

Introduction

Employees of Harland Clarke Holdings Corp. shall always seek to uphold the highest standards of fairness, honesty and integrity in the conduct of our work. It is the responsibility of every employee to promote positive supplier relationships through courtesy, mutual respect and impartiality throughout all phases of the Procurement Process cycle. In turn, we expect the same behavior from our suppliers since their products, personnel, and services are a natural extension of our organization's own resources.

Our goal is to develop supplier relationships that advance our company vision and deliver value to Harland Clarke Holding Corp., our Partners and, ultimately our Customers.

The overriding principles of the Procurement and Supply Management Process Code of Conduct are as follows. Harland Clarke employees will:

1. Maintain the highest possible standard of integrity and mutual respect in all business relationships and personal conduct. Remember, you are a steward of the company and in your professional activities.
2. Reject any business practice that might reasonably be deemed improper and never use authority or influence for personal gain.
3. Always seek to optimize business benefits by developing appropriate, sound supplier relationships, products, and services
4. Accept nothing from a supplier in terms of a personal benefit beyond a minor token of appreciation or gesture of goodwill.

These Statements of Ethical Practice apply to all supplier and Harland Clarke Holdings Corp. employees involved directly or indirectly in the Harland Clarke Procurement and Supply Management Process. These guidelines are a supplement to the Organization's "Code of Business Ethics and Conduct".

Personal Conflict of Interest

- Employees are to avoid any personal business or professional activity that might create a potential conflict between personal interests and the interests of Harland Clarke Holdings Corp. – or create the appearance of such conflict. Perceived impropriety can be as damaging as actual transgression.
- In cases where a supplier is owned, operated, and/or represented by employees or spouses of employees, the employee must disqualify himself/herself from the process (and/or position of influence) to avoid a possible conflict of interest or the appearance of a conflict.

Gratuities, Gifts and Entertainment

- Generally, all employees should refrain from accepting gifts or favors from present or potential suppliers.

- Employees may occasionally accept items of nominal value as a gesture of goodwill, or for public relations purposes. Gifts with a value in excess of \$50 must be approved by the employees supervisor. Gifts with a value over \$100 must be approved by the VP or SVP of Procurement.
- Meals with suppliers are appropriate when such meals are for a specific business purpose and the employee is in a position to pay for meals as frequently as the supplier. Overly frequent meals with the same supplier should be avoided.
- Corporate entertainment (golf, event tickets, etc) should not be accepted, since it may be perceived as influencing business decisions. If the activity is deemed to add value to the business relationship without potentially influencing procurement-related decisions, and the activity can be expensed by the Harland Clarke Holdings Corp. employee, employees may participate. Exceptions must be approved by your supervisor.
- Employees must avoid the acceptance of travel expenses and/or travel accommodations from suppliers. Exceptions to this policy must have a practical reason and be approved by the appropriate Executive Director, VP or SVP of Procurement.
- Harland Clarke Holdings Corp. employees must not solicit or accept offers of money, loans, personal credits or discounts from any person with whom they have a business relationship.
- Employees are to refrain from soliciting donations for charity from suppliers. If a donation is offered and accepted, 100% of the donation value must go to charity.

Confidential Information

- Confidential or proprietary information belonging to Harland Clarke Holdings Corp. or suppliers must be handled with due care and proper consideration of ethical and legal ramifications.
- Confidential or sensitive Information (e.g. proprietary processes, pricing, etc.) about one supplier must never be shared with another supplier.

Reciprocal Agreements

- Harland Clarke Holdings Corp. employees should avoid reciprocal agreements that restrict competition. The fact a supplier may also be a customer should not enter into discussions or selection considerations.

Laws and Regulations

- All employees directly involved in Procurement & Supply Management processes should know and obey the letter and the spirit of the laws and regulations of the countries on which they practice as they pertain to Procurement and remain alert to the legal ramifications of any Procurement related decisions. Harland Clarke Holdings Corp. and supplier employees having questions about the same should contact the SVP, Procurement or the HCHC Legal Department for advice.