April 17, 2002</td>
<td>April 2007</td>
<td>Partner and Managing Director, Finadvance</td>
</tr>
<tr>
<td>John Ormerod</td>
<td>57</td>
<td>June 1, 2004</td>
<td>April 2007</td>
<td>Former Senior Partner, Deloitte &amp; Touch Tohmatsu</td>
</tr>
<tr>
<td>William S. Price III</td>
<td>50</td>
<td>February 1, 2000</td>
<td>April 2007</td>
<td>Managing Director, Texas Pacific Group</td>
</tr>
</tbody>
</table>

Our board of directors held eight meetings in 2005. At these meetings, the average attendance (physically and by telephone) was 89.6%.

The board of directors has conducted an evaluation of its own work and performance in the first half of 2006.

On February 28, 2006, our shareholders approved, subject to the realization of a condition precedent pertaining to the completion of the proposed combination with Axalto, the recomposition of the board of directors of the company (i) by setting the number of members of the board of directors at five (5) Directors, (ii) by replacing the current members of the board of directors (either by acknowledgment of resignation or revocation) by the appointment (or re-appointment) of MM. Alex Mandl, Olivier Piou, Werner Koepf, Daniel Le Gal and Michel Soublin.
THE COMMITTEES OF THE BOARD OF DIRECTORS

Our board of directors has four committees: an Audit Committee, a Governance and Nominating Committee, a Compensation Committee and a M&A and Strategy Committee.

The Governance and Nominating Committee and the M&A and Strategy Committee were created by a resolution of the board of directors on July 26, 2005.

Audit Committee

In 2005, the members of the Audit Committee were Mr. John Ormerod (Chairman), Mr. Werner Koepf, and Mr. Johannes Fritz, and Mr. Bill Price who resigned from the Audit Committee on April 13, 2005, and it was agreed that the Committee would not propose replacement of this position.

Our Audit Committee held eight meetings in 2005. At seven of these Audit Committee meetings, all members were in attendance (physically or by telephone). At one Audit Committee meeting, there were three members out of four in attendance.

The activities of the committee are governed by a specific committee charter. Among other things, this committee reviews our financial statements, the evolution of our material litigation and claims and potential conflicts of interests with a director or any other related party and all other activities as required by law and securities exchange rules. During 2005, the Audit Committee reviewed, among other items, our Consolidated Financial Statements for 2004, our quarterly statements for 2005, the quarterly accounting judgments and material comments made by our auditors and reports on related party transactions presented to it, as well as reports on the implementation of regulations arising under the Sarbanes-Oxley Act. Main off-balance sheet liabilities (and particularly guarantees and foreign exchange operation) are regularly reviewed by our Audit Committee and our Chief Financial Officer.

The Audit Committee has the sole authority with respect to the recommendation, compensation, retention and oversight of the work of our independent auditors. Luxembourg law requires our auditors to be appointed by our shareholders; therefore, our shareholders appoint the auditors upon recommendation of the Audit Committee after review of the auditors’ performance and fulfilment of certain specific criteria. The Audit Committee has not established any pre-approval procedures for permissible non-audit services proposed to be performed by our independent auditors, and requires each engagement for non-audit services to be approved in advance by the Audit Committee (except for delegation to the Chairman of the Committee of the authority to approve in advance all audit and non-audit services to be provided by the auditors if presented to the Audit Committee at the next regularly scheduled meeting).

Governance and Nominating Committee

As from its creation in July 26, 2005, the members of the Governance and Nominating Committee are Mr. Dominique Vignon (Chairman), Mr. David Bonderman, Mr. Johannes Fritz and Mr. Kurt Hellström.

Our Governance and Nominating Committee held one meeting in 2005. At this meeting, all members were in attendance (physically or by telephone).

The activities of the committee are governed by a specific committee charter. Among other things, this committee formulates, recommends to the board and oversees the implementation and administration of the Company’s corporate governance structure and framework; monitors and reviews any issues regarding the “independence” of directors or involving potential conflicts of interest; reviews the Company’s Corporate Governance Guidelines at least annually and recommends changes, as necessary, to the board; reviews and reports on additional corporate
governance matters as necessary or appropriate or as directed by the Chairman or the board of directors; leads the search for, screen, evaluates and recommends to the board of directors qualified candidates or nominees for election or appointment as directors, Chairman and Chief Executive Officer; recommends board committee assignments and committee chairs for consideration, including where relevant, on the determination of director independence; periodically administers and reviews with the board an evaluation of the processes, structure and performance of the board in order to identify areas of concern or potential issues relating to board and committee processes, performance and effectiveness and to assess and evaluate the overall effectiveness of individual directors; assesses and recommends to the board potential candidates for succession to the position of Chief Executive Officer; and recommends to the board the initial compensation of the Chief Executive Officer.

During 2005, the Governance and Nominating Committee reviewed the board composition and concluded that no changes were needed in the near future. It also discussed several assumptions related to succession plans for key executives of the Company, and reported to the Board accordingly.

**Compensation Committee**

As of the beginning of 2005, the members of our Compensation Committee were Dominique Vignon (Chairman), Mr. Geoffrey Fink and Mr. Werner Koepf. On July 26, 2005, Mr. Kurt Hellström was appointed as member of this committee. On October 21, 2005, Mr. Geoffrey Fink replaced Mr. Dominique Vignon as Chairman of the Committee.

The Compensation Committee held in 2005 four meetings and passed three unanimous written consents without a meeting. At two of these meetings, all members were in attendance (physically or by telephone). At two of these meetings, there were three members out of four in attendance.

The activities of the committee are governed by a specific committee charter. Among other things, this committee reviews our Chief Executive Officer compensation and makes recommendations on the compensation of our executive officers and directors. The Compensation Committee follows guidelines that generally call for the adjustable portion of executive compensation to vary between 50% and 100% of the applicable salary, depending on the executive’s position. Generally, half of this compensation depends on the achievement of overall objectives of the company, and the other half depends on achievement of individual objectives related to the executive’s performance.

In 2005, the Stock Administration Committee, acting as a subcommittee to the Compensation Committee, consisted of Mr. Alex Mandl, Mr. Philippe Duranton, Mr. Frans Spaargaren, and Mr. Stephen Juge. As of January 1, 2006, Mr. Xavier Molinié replaced Mr. Philippe Duranton as member of the Stock Administration Committee. The activity of this committee is governed by a specific committee charter. The Stock Administration Committee’s role is to advise the Compensation Committee concerning stock option issuances and related matters and to grant stock options to employees who are not members of the management executive committee. Stock options are generally granted to executives and certain other personnel when they are hired, and potential additional grants are subject to annual review based on individual and collective company achievement criteria.

**M&A and Strategy Committee**

On July 26, 2005 the Strategy Committee, which consisted of Mr. Dominique Vignon (Chairman), Dr. Peter Kraljic, Mr. Daniel Le Gal, Mr. Alex Mandl and Mr. William S. Price III, was replaced with the M&A and Strategy Committee. Pursuant to such change, Mr. Alex Mandl (Chairman), Mr. Geoffrey Fink and Mr. Johannes Fritz, and Dr. Peter Kraljic were appointed as the succeeding members of the M&A and Strategy Committee.
The M&A and Strategy Committee held six meetings during 2005 with all members in attendance.

The activities of the committee are governed by a specific committee charter. The committee’s role is to advise the board of directors concerning the Company’s overall strategy and long-term planning and M&A transactions, for which (pursuant to decisions of the board of directors) the committee has authority to approve relevant matters up to € 30 million and has subdelegated authority to the CEO for relevant matters up to € 10 million.

THE INDEPENDENCE OF THE BOARD MEMBERS

The board of directors has determined that as of April 25, 2006, based on relevant law and securities exchange rules, that all board of directors members but two are independent.

Mr. Alex Mandl, current CEO, and member of the board of directors whose current term expires on April 24, 2007, is not independent due to his current and former management and employment roles, respectively. Mr. Dominique Vignon, Chairman of the board of directors since June 21, 2002, may be considered not independent due to his existing employment contract with the company.

In accordance with the Company Corporate Governance Guidelines, the board of directors has determined that the following Directors are “Shareholder Affiliated Directors” (affiliated to a shareholder holding 10% or more of the company’s outstanding shares):

- Mr. David Bonderman is Founding Partner of Texas Pacific Group,
- Mr. William S. Price III is Founding Partner of Texas Pacific Group,
- Mr. Geoffrey Fink is Principal of Texas Pacific Group,
- Mr. Johannes Fritz is Head of the Quandt family office.

CONFLICT OF INTEREST

The board of directors and its Audit Committee pay particular attention to the issue of conflicts of interest of directors. A copy of the report of the board of directors on conflicts of interest pursuant to article 57 of the Luxembourg Law of August 10, 1915 has been duly prepared and is made available to the shareholders of the Company.

CORPORATE GOVERNANCE GUIDELINES

The Corporate Governance Guidelines were adopted by the board of directors in early 2004. These guidelines take into account various sources of advice and requirements on good corporate governance, including applicable legal requirements and rules of the AMF and Nasdaq securities exchanges.

The Corporate Governance Guidelines address a wide range of issues such as the board of directors composition, the selection of directors and their compensation as well as the convening and attendance at board of directors meetings. In addition the Corporate Governance Guidelines set up some principles and operational rules applicable to the Committees of the board of directors such as the Audit Committee and the Compensation Committee. Finally the guidelines contain a set of rules related to rights and duties of Directors and put a heavy emphasis on the duty of care, loyalty and candour as well as on the restrictions and prohibitions related to conflict of interest and insider trading.

Article VII of the guidelines related to the board of directors meetings provide that the board of directors shall meet at least five times a year. In accordance with the articles of association of the Company, meetings are convened with a minimum of seven days notice except in case of
justified urgency for which a shorter delay can apply. Documentation related to the agenda is sent to each member of the board of directors prior to the meeting. Each member of the board of directors may participate by conference call. Furthermore, the board of directors may unanimously pass written resolutions.

The Chairman presides at board of directors meetings. Board of directors’ approval of minutes occurs during the following regularly scheduled meeting of the board of directors.

**CODE OF ETHICS**

In December 2003, the board of directors approved a comprehensive Code of Ethics applicable to all directors, officers and employees of the Company. Management of the Company communicated and implemented the Code of Ethics throughout the company and monitored its application.

The Code of Ethics sets standards and provides guidance for the conduct of every employee, officer and director and more precisely in relation to (i) honest and ethical conduct including the handling of conflicts of interest; (ii) the compliance with French and US market authorities regulations and in more general terms with applicable law and regulations; and (iii) the enforcement within the Company of these rules. This code provides for a number of key areas where guidance on ethical conduct is especially important. The Audit Committee reviews annually the application of the Code of Ethics.

Dominique Vignon,
Chairman of the board of directors