The Annual General Meeting of Shareholders (“AGM”) of Gemalto N.V. (“Gemalto” or the “Company”), also being the general meeting as referred to in article 18 of the Netherlands Decree on Public Takeover Bids, will be held at the hotel Hilton Amsterdam Airport Schiphol, Schiphol Boulevard 701, 1118 BN Schiphol, the Netherlands at 10:00 a.m. CEST on Friday, May 18, 2018.

Registration will take place between 9:00 a.m. and 9:45 a.m. CEST.

Agenda

1. Opening

The agenda items 2 to 7 are annual recurring items.

2. 2017 Annual Report and Financial statements
   a. 2017 Annual Report (Discussion item)
   b. Application of the remuneration policy in 2017 (Discussion item)
   c. Corporate governance structure and compliance with the Dutch Corporate Governance Code (2016) (Discussion item)
   d. Adoption of the 2017 Financial Statements (Voting item)

3. Dividend
   a. Dividend policy (Discussion item)
   b. No dividend for the 2017 financial year (Discussion item)

4. Discharge of Board members for the fulfillment of their duties during the 2017 financial year
   a. Discharge of the Chief Executive Officer (Voting item)
   b. Discharge of the Non-executive Board members (Voting item)

5. Reappointment of Board members
   a. Reappointment of Mr. Philippe Alfroid as Non-executive Board member until the close of the 2020 AGM (Voting item)
   b. Reappointment of Mr. Johannes Fritz as Non-executive Board member until the close of the 2020 AGM (Voting item)

6. Renewal of the authorization of the Board to repurchase shares in the share capital of the Company (Voting item)

7. Authorization of the Board to issue shares and to grant rights to acquire shares in the share capital of the Company with or without pre-emptive rights accruing to shareholders
   a. Authorization of the Board to issue shares and to grant rights to acquire shares for general purposes with the power to limit or exclude pre-emptive rights accruing to shareholders (Voting item)
   b. Authorization of the Board to issue shares and to grant rights to acquire shares for general purposes without the power to limit or exclude pre-emptive rights accruing to shareholders (Voting item)
   c. Authorization of the Board to limit or exclude pre-emptive rights accruing to shareholders in connection with the above resolution 7.b for the purpose of M&A and/or (strategic) alliances (Voting item)
   d. Authorization of the Board to limit or exclude pre-emptive rights accruing to shareholders in connection with the above resolution 7.b for the purpose of a non-dilutive tradable rights offering (Voting item)

The agenda items 8 to 11 relate to the recommended public offer made by Thales.

8. Explanation of the recommended public offer made by Thales (Discussion item)

9. Conditional corporate governance structure
   a. Conditional amendment of the Articles of Association following settlement of the Offer (Voting item)
   b. Conditional conversion of Gemalto and amendment of the Articles of Association following delisting from Euronext Amsterdam and Euronext Paris (Voting item)
10. Conditional appointment of Non-executive Board members as of settlement of the Offer
   a. Conditional appointment of Mr. Pascal Bouchiat as Non-executive Board member as of
   settlement of the Offer (Voting item)
   b. Conditional appointment of Mr. Pierre-Eric Pommellet as Non-executive Board member as of
   settlement of the Offer (Voting item)
   c. Conditional appointment of Ms. Isabelle Simon as Non-executive Board member as of settlement
   of the Offer (Voting item)
   d. Conditional appointment of Ms. Marie-Hélène Sartorius as Non-executive Board member as of
   settlement of the Offer (Voting item)
11. Discharge of Board members for the fulfillment of their duties during the 2018 financial year
   a. Discharge of the Chief Executive Officer (Voting item)
   b. Discharge of the Non-executive Board members (Voting item)
   c. Conditional full and final discharge of the resigning Non-executive Board members (Voting item)
12. Questions
13. Adjournment

This agenda, including the explanatory notes, the Company’s 2017 Annual Report (including the 2017
Financial Statements), the proposed changes to the Articles of Association contemplated by agenda items
9.a and 9.b and the information on the persons proposed for (re)appointment to the Board are available, free
of charge, at the Company’s head office (Barbara Strozzielaan 382, 1083 HN Amsterdam, the Netherlands)
and at the offices of Gemalto International SAS (6, rue de la Verrerie, 92190 Meudon, France), and are
published on the Company’s website (www.gemalto.com).
Defined terms that are not defined in this agenda with explanatory notes have the meaning attributed to them in the Offer Document (as defined below).

The agenda items 2 to 7 are annual recurring items.

Explanation for Agenda Item 2a
2017 Annual Report (Discussion item)

Presentation by the Chairman of the Board, Mr. Mandl, the Chief Executive Officer, Mr. Vallée and the Chief Financial Officer, Ms. Dupérat-Vergne of the Annual Report of the Company’s activities and achievements for the 2017 financial year, as drawn up by the Board.

Explanation for Agenda Item 2b
Application of the remuneration policy in 2017 (Discussion item)

The application of the remuneration policy in the past year is to be dealt with as a separate agenda item, for discussion by the shareholders prior to the agenda item on the adoption of the Financial Statements. Hence it is separated from the Annual Report discussion item. This discussion item will be led by the Chairman of the Compensation committee of the Board, Mr. Alfroid, an independent Non-executive Board member. The application of the remuneration policy in 2017 is set out in the remuneration report included in the 2017 Annual Report, and in note 14 to the 2017 statutory financial statements of the Company.

Explanation for Agenda Item 2c
Corporate governance structure and compliance with the Dutch Corporate Governance Code (2016) (Discussion item)

Since 2017 has been the first financial year of the Company to which the new Dutch Corporate Governance Code (2016) applied, the outline of the corporate governance structure and the compliance with the Dutch Corporate Governance Code (2016), as included in the 2017 Annual Report, is submitted to the shareholders as a separate agenda item.

Explanation for Agenda Item 2d
Adoption of the 2017 Financial Statements (Voting item)

It is proposed to adopt the Company’s 2017 Financial Statements, as drawn up by the Board.

Role of the external auditor: Shareholders may question the external auditor during the meeting, and the external auditor has the right to address the meeting. Therefore the external auditor, KPMG Accountants N.V., will be invited to attend the AGM. Please note that the questions put to the external auditor must relate and are limited to the external auditor’s statement regarding the Company’s 2017 Financial Statements and his audit activities. The content of the Company’s 2017 Financial Statements remains the responsibility of the Board.

Proposed resolution:
“To adopt the Company’s 2017 Financial Statements, as drawn up by the Board.”
Explanation for Agenda Item 3a
Dividend policy (Discussion item)

The Company’s policy on additions to reserves and distributions of dividends is dealt with and explained as a separate agenda item at the AGM. The Company’s policy on additions to reserves and distributions of dividends is that the amount of dividends to be paid by the Company to its shareholders shall be determined by taking into consideration the Company’s capital requirements, return on capital, current and future rates of return and market practices, notably in its business sector, as regards the distribution of dividends.

Explanation for Agenda Item 3b
No dividend for the 2017 financial year (Discussion item)

Given the special circumstances of the Offer (as defined below), the Board prefers to leave the shares “cum dividend” and make use of its discretionary power under the Articles of Association to allocate the full amount of results as they appear from the adopted Financial Statements over the financial year 2017 to the retained earnings of the Company.

No dividend will be distributed at the occasion of the adoption of the Company’s 2017 Financial Statements.

Explanation for Agenda Item 4
Discharge of Board members for the fulfillment of their duties during the 2017 financial year (Voting item)

It is proposed to discharge the Chief Executive Officer and the Non-executive Board members from liability for the fulfillment of their respective duties during the 2017 financial year. Under Dutch law the discharge only covers the fulfillment of the Board members’ respective duties to the extent that such fulfillment is apparent from the 2017 Financial Statements and the 2017 Annual Report, or has been otherwise disclosed to the General Meeting before the resolution is adopted.

Proposed resolutions:

a. “To discharge the Chief Executive Officer from liability for the fulfillment of his duties during the 2017 financial year.”

b. “To discharge the Non-executive Board members from liability for the fulfillment of their respective duties during the 2017 financial year.”

Explanation for Agenda Item 5a
Reappointment of Mr. Philippe Alfroid as Non-executive Board member until the close of the 2020 AGM (Voting item)

Mr. Alfroid was appointed for his first term as Non-executive Board member at the 2010 AGM until the 2014 AGM. Reappointed as Non-executive Board member by the 2014 AGM and in accordance with the staggered reappointment schedule adopted by the Board, the Board mandate of Mr. Alfroid will expire at the close of this AGM.

In light of the Offer (as defined below) and associated potential changes to the Board, the Board deems it important that the Board maintains continuity and stability. The reappointment of Mr. Alfroid would ensure that his invaluable knowledge of, and experience with, the Company can be allocated in the process around the Offer, and if Settlement (as defined below) takes place, is preserved and can be transferred to the new members of the Board. The stability and preservation of knowledge the reappointment of Mr. Alfroid would ensure are of significant value to the Company and its stakeholders. Mr. Alfroid is independent in the meaning of the Dutch Corporate Governance Code.

Mr. Alfroid has indicated to the Board that he is available for reappointment. The Company’s Articles of Association and Board Charter stipulate that after having served two terms or upon reaching the age of 70 at reappointment date, Non-executive Board members may be reappointed for additional terms of maximum two
years each. Therefore, the Board proposes to reappoint Mr. Alfroid as Non-executive Board member for an additional term of two years for a period ending at the close of the AGM to be held in 2020.

Upon reappointment, Mr. Alfroid would continue to be the Chairman of the Compensation committee and member of the M&A committee.

As part of the agreements around the Offer, it has been agreed that if Settlement takes place Mr. Alfroid will remain an independent Non-executive member of the Board until two years following the Settlement Date (as defined below). Thales has committed itself to procure reappointment of Mr. Alfroid in accordance with this agreement in due time.

The remuneration of Mr. Alfroid will be in accordance with the remuneration structure of Non-executive Board members. For the avoidance of doubt, the remuneration is exclusive of VAT.

The Board has chosen not to use its right to make a binding nomination. Therefore, the resolution to reappoint Mr. Alfroid can be adopted by an absolute majority of the votes cast, without a quorum being required. For further details on Mr. Alfroid, reference is made to Annex 1 to these explanatory notes.

Proposed resolution:
“To reappoint Mr. Philippe Alfroid as Non-executive Board member as of May 18, 2018, for a period ending at the close of the AGM to be held in 2020.”

Explanation for Agenda Item 5b
Reappointment of Mr. Johannes Fritz as Non-executive Board member until the close of the 2020 AGM (Voting item)

Mr. Fritz was appointed for his first term as Non-executive Board member as of June 2, 2006 until the 2009 AGM, renewed for a subsequent term of three years until the 2012 AGM, then renewed for a subsequent term of four years until the 2016 AGM. Reappointed as Non-executive Board member by the 2016 AGM and in accordance with the staggered reappointment schedule adopted by the Board, the Board mandate of Mr. Fritz will expire at the close of this AGM.

In principle, Gemalto intends, as it has in the past, to comply with the maximum 12-year board tenure as recommended by the Dutch Corporate Governance Code. However, only in very exceptional cases, the Board may propose the reappointment of a Non-executive Board member after the maximum 12-year board tenure.

In light of the Offer (as defined below) and associated potential changes to the Board, the Board deems it important that the Board maintains continuity and stability. As with Mr. Alfroid, the reappointment of Mr. Fritz would ensure that his invaluable knowledge of, and experience with, the Company can be allocated in the process around the Offer. The stability and preservation of knowledge the reappointment of Mr. Fritz would ensure are of significant value to the Company and its stakeholders, and the exceptional circumstance of the Offer justifies the deviation from the general practice not to reappoint Non-executive Board members after a 12-year board tenure. Mr. Fritz is independent in the meaning of the Dutch Corporate Governance Code.

Mr. Fritz has indicated to the Board that he is available for reappointment. The Company’s Articles of Association and Board Charter stipulate that after having served two terms or upon reaching the age of 70 at reappointment date, Non-executive Board members may be reappointed for additional terms of maximum two years each. Therefore, the Board proposes to reappoint Mr. Fritz as Non-executive Board member for an additional term of two years for a period ending at the close of the AGM to be held in 2020.

Upon reappointment, Mr. Fritz would continue to be the Chairman of the M&A committee and member of the Nomination and Governance committee.

It is intended that Mr. Fritz resigns as Non-executive member of the Board if the Offer is declared unconditional and Settlement takes place.
The remuneration of Mr. Fritz will be in accordance with the remuneration structure of Non-executive Board members. For the avoidance of doubt, the remuneration is exclusive of VAT.

The Board has chosen not to use its right to make a binding nomination. Therefore, the resolution to reappoint Mr. Fritz can be adopted by an absolute majority of the votes cast, without a quorum being required. For further details on Mr. Fritz, reference is made to Annex 2 to these explanatory notes.

Proposed resolution:
“To reappoint Mr. Johannes Fritz as Non-executive Board member as of May 18, 2018, for a period ending at the close of the AGM to be held in 2020.”

Explanation for Agenda Item 6
Renewal of the authorization of the Board to repurchase shares in the share capital of the Company (Voting item)

This authorization relates to the annual customary renewal of the currently existing authorization, which provides for flexibility to the Board to cause the Company to acquire shares in its own share capital. Under the Articles of Association, as a result of any such acquisition, the aggregate par value of the shares in the Company’s share capital held by the Company or a subsidiary, or on which it holds a right of pledge, shall be limited to a maximum of and the Company will not hold more than 10% of the aggregate par value of the Company’s issued share capital as per May 18, 2018.

The authorization to the Board to acquire Company shares is proposed under the terms and conditions described in the below resolution.

Proposed resolution:
“To irrevocably authorize the Board to cause the Company to acquire, whether as an on or off financial market purchase, shares in the share capital of the Company under the following conditions:

• this authorization is as from May 18, 2018 for a period of eighteen (18) months up to and including November 17, 2019,
• on such dates and in such portions as the Board may deem appropriate, as long as, such repurchase is limited to a maximum of and the Company will not hold more than 10% of the Company’s issued share capital as per May 18, 2018, and
• in consideration of a purchase price per share which shall not be less than the par value of the shares to be repurchased and not be more than 110% of the average closing share price per share in the Company on the trading venues of the Euronext regulated market of the country in which the purchase is carried out during the five trading days preceding the date on which the shares concerned are acquired by or on behalf of the Company.”

Explanation for Agenda Item 7
Authorization of the Board to issue shares and to grant rights to acquire shares in the share capital of the Company with or without pre-emptive rights accruing to shareholders (Voting item)

The proposed resolutions are addressing the delegation of authority to issue shares and to grant rights to acquire shares of the issued share capital with and without pre-emptive rights for general purposes, for a period of eighteen (18) months.

The Board considers it is in the interest of the Company and its stakeholders to be able to react timely when certain opportunities arise that require the issuance of shares. Therefore, the Board is proposing to be delegated by the shareholders, within reasonable limits of time and volume, the authority to issue shares or grant rights to acquire shares when such occasions occur and, where pre-emptive rights accrue to existing shareholders, to be able to limit or exclude pre-emptive rights in situations where it is important to act quickly, without having to ask prior approval from the Company’s shareholders for which an extraordinary general meeting of shareholders would have to be convened which would cost valuable time or create disrupting market speculations, for instance in case of M&A transactions.
The proposed resolution under (a) is addressing the authority to issue shares and to grant rights to acquire shares, limited to a maximum of 5% of the issued share capital at the date of the 2018 AGM, i.e. May 18, 2018, with the possibility for the Board to limit or exclude pre-emptive rights, for a period of eighteen (18) months.

The proposed resolution under (b) is addressing the authority to issue shares and to grant rights to acquire shares, limited to a maximum of 25% of the issued share capital at the date of the 2018 AGM, i.e. May 18, 2018, without the possibility for the Board to limit or exclude pre-emptive rights, also for a period of eighteen (18) months.

Resolutions (a) and (b) hence propose to delegate such authority to the Board with a limit of 30% maximum of the issued share capital at the date of the 2018 AGM, i.e. May 18, 2018, out of which the Board has the power to limit or exclude pre-emptive rights for a maximum of 5%.

Resolution (c) proposes that solely in the cases of M&A and/or (strategic) alliances, out of the maximum of 30%, the Board has the power to limit or exclude pre-emptive rights for an additional 5%, i.e. for a total maximum of 10% of the issued share capital at the date of the 2018 AGM, i.e. May 18, 2018.

Resolution (d) proposes that, solely for the purpose of a non-dilutive tradable rights offering, out of the maximum of 30%, the Board has the power to limit or exclude pre-emptive rights accruing to shareholders for an additional 10%, i.e., including the 5% in relation to resolution 7.a, for a total maximum of 15% of the issued share capital at the date of the 2018 AGM, i.e. May 18, 2018. In order to comply with applicable national securities laws and/or not to jeopardize the success of such capital raising through a tradable rights offering, it may be necessary to exclude or restrict statutory pre-emptive rights accruing to shareholders. In such circumstances, the Company wants to have the flexibility to replace any statutory preemptive rights with contractual or similar rights and/or do what is otherwise considered reasonably required to respect pre-emptive rights accruing to its shareholders. For example, the Company will set out to enable shareholders who are not allowed to, do not elect to, or are unable to subscribe to a tradable rights offering, to sell their rights in the market or receive any net financial benefit upon completion of a so called rump offering after the exercise period for the offering has ended. Presently, the Company does not have any plans to launch a tradable rights offering.

Proposed resolutions:

a. “To designate the Board of the Company as the authorized corporate body to have the power to resolve upon the issue of shares and to determine the terms and conditions of such issue and to grant rights to acquire shares, up to a total of 5% of the issued share capital at the date of the 2018 AGM, i.e. May 18, 2018, for a period of eighteen (18) months, starting on May 18, 2018, with the power to limit or exclude pre-emptive rights accruing to shareholders with respect to such share issues or grants to acquire shares.”

b. “To designate the Board of the Company as the authorized corporate body to have the power to resolve upon the issue of shares and to determine the terms and conditions of such issue and to grant rights to acquire shares, up to a total of 25% of the issued share capital at the date of the 2018 AGM, i.e. May 18, 2018, for a period of eighteen (18) months, starting on May 18, 2018, without the power to limit or exclude pre-emptive rights accruing to shareholders with respect to such share issues or grants to acquire shares.”

c. “To designate the Board of the Company as the authorized corporate body to have the power to limit or exclude pre-emptive rights accruing to shareholders in connection with the above resolution 7.b up to 5% of the issued share capital at the date of the 2018 AGM, i.e. May 18, 2018, for the purpose of M&A and/or (strategic) alliances for a period of eighteen (18) months, starting on May 18, 2018.”

d. “To designate the Board of the Company as the authorized corporate body to have the power to limit and exclude pre-emptive rights accruing to shareholders in connection with the above resolution 7.b up to 10% of the issued share capital at the date of the 2018 AGM, i.e. May 18, 2018, for the purpose of a non-dilutive tradable rights offering for a period of eighteen (18) months, starting on May 18, 2018.”
The agenda items 8 to 11 relate to the recommended public offer made by Thales.

**Explanation for Agenda Item 8**
Explanation of the recommended public offer made by Thales (Discussion item)

On December 17, 2017, Thales SA ("Thales") and Gemalto jointly announced that they had reached conditional agreement in connection with the public offer by Thales on Gemalto (the "Offer") at an offer price of EUR 51 (cum dividend) for each issued and outstanding share in the capital of Gemalto (the “Offer Price”).

Thales made the Offer by making publicly available an offer document on March 27, 2018 (the “Offer Document”). The Offer Period under the Offer begins at 9:00 hours CET on March 28, 2018 and, unless extended, ends at 5:40 pm CET on June 6, 2018. Shareholders that accept the Offer and offer their shares during the acceptance period will receive the Offer Price (“Settlement”) on a day no later than five business days following the Offer being declared unconditional (the “Settlement Date”), as further described in the Offer Document and under the conditions described in the Offer Document.

In addition to key terms such as the Offer Price, the acceptance period, tender procedure and settlement of the Offer by transfer of the Gemalto shares against payment of the Offer Price by Thales or its designated subsidiary, the Offer Document contains an explanation of the conditions to declaring the Offer unconditional and other relevant information regarding the Offer and the parties involved in the Offer.

Gemalto published a Board position statement relating to the Offer on March 27, 2018 (the “Position Statement”). Reference is made to the Position Statement, in which the decision-making process and the recommendation of the Board are included, and the strategic, financial and non-financial merits of the Offer are explained.

During the AGM, Gemalto will give a presentation on the Offer and, in accordance with section 18 of the Netherlands Decree on Public Takeover Bids (Besluit openbare biedingen Wft), the Offer will be discussed. The Offer Document and Position Statement are available for inspection at the Company's head office and at the offices of Gemalto International SAS. Copies may be obtained free of charge by shareholders and other persons entitled to take part in the AGM. The documents are also available at www.gemalto.com.

**Explanation for Agenda Item 9**
Conditional corporate governance structure

In relation to the Offer, Gemalto and Thales have agreed that if the Offer is declared unconditional and Settlement has taken place and effective as of the Settlement Date, changes are to be made to the corporate governance structure of Gemalto as included in the Articles of Association, effective as of the Settlement Date, in accordance with Proposal I below.

Subsequently, Thales intends to convert Gemalto into a private limited liability company (besloten vennootschap met beperkte aansprakelijkheid), as soon as possible after the delisting from Euronext Amsterdam and Euronext Paris (the “Conversion”). The Shareholders will be requested to resolve on the Conversion and the amendment of the Articles of Association in accordance with Proposal II below (collectively the “Conversion Resolution”).

In this respect, the Board proposes, to the General Meeting:

a. to resolve to amend the Articles of Association on or shortly following the Settlement Date in accordance with Proposal I; and
b. to resolve to convert Gemalto into a private limited liability company and amend the Articles of Association on or shortly following the date of delisting of Gemalto in accordance with Proposal II, each resolution being subject to the condition precedent that the Offer is declared unconditional and that Settlement has taken place.
The Conversion Resolution under b. above is also subject to the delisting of the Shares from Euronext Amsterdam and Euronext Paris.

**Explanation for Agenda Item 9a**

*Conditional amendment of the Articles of Association following settlement of the Offer (Proposal I) (Voting item)*

Proposal I concerns, amongst other amendments, amendment of provisions relating to (i) the authority of the General Meeting to issue shares and exclude pre-emptive rights, (ii) the composition of the Board and the manner of appointment of its members, (iii) the remuneration policy regarding the CEO, (iv) the holding of shareholders meetings and (v) the requirements for a resolution to amend the Articles of Association, to wind up the Company or merge or demerge.

A draft of Proposal I, including explanatory notes and showing the changes made to the current Articles of Association, will be made available as a separate document (Annex 3) and will be placed on Gemalto’s website.

The proposed amendment to the Articles of Association is also included in the Offer Document.

Proposed resolution:

“Subject to the condition of the Settlement Date having occurred to amend the Articles of Association in accordance with Proposal I on or shortly following the Settlement Date and to authorize each Board member, as well as each (deputy) civil law notary and paralegal employed by Allen & Overy LLP and/or NautaDutilh in Amsterdam, The Netherlands, to execute such notarial deed of amendment to the Articles of Association and to undertake all other activities that the holder of the power of attorney deems necessary or useful in connection therewith.”

**Explanation for Agenda Item 9b**

*Conditional conversion of Gemalto and amendment of the Articles of Association following delisting from Euronext Amsterdam and Euronext Paris (Proposal II) (Voting item)*

Proposal II reflects the new status of Gemalto as a non-listed private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*). The main changes in addition to Proposal I concern (i) the introduction of non-listed registered shares; (ii) provisions that either mandatorily apply to non-listed entities or provisions that are more suitable for Gemalto’s new status as non-listed entity; and (iii) the introduction of provisions that apply to a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*).

A draft of the Articles of Association as they will read after the amendment in accordance with Proposal II, will be made available as a separate document (Annex 4) and will be placed on Gemalto’s website.

The Articles of Association will be completely amended to introduce provisions that are customary for a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*). For this reason, no explanatory notes with respect to each amended provision have been prepared.

The proposed amendment to the Articles of Association is also included in the Offer Document.

Proposed resolutions:

“Subject to the condition precedent of the Settlement Date having occurred to convert Gemalto into a private limited liability company and to amend the Articles of Association in accordance with Proposal II on or shortly following the date of delisting from Euronext Amsterdam and Euronext Paris and to authorize each Board member, as well as each (deputy) civil law notary and paralegal employed by Allen & Overy LLP and/or NautaDutilh in Amsterdam, The Netherlands, to execute such notarial deed of Conversion and amendment to the Articles of Association and to undertake all other activities that the holder of the power of attorney deems necessary or useful in connection therewith.”
Explanation for Agenda Item 10
Conditional appointment of Non-executive Board members as of settlement of the Offer

In relation to the Offer, Gemalto and Thales have agreed that if the Offer is declared unconditional and Settlement has taken place and effective as of the Settlement Date, changes will be made to the composition of the Board. Mr. Alex Mandl, Ms. Homaira Akbari, Mr. Buford Alexander, Mr. Joop Drechsel, Mr. Johannes Fritz, Mr. John Ormerod, Mr. Olivier Piou, Ms. Jill Smith and Ms. Yen Yen Tan have agreed to resign as Non-executive members of the Board as of the Settlement Date.

The Board nominates the following persons, named in items 10 a-d, for appointment as Non-executive members to the Board to replace the Non-executive members of the Board that will resign, subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place and effective as of Settlement. To the extent this nomination would lead to a composition of the Board that is not in accordance with the provisions of the Diversity Policy and Profile of the Non-executive Board, and the Dutch Corporate Governance Code, the Board uses its discretion under the Board Charter to deviate from the Board Charter incidentally, and makes this nomination in deviation of the Board Charter.

Explanation for Agenda Item 10a
Conditional appointment of Mr. Pascal Bouchiat as Non-executive Board member as of settlement of the Offer (Voting item)

The Board has nominated Mr. Bouchiat for appointment as Non-executive Board member, subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place, effective as of Settlement.

Mr. Bouchiat has significant experience in financial controls and accounting, international finance, tax, risk & insurance, investor relations, treasury and information systems. Since April 2012, Mr. Bouchiat is Senior Executive Vice-President, Chief Finance & Information Systems Officer and member of the Executive Committee of Thales group. He is also board member of Naval Group SA, member of the supervisory board of Thales Alenia Space SAS and board member of Thales Corporate Ventures. With this experience, Mr. Bouchiat can provide valuable contributions to the Board. Mr. Bouchiat will not be independent in the meaning of best practice provision 2.1.8 vii of the Dutch Corporate Governance Code.

If the Offer is declared unconditional and Settlement takes place, the Board, in its new composition, will appoint new members to the Board committees.

The Board has chosen not to use its right to make a binding nomination. Therefore, the resolution to appoint Mr. Bouchiat can be adopted by an absolute majority of the votes cast, without a quorum being required. For further details on Mr. Bouchiat, reference is made to Annex 5 to these explanatory notes.

Proposed resolution:
“To appoint Mr. Pascal Bouchiat as Non-executive Board member subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place, effective as of Settlement, for a period ending on the day two years after Settlement Date, without being remunerated.”

Explanation for Agenda Item 10b
Conditional appointment of Mr. Pierre-Eric Pommellet as Non-executive Board member as of settlement of the Offer (Voting item)

The Board has nominated Mr. Pommellet for appointment as Non-executive Board member, subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place, effective as of Settlement.

Mr. Pommellet has significant experience in technical, engineering and operations. Since September 2017, Mr. Pommellet is Senior Executive Vice-President, Chief Operating & Performance Officer and member of the Executive Committee of Thales group. He is also member of the supervisory board of Thales Nederland B.V. With this experience, Mr. Pommellet can provide valuable contributions to the Board. Mr. Pommellet
will not be independent in the meaning of best practice provision 2.1.8 vii of the Dutch Corporate Governance Code.

If the Offer is declared unconditional and Settlement takes place, the Board, in its new composition, will appoint new members to the Board committees.

The Board has chosen not to use its right to make a binding nomination. Therefore, the resolution to appoint Mr. Pommellet can be adopted by an absolute majority of the votes cast, without a quorum being required. For further details on Mr. Pommellet, reference is made to Annex 6 to these explanatory notes.

Proposed resolution:
“To appoint Mr. Pierre-Eric Pommellet as Non-executive Board member subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place, effective as of Settlement, for a period ending on the day two years after the Settlement Date, without being remunerated.”

Explanation for Agenda Item 10c
Conditional appointment of Ms. Isabelle Simon as Non-executive Board member as of settlement of the Offer (Voting item)

The Board has nominated Ms. Simon for appointment as Non-executive Board member, subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place, effective as of Settlement.

Ms. Simon has significant experience in development, legal affairs, real estate, marketing and sales, and communications. Since April 2015, Mrs. Simon is Group Secretary & General Counsel and member of the Executive Committee of Thales group. She is also member of the supervisory board of Thales Alenia Space SAS, permanent representative of the board member Thales in the boards of Thales Avionics SAS and Thales Communications & Security SAS, board member and General Secretary of Thales Foundation and board member of Thales Corporate Ventures. She is also independent board member of AccorHotels (and member of the Governance, Compliance and Corporate Responsibility Committee, and of the Audit & Risk Committee).

With this experience, Ms. Simon can provide valuable contributions to the Board. Ms. Simon will not be independent in the meaning of best practice provision 2.1.8 vii of the Dutch Corporate Governance Code.

If the Offer is declared unconditional and Settlement takes place, the Board, in its new composition, will appoint new members to the Board committees.

The Board has chosen not to use its right to make a binding nomination. Therefore, the resolution to appoint Ms. Simon can be adopted by an absolute majority of the votes cast, without a quorum being required. For further details on Ms. Simon, reference is made to Annex 7 to these explanatory notes.

Proposed resolution:
“To appoint Ms. Isabelle Simon as Non-executive Board member subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place, effective as of Settlement, for a period ending on the day two years after the Settlement Date, without being remunerated.”

Explanation for Agenda Item 10d
Conditional appointment of Ms. Marie-Hélène Sartorius as Non-executive Board member as of settlement of the Offer (Voting item)

The Board has nominated Ms. Sartorius for appointment as Non-executive Board member, subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place, effective as of Settlement.

Ms. Sartorius has significant experience as independent board member within large companies. Since 2016, she is independent board member within Areva SA, BNPP Cardif SA and Barclays France SA. With this experience, Ms. Sartorius can provide valuable contributions to the Board. Ms. Sartorius is independent in the meaning of the Dutch Corporate Governance Code.
If the Offer is declared unconditional and Settlement takes place, the Board, in its new composition, will appoint new members to the Board committees.

The remuneration of Ms. Sartorius will be in accordance with the remuneration structure of Non-executive Board members. For the avoidance of doubt, the remuneration is exclusive of VAT.

The Board has chosen not to use its right to make a binding nomination. Therefore, the resolution to appoint Ms. Sartorius can be adopted by an absolute majority of the votes cast, without a quorum being required. For further details on Ms. Sartorius, reference is made to Annex 8 to these explanatory notes.

Proposed resolution:
“To appoint Ms. Marie-Hélène Sartorius as Non-executive Board member subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place, effective as of Settlement, for a period ending on the day two years after the Settlement Date.”

**Explanation for Agenda Item 11**

*Discharge of Board members for the fulfillment of their duties during the 2018 financial year (Voting item)*

It is proposed that the Chief Executive Officer and the Non-executive Board members will be granted discharge and be released from liability in respect of their roles as members of the Board, performed in the period following the end of the financial year 2017 and up to and including the date of this AGM.

The discharge will take place on the basis of information provided to the AGM, including the Offer Document, the Position Statement, and the press releases.

In addition, it is proposed that the Non-executive Board members that will resign as of Settlement, will be granted full and final discharge, subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place.

Proposed resolutions:

a. “To grant the Chief Executive Officer discharge from liability for the fulfillment of his duties performed in the period following the end of the financial year 2017 and up to and including the date of the AGM of May 18, 2018”.

b. “To grant the Non-executive Board members discharge from liability for the fulfillment of their respective duties performed in the period following the end of the financial year 2017 and up to and including the date of the AGM of May 18, 2018”.

c. “To grant Mr. Alex Mandl, Ms. Homaira Akbari, Mr. Buford Alexander, Mr. Joop Drechsel, Mr. Johannes Fritz, Mr. John Ormerod, Mr. Olivier Piou, Ms. Jill Smith and Ms. Yen Yen Tan full and final discharge from liability for the fulfillment of their respective duties, subject to the conditions precedent that the Offer is declared unconditional and that Settlement has taken place.”