



## **GIFTS, HOSPITALITY, DONATIONS and SPONSORSHIPS POLICY**

In this Policy:

“Benefits Registry” is a registry in which the responsible Employee must record Hospitality, gifts, Donations and Sponsorships, whether given, organized or received by that Employee;

“Company” means Canadian Bank Note Company, Limited and all of its subsidiaries throughout the world;

“Conflict of Interest Thresholds” means any gifts, Hospitality, Donation or Sponsorship in excess of CAD\$100 or an aggregate to any one recipient of CAD\$250 in any calendar year as expressed in the Conflict of Interest Policy;

“Customer” means any present or prospective customer of the Company and any employee, officer, director or agent of that customer and their immediate family;

“Donation” means a voluntary contribution in the form of monetary or non-monetary gifts to a fund or cause for which no return service or payment is expected or made. Contributions to industry associations or fees for memberships in organizations that serve the Company’s business interests are not necessarily considered Donations;

“Employees” means all individuals working at all levels and grades, including officers, directors, workers (whether permanent, fixed-term or temporary), casual or agency staff and for the purposes of this Policy shall include consultants, agents, representatives and third party intermediaries;

“Government Official” means:

- foreign public officials;

- public officials of any domestic, federal, provincial, territorial, state or local government or any of departments, agencies or branch of any government;
- any officer or employee of a government or Crown-owned or state-owned or controlled organization;
- any person acting in an official capacity for, or on behalf of, a government or government entity or any public international organization (e.g. International Civil Aviation Organization (ICAO), United Nations (UN), North Atlantic Treaty Organization (NATO), Interpol or American Association of Motor Vehicle Administrators (AAMVA)); and
- Political party officials, judges, tribunal members and diplomatic representatives.

“Hospitality” means meals, entertainment, transportation and accommodation;

“Representatives” means any agent, consultant, lobbyist, contractor, distributor or reseller engaged by the Company;

“Sponsorship” means providing monies, products, services or other tangible benefits to external individuals or organizations to assist the external individual or organization to undertake some specified activity (e.g. a conference, social event, commemoration, educational activity or sporting event) whether or not in exchange for public credit or recognition;

“Supplier” means any present or prospective supplier of the Company and any employee, officer, director or agent of that supplier and their immediate family.

## **GIFTS AND HOSPITALITY PROVIDED BY THE COMPANY OR ITS REPRESENTATIVES**

All gifts and Hospitality provided to Government Officials, Customers or Suppliers must:

- be reasonable and customary under the circumstances;
- not be motivated by a desire to influence the Government Official, Customer or Supplier inappropriately;
- be tasteful and commensurate with generally accepted standards for professional courtesy in the country where it is given and in the country where the Company has its headquarters;
- be provided openly and transparently;
- be given in good faith and without expectation of reciprocity;
- be provided in connection with a recognized gift-giving holiday or event in the case of gifts;
- be provided in connection with a *bona fide* and legitimate business purpose in the case of Hospitality and travel;
- not be provided to any Government Official, Customer or Supplier with such regularity or frequency as to create an appearance of impropriety or undermine the purpose of this Policy;

- be recorded in the Benefits Registry if in excess of the Conflict of Interest Thresholds; and
- comply with the local laws and regulations that apply to the Government Official, Customer or Supplier.

The Employee or Representative of the Company responsible for organizing any gifts or Hospitality must first check with the Company's Legal Department to inform themselves of the latest laws and regulations of the jurisdiction of the Government Official before giving the gift or arranging the Hospitality.

Under no circumstances may any Employee or Representative, offer or provide personal services, or any gifts of cash or cash equivalents (such as bank cheques, gift cards or vouchers) to any Government Official, Customer or Supplier.

Under no circumstance may travel or accommodation arrangements be more lavish than permitted under the Company's travel policy for its own Employees.

Any gift or series of gifts of a collective value of more than CAD\$100.00 to any one Government Official in any one (1) calendar year must also have the prior written approval of the Executive President or the President of the responsible Business Unit.

The Company cannot bear the cost of side trips requested by Government Officials, Customers or Suppliers.

### **GIFTS AND HOSPITALITY PROVIDED TO EMPLOYEES OR REPRESENTATIVES BY OTHERS**

Employees may only accept gifts or Hospitality provided by, or on behalf of, any person or organization having dealings with or seeking to deal with the Company if they have complied with the Conflict of Interest Policy.

Gifts or Hospitality provided to Employees or Representatives by, or on behalf of, any person or organization having dealings with the Company or seeking to deal with the Company must:

- be reasonable and customary under the circumstances;
- not be motivated by a desire to influence the Employee inappropriately;
- be tasteful and commensurate with generally accepted standards for professional courtesy in the country where it is given and in the country where the Company has its headquarters;
- be provided openly and transparently;
- be given in good faith and without expectation of reciprocity;
- be provided in connection with a recognized gift-giving holiday or event in the case of gifts;
- be provided in connection with a *bona fide* and legitimate business purpose in the case of Hospitality and travel;

- be recorded in the Benefits Registry if in excess of the Conflict of Interest Thresholds; and
- not be provided to any Employee with such regularity or frequency as to create an appearance of impropriety or undermine the purpose of this Policy or the Conflict of Interest Policy.

Under no circumstance may travel or accommodation arrangements provided to an Employee by, or on behalf of, any person or organization having dealings with or seeking to deal with the Company be more lavish than permitted under the Company's travel policy.

Under no circumstances may any Employee or Representative, in or relating to the course of their employment, accept personal services, or any gifts of cash or cash equivalents (such as bank cheques, gift cards or vouchers).

## **DONATIONS**

Donations by the Company may only be made where:

- the Donation is made in compliance with applicable laws;
- the Donation is not made to secure an improper business advantage;
- the Donation is made to a properly established charity or non-profit organization and there is a valid charitable purpose or community benefit for the Donation; and
- the Donation has been approved in writing by a member of the Board of Directors, the CEO or the Executive President of CBN.

Application for approval of any charitable or other Donation by the Company may be submitted to the Executive President for consideration and written approval.

Any Donation must be recorded in the Benefits Registry, if in excess of the Conflict of Interest Thresholds.

## **SPONSORSHIPS**

No offers of Sponsorship by the Company shall be made and no Sponsorships provided without the prior written consent of the Board of Directors, the CEO or the Executive President.

Sponsorships by the Company may only be made where:

- the Sponsorship is made in compliance with applicable laws; and
- the Sponsorship is not made to secure an improper business advantage.

Any use of the Company's logo or trademarks in connection with a Sponsorship must be referred to the Executive President for written approval.

Any Sponsorship must be recorded in the Benefits Registry, if in excess of the Conflict of Interest Thresholds.

## **DONATION AND SPONSORSHIP PROHIBITIONS**

Donations or Sponsorships must not be made or offered in connection with any Company bid, tender, contract renewal or prospective business relationship.

Gifts, Hospitality and Donations cannot be given during any tender periods. Furthermore, in the event that the intended public/government official is part of an entity that has issued a formal request for proposal (RFP) or has engaged in a similar selection process that CBN is involved in, or is likely to be involved in, no gifts, hospitality or other benefits should be directed at any public/government official until the RFP process has been completed and a contract signed.

The Company will not enter into any Donation or any Sponsorship agreement with an organization as a means of gaining favourable terms from that organization or its affiliates or connected parties in any other business agreements.

Donations and Sponsorships shall not be made in cash but may only be made by Company cheque, wire transfer or authorized Company credit card transaction.

## **POLITICAL CONTRIBUTIONS**

No Employee or Representative, in or relating to the course of their employment with or services provided to, the Company shall make any payment or other contribution to any political party, political office holder or candidate.

## **BENEFITS REGISTRY**

All outbound Hospitality, gifts, Donations and Sponsorships provided to Customers, Suppliers or third parties must promptly be registered within the Benefit Registry (subject to the Conflicts of Interest Thresholds) by the organizing employee or that employee's assistant at the organizing employee's direction. All entries must contain:

- Description of Hospitality, gift, Donation or Sponsorship.
- Approximate \$US value at time of provision.
- Name, title and organization of recipient.
- Reason for Hospitality, gift, Donation or Sponsorship.
- Attached evidence of approval (if approval is required by the policy).

All inbound Hospitality, gifts, Donations and Sponsorships provided by Customers, Suppliers and third parties must promptly be registered within the Benefits Registry (subject to the Conflicts of Interest Thresholds) by the organizing employee or that employee's assistant at the organizing employee's direction. All entries must contain:

- Description of Hospitality, Gift, Donation or Sponsorship.
- Approximate \$CDN value at time of receipt.

- Name, title and organization of CBN employee.
- Reason for Hospitality, gift, Donation or Sponsorship.
- Attached evidence of approval (if approval is required by the policy)

## **EXPENSIVE GIFTS AND HOSPITALITY OR OTHER BENEFITS**

In addition to the requirement to record details in the Benefits Registry:

- gifts, Hospitality and other benefits of significant value (i.e. in excess of CAD\$100) received by an Employee must be reported to the Employee's immediate supervisor, and
- any gift, Hospitality or other benefit valued at more than CAD\$250 must not be accepted without the prior written approval of the employee's immediate supervisor and must be immediately reported in writing to the Company's Legal Department.

## **COMPLIANCE AND TRANSPARENCY**

The Executive President will maintain a record of all Hospitality, gifts, Donations and Sponsorships for audit purposes and any expenditures on Hospitality, gifts, Donations and Sponsorships shall be accurately recorded as such in the financial records of the Company.

The Executive President will co-ordinate with the Chief Financial Officer to complete bi-annual spot checks to ensure that the Benefits Registry properly reflects expense claims against these items that are in excess of the Conflict of Interest Thresholds and that supporting authorizations have been provided.

A breach of this Policy is likely to cause the Company serious and perhaps irreparable damage as well as jeopardize the personal reputations and liberty of those involved. Employees who breach this Policy are subject to appropriate discipline in the circumstances which may include dismissal for cause.

This Policy should be read in conjunction with the Company's Anti-Bribery Policy and Conflict of Interest Policy.

Reviewed and Approved on March 27, 2024

Gordon McKechnie  
Corporate Secretary