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1. PREAMBLE

Trust in business relationships has to be earned, and the first step is to treat others with integrity, honesty and fairness. This will enhance personal and corporate reputations, as well as the shared reputation we all have as contributors to the banknote industry.

In today's environment of 24/7 global communications none of us can afford to ignore poor business practice where we come across it.

Members of our industry have come together to form the Banknote Ethics Initiative (BnEI), which aims to promote a shared vision of ethical business practice. The focus is on the prevention of corruption and compliance with anti-trust law. Other topics of relevance to the industry may be considered in the future.

Members may have in place their own internal codes. These, at a minimum, should address the matters in this Code. Members are expected to abide by, demonstrate their commitment to and be assessed against the eight Principles of Ethical Business Practice as detailed in this document.

Each and every member of the BnEI is expected to have zero tolerance to those who do not adhere to the principles set out in this Code.

2.
CODE OF ETHICAL
BUSINESS PRACTICE

a.
Compliance with the law

BnEI expects all members to follow all applicable laws and regulations in the countries in which the member operates. In the absence of adequate laws and regulations the member will apply recognised international standards.

b.
Prevention of corruption

Corruption is the offering, provision or receipt of something of value or benefit to an official or individual that is intended or could be perceived as intended to improperly influence a business decision. The value (bribe) may include cash, gifts, hospitality and entertainment. Whether corruption is provided to or received by public officials or private individuals, bribes are against international law.

Members agree:

- they will not seek to influence those (or their close relatives) acting on behalf of state or public institutions or employees of companies to award contracts or fulfil official duties through granting or offering direct or indirect benefits, whether monetary or non-monetary
- they will require their business partners (being those acting as intermediaries or representatives of the member) to commit to acting with integrity in their business relationships
- they will conduct appropriate due diligence on their business partners and joint venture partners
- they will determine appropriate and not excessive remuneration for their business partners and will monitor the partners' adherence to this Code in dialogue with them.

c.
Gifts & hospitality

To foster goodwill or enhance business relationships, members' employees may occasionally receive or offer gifts and entertainment in connection with their business. Such items as invitations to social functions, sporting events, meals and entertainment, gifts of modest value and small or customary tokens of appreciation may be considered.

Members agree:

- that any gifts or hospitality given or received will comply with applicable laws and be appropriate, proportionate and transparent
- they will adopt and apply written policies for the handling of gifts and hospitality
- they will inform their business partners of the existence of these policies and insist they are applied when acting on behalf of the member.

d.
Anti-trust

The purpose of anti-trust law is to make sure the marketplace is competitive. Anti-trust laws prohibit a variety of business practices that distort competition.

Members agree:

- they will strictly obey national and international anti-trust laws wherever they operate
- they will not enter into agreements with competitors which restrict competition, such as price fixing, market allocation or bid rigging
- they will not exchange sensitive information with competitors that could distort competition
- they will comply with rules on state aid.

3.
EIGHT PRINCIPLES
OF ETHICAL
BUSINESS PRACTICE

Members must demonstrate:

1. Leadership

Senior management will lead by example through adopting and actively promoting and communicating the contents of this Code to their staff and business partners.

2. Responsibility

Each member will appoint a senior manager or company officer with responsibility for effectively implementing the contents of this Code and representing that member at BnEI.

3. Policies and procedures

Each member will implement appropriate policies and procedures relating at least to anti-bribery & corruption (including gifts & hospitality) and anti-trust law.

4. Due diligence

Each member will follow good practice standards as set by BnEI for the appointment of agents, consultants and other similar third-party business partners to include procedures for due diligence, remuneration and monitoring adherence to this Code.

5. Training

Each member will provide integrity and compliance training for relevant staff and business partners. Such training is to include anti-bribery & corruption (including gifts & hospitality) and anti-trust law.

6. Compliance declaration

Each member will obtain a periodic declaration of compliance by relevant senior staff. Members will obtain a similar commitment from their business partners.

7. Internal monitoring

Each member will be expected as a part of this initiative to have in place effective internal monitoring processes to support this Code.

8. External assessment

Each member will be subject from time to time to external assessment to ensure this Code has been implemented, for which a certificate will be gained in recognition.