

Annex 1

AXALTO HOLDING N.V.

PROPOSED AMENDMENT OF THE ARTICLES OF ASSOCIATION

EXPLANATION

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| I. <u>Article 1.1</u> shall be amended and shall read as follows: | |
| 1.1. The name of the company is: Gemalto N.V.
Its corporate seat is in Amsterdam. | 1.1. The name will be amended to reflect the partnership between Gemplus and Axalto. |
| II. <u>Article 12.3</u> shall be amended and shall read as follows: | |
| 12.3. The Board shall meet whenever the Chief Executive Officer, the Chairman or one-fifth of the directors in office so request. A quorum of an absolute majority of the directors entitled to vote shall be required for the adoption of a resolution of the Board in any matter whatsoever. A resolution of the absolute majority of the directors entitled to vote present, in person or by proxy, as hereinafter provided, at a meeting at which a quorum is so present, shall constitute a resolution of the Board. Each director has the right to cast one vote.
In case of absence a director may issue a proxy, however, only to another director. The directors may participate in the meetings of the Board and the meetings of the Board may also be held by telephone conference, videoconference or other audiovisual transmission systems and such participation shall count as these directors being present at the meeting, provided all participating can simultaneously | 12.3. The fifth sentence (“ In case of an equality of votes caste the relevant proposal shall be deemed to have been rejected, unless at least three directors are present or represented at the meeting in which case the Chief Executive Officer shall have a casting vote.”) will be deleted to enable the Board to adopt rules with respect to an equality of votes. |

hear one another. The Board meetings shall be held in the Netherlands, unless an absolute majority of the directors entitled to vote agrees otherwise.

III. Article 16.4 shall be amended and shall read as follows:

16.4. A resolution to suspend or dismiss a director, including a resolution to dismiss the Chief Executive Officer or the Chairman, shall upon proposal by the Board be adopted by an absolute majority of the votes cast.

IV. After article 39 a new article 40 will be added, which article shall read as follows:

Transitional Provision: The Executive Chairman.

Article 40.

40.1. In contravention of the foregoing provisions of these articles of association, the company shall have a director with the title of "Executive Chairman", appointed, upon the proposal of the Board, by the General Meeting of Shareholders for the period (hereinafter referred to as: the "Executive Period") starting on the date on which his appointment becomes effective, and expiring eighteen (18) months after the date on which his appointment becomes effective. For the duration of the Executive Period, and only during the Executive Period, the word "Chairman" as used in these articles of association shall be interpreted to mean "Executive Chairman". The remuneration of the Executive Chairman shall be determined in accordance with the procedure provided for in article 16.5 with respect to the Chief Executive Officer.

40.2. The day to day business of the company shall be conducted by the Chief Executive Officer. Without prejudice to article 17.6 the Chief

16.4. This article shall be amended to enable the General Meeting of Shareholders to suspend or dismiss members of the Board, including the Chief Executive Officer and the Executive Chairman, by a majority of votes with a simple quorum of 25% being required, as defined in article 27 paragraph 1.

40. An Executive Chairman will be appointed for a fixed period of eighteen months to facilitate the integration process of Gemplus and Axalto. During this eighteen months period the roles of the Executive Chairman and the Chief Executive Officer shall be as defined in article 40.

Executive Officer does not require the approval or consent of the Board or the Executive Chairman for any decision in respect of any day to day business matter.

40.3. The Executive Chairman and the Chief Executive Officer will together prepare all matters which require a resolution of the Board and will furthermore be entrusted with such additional powers and duties as the Board may from time to time determine, subject always to the overall responsibility of the Board.

40.4. For the duration of the Executive Period, and only during the Executive Period, the "Office of the Chairman" shall be constituted of the Executive Chairman and the Chief Executive Officer and they shall operate on the following principles:

- Sharing of the following responsibilities:
 1. Top thirty people;
 2. Strategy;
 3. Mergers & Acquisitions;
 4. Budget;
 5. Integration;
 6. Representation and relationships with:
 - a. Investors;
 - b. Key customers;
 - c. Government, agencies, partners.
 7. Process to decide on the first line management reporting to the Chief Executive Officer:
 - Executive Chairman and Chief Executive Officer to choose jointly who is best for the position;
 - Interview process and joint decision for people unknown to Executive Chairman or Chief Executive Officer.

- “Office of the Chairman Meeting”: shall also be attended by the Chief Financial Officer and the Heads of Human Resources, Strategy, Mergers & Acquisitions, and Integration, and they shall meet every four to six weeks to address and decide on all the matters listed above under 1 through 7.

The Executive Chairman and Chief Executive Officer shall decide jointly in respect of all matters listed above under 1 through 7.

The Executive Chairman is not entrusted with the management of the company and does not make day-to-day operating decisions. The Executive Chairman does not have direct reporting lines to him with the exception of the Chief Executive Officer.

- 40.5. The provisions of this article 40 shall remain in effect throughout the Executive Period and shall expire and have no further force or effect upon the expiration of the Executive Period.