



INTRODUCTION TO OBERTHUR TECHNOLOGIES' BUSINESS CONTINUITY PLAN IN THE EVENT OF A FLU PANDEMIC

Summary

Oberthur Technologies strives to maintain business continuity planning as a key service to its customers. The company has developed plans and procedures to mitigate the effects of a potential disaster which are continuously amended to take into account new risks. This memo is to inform stakeholders of how these plans are being reviewed in light of the potential risk of a flu pandemic.

Monitoring and Organization

Oberthur Technologies is closely monitoring the developments of the flu pandemic situation and is undertaking measures to ensure that it is prepared to deal with any risks that might arise. The current precautions consist of a series of measures that can be introduced depending on how the situation develops in different regions. They include both organizational measures and advice on hygiene for employees and are in line with the recommendations of the World Health Organization (WHO).

The company has designated a Business Continuity Team organized at both corporate and local levels, responsible for monitoring and coordinating operations.

The Corporate Business Continuity Team is in charge of issuing the company guidelines for emergency management, approving local continuity plans, centralizing and distributing general information, monitoring the spread of the flu pandemic worldwide and validating major local decisions. The team meets regularly to assess the situation and to initiate relevant actions.

The Local Business Continuity Teams are responsible for collecting reliable information from the local authorities managing Health and Safety, evaluating the impact of official information or warnings, assessing the local situation from the absenteeism rate, deploying the production continuity plan according to global guidelines and reporting regularly to the Corporate Business Continuity Team. They will also inform, train, and educate employees and are supported by medical advisors.

Key Principles of Business Continuity

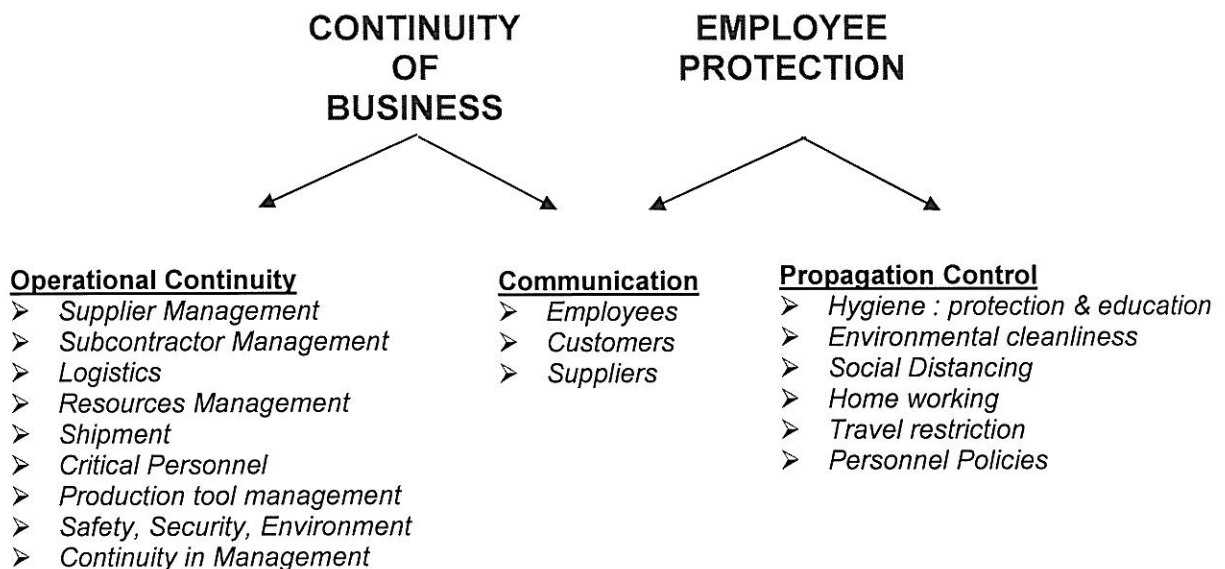
The Business Continuity Plan of Oberthur Technologies is designed according to the following principles:

- Highest priority shall be given to human health and safety, while maintaining business operations to the fullest possible capacity.
- The company shall operate in the strictest respect of rules set by governmental authorities or states and cooperate with those organizations.
- Safety, security and quality standards shall be maintained at all times.
- The company shall commit to provide regular, updated and comprehensive communication to stakeholders.

Business Continuity Strategy at the Card Systems Division

To ensure continuity of business and employee protection, in view of a potential flu pandemic, the Business Continuity Plan of the Card Systems Division has been reviewed against the following three elements:

- Operational Continuity
- Communication
- Propagation Control



Operational Continuity

An emergency situation may lead to the anticipation of orders, having buffer stock and managing production priorities. Suppliers and subcontractors are identified and assessed based upon a set of criteria (e.g. lead time of procurement, geographic location, mono source...). This set of criteria includes the supplier's ability to conduct business continuity and contingency measures.

The Card Systems Division has implemented an alternative supply route for normal activities related to production capacity, workload management and flexibility. Any emergency situation will follow the predefined process.

The Division strives, as much as possible, to standardize systems, equipment, production processes and procedures so that, whenever possible, critical activity can be transferred to an alternate site if a location is impacted due to a shortage of production resources (equipment, materials or employees).

In the event of a flu pandemic, employee absenteeism may become critical. The essential production functions have been identified, deputies have been appointed and trained for key roles and crossover skills have been developed within production areas. The management of the

Division and its affiliates shall be maintained according to a delegation of authority chain at each management level within the Division. Operational security at sites is of the utmost importance to the Division and a set of contingency plans for securing facilities has been established. However, given the sensitive nature of its activities, the Card Systems Division would stop operating at a site if the standard security level cannot be maintained.

Propagation Control

Since human contact facilitates the spread of the flu, employees are urged to practice good personal hygiene at all times and have been advised of their individual role in limiting the spread of the flu wherever possible. Posters are displayed throughout the Division and at sites as a reminder of basic hygiene rules. Any employee who is not well has been instructed to immediately seek medical attention and to limit contact with others.

Environmental cleanliness is of the highest importance. Instructions have been given to clean all public areas, including but not limited to floors, toilets, waste bins, door handles, surfaces frequently touched in shared facilities and meeting rooms, at a higher frequency than is the case during a normal period.

Should the flu pandemic situation develop, employees would be asked to maintain or to limit human contact. People are encouraged to communicate using the telephone and email, and to promote conference calls or videoconferences instead of face to face meetings.

In order to allow adequate staff to operate remotely, possibilities for remote working / home working have been explored. The necessary means (laptop, secure connection,...) would be set up accordingly.

Travel facilitating spread of the disease and any travel to or from a country at risk which is not essential to business shall be postponed. Any travel shall be approved by the management as per the Card Systems Division travel policy.

Communication

Communication to employees is intended to help them personally manage the emergency situation, to limit any feeling of panic and to ensure their commitment to the Card Systems Division's continuity plan. The Division shall provide general information to employees on the disease (symptoms, transmission, treatment); educate employees Division-wide on hygiene rules both in the workplace and at home; explain the Division's policies to limit business consequences and present the response plan and employees' roles in that plan.



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