Reminder:

Article 57 of the Luxembourg law of August 10, 1915, and paragraph 10 of the articles of incorporation of Gemplus International S.A. respectively provide that:

- “Any director having an interest in a transaction submitted for approval to the board of directors conflicting with that of the company, shall be obliged to advise the board thereof and to cause a record of his statement to be included in the minutes of the meeting. He may not take part in these deliberations. At the next following general meeting, before any other resolution is put to vote, a special report shall be made on any transactions in which any of the directors may have had an interest conflicting with that of the company.”

- “In case of a conflict of interests of a director, it being understood that the mere fact that the director serves as a director of a corporation belonging to the same group of companies as the Corporation shall not constitute a conflict of interests, he must inform the board of directors of such conflict and may not take part in the deliberation and the vote but he will be counted for the quorum. Any director having an interest in a matter submitted for approval to the board of directors conflicting with that of the Corporation, shall be obliged to inform the board thereof and to cause a record of his statement to be included in the minutes of the meeting. He may not take part in the deliberations of such matter. At the following general meeting, before any other resolution to be voted on, a special report shall be made on any transactions in which any of the directors may have an interest conflicting with that of the Corporation.”

**Board Committees: composition of the Governance and Nominating Committee, the Compensation Committee and the M&A and Strategy Committee**

On July 26, 2005, the following persons were appointed as the succeeding membership of the following committees:

(a) **Governance and Nominating Committee**: Dominique Vignon, David Bonderman, Johannes Fritz, Kurt Hellström.

(b) **Compensation Committee**: Dominique Vignon, Geoffrey Fink, Kurt Hellström, Werner Koepf.

(c) **M&A and Strategy Committee**: Alex Mandl, Geoffrey Fink, Johannes Fritz, Peter Kraljic.
Each individual abstained from the deliberation and vote in respect of his own appointment(s).

**Independence of the members of the Compensation Committee and the Governance and Nominating Committee**

On July 26, 2005, the Board resolved that the Compensation Committee and the Governance and Nominating Committee shall be comprised of independent directors as defined under applicable law and listing requirements, subject to the application and possible use of any available exemptions.

The Board approved the use of the currently available Nasdaq exemption to the extent necessary for Dominique Vignon to be a member of such committees. Mr. Vignon abstained from the deliberation and vote.

**Related party transactions**

On October 21, 2005, two minor related party transactions were reported to the Board, whereby the Company will be selling modules and smart cards and related solutions.

- The first transaction involves a company called Sim2Travel and the selling of a solution for the Chinese market, amounting to € 134,800 with some recurrent fees for applications licenses of € 0.4 / card for the first 100,000 cards. It was reported that Mr. Kurt Hellström had some minority interest in this company still in formation and may become a director.

- The second transaction involves a company called Leaseplan and Clear2Pay Services NV and the supply of certain volumes of chip cards regarding management of fleet vehicle costs, amounting up to € 210 thousand. Mr. Michel Akkermans is the Chairman and CEO of this company.

Reviews were conducted by management into the manner in which the transactions had been negotiated and it was reported that the respective Directors had had no involvement in the commercial discussions, and that the Company was selling the products and solutions at normal arms-length commercial prices and terms. The Audit Committee recommended the approval of these transactions to the Board, and the Board approved.

The concerned Director present, Mr. Akkermans, abstained from the deliberation and the vote. Mr. Hellström was absent and excused, and therefore did not take part in the deliberation and the vote.

**Adjustment of the exercise prices and numbers of shares which may be subscribed upon exercise of stock options granted under the Gemplus International S.A. Master Plans and the National Plans, including Reserve Plans and Market Performance Plans (the “Option Plans”), in relation with the proposed conditional share premium distribution**

On February 8, 2006, the Board resolved to ratify and approve a resolution and decisions of the Compensation Committee. The Committee’s decisions were to the effect that the resolution proposed to the forthcoming General Meeting of Shareholders of the Company to approve a conditional distribution of € 0.26 per share out of the share premium account, if adopted and implemented (after satisfaction of the relevant condition precedent), would result in an adjustment of the exercise prices and numbers of shares which may be subscribed upon exercise of stock options granted under the Option Plans. Messrs. Vignon, Bonderman, Mandl, Le Gal, Fritz, Kraljic and Price, given that they are the beneficiaries of stock option grants under Option Plans, abstained from the deliberation and vote.