

**CPI CARD GROUP INC.**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

Directors, officers and employees (including all full-time, part-time and temporary employees (collectively referred to as the “Employees”)) of CPI Card Group Inc., hereinafter referred to as the “Company”, and its related entities, represent the Company and are expected to act in a manner that will enhance its reputation for honesty, integrity and reliability. Our Code of Business Conduct and Ethics (the “Code”) is a statement of the Company’s business practices and applies to all trustees, directors, officers and Employees of the Company. Consultants, contractors and agents retained by the Company shall conduct themselves in accordance with this Code in their activities relating to the Company. It is the responsibility of the person retaining the consultant, contractor or agent to ensure that they are aware of the requirements of this Code and agree to abide by it in their dealings with or on behalf of the Company.

This Code applies to all trustees, directors, officers and Employees, and consultants, contractors and agents, wherever they are based, who work (in any capacity) for or on behalf of the Company. This Code is issued with the express authority of the Board of the Company.

The Code will not give you an answer for every situation. Ultimately, in all that you do you should be guided by what is right by ordinary standards of honesty, decency and fairness. In addition to adhering to the Code, you must also follow other applicable policies and procedures when conducting business on behalf of the Company. If you have questions, please seek additional guidance from your supervisor or manager.

**A. Compliance with Laws**

The Company will conduct its business in compliance with all applicable laws, regulations and other legal requirements. We must, at all times, abide by the law and respect its intent in the best interests of the Company, our customers, suppliers, Employees and other stakeholders. In addition, all transactions between the Company and any of its subsidiaries or between subsidiaries must meet all applicable legal requirements, including but not limited to those relating to insurance, securities and antitrust regulations.

Political and charitable contributions by the Company must be made in compliance with all applicable federal, state, local and foreign laws and regulations and, to the extent legal, in accordance with (foreign) local custom. All contributions must be restricted to amounts in size sufficient to negate any impression that special consideration is sought for the Company.

If a law conflicts with a policy in this Code, Employees must comply with the law; however, if a local custom or practice conflicts with this Code, Employees must comply with this Code. If an Employee has any questions about potential conflicts, the Employee

should seek assistance from his or her supervisor or other appropriate Company personnel pursuant to this Code.

## **B. Fair Dealing and Competition**

We must not engage in anti-competitive behavior, such as agreements with competitors to allocate markets or customers, price fixing, price discrimination, tied selling or abuse of dominant position. We must deal with all customers, suppliers and independent contractors, purchasing or furnishing goods and services fairly. We must make decisions to obtain services or source materials on the basis of objective criteria such as quality, reliability, technical excellence, price, delivery and service.

## **C. Conflict of Interest**

A conflict of interest occurs when an individual's private interest (or the interest of a member of his or her family) interferes, or even appears to interfere, with the interests of the Company as a whole. A conflict of interest can arise when an employee, officer or director (or a member of his or her family) takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest also arise when an employee, officer or director (or a member of his or her family) receives improper personal benefits as a result of his or her position in the Company.

We must ensure that no conflict exists between our personal interests and those of the Company. We must not place ourselves in positions that may be perceived as giving rise to a conflict. You are required to disclose or avoid any activity or interest that may be regarded as a possible conflict with the interests of the Company. Some examples of possible conflicts include:

- Personal and Social Relationships – You must disclose personal and social relationships that could lead to a weakness, or a perceived weakness, in the Company's system of internal controls or that could otherwise be detrimental to the Company.
- Financial Interests – Employees and their families (families including spouse, children or spouse equivalent residing together) shall not own, control or direct a material financial interest in a customer, supplier, contractor, competitor, or in any business enterprise which does or seeks to do business with the Company without permission from the Chief Financial Officer of the Company or Board of Directors in the case of a member of senior management.
- Outside Business Activities – You must not engage in any outside business or activity that is detrimental to the Company. Unless approved by your supervisor, you are expected to spend your full time and attention performing your job during normal business hours or as contracted.

- Outside Directorships – You must not serve as a director, officer, partner, consultant or in any other role in unaffiliated organizations, including not-for-profit organizations, if that activity is detrimental to the Company. Directorships in unaffiliated entities require the consent of your immediate supervisor or manager and of the Board of Directors in the case of a member of senior management.
- Government and Community Relations – The Company’s financial support to political organizations requires the express approval of the President and Chief Executive Officer of the Company and the President and Chief Executive Officer must report on such financial support to the Nominating and Corporate Governance Committee of the Company’s Board of Directors. Employees engaging in personal political activities must do so in their own right and not on behalf of the Company and any public support must include an adequate disclaimer. Corporate donations to charities made on behalf of the Company shall be within approved budgets.

#### **D. Anti-Bribery and Anti-Corruption**

We prohibit all forms of bribery and corruption. A bribe is a financial or other advantage (including payments, gifts, loans, rewards, benefits or favors). Corruption is the abuse of power for personal benefit. The Company and all its trustees, directors, officers and Employees must comply with the anti-bribery and anti-corruption laws of the countries in which the Company does business, including laws that, like the U.S. Foreign Corrupt Practices Act 1997 (the “FCPA”) or the UK Bribery Act 2010 (the “UKBA”), apply outside of their geographical borders.

The offenses under the UKBA are of bribing another, being bribed, bribing a foreign public official and a failure by a company to prevent bribery.

The FCPA prohibits promising, authorizing or giving anything of value, directly or indirectly, to a non-U.S. government official to improperly influence the official to win or retain business. A non-U.S. government official is defined broadly and can be any official or employee of any non-U.S. government department, agency or state-owned company; officers or employees of public international organizations (such as the United Nations); any non-U.S. party officials or political candidates.

#### Third Parties

The Company may be responsible for the actions of those acting on our behalf. It is therefore important to select those persons and entities carefully and to ensure that they are properly monitored while doing business for us.

#### Gifts and Hospitality

We can engage in bona fide, proportionate and reasonable corporate hospitality and promotional or other business expenditures for legitimate reasons (including seeking to improve the image of the Company or presenting the Company’s products or services).

However, you must be sensible when engaging in corporate hospitality, or in providing or accepting gifts (including tickets to sporting, recreational or other events, or meals) when concerned with the Company's business. We must refrain from giving or receiving gifts, or providing or being invited to corporate hospitality events, that are intended to influence, or could appear to influence any business decisions in the Company's favor or gives rise to a perception of impropriety. We must also comply with the gift-giving policy of the intended recipient, where applicable.

Generally, a gift with a value in excess of \$200, in each instance or as an annual aggregate, should be considered very carefully and discussed with your supervisor or manager in the first instance.

#### **E. Confidential Information**

- Confidential Information – In the course of employment, we may have access to information that is non-public, confidential, privileged, or of value to competitors of the Company or that may be damaging to the Company if improperly disclosed. We may also have access to the confidential information of companies with which the Company does business. We must protect the confidentiality of information concerning the Company and its business activities as well as that of companies having business dealings with the Company. You must not discuss or pass on such information to anyone other than other Employees, or external professionals or consultants engaged by the Company who are authorized to receive such information, and you must not use such information for personal benefit or against the interests of the Company. Employees who leave the Company have an ongoing obligation to keep such information confidential.

Confidential information includes reports, analyses, intellectual property, computer software, confidential corporate information (such as financial projections and details of proposed projects), confidential information obtained, prepared or developed by Employees or contractors relating to the Company's business and all confidential information received from third parties with whom the Company transacts business.

- Insider Trading – Insider trading may occur when you know material non-public information about any entity with which the Company has a business relationship, and you trade that entity's securities, such as stocks or bonds, while in possession of that information or tell others about it before it is made public. Securities laws prohibit insider trading and prohibit any employee from informing another person of any "material non-public" or "insider" information which has not been generally disclosed to the public ("tipping"). Circumstances suggesting the possibility of insider trading can result in an investigation by a stock exchange or by governmental authorities. Such an investigation could damage the Company's brand and reputation and result in liabilities or penalties, including criminal charges and fines against the individual employee.

“Material” refers to information that could affect the price of the security or information that an investor could consider important in deciding whether or not to buy or sell that entity’s stock or securities. Examples of material non-public information include, but are not limited to, plans to issue securities, sharp changes in earnings patterns, changes in material contracts, changes in key management employees and mergers and acquisitions.

We must scrupulously avoid using, sharing or disclosing material non-public information about any entity with which the Company does business. If in doubt, seek guidance from your manager.

The Company maintains an Insider Trading Policy which is applicable to all Employees that governs trading in the Company’s securities.

- Information Privacy – In addition to information about the Company and companies that we do business with, some Employees may have access to personal information about co-workers, vendors, suppliers and customers. This information must be kept confidential and communicated only to other Employees, or external professionals or consultants engaged by the Company who need to know.

Nothing in this section prohibits Employees from reporting suspected violations of the law to the Securities and Exchange Commission (“SEC”) or other government agency.

#### **F. Protection and Proper Use of Corporate Assets and Opportunities**

We are responsible for protecting the Company’s assets, including establishing and maintaining appropriate internal controls to safeguard its assets against loss from unauthorized or improper use or disposition.

The Company’s resources include company time, materials, supplies, equipment, information, electronic mail and computer systems. These resources are generally only to be used for business purposes. Limited personal use of these assets is allowed. However, since excessive personal use can be costly and impact profitability, we are expected to use good judgment. We must use the Company’s assets and resources responsibly and for legitimate business purposes.

No Employee may use Company assets, property, information, or position for improper personal gain (including for the gain of family members or friends), and no Employee may compete with the Company directly or indirectly.

- Reporting Integrity – The Company applies the highest ethical standards in its financial and non-financial reporting and follows all applicable securities laws, rules and regulations regarding financial and non-financial reporting. It is critical to the operation of the business and the reputation of the Company that information provided to management be accurate, complete and timely. Misstating information

can carry serious criminal and civil fines and penalties for the Company and personal criminal liability for Employees.

We maintain books, accounts and records according to GAAP and record transactions in a timely manner. We must not manipulate financial accounts, records or reports and we must not take any action or cause anyone else to take any action to influence, coerce, manipulate or mislead auditors for the purpose of rendering financial statements misleading. You should talk to someone in management immediately if you are subject to pressure or threats to use questionable accounting techniques, manage earnings or manipulate results in any way.

Fraud, or the potential for fraud, compromises the integrity of the financial reporting system and the safety of our assets, both physical and intellectual. If you become aware of fraud in any amount, or suspect fraud or become aware of allegations of fraud committed by anyone that could result in a material misstatement in financial statements, it should be promptly reported to your manager.

The Company's audit committee ultimately reviews concerns regarding questionable accounting, internal financial controls (including internal accounting controls) and auditing matters and has established a procedure to allow for confidential, anonymous submission of concerns by Employees. All such concerns will be investigated and the Board of Directors will receive a summary of such reported concerns together with a synopsis of an assessment of and resolution of each concern.

- Entry Into Financial Instruments – No employee shall enter into financial instruments such as hedges and derivatives (including natural gas, metals or other commodities, foreign exchange, interest rate, to name a few) on behalf of the Company without the express approval of the audit committee of the Board. Such instruments could result in substantial risk and loss for the Company, and as such unauthorized entry is prohibited. The Company will take immediate and appropriate action up to and including termination of employment, claims for reimbursement of losses or damages and reference to criminal authorities.
- Use of Internet and Email – We are all responsible for information security. We must be aware of information security processes and policies and take steps to reduce the risk of security breaches. We must follow all policies and procedures related to the protection of information and information resources, including network access and appropriate use of the Internet, e-mail and social media outlets. We must not let personal use of information system technologies interfere with business activities or incur unnecessary cost and we must not use the Company's computer resources to view, retrieve or send messages or material that are pornographic, violent, hate-related, bigoted, racist or otherwise offensive or illegal, or that violate the Company's policies on antidiscrimination, harassment or protection of confidential information.
- Records Retention – The Company's integrity can be seriously questioned if records are not retained for the appropriate length of time or are not disposed of properly.

Failure to retain records for the required amount of time places us at risk for possible penalties, fines and other sanctions. It could also put the Company at a serious disadvantage in any litigation. We must manage our business records in accordance with applicable procedures and not knowingly destroy, alter, or falsify records in order to impede any pending or potential internal, civil or government investigation or proceeding.

- Intellectual Property – Reproducing, distributing or altering any intellectual property subject to copyright, whether owned by the Company or licensed from a third party, without the permission of the copyright owner is unauthorized use and constitutes illegal copyright infringement. Inventions, discoveries, and copyright material, made or developed by Employees in the course of, and relating to, their employment with the Company, are the property of the Company unless a written release is obtained or covered by contract.

In protecting the Company's resources, the Company reserves the right to periodically monitor access and contents of the Company's computer systems and networks. You should not assume you have any right to privacy of electronic data or other information residing on the Company's computer resources, including the email system.

#### **G. Health, Safety and Environment**

The Company is committed to providing a safe and healthy working environment and protecting the environment with standards and programs that meet or exceed industry standards and applicable government codes, standards and regulations in all jurisdictions in which it does business.

We must comply with all applicable environmental, health and safety laws, regulations, permits and other requirements, follow work instructions or procedures on environmental, health and safety laws, regulations and risk management, and apply our training to protect others, the environment and ourselves. You must promptly report to your supervisor or other appropriate people all environmental, health and safety incidents and report to work fit to perform your duties and be free of the effects of alcohol or drugs.

#### **H. Employment Practices**

The Company is committed to a workplace environment where Employees are treated with dignity, fairness and respect. We all have the right to work in an atmosphere that provides equal employment opportunities and is free of discriminatory practices and harassment.

- Discrimination – No one shall refuse to employ or continue to employ, nor discriminate against any person with regard to employment, term or condition of employment, based on race, national or ethnic origin, color, religion, age, gender, gender identity, sexual orientation, marital status, family status, disability, political

beliefs or a conviction for which a pardon has been granted. There will be no retaliation against a person who makes a complaint of discrimination in good faith, reports suspected unethical conduct, violations of laws, regulations, or company policies, or participates in an investigation.

- **Harassment** – Any form of harassment or any other conduct that interferes with an individual’s work performance or creates an intimidating, hostile, or offensive work environment will not be tolerated. Harassment covers a wide range of conduct, from direct requests of a sexual nature to situations where offensive behavior (for example, insults, offensive jokes or slurs or offensive material in the workplace) results in a hostile work environment. We must do our part to ensure a safe and secure workplace in which Employees can perform their duties without fear of harassment. Reports of harassment will be promptly and thoroughly investigated in as discreet a manner as possible. All Employees are expected to cooperate in any investigation. The Company will take immediate and appropriate action if harassment is determined to have occurred.

## **I. Compliance**

We must comply with all aspects of the Code and support others in doing so. In the event of a violation of the Code, company policies and procedures or any of the laws that govern the Company’s business, the Company will take immediate and appropriate action up to and including termination of employment, claims for reimbursement of losses or damages and reference to criminal authorities.

The Canadian Securities regulatory authorities consider conduct by a director or executive officer which constitutes a material departure from the Code to constitute a “material change” within the meaning of Canadian Securities legislation. As such, it is expected that where a material departure from the Code constitutes a material change, the Company will file a material change report, the equivalent of a Form 8-K, on SEDAR.

## **J. Waivers of the Code**

A waiver of the Code for executive officers or directors may be made only by the Board of Directors (the “Board”) or by a Board committee acting on behalf of the Board of Directors and will be promptly disclosed to the extent required by the law. A waiver of the Code for all other Employees may be made only by the Company’s Chief Executive Officer. To the extent that the Board or a Board committee determines to grant any waiver of the code of business conduct and ethics for an executive officer or director, the waiver must be disclosed to shareholders within four business days of such determination. Disclosure must be made by distributing a press release, providing website disclosure, or by filing a current report on Form 8-K or a material change report with the SEC and on SEDAR.

## **K. How To Raise A Concern**

You are obligated to promptly report any problems or concerns or any potential or actual violation of the Code. The first action should be to raise the problem with your manager or supervisor. If that is not possible for some reason or if taking it to your supervisor does not resolve the matter, it is your responsibility to take it up the chain of management including to the Chief Human Resource Officer or Chief Executive Officer, or to e-mail the Chairman of Board, who will treat the matter with utmost discretion. We encourage you to use every avenue available to you for reporting violations of the code including anonymous reporting through MySafeWorkplace at 1-800-461-9330 or [www.MySafeWorkplace.com](http://www.MySafeWorkplace.com).

Managers and supervisors who receive reports of a possible violation of this Code must take immediate action and seek advice from a member of the senior management team on an appropriate course of action. Any issue not resolved satisfactorily must be sent to the Chairman of the Board in confidence.

#### **L. Retaliation is Prohibited**

The Company will not retaliate against anyone who reports suspected unethical conduct, breach of this Code or any Company policy or any violations of laws or regulations. This means that the Company will not terminate, demote, transfer to an undesirable assignment or otherwise discriminate against any person for calling attention to suspected illegal or unethical acts. This includes anyone giving information in relation to an investigation. However, the Company reserves the right to discipline anyone who knowingly makes a false accusation or provides false information to the Company.

Effective: December 11, 2018