



**Gemalto**

**Policy on Inside information and  
Trading in Financial Instruments**

**(also called: Insider Trading Policy)**

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The Board of Gemalto N.V. with its corporate seat in Amsterdam, The Netherlands has adopted the following Policy on the holding of and effecting transactions in Financial Instruments relating to Gemalto N.V. and affiliated issuing institutions:

### **Recitals**

- This Policy has been adopted to ensure compliance with applicable rules in relation to the prevention of market abuse.
- Gemalto needs to ensure that any form of market abuse by its Employees, including the appearance thereof, is prevented. For that reason, this Policy incorporates several rules and prohibitions in respect of handling Inside Information that Employees need to be aware of and strictly comply with.
- This Policy is intended to promote that Employees act, with regard to the Financial Instruments that they hold, in accordance with the MAR and other applicable European, Dutch and French securities laws and regulations, including the FSA and the AMF General Regulations, and the codes applicable to the Company, including the Dutch Corporate Governance Code, and to limit the risk that the good reputation of the Company and the integrity of its business is harmed as a result of undesirable transactions in Financial Instruments.

### **Chapter I Introduction**

#### **Article 1 Definitions**

In this Policy capitalised terms shall have the meanings set out in **Annex 1** to this Policy.

#### **Article 2 Scope**

1. This Policy contains the regulations on the holding of and effecting transactions in Financial Instruments by Employees.
2. This Policy shall apply to all Employees, unless this Policy provides otherwise.
3. This Policy shall apply to Employees irrespective of the capacity in which they Execute Transactions and shall also apply if the Employee in question Executes a Transaction for another person's account or as another person's representative.
4. Applicable to Directors are: Chapters I through IV and VIII.
5. Applicable to Executives are: Chapters I through III, V and VIII.
6. Applicable to Designated Employees are: Chapters I, II, V and VIII.
7. Applicable to Other Employees are: Chapters I, VI and VIII.
8. Applicable to Affiliated Persons are: Chapters I, VII and VIII.

#### **Article 3 Statutory prohibitions and notification obligations**

The provisions of this Policy shall be without prejudice to the applicable prohibitions of the MAR and other applicable European, Dutch and French securities laws and regulations, including the FSA and the AMF General Regulations.

### **Chapter II Prohibitions applicable to Directors, Executives and Designated Employees**

#### **Article 4 Prohibitions against Executing Transactions in Gemalto Financial Instruments**

1. Every Director, Executive and Designated Employee shall be prohibited from making use of Inside Information by Executing or trying to Execute Transactions in Gemalto Financial Instruments to which the Inside Information relates.
2. Every Director, Executive and Designated Employee shall be prohibited from Executing Transactions in Gemalto Financial Instruments during a Closed Period, except if he/she is expressly authorised to do so by the Central Officer (a) on a case-by-case basis in exceptional circumstances, such as severe financial difficulty, which require the immediate sale of Gemalto shares; or (b) due to the characteristics of the trading involved for transactions made under, or related to, an employee share or saving scheme, provided that the relevant requirements set out in Article 9(a) to 9(f) of Regulation 2016/522 are satisfied. These exceptions are without prejudice to the prohibition from making use of Inside Information (as referred to in Article 4(1) above). The Central Officer shall consider requests in accordance with the criteria set out in Article 19(12) MAR and Articles 7, 8 and 9 of Regulation 2016/522.
3. Every Director, Executive and Designated Employee shall be prohibited from Executing Transactions in Gemalto Financial Instruments during a period – not being a Closed Period – in which he or she has been prohibited from doing so by the Central Officer pursuant to paragraph 6.
4. Every Director, Executive and Designated Employee shall be prohibited from Executing a Transaction in Gemalto Financial Instruments and within six months thereafter Executing another Transaction in Gemalto Financial Instruments, if the other Transaction is the opposite of the first Transaction or has the effect of undoing or limiting the risk of the first Transaction, with the proviso that this prohibition does not apply:
  - (i) if the first Transaction is the exercise of an option granted by the Company and the second Transaction is the sale of the Gemalto Financial Instruments acquired by the exercise of the option, and
  - (ii) to the sale of Gemalto Financial Instruments with a view to being able to pay a tax debt (*belastingsschuld*) that is due within such period as a consequence of having obtained Gemalto Financial Instruments under an employee participation plan.For the purpose of this provision (i.e. Article 4(4)), the acquisition of shares under the Company's Global Employee Share Purchase Plan ("**GESPP**") is not regarded as the Execution of a Transaction. This means that shares acquired under GESPP may be sold without regard to the 6-month period mentioned above. However, please note that the prohibition from making use of Inside Information (as referred to in Article 4(1) above) always applies to acquisitions and disposals of shares.
5. Every Director, Executive and Designated Employee shall be prohibited from Executing a Transaction in Gemalto, Affiliated and Other Financial Instruments which are of a speculative nature (among which short selling), for hedging purposes or for purposes of lending such Financial Instruments.
6. The Central Officer may prohibit Directors, Executives and Designated Employees from Executing Transactions in Gemalto Financial Instruments during a period outside the Closed Period to be determined by the Central Officer.
7. The prohibitions contained in paragraphs 1 through 5 shall not apply to:
  - a. the Execution of Transactions in the discharge of an obligation that has become due in good faith and not to circumvent the prohibitions under paragraphs 1 through 5, and

- that obligation results from an order placed prior to the time that the Director, Executive or Designated Employee possessed Inside Information;
- b. other transactions excluded or exempt by or under applicable law.
8. The prohibitions contained in paragraphs 1 through 5 and any possible exceptions thereto shall continue to have effect during a period of six months after the relevant Director, Executive or Designated Employee has ceased to occupy that capacity.

**Article 5** *Prohibitions against Executing Transactions in Affiliated Financial Instruments*

The provisions of Article 4 shall apply equally with respect to Transactions in Affiliated Financial Instruments.

**Article 6** *Prohibitions against Executing Transactions in Other Financial Instruments*

1. Every Director, Executive and Designated Employee shall be prohibited from Executing Transactions in Other Financial Instruments, if the Board or the Central Officer has so determined in accordance with this Article and has notified the Director, Executive or Designated Employee thereof, irrespective of whether he or she makes use of Inside Information relating to the Other Financial Instruments in question.

**Article 7** *Prohibitions against disclosure and making recommendations*

1. Every Director, Executive and Designated Employee shall be prohibited from disclosing Inside Information to any person, unless the disclosure is made in the normal exercise of his or her employment, profession or duties and the recipient of the Inside Information has an obligation of confidentiality, irrespective of whether this is based on law or regulation, provisions in articles of association, or an agreement.
2. Every Director, Executive and Designated Employee shall be prohibited from recommending to or inducing any person to Execute Transactions or have Transactions Executed by another Person in Gemalto, Affiliated and Other Financial Instruments to which his or her Inside Information relates or from inciting any person thereto.

**Chapter III Notification obligations applicable to Directors and Executives**

**Article 8** *Notification obligations pursuant to Chapter 5 of the FSA and the MAR*

1. Every Director shall:
- a. immediately notify the AFM of any change in the number of Shares and Votes he or she holds in the Company and in any Affiliated Issuing Institutions (unless this has already been notified pursuant to other applicable provisions of Chapter 5.3 of the FSA);
  - b. notify the AFM no later than on the third business day after the Transaction Date of Transactions Executed for his or her own account in Gemalto Financial Instruments (unless this has already been notified pursuant to paragraph 1(a));
  - c. if another public company under Dutch law becomes an Affiliated Issuing Institution, immediately notify the AFM of the number of Shares and Votes he or she holds in the Affiliated Institution (unless this has already been notified pursuant to other applicable provisions of Chapter 5.3 of the FSA); and
  - d. notify the AFM within two weeks of his or her appointment as Director of the number of Shares and Votes which he or she holds in the Company and the Affiliated Issuing Institutions.

- e. be subject to the applicable provisions of Chapter 5.3 of the FSA regarding substantial shareholdings.
- 2. The provisions of paragraphs 1(b) and 1(e) shall apply mutatis mutandis to every Executive.
- 3. For the purposes of paragraphs 1(b) and 2 (insofar it refers to paragraph 1(b)) above, transactions that must be notified shall also include:
  - a. the pledging or lending (the latter being prohibited pursuant to Article 4, paragraph 5 of this Policy) of Gemalto Financial Instruments by or on behalf of a Director or Executive (whereby, a pledge, or a similar security interest, of financial instruments in connection with the depositing of the financial instruments in a custody account does not need to be notified, unless and until such time that such pledge or other security interest is designated to secure a specific credit facility);
  - b. transactions in Gemalto Financial Instruments undertaken by persons professionally arranging or executing transactions or by another person on behalf of a Director or Executive, including where discretion is exercised. This includes the following cases:
    - (i) transactions in Gemalto Financial Instruments executed by an individual portfolio manager (even where such portfolio manager has a discretionary mandate), and
    - (ii) transactions in Gemalto Financial Instruments executed by managers of investment funds in which the Board member has invested, provided that the relevant fund manager can receive instructions or suggestions on the fund's portfolio composition directly or indirectly from any investors in that collective investment fund;
  - c. transactions in Gemalto Financial Instruments made under a life insurance policy, defined in accordance with the Solvency II Directive (2009/138/EC), where:
    - i. the policyholder is a Director or Executive,
    - ii. the investment risk is borne by the policyholder, and
    - iii. the policyholder has the power or discretion to make investment decisions regarding specific Financial Instruments, including Gemalto Financial Instruments, in that life insurance policy or to execute transactions regarding specific Financial Instruments, including Gemalto Financial Instruments, for that life insurance policy.

4. ***Transactions in collective investment undertakings which invest in Gemalto Financial Instruments***

The notification obligation referred to in paragraph 1(b) and (2) above shall not apply to transactions in Gemalto Financial Instruments where at the time of the transaction any of the following conditions is met:

- (a) the Financial Instrument is a unit or share in a collective investment undertaking in which the exposure to the Company's shares does not exceed 20% of the assets held by the collective investment undertaking;
- (b) the Financial Instrument provides exposure to a portfolio of assets in which the exposure to the Company's shares does not exceed 20% of the portfolio's assets;
- (c) the Financial Instrument is a unit or share in a collective investment undertaking or provides exposure to a portfolio of assets and the Director or Executive does not know, and could not know, the investment composition or exposure of such collective investment undertaking or portfolio of assets in relation to the Company's shares, and

furthermore there is no reason for the Director or Executive to believe that the Company's shares exceed the 20% threshold. If information regarding the investment composition of the collective investment undertaking or exposure to the portfolio of assets is available, then the Director or Executive shall make all reasonable efforts to avail him- of herself of that information;

5. The notification referred to in paragraph 1(b) and paragraphs 2 (insofar it refers to paragraph 1(b)) and 3 may be deferred until the moment that the Transactions Executed in the relevant calendar year by the Director or Executive for his or her own account have collectively (i.e. by adding up such Transactions without netting) reached a total amount of EUR 5,000 (it being specified that once such threshold has been reached, all Transactions leading up to such threshold shall be subject to the notification referred to in paragraphs 1 and 2).
6. Every Director and Executive may instruct the Central Officer to make the notifications referred to in this Article to the AFM on his or her behalf. The instructions shall be given in writing or by email. The Central Officer must receive the instructions before 13:00 on the business day prior to the final day for notification to the AFM. The instructions shall be accompanied by all details to be notified to the AFM. The Director and Executive himself or herself shall at all times remain responsible for the notification to the AFM.
7. Every Director and Executive shall notify the Central Officer without delay of any Transaction in Gemalto, Affiliated or Other Financial Instruments Executed by him or her.
8. Every Director and Executive must notify the Persons Affiliated with him or her of their notification obligation as set out in Article 15 of this Policy in writing and shall keep a copy of such notification.

#### **Chapter IV Specific provisions with regard to Directors**

##### **Article 9 Investments in Gemalto Financial Instruments**

1. Unless the provisions in and under the Policy provide otherwise, Directors shall have freedom of investment in Financial Instruments, subject to any applicable legal requirements.
2. Any holding of Gemalto Financial Instruments by a Director shall always be for long-term investment purposes.

##### **Article 10 Prohibitions with regard to options**

1. The Company may grant options on Gemalto Financial Instruments to Executive Directors in accordance with option schemes approved by the Company's general meeting of shareholders. Every Executive Director may accept and exercise such options only in accordance with the applicable regulations and this Policy.
2. Directors shall be prohibited from buying or writing options on Gemalto Financial Instruments and on Affiliated Financial Instruments, with the exception of options granted as part of an option plan as referred to in paragraph 1.

#### **Chapter V Specific provisions with regard to Executives and Designated Employees**

##### **Article 11 Prohibitions with regard to options**



1. The Company may grant options on Gemalto Financial Instruments to Executives and Designated Employees. Every Executive and Designated Employee may accept and exercise such options only in accordance with the applicable regulations and this Policy.
2. Executives and Designated Employees shall be prohibited from buying or writing options on Gemalto Financial Instruments and on Affiliated Financial Instruments, with the exception of options granted as part of an option plan as referred to in paragraph 1.

Article 12 *Notification obligations regarding substantial shareholdings*

Executives and Designated Employees shall be subject to the applicable provisions of Chapter 5.3 of the FSA regarding substantial shareholdings.

**Chapter VI Other Employees**

Article 13 *Prohibitions applicable to Other Employees*

1. Other Employees who know or ought to know that they possess Inside Information shall be prohibited from making use of that Inside Information by Executing or trying to Execute a Transaction in Gemalto, Affiliated or Other Financial Instruments, to which their Inside Information relates.
2. Other Employees who know or ought to know that they possess Inside Information shall be prohibited from disclosing Inside Information to any person, unless the disclosure is made in the normal exercise of their employment, profession or duties and the recipient of the Inside Information has an obligation of confidentiality, irrespective of whether this is based on law or regulation, provisions in the articles of association, or an agreement.
3. Other Employees who know or ought to know that they possess Inside Information shall be prohibited from recommending to or inducing any person to Execute Transactions or have Transactions Executed by another person in Gemalto, Affiliated or Other Financial Instruments, to which their Inside Information relates or from inciting any person thereto.
4. The prohibition contained in paragraph 1 shall not apply to:
  - a. the Execution of Transactions in the discharge of an obligation that has become due in good faith and not to circumvent the prohibitions under paragraphs 1 through 3, and that obligation results from an order placed prior to the time that the Other Employee possessed Inside Information;
  - b. other transactions excluded or exempt by or under applicable law

Article 14 *Notification obligations regarding substantial shareholdings*

Other Employees shall be subject to the applicable provisions of Chapter 5.3 of the FSA regarding substantial shareholdings.

**Chapter VII Affiliated Persons**

Article 15 *Notification obligations*

1. Every Affiliated Person (as defined in Annex 1 to this Policy) shall, no later than on the third business day after the Transaction Date, notify the AFM of Transactions Executed for his or her own account in Gemalto Financial Instruments.

2. Affiliated Persons shall be obliged themselves to make the notification to the AFM, as referred to in paragraph 1, unless they have instructed the Central Officer before 13:00 on the business day prior to the final day for notification, to make the notification referred to in paragraph 1 on their behalf. The instructions must be given in writing or by email and set out all details to be notified to the AFM. The Affiliated Person himself or herself shall at all times remain responsible for the notification to the AFM.
3. An Affiliated Person shall notify the Central Officer without delay of any Transaction in Gemalto Financial Instruments Executed by him or her.
4. The provisions of Article 8 paragraphs 3 and 4 shall apply *mutatis mutandis* to Affiliated Persons.
5. The notification referred to in paragraphs 1 and 3 may be deferred until the moment that the Transactions Executed in the relevant calendar year by the Affiliated Person for his or her own account have collectively (i.e. by adding up such Transactions without netting) reached a total amount of EUR 5,000 (it being specified that once such threshold has been reached, all Transactions leading up to such threshold shall be subject to the notification referred to in paragraph 1 and 3).

## **Chapter VIII Other provisions**

### VIII.1 Central Officer

#### Article 16 Appointment and dismissal

The Board shall designate a Central Officer. The Board may at any time revoke the designation of the Central Officer as such.

#### Article 17 Contact details

The Board shall announce who the Central Officer is and where he or she can be reached.

#### Article 18 Duties and powers

The Central Officer shall have the duties and powers granted to him or her in this Policy. The Board may grant additional duties and powers to the Central Officer.

#### Article 19 Advice; dispensation

1. The Central Officer may at an Employee's request render advice on whether a prohibition or obligation contained in this Policy applies to that Employee. If an Employee is in doubt as to whether a prohibition or obligation contained in this Policy applies to that Employee, it is advisable that he or she should contact the Central Officer and seek his or her advice. The advice of the Central Officer shall in no event be binding and any decision to Execute or not a Transaction in Gemalto, Affiliated and Other Financial Instruments is the sole responsibility of the Employee concerned.
2. The Central Officer may in exceptional circumstances grant dispensation from prohibitions or obligations contained in this Policy. The Central Officer or the Company shall in no event be liable for any Transaction Executed in connection with such dispensation.

#### Article 20 Deputy(ies)

The Central Officer may, in consultation with the Board, appoint one or more deputies, whether or not with offices in other countries, to carry out such duties and powers for the benefit of Employees in other

countries as the Central Officer shall determine in consultation with the Board. The Central Officer may, in consultation with the Board, appoint persons to replace him or her in his absence. The Central Officer shall announce who the appointed deputies are as well as where these deputies are to be contacted.

Article 21 Annual reporting

The Central Officer shall annually after the end of the Company's financial year report to the chairman of the Board on the manner in which he or she has exercised his duties and powers.

VIII.2 Register

Article 22 Contents

The Company shall, in accordance with the MAR, keep a Register setting out, in any event:

- a. the identity of the Directors, Executives and Designated Employees, as well as all other persons engaged by the Company who may possess Inside Information on a regular or incidental basis;
- b. the reason for including in the Register persons referred to under a;
- c. the date and time at which the persons referred to under (a) obtained access to Inside Information;
- d. the circumstance that and the moment from which the person no longer has access to Inside Information;
- e. all notifications to the Central Officer pursuant to this Policy;
- f. all instructions to the Central Officer to make a notification as referred to in this Policy;
- g. all requests to the Central Officer to grant dispensation and all dispensations as referred to in Article 19 paragraph 2 granted by the Central Officer.

The Register and all alterations thereof shall be dated (each update shall specify the date and time when the change triggering the update occurred), and shall be made up in accordance with Article 18 MAR as further implemented by Regulation 2016/347.

Article 23 Responsibility; specified purpose

The Company shall be responsible for the processing of Personal Data (to be) included in the Register. Personal Data shall only be processed for the purposes specified in the recitals of this Policy.

Article 24 Provision to third parties

Personal Data from the Register may be provided to the AFM and the AMF, in the event this is necessary for the fulfilment of a statutory obligation or if a weighty interest of the Company requires this.

Article 25 Custody; custody period

The Register shall be kept by the Central Officer. The Personal Data referred to in Article 22 under a. up to and including d. will be kept for a period of at least 5 years after the date of recording in the Register or alteration thereof. The Central Officer shall remove other Personal Data from the Register no later than two years after the person in question has ceased to be involved in the Company. If the processing of Personal Data referred to in Article 22 is necessary for the resolution of a dispute or relates to property rights and obligations of the Company, they will not be removed. In the event that the processing of the Personal Data is necessary for the resolution of a dispute, the Central Officer shall remove the Data as soon as it ceases to be relevant to the dispute. If the Personal Data relates to property rights and

obligations of the Company, the Central Officer shall remove it seven years after the date of its recording.

Article 26 Inspection

Any Employee, with regard to whom the Register contains Personal Data, shall have the right to inspect this data. He or she may apply to the Central Officer to that effect. If Personal Data is processed with regard to that Employee, the Central Officer shall within four weeks provide him or her with a full written summary thereof.

Article 27 Adjustment of data

Any Employee with regard to whom the Register contains Personal Data, shall have the right to request the Company to correct, add to, remove or block Personal Data in the Register relating to him or her, if this data is factually incorrect or, given the purpose of inclusion in the Register, is irrelevant. Such request shall be directed to the Central Officer. The Central Officer shall inform the party in question of his or her decision within four weeks of receiving the request. A decision to decline the request shall set out the reasons for the decision. In the event the request is granted, the Central Officer shall as soon as possible arrange for the relevant correction, addition, removal or blocking of the Personal Data. The Central Officer shall as soon as possible notify the AFM and, where applicable, the AMF of a correction, addition, removal or blocking of Personal Data insofar as this data had been provided to the AFM or the AMF, as the case may be.

The Central Officer shall immediately adjust the data included in the Register if:

- a. the reason for listing a person in the Register changes;
- b. a person should need to be added to the Register; and
- c. a person included in the Register no longer has access to Inside Information or is removed from the list, with mention of the date on which the person stopped having access to Inside Information.

Article 28 Security

Notwithstanding Article 24, only the Central Officer, the Chief Executive Officer and the chairman of the Board shall have the right to inspect the Register if their duties and the purposes specified in the recitals of this Policy require this.

VIII.3 Designations and notifications

Article 29 Disclosures

All notifications referred to in this Policy to be made to the AFM shall be made either by using the electronic facilities of the AFM service desk or by using the forms adopted by the AFM. The Central Officer shall provide information on the electronic facilities or make the forms available. The notifications shall be answered in a complete and truthful manner.

Article 30 Designated Employees

The Central Officer shall designate Employees who have access to Inside Information through the exercise of their employment, profession or duties as Designated Employees, and inform them in writing of that designation. The Central Officer may revoke the designation as Designated Employee if he or she believes that the reason for the designation has ceased to exist.

Article 31    Closed Periods

The Central Officer shall, in a timely manner, announce which periods in that financial year shall be deemed Closed Periods. Changes or additions shall be announced in the same manner in the course of the financial year.

Article 32    Affiliated Issuing Institutions

It will be notified which companies shall be regarded as Affiliated Issuing Institutions or shall be regarded to have issued Affiliated Financial Instruments for the purpose of this Policy. This notification shall take place immediately upon this Policy entering into force, and subsequently upon any change in the Affiliated Issuing Institutions.

Article 33    Notification of prohibitions and sanctions

The Company shall notify each Director, Executive and Designated Employee, as well as all other persons engaged by the Company who may possess Inside Information on a regular or incidental basis of their inscription on the Register, of the prohibitions of the MAR and of other applicable European, Dutch and/or French securities regulations on insiders, and of the sanctions applicable to insider dealing and unlawful disclosure of Inside Information. An overview of current legislation and sanctions is included as Annex 2 to this Policy.

VIII.4        Final provisions

Article 34    Sanctions

In the event of a violation of any provision of this Policy, the Company or, as the case may be, the employer reserves the right to impose any sanctions which he is entitled to impose pursuant to the law and/or the (employment) agreement with the person in question. Such sanctions shall include termination of the (employment) agreement with the person involved, by way of summary dismissal or otherwise.

Article 35    Circumstances not covered by this Policy

The Board shall have the right to take decisions in any circumstances not covered by this Policy, provided that it does so in accordance with any applicable statutory provisions.

Article 36    Entry into force

This Policy shall enter into force on September 29, 2016.

Article 37    Amendments

Provisions of this Policy may be amended and supplemented by a resolution of the Board. Amendments and additions shall enter into force from the moment that they are announced, unless the announcement specifies a later date.

Article 38    Governing law

This Policy shall be governed by Dutch law.

## **ANNEX 1**

### **Definitions**

In this Policy the following capitalised terms shall have the following meanings:

- Affiliated Issuing Institution : A Dutch issuer whose (depository receipts for) shares have been admitted to trading on a regulated market in the Netherlands or in another Member State as referred to in section 5:48 subsection 1 of the FSA:
- a. which belongs to the same group as the Company or in which the Company holds a participating interest as referred to in Article 2:24c Dutch Civil Code, and whose turnover as most recently determined constitutes at least 10% of the Company's consolidated turnover; or
  - b. which provides directly or indirectly more than 25% of the Company's capital.
- Affiliated Financial Instruments : Financial Instruments issued by or relating to a company:
- a. which belongs to the same group as the Company or in which the Company holds a participating interest as referred to in Article 2:24c Dutch Civil Code, and whose turnover as most recently determined constitutes at least 10% of the Company's consolidated turnover; or
  - b. which provides directly or indirectly more than 25% of the Company's capital
- Affiliated Persons :
- a. Spouses or partners considered to be equivalent to a spouse in accordance with national law, of a Director or an Executive;
  - b. A dependent child (as is determined in accordance with applicable local law) of a Director or an Executive;
  - c. A relative of a Director or an Executive, who has on the Transaction Date shared the same household with him or her for at least one year;
  - d. A legal entity, trust or partnership
    - (i) the managerial responsibilities of which are discharged by a Director or an Executive, or by a person as referred to in paragraphs (a) to (c); or
    - (ii) which is directly or indirectly controlled by a Director, an Executive, or a person as referred to in paragraphs (a) to (c); or
    - (iii) which has been set up for the benefit of a Director, an Executive, or a person as referred to in paragraphs (a) to (c); or
    - (iv) the economic interests of which are substantially equivalent to those of a Director, an Executive, or a person as referred to in paragraphs (a) to (c).
- AFM : Netherlands Authority for the Financial Markets.

AMF	:	French <i>Autorité des marchés Financiers</i> .
AMF General Regulations	:	The <i>Règlement general</i> of the AMF, available in French and, for information purposes only, in English on the AMF's website at <a href="http://www.amf-france.org">www.amf-france.org</a>
Board	:	The board of directors of the Company.
Central Officer	:	The officer referred to in Article 16 of this Policy.
Closed Period	:	<ul style="list-style-type: none"> <li>a. the period of two months prior to the first announcement of the Company's annual financial results, and including the day of publication of such results;</li> <li>b. the period of 30 calendar days prior to the first publication of the semi-annual figures of the Company, and including the day of publication of such semi-annual figures;</li> <li>c. the period of three weeks prior to the first publication of the quarterly figures of the Company, and including the day of publication of such quarterly figures;</li> <li>d. the period of one month prior to the publication of a prospectus relating to an issue of shares, and including the day of publication of such prospectus.</li> </ul>
Company	:	Gemalto N.V., with its corporate seat in Amsterdam, the Netherlands.
Designated Employees	:	Employees, not being Executives, who have access to Inside Information through the exercise of their employment, profession or duties and have been designated as such by the Central Officer.
Directors	:	Executive Directors and Non-Executive Directors.
Employees	:	Any person employed by, or in any other relationship of authority to, the Company or a subsidiary or group company of the Company, irrespective of the length of the employment, as well as Directors and Executives, and in any case including Designated Employees and Other Employees.
Execution of Transactions	:	The sale or purchase of Financial Instruments or the execution of any other legal act aimed at acquiring or disposing of Financial Instruments, either directly or indirectly and for one's own account or the account of others (including cancelling or amending an order regarding the sale or purchase of a Financial Instrument). For the purpose of applying Article 8 and 15, the term "Execution of Transactions" does not include placing an order regarding the sale or purchase of a Financial Instrument, or cancelling or amending such order.
Executive Directors	:	The executive directors of the Board.

Executives	:	Employees, not being Directors, who have a senior executive position and who have regular access to Inside Information relating directly or indirectly to the Company and power to take managerial decisions affecting the future developments and business prospects of the Company
Financial Instruments	:	<p>Financial instruments within the meaning of point 15 of Article 4(1) of Directive 2014/65/EU (including but not strictly limited to shares and debt securities/notes):</p> <ul style="list-style-type: none"> <li>(i) which have been admitted to trading on a regulated market or a multilateral trading facility in the Netherlands or another EEA Member State, or for which a request for admission to that trading has been made,</li> <li>(ii) which are traded on an organised trading facility, or</li> <li>(iii) not being financial instruments as referred to in (i) and (ii), the price or value of which depends on or has an effect on the price or value of a financial instrument as meant under (i) or (ii), including but not limited to, credit default swaps and contracts for difference.</li> </ul>
FSA	:	Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> ), as amended from time to time.
Gematlo Financial Instruments	:	Financial Instruments issued by or relating to the Company.
Inside Information	:	Inside Information is information of a precise nature which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.
in writing	:	in writing means, unless this Policy, the law or regulations explicitly provide otherwise, a message that is conveyed by letter, by fax, by e-mail, or by any other electronic means of communication, provided the message is eligible and reproducible.
MAR	:	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation).
Member State	:	A state being a member of the European Union and a state not being a member of the European Union, which is a party to the Agreement on the European Economic Area.
Non-Executive Directors	:	The non-executive directors of the Board.
Other Employees	:	Employees, not being Directors, Executives or Designated Employees.



Other Financial Instruments	:	Financial Instruments (except for Gemalto Financial Instruments and Affiliated Financial Instruments), to the extent that they have been designated by the Board or determined by the Central Officer in accordance with this Policy.
Personal Data	:	Data relating to an identifiable natural person.
Policy	:	The Gemalto Policy on Inside information and Trading in Financial Instruments.
Register	:	The register referred to in Article 22 of this Policy.
Shares	:	<ul style="list-style-type: none"> <li>a. transferable shares as referred to in Section 2:79a paragraph 1 Dutch Civil Code;</li> <li>b. depositary receipts for shares, or other transferable securities comparable with (depositary receipts for) shares;</li> <li>c. other transferable Financial Instruments - not being options as referred to in d.- by which the shares or securities referred to in a. or b. can be acquired;</li> <li>d. options to acquire the shares or securities referred to in a. and b.</li> </ul>
Transaction Date	:	The date on which a Transaction is Executed.
Votes	:	Votes which may be cast on Shares, including votes pursuant to an agreement to acquire votes.

## ANNEX 2

### Prohibitions and sanctions

The Company hereby notifies the prohibitions of Chapter 2 MAR and in particular Article 14 (prohibition of insider dealing and of unlawful disclosure of inside information) and Article 15 (prohibition of market manipulation), and the sanctions for violation of those prohibitions to each Director, Executive and Designated Employee, as well as all other persons engaged by the Company who may possess Inside Information on a regular or incidental basis. These sanctions are in force as from on [•] 2016.

#### Prohibitions

In accordance with the MAR (which is directly applicable in the member states of the European Economic Area), the FSA and the Dutch Economic Offences Act (*Wet op de economische delicten*), activities that are in principle prohibited are:

- engaging or attempting to engage in **insider dealing** (see further explanation below);
- recommending that another person engage in insider dealing or inducing another person to engage in insider dealing;
- unlawfully disclosing Inside Information; and
- engaging or attempting to engage in market manipulation, for instance:
  - (a) entering into a transaction, placing an order to trade or any other behaviour which:
    - (i) gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a Financial Instrument; or
    - (ii) secures, or is likely to secure, the price of one or several Financial Instruments at an abnormal or artificial level;
  - (b) entering into a transaction, placing an order to trade or any other activity or behaviour which affects or is likely to affect the price of one or several Financial Instruments, which employs a fictitious device or any other form of deception or contrivance;
  - (c) disseminating information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a Financial Instrument or secures, or is likely to secure, the price of one or several Financial Instruments at an abnormal or artificial level, including the dissemination of rumours, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading;
  - (d) transmitting false or misleading information or providing false or misleading inputs in relation to a benchmark where the person who made the transmission or provided the input knew or ought to have known that it was false or misleading, or any other behaviour which manipulates the calculation of a benchmark.

#### **What is insider dealing?**

According to the MAR, **insider dealing** arises where a person possesses **Inside Information** (see further explanation below) and 'uses' that information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, Financial Instruments to which that information relates. There is a rebuttable presumption of 'use' where a person has Inside Information and "deals". The offence extends to attempted behaviour and order cancellations/amendments - so where someone

has placed an order before they have access to inside information, it may be insider dealing to cancel or amend that order.

### **What is inside information?**

**Inside Information** is precise, non-public information relating, directly or indirectly, to particular Financial Instruments, or to a particular issuer or issuers of Financial Instruments, that if made public, would be likely to have a significant effect on the price or value of the relevant Financial Instruments (including but not limited to derivative financial instruments). Note the significant price test is based on whether a reasonable investor would be likely to use the information as part of the basis of his or her investment decision.

For the purpose of the MAR, Financial Instruments include publicly traded securities on EEA stock or derivatives markets (or for which an application for admission has been made), including regulated markets, multilateral trading facilities and organised trading facilities.

Any information that fits the above definition can qualify as Inside Information. The AFM has provided an indicative, but not exhaustive list of information that may be Inside Information, for instance:

#### *Important information regarding the company's financial position and/or results:*

- the announcement of periodic financial results;
- significant differences from previous forecasts;
- the development of important new products;
- substantial changes in loans and collateral provided for loans, including the breaking of covenants;
- the cancellation of important credit facilities by one or more banks;
- substantial changes to the financial reporting procedure;
- negative equity;
- change of auditor (under unusual circumstances);
- important legal proceedings/claims/product liability/environmental damage/etc.

#### *Important information regarding the company's strategy:*

- the purchase or sale of important shareholdings/business units;
- the initiation or termination of important joint ventures;
- a merger or takeover;
- sizeable reorganisation;
- changes to strategy; radical changes to the business of the company;
- dissolution of the company;
- filing for suspension of payments or bankruptcy

#### *Important information on capital and governance:*

- stock splits or reverse splits;
- changes to the rights associated with the various categories of Financial Instruments;
- dividend announcements, including the ex-dividend date or changes thereto and changes to dividend policy;
- significant changes to the distribution of share ownership and/or free float;
- amendments to the management or supervisory board of the company;
- a decision by the company to repurchase its own shares;

- the initiation or implementation of protective measures.

## **Sanctions**

Breaches of the above prohibitions may be sanctioned under Dutch and French criminal law or administrative law (to the extent applicable).

### **Sanctions under Dutch law**

#### ***Criminal sanctions***

Under the Dutch Economic Offences Act, a violation of the above prohibitions qualifies as a criminal offence which carries a penalty of up to six years' imprisonment, a community service, and/or a fine with a maximum of € 82,000 for individuals or € 820,000 for legal entities. If the value of the goods by which or in respect of which the crime was committed, or which have been acquired through the crime, in whole or in part, exceeds one fourth (1/4) of the aforementioned maximum amounts, the fines for individuals may be increased up to € 820,000. For legal entities the law does not set a specific higher fine. However, if the criminal court finds that a fine of € 820,000 does not provide appropriate punishment for a legal entity, a higher fine may be imposed up to a maximum of ten percent of the annual turnover of the company in the year preceding the court judgment. If the entity forms part of a group, the reference may be to the consolidated turnover of the group.

In addition, such violations are punishable by supplemental sentences<sup>1</sup> and measures<sup>2</sup>.

Individuals (natural persons) who commit an offence personally are fully accountable therefore and therefore each of the above sanctions, supplemental sentences and measures may be applied against that individual. If a breach has been committed by a legal entity (or is attributed to that legal entity, e.g. because a prohibited transaction has been executed for the account of that legal entity or has benefited that legal entity), then each of the above sanctions, supplemental sentences and measures may be

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<sup>1</sup>Such supplemental sentences are:

- being excluded, for a period not exceeding 6 years following the full duration of any prison term, from office or certain offices, the armed forces, acting as legal counsel or court appointed administrator or trustee and/or certain other professions;
- complete or partial closure of the business undertaking of the convict in which the crime was committed for a maximum period of one year. Upon complete or partial closure of the business undertaking of the convict, he can be ordered to surrender certain documents provided for the benefit of his business undertaking by or for account of the State or to sell the stock present in his business undertaking and cooperate with making inventory of that stock;
- expropriation of (i) goods belonging to the convict or which he may use for his own benefit and which have been completely or partially derived by the crime, (ii) goods which were subject of the crime, (iii) goods by which the crime was committed or prepared, (iv) goods by which the investigation into the crime has been hindered, (v) goods which have been made for or were intended for committing the crime, and (vi) rights *in rem* or *in personam* with respect to any of the foregoing goods;
- expropriation of goods belonging to the business undertaking in which the crime was committed to the extent these are similar to the goods mentioned under sub (c) above and related to the crime in a similar way as such goods are related to the crime;
- complete or partial exclusion for a maximum period of two years of certain rights or benefits which the convict, with respect to his business undertaking, have been granted or would have been granted by or for account of the State; and
- publication of the verdict.

<sup>2</sup> Relevant measures are included in article 8 Dutch Economic Offences Act and include, amongst others, the payment of a sum of money to the State with the aim to deprive the convict of the benefit by or derived from the crime.

applied against the legal entity that committed the crime, or against them who have instructed to commit the crime and/or them who were in charge of committing the crime (*feitelijk leidinggevend*), or to both the legal entity and such individuals.

### **Administrative sanctions (Netherlands)**

The AFM may, amongst others, use the following enforcement instruments in case of violation of the MAR:

- (i) an order subject to a penalty;
- (ii) an administrative penalty;
- (iii) publication of the breach and the accompanying order and/or penalty;
- (iv) instructions to follow a particular line of conduct;
- (v) appointment of an administrator with certain powers over the entity that breached the law;
- (vi) cancellation of certain licenses or declarations;
- (vii) report the offence to the public prosecution office;
- (viii) deny a person the right to deal securities on the person's own account; and
- (ix) a prohibition to fulfill certain functions within a financial institution or securities market operator. This prohibition can have a duration of at most one year, however in case of recidivism within five years, the duration can be unlimited.

The maximum amount of an administrative penalty is in principle € 5,000,000 (category 3 administrative penalty) or € 10,000,000 in case the same violation takes place within five years. The maximum amount may further be increased up to a maximum of three times the amount of the profits that the offender derived from the violation. Notwithstanding the foregoing, in case a category 3 administrative penalty is imposed on a legal entity, the maximum amount may be increased to a maximum of € 20,000,000, or 15% of the parent company's consolidated turnover of the preceding financial year if this exceeds twice the applicable maximum amount.

The AFM may use these instruments against private individuals (to the extent relevant), legal entities, and to those natural persons within legal entities who instructed to commit the crime or who were in charge of committing the crime (*feitelijk leidinggevend*).

### **Sanctions under French law**

Under French law, a violation of the above prohibitions are sanctioned in particular by:

- administrative fines: up to EUR 100 million or ten times the profit realized as the case may be; or<sup>3</sup>
- criminal penalties: up to five year imprisonment and a fine up to EUR 100 million or ten times the profit realized as the case may be.<sup>4</sup>

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<sup>3</sup> According to "non bis in idem" principle, the same facts cannot be sanctioned by both administrative fines and criminal penalties.

<sup>4</sup> Such amounts may be five times higher for legal entities pursuant to article 131-38 of the French Code penal.