



## **ANTI-TRUST POLICY**

### **POLICY STATEMENT**

Canadian Bank Note Company, Limited (the “Company”) is committed to conducting its business with the highest standards of ethical behaviour. Accordingly, the Company will only engage in competition in compliance with global anti-trust and competition laws. References to the Company in this Policy include all of its subsidiaries.

### **DEFINITIONS**

For the purposes of this Policy and the explanations that follow, the following definitions shall apply:

“Bid Rigging” means a form of fraud in which businesses collude so that a competing business can secure a contract for goods or services at a pre-determined price.

“Collusion” means an agreement between two or more persons to limit open competition by deceiving, misleading, or defrauding others of their legal rights, or to obtain an objective forbidden by law typically by defrauding or gaining an unfair advantage. It can involve, for example, an agreement among companies to divide the market, set prices, limit production, wage fixing, Kickbacks, or misrepresenting the independence of the relationship between the colluding parties.

“Consultant” means consultants, and other representatives of the Company who are not Employees who have access to any relevant information relating to prices, costs, markets, bids or trade associations.

“Company” means Canadian Bank Note Company, Limited and all subsidiaries.

“Employee” means all officers, directors and employees (whether permanent, fixed-term or temporary), of the Company wherever they are located who have access to any relevant information relating to prices, costs, markets, bids or trade associations.

“Exclusive/Reciprocal Dealing” means exclusive dealing when a company is ‘tied’ to purchase from a supplier on the understanding that no other distributor will be appointed or receive supplies in a given area.

“Kickback” means a bribe to obtain an undue advantage where a portion of the undue advantage is 'kicked back' to the person who gave, or is supposed to give, the undue advantage.

“Market Manipulation/Allocation” means agreements in which competitors divide markets among themselves. In such schemes, competing firms allocate specific customers or types of customers, products, or territories among themselves.

“Price Fixing” means an agreement between participants on the same side in a market to buy or sell a product, service, or commodity at a fixed price, or to maintain the market conditions so that the price is maintained at a given level by controlling supply and demand.

“Public Official” means officials or employees of any government or other public body, agency or legal entity, at any level, including officers or employees of state-owned enterprises and officers or employees of enterprises which are mandated by a public body or a state-owned enterprise to administrate public functions.

“Third Party” means any individual or organization Employees come into contact with during the course of their work for the Company. This includes actual and potential customers, suppliers, business contacts, intermediaries, government and public bodies, including their advisors, representatives and officials, politicians and political parties.

“Trade Association” means an organization founded and funded by businesses that operate in a specific industry. A Trade Association may also be referred to as an industry trade group, a business association, or a sector association.

## **SCOPE**

This Policy applies to all dealings between Employees, Public Officials and Third Parties of the Company in all countries or territories and shall be communicated to them at the outset of the Company’s business relationship and as appropriate thereafter. The Company’s point of contact for any matters dealing with this Policy is the Vice-President Corporate Affairs.

This Policy should be read in conjunction with the Company’s Anti-Bribery Policy, Conflict of Interest Policy; Gifts, Hospitality, Donations and Sponsorships Policy; and Whistleblower Policy.

## **COMPANY CONDUCT**

In accordance with this Policy, the Company will not:

- attempt to collaborate with competitors to distort trade, for example, by Price Fixing, Market Manipulation/Allocation, Collusion, or coordinating bidding activities; or
- abuse a large market-share position by engaging in below-cost pricing in order to harm competitors.

## EMPLOYEE AND CONSULTANT CONDUCT

To avoid allegations of Price Fixing:

- do not discuss the prices at which you each sell to your respective customers;
- limit discussions strictly to terms on which you will sell to competitors if they are also a customer; if necessary, build a wall between those working on the deal and those who handle the competitive operations;
- all bids for work must be independent;
- never share bid strategy with a competitor;
- never exchange non-public information unless you first obtain clearance from the Company's Legal Department

Trade Association meetings can be legitimate forums for discussing legislation, safety, public policy, etc. It is important to remember that they are meetings with competitors and therefore:

- association meetings should have an anti-trust policy statement read before the meeting and a lawyer should be present to monitor compliance with this;
- conversations about prices, markets, customers, volumes, and strategy are prohibited;
- if any conversation goes off topic excuse yourself as loudly and as memorably as you can and contact the Company's Vice-President Corporate Affairs for further advice.

Decisions about when, where and how you do business should be made internally. It is prohibited to collude with competitors about sharing the market in order to decrease competition. Any commercial agreement that involves a non-compete or exclusivity clauses must be reviewed and approved by the Company's Legal Department.

Do not use the Company's market power to require that a customer to purchase an undesirable product as a condition of agreeing to sell that customer a desirable product.

In many markets, mergers, acquisitions, and joint ventures are highly regulated by anti-trust authorities. Remember:

- when you are participating in due diligence or negotiations related to merger transactions you may come into contact with sensitive competitor information;
- be sure to follow the terms of any confidentiality agreements, as well as local anti-trust law;
- do not share competitor information;
- documents you create in relation to a merger, acquisition, or joint venture (including handwritten notes, e-mails (even if deleted) and drafts of documents, whether kept at the office or in a private home) can be requested by the government for review

Do not participate in joint boycotts with competitors. Agreements not to sell to price cutting competitors, joint refusal to buy from suppliers, or agreement not to sell to a customer unless he discontinues buying from a competitor or Exclusive/Reciprocal Dealing can violate anti-trust

laws. Any decision to not deal with a party should be made internally and be based on legitimate business reasons.

## **EMPLOYEE AND CONSULTANT RESPONSIBILITIES**

Always consult with the Company's Legal Department before pursuing any business arrangements that could raise anti-trust or competition law issues. This includes, but is not limited to:

- exclusive sale or purchase arrangements;
- selective discounting;
- bundling of goods or services;
- restrictions on resellers;
- technology licensing agreements that place restrictions on the licensee or licensor;
- any business discussions or agreements with competitors;
- activities designed to gain or maintain a dominant market position

Remember that:

- each country has its own anti-trust laws;
- anti-trust enforcement is conducted by cooperation between governments worldwide;
- the Company's business dealings may impact more than one country and therefore be subject to different anti-trust laws. Therefore, in addition to this Policy, you need to be familiar with local laws as they apply to you. This is especially true for those involved in marketing, sales and purchasing or who are in regular contact with competitors.

All Employees and Consultants have the responsibility to read, understand and comply with this Policy. You should at all times, avoid any activity that might lead to, or suggest, a breach of this Policy.

Any Employee who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct (dismissal for cause).

Any Consultant who breaches this policy is subject to having their contract terminated.

Employees and Consultants are encouraged to raise concerns about any instance, or suspicion, of malpractice at the earliest possible stage through their line manager, Company contact or other available reporting mechanisms or the Company's confidential Whistleblower 'hotline'.

## **GOVERNANCE**

The Company's President and Chief Executive Officer has overall responsibility for ensuring this Policy complies with the Company's legal and ethical obligations, and that all those under the Company's control comply with it.

## **MONITORING AND REVIEW**

The Company will require that key employees whose roles could involve proscribed activities under this Policy provide the Company with annual certifications of compliance with relevant policies, procedures and controls.

The Vice-President Corporate Affairs will monitor the effectiveness and review the implementation of this Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible.

Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective. The Vice-President Corporate Affairs will report to the President and Chief Executive Officer at least annually on the application of this Policy.

Approved by Ron Arends  
President and CEO

April 24th, 2015