



CONFLICT OF INTEREST POLICY

POLICY STATEMENT

Employees of Canadian Bank Note Company, Limited and its subsidiaries (the “Company”) are required to avoid conflicts of interest and to disclose to their superiors situations where a conflict of interest may arise.

A conflict of interest is a situation where a person's personal interest conflicts with the interest of some other person or entity that is owed a duty of loyalty or impartiality.

Loyalty in the employment context means the obligation of an employee to their employer to:

- perform assigned work diligently and skillfully;
- be honest with the employer;
- avoid any personal or business relationships, remunerative or otherwise, that are inconsistent with the employer's interests; and
- avoid conduct that could damage the reputation of the employer.

Employees who allow their personal interest to conflict with the interest of the Company are not being honest or fair to the Company and their fellow employees who depend upon the success of the Company for their livelihood and job satisfaction.

High moral character is a personal attribute that is essential in all Company employees. Avoiding conflicts of interest is an integral part of demonstrating high moral character and supports our Company's commitment to maintaining the highest ethical standards.

This Policy is intended to help employees identify and avoid conflicts of interest that could damage the interests of the Company and undermine the employee's own reputation for honesty, integrity and fairness.

Where conflicts of interest arise, employees are required to report the conflict of interest to their superior and to ensure that the conflict does not adversely impact the Company.

IDENTIFYING CONFLICTS OF INTEREST

Most employees are loyal to the Company and are not open to being influenced by personal considerations to act against the interests of the Company. However, it is important to be alert to how easy it is for a conflict of interest to arise.

Some conflicts of interest are quite easy to identify yet employees either fail to recognize them or choose to deliberately put themselves into a conflict situation. Other conflicts of interest may be more subtle but are conflicts that need to be avoided and disclosed nonetheless.

The following are a few examples of how conflicts of interest may arise:

- An employee who receives gifts or hospitality from a supplier may consciously or sub-consciously favour that supplier over another even when the Company might benefit from the pricing or other terms available from a supplier who does not provide similar gifts or hospitality to the employee.
- A senior employee who is in a position to influence a decision by the Company on whether and at what price to compete for business may consciously or sub-consciously alter their recommendations to the Company if they have a shareholding or other financial interest in the competition.
- An employee who books travel for Company business on a more expensive ticket and submits an expense claim based on that booking, then cancels that ticket after finding a cheaper ticket and retains the difference has profited at the expense of the Company.
- An employee uses Company letterhead to add credibility to their personal issue, such as a letter to the editor or a personal dispute with an organization that is also a supplier to the Company, such as a bank or credit card provider.
- An employee uses their Company email, telephone or Company computer in connection with a personal internet sales business.
- In a conscious or sub-conscious effort to appear important or "in the know" an employee discloses information about the Company, its products or customers that is confidential or not publicly known to people inside or outside the Company who do not have a need to know that information.
- Without disclosing the relationship, an employee arranges for or encourages the Company to hire or to purchase goods or services from a relative of the employee or a company in which the employee or a relative has a direct or indirect interest.

- An employee invents a new process of potential benefit to the Company using information obtained during their employment and applies for a patent on the process without disclosing and assigning the invention to the Company.
- An employee makes disparaging comments about the Company or discusses confidential Company information at a convention, in a blog, on social media or in some other way that can come to the attention of people outside the Company.
- An employee's brother-in-law currently holds a position in the sales department of a new key supplier. A conflict would arise if these two relatives were to directly deal with each other during transactions on behalf of the Company.
- An employee reports to a supervisor that is an undisclosed relative through marriage. The supervisor and employee keep the relationship to themselves. The supervisor has a direct say in the employee's day-to-day duties, advancement and salary.
- A supervisor dates another employee who reports directly to the supervisor. (Note this scenario not only raises Conflict of Interest issues but also potential for a violation of the Disrespectful Behaviour, Harassment and Violence in the Workplace Policy)
- An employee fails to disclose that a potential job candidate being considered for hiring is a relative, even though there may be limited contact between them if the relative is hired in that role.
- During an interview, an employee shares information with the interviewee related to the company's business plans or activities.

POLITICALLY EXPOSED PERSONS (PEPs)

CBN will identify and record relationships with PEPs or the Heads of International Organizations (HIOs) to manage them effectively and to prevent undue business influence from being gained as a result of the relationship. Enhanced due diligence will be done prior to creating an official business relationship with anyone who is identified as being a PEP. Employees will be screened, and those who are PEPs or are Family Members or Close Associates of a PEP will be monitored and put in positions that prevent conflicts from occurring. (Note: Definitions of PEP, HIO, Family Member and Close Associate are contained in Schedule A of this Policy)

The following are examples of Conflicts of Interest involving PEPs:

- It is discovered that an employee is the child of a recently appointed ambassador to Canada for a country that CBN has a major contract in. This may create, or

create a perception of, an unfair advantage for CBN during procurement or legalization processes.

- An employee in charge of obtaining a permit from a government agency is in an undisclosed romantic relationship with the head of that government agency. This may influence the granting of the permit and create an unfair advantage.

GIFTS, HOSPITALITY AND OTHER BENEFITS

Customers, suppliers and entities seeking to supply the Company will occasionally offer employees of the Company gifts, hospitality or other benefits. In such circumstances, employees must ensure that their conduct is in compliance with the Company's Gifts, Hospitality, Donations and Sponsorships Policy.

Gifts of limited (CAD\$100 or less) or no commercial value that are tokens of appreciation such as t-shirts, pens and other inexpensive items bearing the name or logo of the customer or the supplier are not of concern and need not be disclosed unless they are offered in quantity or with frequency.

However, gifts, hospitality or other benefits of significant value (more than CAD\$ 100) or multiple gifts, hospitality or other benefits from the same or related sources that aggregate more than CAD\$250 in any calendar year must be disclosed to an employee's supervisor immediately upon receipt. Gifts of very significant value (i.e. over CAD\$250) must not be accepted without prior approval from the employee's supervisor and must be immediately reported in writing to the Company's Legal Department.

Hospitality includes drinks, meals, transportation, entertainment, event tickets, such as hockey tickets, and similar benefits.

LOTTERIES AND CHARITABLE GAMING

In order to protect the reputation of the Company, employees are prohibited from participating in lotteries and charitable games where the Company is contracted to provide the related lottery or charitable gaming services. An employee winning a prize would create a perceived (or real) conflict of interest which would lead to a loss of confidence in the Company by our customers and end users of our products.

Note: In the event there are local rules that apply to a Company employee's eligibility to participate in a lottery or charitable game, the more restrictive rules as between the local rules and this Policy will apply. In some cases, local rules may extend to all employees of a particular subsidiary, to all employees within the Company or even to family members of Company employees.

CONSEQUENCES

Employees who allow themselves to be in a conflict of interest are subject to discipline that may include dismissal for cause. Some conflicts of interest that result in a benefit of any kind either being given or received may amount to a bribe and may be referred to the

appropriate authorities for prosecution. In such circumstances, employees must ensure that their conduct is also in compliance with the Company's Anti-Bribery Policy.

Reviewed and Approved on May 13, 2024

Gordon McKechnie
Corporate Secretary

SCHEDULE A

Definitions:

"Family Member" means spouses or common-law partners, biological or adoptive children, parents, the parents of spouses or common-law partners, and siblings.

"Close Associate" means a person connected to a PEP or a HIO for personal or business reasons. Examples of close associates include, but are not limited to, business partners, persons in a romantic relationship with a PEP or a HIO, and persons involved in financial transactions with a PEP or a HIO. A person ceases to be considered a close associate until he or she loses that connection.

"Domestic PEP" is a person who holds or has held within the last 5 years a specific office or position in or on behalf of the Canadian federal government, including a Crown corporation, a Canadian provincial government, or a Canadian municipal government:

- Governor General, lieutenant governor or head of government,
- ambassador member of the Senate or House of Commons or member of legislature,
- deputy minister or equivalent rank,
- ambassador, or attaché or counsellor of an ambassador,
- military officer with a rank of general or above,
- president of a corporation that is wholly owned directly by Her Majesty in right of Canada or a province,
- head of a government agency,
- judge of an appellate court in a province, the Federal Court of appeal or the Supreme Court of Canada,
- leader or president of a political party represented in a legislature, or
- mayor.

"Foreign PEP" is a person who holds or has held one of the following offices or positions in or on behalf of a foreign state:

- a head of state or government,
- a member of the executive council of government or member of a legislature,
- a deputy minister or equivalent,
- an ambassador or attaché or counsellor of an ambassador,
- a military officer with a rank of general or above,
- a president of a state-owned company or bank,
- a head of a government agency,
- a judge, or
- a leader or president of a political party in a legislature.

A person who is identified as a Foreign PEP **remains one forever**, regardless of when he or she held the position.

"HIO" is the primary person who leads an international organization such as a president or CEO, or held this position within the last 5 years:

- the head of an international organization established by the governments of states; or
- the head of an institution established by an international organization.