

TI-M Policy on Conflict of Interest

1. Applicability

This policy applies, except as otherwise stated, to every person associated with TI-M as a Board member, Supporter, resource person, or staff member. The “interests of any person associated with TI-M” include the interests of any person with whom they have a close personal relationship, including their spouse, life partner, children, parents, siblings, or other close family members.

2. General Policy

- 1) Every person associated with TI-M (according to paragraph 1) must avoid or manage any potential real or perceived conflict of interest (inter alia by refraining from any decision making or voting on matters subject to a potential conflict of interest), and openly acknowledge any potential or actual conflict of interest which arises through his/her association with TI-M.
- 2) Conflicts of interest may arise from time to time in the course of such persons’ activities and decisions. They may arise in their work for TI-M with regard to pecuniary or financial interests, or interests that impede them in their duty to act in the best interests of TI-M.
- 3) Members of the Board of Directors and Individual Supporters of TI-M shall declare their financial and non-financial interests which could potentially lead to or could conceivably be perceived as a conflict of interest. Such declaration shall be made by way of a register, which shall be submitted to the TI-M Ethics Council who shall hold it, and act upon it as appropriate, in confidence.
- 4) TI-M's efforts to raise the ethical standards of government officials, business people, and other individuals could be compromised by any ethical lapses on the part of individuals representing TI-M. It is essential that everyone associated with TI-M, including Board members, TI-M management and staff, Supporters, and other TI-M affiliated persons or organizations, is highly sensitive to potential conflicts of interest.

3. Remunerated Work Contracts and Consultancies

- 1) Staff members (including management) of TI-M sometimes are employed by, or undertake paid work for, other organizations. Such work may be undertaken, only with the express permission of their superior, under consideration of potential conflict of interest, the area of work and potential conflicts with TI-M's values, as well as time consumption.
- 2) Much of TI-M's work is done by individuals who are not employees of the organization but who act for or on behalf of TI-M on a voluntary basis. This includes, among others,

the members of the Board of Directors and the Supporters active for TI-M. Many of such individuals will have business, professional, and other affiliations.

- I. Members of the Board of Directors, or companies or other organizations with which such members are currently affiliated, may not perform remunerated work for TI-M.
- II. Members of the Board of Directors, or companies or other organizations with which such members are currently affiliated, may apply and compete for remunerated work contracts with other national chapters, or with the TI Secretariat; provided however that they are not offered any advantages over any competitors with respect to being awarded or carrying out such work. They must not utilize privileged information and do everything to contradict the perception of having utilized privileged information; in addition, they will not exercise their board function to the extent it relates to the conditions of the contract or the selection or supervision of such contract. In other words, they do not need to be disqualified in such cases because of their affiliation with TI-M, but neither may they be given the “inside track”. When doing non-TI related work, Board members or their companies shall not utilize privileged TI information, and shall also be sensitive to the perception that they might be utilizing such information.
- III. Individual Supporters of TI-M, or companies or other organizations with which such individuals are affiliated, may apply and compete for remunerated work contracts with TI-M, or any of the remaining chapters, or the TI Secretariat, provided they are not offered any advantages over any competitors with respect to being awarded or carrying out such work. They must not utilize privileged information and do everything to contradict the perception of having utilized privileged information. In other words, they do not need to be disqualified because of their affiliation with TI-M, but neither may they be given the “inside track”. When doing non-TI related work, Individual Supporters shall not utilize privileged TI information, and shall also be sensitive to the perception that they might be utilizing such information.
- IV. TI-M will be transparent in its decision-making processes when commissioning paid work, and will follow transparent tender procedures.

4. Gifts and Entertainment

No person associated with TI-M shall accept any gift, entertainment, loan or anything else of value from any organization or individual if it could be reasonably construed or perceived that the gift is motivated by a wish to influence TI-M.

5. How to Deal with a Possible Conflict of Interest

- 1) Potential conflicts of interest should be identified and declared by the person in potential conflict, or reported by other members of the organization, as soon as they become aware of such potential conflict of interest. If problems are identified before commitments

are made or questionable actions have occurred, embarrassment can be avoided and alternatives can be explored.

- 2) Such disclosure or report should be made to the Chairperson of TI-M.
- 3) The evaluation of a potential conflict of interest must be made by the Board of Directors with support from the Ethics Council. The evaluation may determine the absence of a conflict of interest, or it may lead to the conclusion that:
 - I. The respective person should not go ahead with the evaluated activity; or
 - II. He/she should recuse him/herself from participating in decision making by TI-M with reference to the matter in conflict.
- 4) The Chairperson of TI-M respectively is responsible for ensuring that all persons associated with the activities of TI-M are made aware of the policy and procedures regarding conflict of interest. In addition, these policy and procedures should be made available to the TI-M Supporters through publication, for example, on the website or in a newsletter.

6. Disclosure of Payments to national chapters or TI International Board Members

When payments are made – excluding approved expenses and per diems – to a member of the Board of Directors, or a member of the Board or a staff member of any other national chapter or the international Secretariat, this should be declared in full in the annual Financial Statement and Annual Report. Such reporting should also outline the procurement/tender procedures conducted that led to such payment.

7. TI-Ms Ethics Council

TI-M has established an Ethics Council for the purpose of providing advice on ethical questions to anybody associated with TI-M. The Terms of Reference and contact details of the Ethics Council can be obtained through the TI-M office or the internet.

8. Scope of this policy

This policy sets minimum standards. Individual Codes of Conduct and conflict of interest policies for the Board of Directors, TI-M management and staff, Supporters, and other TI-M affiliated persons or organizations should be in line with this policy.

Ends