



GEMPLUS INTERNATIONAL S.A.  
Société Anonyme  
46A, Avenue J.F. Kennedy  
L-1855 Luxembourg  
R.C.S. Luxembourg B 73 145  
(the "Company")

**SUMMARY OF THE DRAFT RESOLUTIONS SUBMITTED TO THE  
SHAREHOLDERS ANNUAL GENERAL MEETING OF  
APRIL 25, 2006**

**I. ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY**

**(1) Presentation of the Board of Directors reports**

*The reports presented in items 1(i) and (ii) of the Shareholders Annual Meeting of the Company do not require the shareholders' approval under Luxembourg law and therefore are not submitted to the shareholders' vote.*

**(i) Report by the Board of Directors to the General Meeting of Shareholders in accordance with Article 57 of the Luxembourg law on commercial companies dated August 10, 1915**

*Article 57 of the Law on commercial companies dated August 10, 1915 stipulates that the Board of Directors inform the General Meeting of Shareholders of any operations performed since the last General Meeting in which a director may have had an interest conflicting with the interests of the Company.*

Since the last General Meeting of Shareholders held on February 28, 2006, the following conflict of interest under Article 57 of the Luxembourg law of August 10, 1915, or under paragraph 10 of the articles of incorporation of the Corporation, has arisen:

**Decision on the Compensation package of the CEO**

Mr. Alex Mandl abstained from the deliberation and the vote with respect to a resolution of the Board of Directors in March 2006 on the submission to the approval of the general meeting of shareholders of the principles of his compensation package as Chief Executive Officer.

**(ii) Report by the Board of Directors to the General Meeting in accordance with Article 60 of the Luxembourg law on commercial companies dated August 10, 1915**

*Article 60 of the Law on commercial companies dated August 10, 1915 stipulates that the Board of Directors inform the General Meeting of Shareholders of the compensation paid to the "Administrateur Délégué" (Managing Director or Chief Executive Officer, "CEO") to whom the day-to-day management of the Company is entrusted. The report presented in this respect concerns the compensation and benefits of all kinds received by Mr. Alex Mandl in the exercise of his functions as CEO; it is supplemented by a report on the compensation paid to Directors.*

Mr. Alex Mandl's compensation is set forth in the contract approved by the Board of Directors on August 29, 2002, the compensation terms of which were ratified by the General Meeting on December 19, 2002. In 2005, the compensation of Mr. Alex Mandl consisted of his base salary, bonus, reimbursement of the running costs of his US residence (until August 2005) and other employee benefits.

The Compensation Committee of February 8, 2006 approved the CEO's variable bonus for 2005, amounting to 128.1% of his total annual entitlement.

**(2) Presentation of the Management Report by the Board of Directors of the Company for the year ended December 31, 2005**

The Chief Executive Officer of the group, Mr. Alex Mandl, will make a presentation of the Management Report by the Board of Directors for the year ended December 31, 2005.

**(3) Presentation by the auditors of the Company of their reports in respect of the consolidated and unconsolidated financial statements of the Company for the year ended December 31, 2005**

The auditors of the Company, PricewaterhouseCoopers, will present their reports in respect of the consolidated and unconsolidated financial statements of the Company for the year ended December 31, 2005.

**(4) Approval of the financial statements (annual accounts: balance sheet and statement of profit and loss) of the Company for the year ended December 31, 2005 in their consolidated form**

Upon reports of the Board and the auditors of the Company for the year ended December 31, 2005, we submit to your approval the consolidated balance sheet as of December 31, 2005 and the consolidated statement of profit and loss for the year 2005.

**(5) Approval of the financial statements (annual accounts: balance sheet and statement of profit and loss) of the Company for the year ended December 31, 2005 in their unconsolidated form**

Upon reports of the Board and the auditors of the Company for the year ended December 31, 2005, we submit to your approval the unconsolidated balance sheet as of December 31, 2005 and the unconsolidated statement of profit and loss for the year 2005.

**(6) Allocation of the results of the Company for the year ended December 31, 2005 by allocation of the annual net loss to the carry forward account**

We submit to your approval the allocation of the net loss of the year amounting to (754,548) euros to the carry forward account, which amounts to (585,092,212) euros and that will consequently amount after allocation to (585,846,760) euros.

**(7) Grant of discharge (“quitus”) to all Directors of the Company who have been in office during the year ended December 31, 2005**

We submit to your approval the grant of discharge to all Directors of the Company listed below who have been in office during the year ended December 31, 2005:

**Michel AKKERMANS**

**Peter KRALJIC**

**David BONDERMAN**

**Daniel LE GAL**

**Geoffrey FINK**

**Alex MANDL**

**Johannes FRITZ**

**John ORMEROD**

**Kurt HELLSTRÖM**

**William S. PRICE, III**

**Werner KOEPF**

**Dominique VIGNON**

**(8) Approval to purchase, acquire or receive shares in the Company**

We submit to your approval a request to authorise the Company, or any wholly-owned subsidiary, to purchase, acquire or receive shares in the Company, from time to time over the stock exchange or in privately negotiated transactions, and in the case of acquisition for value, at a purchase price being no less than € 1.00 and no more than € 4.00 and on such terms as shall be determined by the Board of Directors of the Company, provided such purchase is in conformity with Article 49-2 of the Luxembourg Company Law and with applicable laws and regulations, such authorisation being granted for purchases completed on or before October 25, 2007;

The acquisition of shares shall in addition be carried out in accordance with the following conditions:

- (a) They may be made by all methods or means in accordance with applicable regulations.
- (b) They may be made inter alia, and by order of priority:
  - (i) to reduce the capital of the Company (in value or in number of shares);
  - (ii) to meet obligations resulting from employee share option programs or other allocations of shares to employees of the Company or of an affiliated company;
  - (iii) to meet obligations resulting from debt financial instruments exchangeable into equity instruments;
  - (iv) to remit shares in payment or exchange in relation to possible external growth transactions;
  - (v) under the terms of a liquidity contract.

Shares redeemed may only be reduced as set out under (i) above with the prior authorisation of a General Meeting of Shareholders held following the date hereof.

- (c) In accordance with Article 49-2 of the Luxembourg law of August 10, 1915, the maximum number of shares that the Company may hold pursuant to this authorisation is 10 % of the issued share capital of the Company.

**(9) Approval of the principles of compensation of Board members**

We submit to your approval the principles of the compensation of Board members, up to an aggregate maximum amount of € 1,000,000, the CEO of the Company not being entitled to these fees, receiving his compensation on a different basis.

**(10) Approval of the principles of the compensation package of the Chief Executive Officer**

We submit to your approval the principles of the compensation package of the Chief Executive Officer (as a precautionary measure only in the event that all approvals and conditions of the proposed Gemalto combination are not obtained and satisfied by September 9, 2006) as set forth in the "CEO Compensation Principles Summary".

**(11) Reappointment of the independent auditors PricewaterhouseCoopers for a one year period to end at the next Annual General Meeting deciding on the 2006 accounts**

We submit to your approval the reappointment of the independent auditors PricewaterhouseCoopers for a one-year period to end at the next Annual General Meeting deciding on the 2006 accounts.

**(12) Miscellaneous.**

**II. EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY**

We submit to your approval:

- the confirmation and approval of the authorised share capital of the Company to be fixed at 400,000,000 euros represented by 1,889,466,226 shares,
- the authorisation to the Board of Directors to issue shares up to the total amount of the authorised, unissued, share capital with or without reserving any pre-emptive subscription rights for existing shareholders and as the Board of Directors may in its discretion determine,
- the extension of the validity period of the authorised share capital provided for under item 5.2.1 and the authorisation to the Board of Directors to issue shares under the authorised share capital under item 5.2.1 while waiving or suppressing pre-emptive subscription rights of existing shareholders for a period starting on the day of the extraordinary general meeting of shareholders held on April 25, 2006 (or any adjournment thereof) and ending on the fifth anniversary from the date of publication of the deed recording the minutes of such meeting in the Mémorial, the acknowledgment of the report of the Board of Directors of the Company relating to the circumstances and conditions upon which shares may be issued against cash within the authorised share capital as provided for in section 5.2.1. of the articles of incorporation whilst suppressing pre-emptive subscription rights of existing shareholders,
- the waiver and the authorisation to the Board of Directors to waive, suppress or limit pre-emptive subscription rights of existing shareholders, and

- the consequential amendment of paragraph 5.2 of the articles of incorporation of the Company as set out in the convening notice.