

By-Laws of Transparency International- Mongolia NGO 2017

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GROUND RULES AND PRINCIPLES

1. TI-M Charter

1. Name, Address, Business Year

- 1) The organization (hereafter also referred to as “TI-M”) is called “Transparency International-Mongol” in Mongolian and “Transparency International-Mongolia” in English. Its abbreviation is “TI-M”.
- 2) TI-M’s office address is: Ulaanbaatar City 14230, Sukhbaatar District, 1 Khoroo, UNESCO Street 30B, United Apartments Building, 1st Floor, Unit 1B.
- 3) TI-M’s postal address is: Ulaanbaatar 14230, POB **XXX**.
- 4) The business year of the organization is the calendar year.

2. General Provisions

- 1) TI-M is a non-profit and non-governmental voluntary organization. It is an independent national organization working in close cooperation with “Transparency International” international NGO (hereafter referred to as “TI international”).
- 2) TI-M was founded in Ulaanbaatar on the 14th day of May of the year 2003. After its registration it became a legal entity in accordance with the law. TI-M has its own stamp, logo, bank account, and official letter head.
- 3) In its activities it shall abide by the Constitution of Mongolia, Law on Non-Governmental Organizations and its By-Laws, the National Chapter Guidelines set by TI international, TI-M’s own by-laws, as well as universally accepted international principles.

3. Purpose of the organization

TI-M’s purpose is to take action to combat corruption and prevent criminal activities arising from corruption in order to mitigate the damaging effects corruption can potentially have on economic development, poverty alleviation, and political stability. The organization is serving the society and is devoted to making the State and Government activities transparent, to improve effective public oversight on them, to fight corruption and bribery in all sectors, and to educate the general public about methods and forms for fighting against corruption. The organization acts on a national and subnational level and, where applicable, also on a regional level with other international organizations and organizations led by TI international.

To achieve these goals the organization particularly carries out the following activities:

- I. Raise public awareness of the occurrence and impact of corruption;
- II. Develop coalitions to address corruption
- III. Enforce public oversight of government activities;
- IV. Conduct surveys and disseminate information to educate the general public about corruption;
- V. Develop and disseminate tools for curbing corruption to enhance transparency and accountability in politics and business and to engage the public in the fight against corruption;
- VI. Provide recommendations for the improvement of legislative acts related to corruption and support institutions and mechanisms to enhance their effective enforcement;
- VII. Collect corruption related complaints and suggestions from individuals and organizations, analyze them, develop recommendations and possible solutions, and cooperate with related parties on the implementation of solutions;
- VIII. Monitor the control of corruption;
- IX. Provide support to and establish contacts with like-minded national and international organizations and individuals;
- X. Support and collaborate with institutions and mechanisms to combat corruption.

4. Structure of the Organization

The governing body of the organization is the Board of Directors. The ongoing management of the organization is undertaken by the Executive Director and the Co-Managing Director as the deputy of the Executive Director. The governing structure, as well as the roles, responsibilities, and regulations regarding these two organizational entities are defined in the organization's bylaws.

5. The Board of Directors

- 1) The Board of Directors has the highest decision-making power within the organization.
- 2) The Board of Directors comprises the Chairperson, the Vice-Chairperson and between three to five additional members. No less than two members of the Board of Directors shall be representatives of the TI-M founding organizations.
- 3) Individuals with a high degree of integrity may submit their candidacy as Board member to the Board of Directors, and Board members may in addition individually or collectively recommend further name(s) for consideration of the Board at one of its regular meetings. The Board shall consider all candidacies received and shall prepare a shortlist of nominees sufficient to fill vacancies as and when the Board deems it appropriate. The election of Board members shall be made by simple majority of all Board members, present or in proxy, at the meeting of the Board in which such election shall take place.

- 4) The Board members shall be elected for a two-year term and shall be eligible for re-election for a maximum of two further terms.
- 5) Once in every two years two members who have served for at least two full terms of two years each would voluntarily stand down making room for new members to be elected following the same process as described above.
- 6) Former Board members can be re-elected after 3 years of stepping down provided vacancies exist, and any such re-election is then also subject to the same process of election and for a maximum of three consecutive two-year terms.
- 7) There shall be a Chair, a Vice-Chair within the Board of Directors, who shall be elected by the Board members from amongst themselves by simple majority of all Board members, present or in proxy, at the meeting of the Board in which such election shall take place. The Chairperson and Vice-Chairperson shall hold office as such for a maximum of three successive terms of two years each. Upon any re-election as a Board member, such members shall not automatically be, nor be deemed to be the Chair or Vice-Chair unless also elected as such.
- 8) Members of the Board of Directors will not receive any remuneration from TI-M related to their duties as Board members, Chairperson, or Vice-Chairperson.
- 9) The Board of Directors shall meet not less than once in a quarter at meetings convened by the Chairperson or Vice-Chairperson. Decisions by the Board of Directors shall be made at such meetings. At least two weeks' written notice shall be given along with an agenda by the Chairperson or Vice-Chairperson.
- 10) Extraordinary meetings of the Board of Directors may be called by the invitation of two thirds of the members or by decision of the Chairperson or Vice-Chairperson.
- 11) As an alternative to meetings convened in accordance with Article 5.4), the Board of Directors may determine procedures to conduct official business by teleconferencing, fax, mail, or e-mail. If a decision is to be made by any of the means described in Articles 5.4) and 5.5), all members of the Board of Directors have to be informed in writing about decisions to be tabled, at least one week in advance by the Chairperson or Vice-Chairperson. Agenda and discussion papers shall be given to members of the Board of Directors seven days prior to the meeting date by the Chairperson or Vice-Chairperson.
- 12) A quorum is reached by simple majority of the voting Board members. Members of the Board of Directors unable to attend a meeting may by written notice to the Chairperson appoint another member of the Board of Directors as their proxy to vote on their behalf and will in this case be included in the quorum. Decisions shall be made by open vote of simple majority in person or by proxy. In the event of there being no majority, the Chairperson, and in his/her absence the Vice-Chairperson, has a casting vote.
- 13) Minutes will be kept of the decisions made, and signed by the minute-taker and by the person who chaired the meeting.

- 14) Members of the Board of Directors who do not attend at least fifty percent of the convened Board Meetings during one year may be removed during the next Board Meeting, except there is sufficient justification for their absence (e.g. in the event of hospitalization, significant events within the close family, etc.).
- 15) Members of the Board of Directors may only be removed during the term by majority vote by the remaining members of the Board of Directors.
- 16) In the event of an unanticipated vacancy on the Board, the seat shall be filled for a full two-year term by election at the next Board Meeting.
- 17) The Board of Directors shall have the following powers:
 - I. Approving amendments to the Charter of the organization, or its dissolution;
 - II. Approving and/or amending other By-Laws;
 - III. Restructure or dissolve TI-M under the specific conditions lined out in Article 13;
 - IV. Approving the annual budget;
 - V. Approving TI-M strategy and amendments to it and provide strategic direction for TI-M;
 - VI. Approving the Annual Report and financial statements of the organization upon proposal by the Executive Director;
 - VII. Determine the fees (if any) payable by Supporters and the date by which such fees shall be payable;
 - VIII. Deciding and revising a policy for the appointment of Individual and Institutional Supporters, upon a proposal by the Executive Director;
 - IX. Appointing, suspending, removing, and expelling Individual and Institutional Supporters;
 - X. Approving staff structure and organization, number of staff, budget, and internal rules based on the proposal of the Executive Director;
 - XI. Managing property of the organization, determining or modifying authority and obligations of the Executive Director related to this;
 - XII. Approving any expenditure of MNT 20.000.000 million (Twenty million Mongolian Tugrik) or more which has not gained prior approval as part of the annual budget;
 - XIII. Approving the appointment of the Executive Director and the Co-Managing Director and evaluate their performance report;
 - XIV. Determining from time to time the size of the Board of Directors, within the parameters set by Article 5.2);
 - XV. Approving the minutes of Board Meetings, and dissemination of decisions taken at Board Meetings to the staff as well as the Individual and Institutional Supporters;
 - XVI. Vote for the election of the Chairperson and Vice-Chairperson of the Board of Directors;
 - XVII. Vote for the election of members of the Board of Directors;
 - XVIII. Removing members of the Board of Directors by majority resolution;
 - XIX. Other powers provided by this Charter and in the legislation.

6. Chairperson and Vice-Chairperson of the Board of Directors

- 1) The Chairperson and the Vice-Chairperson shall be appointed by resolution of the Board of Directors from amongst themselves. The Chairperson and the Vice-Chairperson shall be elected for a two-year term. They shall be eligible for re-election for a maximum of a further two terms but will not be eligible for re-election for a third term if they had earlier served for three terms as an ordinary Board member. The Chairperson and the Vice-Chairperson shall, however, remain in office until a new Chairperson/Vice-Chairperson is elected. If the position of the Chairperson becomes vacant for any reason, the Vice-Chairperson shall act as Chair until the next Board Meeting. If the position of both the Chairperson and the Vice-Chairperson become vacant for any reason, the remaining Board members should appoint one of their members to acting Chair until the next Board Meeting. The Chair and Vice-Chair shall not automatically be, nor be deemed to be elected as such upon any re-election as a Board member, unless they have been also reelected as Chair or Vice-Chair.
- 2) The Chairperson and the Vice-Chairperson represent the organization in judicial and extra-judicial matters. The representative authority of the Chairperson or Vice-Chairperson is limited insofar as expenditures of the equivalent of MNT 20.000.000 (Twenty million) Mongolian Tugrik or more which have not gained prior approval as part of the annual budget must be approved by the Board of Directors.
- 3) Decisions of the Chair and Vice-Chair are taken at meetings convened by the Chairperson or by teleconferencing, fax, mail, or e-mail within the parameters set by Article 5.3) to 5.5).
- 4) The powers of the Chairperson and in his/her absence the Vice-Chairperson are:
 - I. Represent the organization in judicial and extra-judicial matters nationally and internationally with the limitation set out in Article 6.2);
 - II. Convene the meetings of the Board of Directors, determine the agenda in consultation with the remaining members, and chair the meetings;
 - III. Appointing the Executive Director with the approval of the Board of Directors through an official contract. Amending and invalidating the contract;
 - IV. Appointing the Co-Managing Director with the approval of the Board of Directors through an official contract. Amending and invalidating the contract;
 - V. Ensure fulfilment of this Charter, decisions made and tasks assigned by the Board of Directors;
 - VI. Other powers provided by this Charter and the legislation.

7. Executive Director and Co-Managing Director

- 1) The Chairperson and Vice-Chair person, in order to perform their duties, may appoint, with the approval of the Board of Directors, one Executive Director. The Executive Director represents the organization in all matters of up to MNT 20.000.000 (Twenty million) Mongolian Tugrik. He/She can enter into, terminate, and nullify contracts of

employment. A Co-Managing Director shall be appointed by the Chairperson and Vice-Chair person, with the approval of the Board of Directors, acting as the deputy and proxy of the Executive Director, in case of his/her absence.

- 2) Both Supporters and Non-Supporters may hold the Executive Director's or Co-Managing Director's position. If a member of the Board of Directors applies for the position of the Executive Director or Co-Managing Director, he/she shall not participate in the selection process, and if appointed as Executive Director or Co-Managing Director, shall be suspended from the Board of Directors, or if remaining on the Board of Directors he/she shall not have voting rights.
- 3) Powers of the Executive Director as well as the Co-Managing Director, working terms and conditions, as well as salary and benefits shall be determined in a contract signed with the Chairperson or Vice-Chairperson of the organization.
- 4) In absence of an Executive Director, the Co-Managing Director shall be appointed as acting Executive Director until a replacement is appointed. In case of absence of an Executive Director and a Co-Managing Director, the powers of the Executive Director shall be exercised by a staff member appointed as acting Executive Director by the Board of Directors until a replacement is appointed.
- 5) Powers of the Executive Director shall include:
 - I. Preparing annual budget for the approval by the Board of Directors;
 - II. Determining staff structure and organization, number of staff, budget, and internal rules for the approval by the Board of Directors;
 - III. Entering into, terminating, and nullifying contracts of employment;
 - IV. Drafting TI-M Annual Reports and financial statements for the revision and approval by the Board of Directors;
 - V. Approving work plan and overseeing and supporting the implementation of TI-M's activities in accordance with the strategic plan;
 - VI. Evaluating work results;
 - VII. Managing daily operations of the organization and reporting progress to the Board of Directors;
 - VIII. Within the scope of power received from the Board of Directors managing and disposing of TI-M property;
 - IX. Representing TI-M within the scope of authority received from the Board of Directors;
 - X. Preparing and maintaining Supporter records, managing financial records of membership fees and donations;
 - XI. Other powers given to him/her by the Board of Directors or provided in the legislation.
- 6) Powers of the Co-Managing Director shall include
 - I. Undertaking the Executives Directors tasks in case of his/her absence.
 - II. Acting as proxy of the Executive Director when necessary.

8. Individual and Institutional Supporters

- 1) Eligible as Individual Supporters are individuals of recognized integrity from diverse geographical, cultural, and professional backgrounds who acknowledge this Charter and its underlying By-Laws and are committed to the active promotion and realization of its goals.
- 2) The status of Institutional Supporters is open to corporate or other business entities, and other organizations.
- 3) Individuals and Institutions may apply to become Supporters by declaring in writing to the Chairperson their willingness to further the work of the organization. Their applications are subject to approval by the Board of Directors for a two-year term with possibility of extension.
- 4) Separate policies for Individual and Institutional Supporters on appointment, suspension, and termination will be approved by the Board of Directors, and may be revised from time to time.
- 5) Institutional Supporters shall pay an annual fee, which shall be proposed by the Executive Director and approved by the Board of Directors. Individual Supporters may, on a voluntary basis, provide financial contributions to the organization. All Supporters are further expected to make available to the organization technical assistance for its activities, above and beyond acknowledging their support for the objectives of the organization.
- 6) Individual and Institutional Supporters are entitled to be informed as to the activities of the organization, taking into account the need for confidentiality in some situations. Individual and Institutional Supporters have voting rights with regards to the election of members of the Board of Directors and the Chairperson and Vice-Chairperson as well as to the dissolution of the organization. They may assist with the work of the organization in an advisory capacity.
- 7) The status as Supporter terminates:
 - I. Upon death (for individual Supporters);
 - II. Upon voluntary withdrawal (by declaration of withdrawal in writing to the Chairman, or at the expiry of the specified Supporters' term);
 - III. Upon expulsion;
 - IV. Upon dissolution of the organization.
- 8) All Supporters' rights cease with the termination of the membership. Supporters' fees owed to the organization remain to be paid.

9. Honorary Members

Individuals who have distinguished themselves in the fight against corruption may be appointed Honorary Members by the Board of Directors. Honorary Members do not have voting rights and shall not be counted towards the quorum at Board of Directors' elections.

10. Funding

- 1) TI-M shall be self-financed.
- 2) TI-M may possess movable and immovable property as well as circulating capital.
- 3) TI-M may be funded from the following sources:
 - I. Supporters' fees and/or donations;
 - II. Donations from individuals, business entities, public institutions, and charitable organizations;
 - III. Income generated from public institutions, business entities, and charitable organizations for activities related to the fulfillment of TI-M goals and the implementation of projects;
 - IV. Loans and/or inherited assets.
- 4) The TI-M minimum annual Supporters' fee for Institutional Supporters is MNT 1.000.000.

11. Non-Profit Making Purpose

- 1) TI-M will pursue exclusively and directly non-profit making goals.
- 2) TI-M will act altruistically; its primary motive is not profit-oriented.
- 3) The funds of TI-M may only be used for the stated purposes of the organization pursuant to this Charter. TI-M Supporters shall not, in that capacity, receive allocations from TI-M funds. No individual may benefit from these funds through expenditure which is not in line with the purpose of the organization, or through disproportionately high remuneration.

12. Financial Reports

- 1) TI-M annual financial reports shall be authorized through independent audit.
- 2) TI-M activities shall be open and transparent, and annual activity reports as well as annual financial reports shall be open to the public.
- 3) According to the relevant regulations TI-M shall file its annual activity reports and annual financial reports to the respective competent authorities within the period of time stipulated by the law.
- 4) The publicized annual financial reports shall include a list of contributors and the size of their contributions (money or inherent) if the amount exceeds MNT 20.000.000 (twenty million) Mongolian Tugrik.

13. Dissolution of TI-M

- 1) A decision to dissolve TI-M requires a resolution passed by the Board of Directors, and the Individual and Institutional Supporters, supported by three-quarters of all valid votes cast in person or by proxy.
- 2) Unless the Board of Directors determines otherwise, the Chairperson and the Vice-Chairperson shall be joint liquidators, and shall represent TI-M.
- 3) Should TI-M be dissolved, the property remaining after all payments shall be transferred to like-minded organizations or, where there is no such organization, shall be used for activities related to the TI-M goals.
- 4) The above provisions shall also apply should TI-M be dissolved for any other reason, or should it lose its legal capacity.
- 5) TI-M may be dissolved by legally justified court decision.

14. Liability

TI-M shall not bear any liability for damage caused to individuals, business entities, or organizations through illegal activities of TI-M Supporters or staff, and consequences occurred by this.

15. Governing Language

The Mongolian version of this Charter shall prevail in cases of interpretation and determination of the content of this Charter.

16. Place of Jurisdiction

Administrative Court of Ulaanbaatar

17. Salvatory Clause

If any of this Charter shall be held void or unenforceable or contrary to Mongolian law, the validity of the remaining provisions shall remain unaffected.

Ends

2. TI-M Umbrella Statement – Vision, Missions, Values, and Guiding Principles

Our Vision

Our vision is a country free of corruption, enabling justice, equality, and integrity at all levels of Mongolian society, for current and future generations.

Our Mission

Our mission is to combat corruption for the people of Mongolia by promoting integrity, transparency, accountability, and no impunity and by collaborating with individuals and institutions from all sectors and at all levels of society.

Our Values

- Transparency
- Accountability
- Integrity
- Solidarity
- Courage
- Justice
- Democracy
- Leadership
- Respect

Our Guiding Principles

- As coalition builders, we will work cooperatively with all individuals and groups, with for-profit and non-profit corporations and organizations, and with governments and international bodies committed to the fight against corruption, subject only to the policies and priorities set by our governing bodies.
- We are dedicated to maintaining openness, honesty, and accountability in all of our working relationships and with each other.
- We will remain democratic, politically non-partisan and non-sectarian in our work.
- We will condemn bribery and corruption vigorously wherever it has been identified, although, as an organization, we do not seek to expose individual cases of corruption.
- The positions we take will be based on sound, objective, and professional analyses and high standards of research.

- We will only accept funding that does not compromise our ability to address issues freely, thoroughly, and objectively.
- We will provide accurate and timely reports of our activities to our stakeholders.
- We will respect and advocate for fundamental human rights and freedoms.
- We are committed to cooperating with the Transparency International Secretariat and national chapters worldwide.
- We will not act in any way that might prejudice the interests of the Transparency International movement as a whole. We recognize that the credibility and effectiveness of the movement is dependent on maintaining a reputation for independence and integrity and will not threaten this reputation with any of our actions.
- We will strive for balanced and diverse representation on our governing body and in our workforce.

Ends

3. TI-M Code of Conduct

I. OVERVIEW

1. Introduction

This Code of Conduct for the staff of TI-M is based on the “TI-M Umbrella Statement - Vision, Mission, Values, and Guiding Principles” and in line with the “TI-M Conflict of Interest Policy”.

While the Umbrella Statement provides a firm ethical framework for our organization, an individual code of ethics reflects the particular needs and the aspirations within our organization.

It is within this understanding that TI-M has - through a process involving the entire staff - developed the following Code of Conduct to guide its staff in their day-to-day work, interactions, and decision-making. The Code of Conduct of approved by the Board of Directors on XX.XX.XXXX.

The employees of TI-M are committed to uphold high standards of integrity and accountability, to act according to the core values and guiding principles of TI-M and to promote these standards and principles. TI-M staff is aware that they have a special role to play in promoting the organization and its ideals to other stakeholders.

The Code is a living document. Its value to TI-M lies in its ability to create an enhancing environment for a culture of integrity.

2. Scope of the TI-M Code of Conduct

The Practical Guidelines for TI-M have been developed for both staff as well as advisors regardless of their location. Those working with TI-M as volunteers or as paid consultants are expected to observe the spirit of this Code.

3. General Principles of TI-M

Our Vision

Our vision is a country free of corruption, enabling justice, equality, and integrity at all levels of Mongolian society, for current and future generations.

Our Mission

Our mission is to combat corruption for the people of Mongolia by promoting integrity, transparency, accountability, and no impunity and by collaborating with individuals and institutions from all sectors and at all levels of society.

Our Values

- Transparency
- Accountability
- Integrity
- Solidarity
- Courage
- Justice
- Democracy
- Leadership
- Respect

Our Guiding Principles

- As coalition builders, we will work cooperatively with all individuals and groups, with for-profit and non-profit corporations and organizations, and with governments and international bodies committed to the fight against corruption, subject only to the policies and priorities set by our governing bodies.
- We are dedicated to maintaining openness, honesty, and accountability in all of our working relationships and with each other.
- We will remain democratic, politically non-partisan and non-sectarian in our work.
- We will condemn bribery and corruption vigorously wherever it has been identified, although, as an organization, we do not seek to expose individual cases of corruption.
- The positions we take will be based on sound, objective, and professional analyses and high standards of research.
- We will only accept funding that does not compromise our ability to address issues freely, thoroughly, and objectively.
- We will provide accurate and timely reports of our activities to our stakeholders.
- We will respect and advocate for fundamental human rights and freedoms.
- We are committed to cooperating with the Transparency International Secretariat and national chapters worldwide.
- We will not act in any way that might prejudice the interests of the Transparency International movement as a whole. We recognize that the credibility and effectiveness of the movement is dependent on maintaining a reputation for independence and integrity and will not threaten this reputation with any of our actions.
- We will strive for balanced and diverse representation on our governing body and in our workforce.

4. Practical Guidelines

4.1. Staff Relations

- 1) We will treat each other and those with whom we work with respect and consideration, being sensitive to our diversity, including in terms of cultural background, gender; region; religion; disability; family status; sexual orientation, etc.
- 2) We will communicate and consult with each other openly and collegially and in a manner that assists each of us to fulfil our duties and responsibilities faithfully and efficiently.
- 3) We will respect the privacy and private lives of our colleagues when dealing with personal information.
- 4) We ensure adequate consultation with any staff member before making any decision, which may impact upon that staff member.

4.2. Personal Integrity

4.2.1. Conflicts of Interest

In our work, conflict may arise between our personal interests and the interests of TI-M, the global movement, or other stakeholders. We will disclose such conflict and resolve it in a transparent manner, in the interest of TI-M, TI international, and the international movement. The following paragraph is based on the general policy set out in the TI-M Policy on Conflict of Interest, and spells out in detail the obligations of TI-M employees in regard to this policy.

4.2.2. Staff Recruitment / Non-preferential Treatment of Family and Friends

Appointments to all positions will be made on merit, regardless of gender, region, religion, disability, family status, sexual orientation, etc. We are committed to open, fair, and transparent appointment, recruitment, hiring, and procurement procedures and practice.

- 1) Family members, and friends and organizations with which we or our families or friends are associated, will not be accorded preferential treatment.
- 2) If hiring or contracting with members of the immediate families of TI-M staff or the Board of Directors, that is a partner, parent, child, or sibling, we will follow carefully the guidelines set out in the recruitment and contracting policies to ensure non-preferential treatment.
- 3) To manage potential conflicts of interest, we will disclose such connections with potential applicants or candidates of whom we are aware. We will recuse ourselves from any recruitment or contracting process where we have a conflict of interest. We will ask shortlisted candidates to declare such relations at TI-M or with the Board of Directors. We will not allow situations in which close family relatives or partners are in a direct reporting relationship to one another.

4.2.3. Anti-corruption

We require integrity and fair practices in all aspects of our activities and we expect the same standards of those with whom we have relationships.

We do not tolerate corruption and prohibit bribery in any form, whether direct or indirect. This includes facilitation payments, which are bribes and must not be made.

4.2.4. Gifts and Entertainment

There are a variety of customs concerning the giving and receiving of gifts in different cultures. As the acceptance of a gift may appear to create an obligation, we will avoid giving or accepting gifts, favors, and gratuities in connection with official duties, unless these are gifts of minor value and within normal limits up to 30.000 (Thirty Thousand) Mongolian Tugrik, as required by the following policies:

- 1) We will not accept directly or indirectly any discount, gift, entertainment¹, favors, or advantages, include all services to which we have no claim and which may enhance our economic, legal, or personal circumstances (all referred to as gifts hereafter), unless these are small gifts of up to 30.000 (Thirty Thousand) Mongolian Tugrik. The same applies for third parties, such as spouse, children or other close relatives, where the staff member is aware of this.
- 2) Invitations to work-related meals are regarded as small gifts even if they exceed the set limit of 30.000 (Thirty Thousand) Mongolian Tugrik, as long as they take place in an appropriate and professional framework. To ensure transparency, we will notify the Executive Director, or in his/her case, the Chairperson if we are frequently invited to work-related meals or if work-related meals are frequently covered by TI-M.
- 3) We will not accept any gifts that may influence or be perceived to influence the exercise of our function, or the performance of our duties or our judgement. The same applies for third parties, such as spouse, children or other close relatives, where the staff member is aware of this.
- 4) All gifts between the value of 30.000 (Thirty Thousand) Mongolian Tugrik and 60.000 (Sixty Thousand) Mongolian Tugrik will be registered as provided in Article 15.2.4. 5). All gifts from a value of 60.000 (Sixty Thousand) Mongolian Tugrik or more will be refused. In special cases, where the rules of courtesy require the acceptance of a gift above that value, an approval by the Executive Director, or in his/her case by the Chairperson, is required. In addition, the gift will be registered as provided in Article 15.2.4. 5).
- 5) Registration Process: All gifts will be reported to the Board of Directors and recorded on a document managed by the Board of Directors that is available to all TI-M staff members. Registered gifts cannot be kept for private use but shall be used jointly within the organization or provided to humanitarian purposes. Private use can only be

¹ *Invitations to dinner, cultural events, tourist visits, etc.*

approved in exceptional cases, where a staff member received a special honor or memory. In such cases, the reasons for private use have to be documented by the Chairperson and the Ethics Council shall be informed.

- 6) We will only give gifts of a value up to 30.000 (Thirty Thousand) Mongolian Tugrik as an act of courtesy and may grant personal advantages only to the extent that may not influence or be perceived to influence integrity, or may be perceived as improper or as a binding obligation.
- 7) Extending invitations to business meals and events are considered small gifts even if they exceed the set limit of 30.000 (Thirty Thousand) Mongolian Tugrik per person and year, as long as they take place in an appropriate and professional framework.

4.2.5. Travel and TI Property

- 1) Official travel undertaken by TI-M employees will be directly related to the work of TI-M, and will be undertaken only when necessary. Only economical and bona fide travel expenses will be reimbursed. Only economy airfare will be paid, unless otherwise decided by the Executive Director in accordance with guidelines set by the Board of Directors.
- 2) We will ensure that TI-M resources will be used effectively. Assets under our control will be used for no purpose other than for the advancement of TI-M's objectives.
- 3) When private travel is added onto TI-M related travel, we will notify the Executive Director before the trip and will meet any extra costs that this may entail.

4.2.6. Private Activities and Private Property

- 1) We will not engage in any activity or transactions or acquire any position or function, whether paid or unpaid, that is incompatible with or detracts from the proper performance of our duties, and that may bring TI-M or the whole TI movement into disrepute.
- 2) We will so arrange our private affairs as not to engage in any activity that might impair the credibility of TI-M by giving the impression that TI-M is fostering individuals, public, or private institutions whose behavior is perceived as not being in accordance with TI-M's values.
- 3) We will not use TI-M business relationships to solicit or obtain favors or improper benefits in private life.
- 4) We will not allow our political affiliations and/or activities to unduly influence or interfere with the political neutrality that is the hallmark of the TI movement.

4.2.7. Remuneration

Where we receive any remuneration for public speaking, writing for a publication or a media appearance, and TI organizational information is involved or the appearance is a result of the individual's employment or association with TI-M, then the remuneration will be paid directly to TI-M. However, the Executive Director may decide to forward such honorarium, partly or entirely, to the respective staff member.

4.2.8. Post-Employment

We will not allow our actions and decisions in the course of our work to be improperly influenced by the prospect of future employment with others.

4.2.9. Transparency and Confidentiality

- 1) We will be as open as possible about all decisions and actions we take, taking into account the need for confidentiality in some situations.
- 2) We will treat information obtained in the service of TI-M with confidentiality, when its nature calls for it or when this is explicitly requested, and will not use any such information or materials to further a private interest. This obligation continues after the staff's separation from TI-M.

4.3. Financial Transparency

- 1) We will provide and publish audited financial statements in easily accessible form. Financial reports will be provided and published as appropriate.
- 2) We will publish annually our sources of funding exceeding MNT 20.000.000 (Twenty million) Mongolian Tugrik and account accurately and promptly to donors in accordance with the terms of their grants.

4.4. Financial Independence

We will act in line with the Board-approved TI-M Donations Policy and will not accept funds that might impair the independence or reputation of the organization to pursue its mission. To this end, TI-M will:

- 1) Accept resources only from donors who share our anti-corruption, transparency, and integrity objectives;
- 2) Seek a balanced distribution between resources obtained from public sector, private sector, foundations and charities, and contributions from individuals;
- 3) Seek a multitude of donors in any aforementioned category;

- 4) Not accept resources granted under condition or structured such that TI-M refrains from independent action, pursues activities inconsistent with its mission, or refrains from pursuing activities consistent with its mission.

4.5. Environmental Responsibility

We are committed to reducing the environmental impact of TI-M, within all our operations and conduct. We will strive to integrate and apply environmental values into our decision-making processes and in our relationships with external partners and the movement.

II. IMPLEMENTATION

1. Getting familiar with the Code

- 1) TI-M management will actively encourage an internal dialogue on ethics, provide guidance for staff and ensure that internal systems, policies, and procedures are consistent with this Code.
- 2) Copies of the Code will be provided to each staff member and published on our web site.
- 3) The Code will be annexed to all contracts of employment and signed along with it.
- 4) There will be an annual review of compliance with the Code and evaluation of its impact on the culture of integrity at TI-M. The review will be conducted by the TI-M Ethics Council (see II.3).
- 5) Periodic meetings with all TI-M staff members will provide a forum of discussion and review of the impact of the code.

2. Raising an Issue / Whistleblower Protection

- 1) Any concerns about an interpretation, application or suspected violation of the Code that staff or other stakeholders are not comfortable raising directly with staff concerned should be brought to the attention of the Ethics Council (see below).
- 2) Concerns may be raised in person or email through established secure and confidential mechanisms.
- 3) No one shall be discriminated against or disciplined or reprimanded for reporting concerns or requesting guidance concerning the TI-M Code of Conduct whether or not the concerns are established as valid or substantiated.

3. TI-M Ethics Council

The Ethics Council shall consist of two members who are elected by TI-M staff for one year and who are eligible for re-election for the maximum of two further terms. Members of the Board of Directors, the Executive Director, the Co-Managing Director, and TI-M staff members are not

eligible to be elected to the Ethics Council. The Board of Directors shall debate and decide on conclusions or recommendations of the Ethics Council.

The Ethics Council shall in relation to this Code:

- Receive ethics training at the beginning of their term;
- Keep the effectiveness of the Code under review;
- Facilitate training and other ethics related activities;
- Maintain a dialogue and convene at least once a year with the Board of Directors to review the work of the Ethics Council;
- Address issues or claims raised by TI-M staff or other stakeholders. To this end:
 - In meetings of the Ethics Council, members of the Council will not disclose the identity of any person who has made a confidential report.
 - If considering a specific case, the Ethics Council shall agree to a third member on a case by case basis, who shall be external to TI-M. Decisions are made by majority vote.
 - Upon such request the Ethics Council shall be convened promptly, review the issues raised and claims made and discuss these matters with the persons involved, except for persons having made an anonymous report. In such discussions, the Ethics Council will maintain the confidentiality of any previous discussions held on a confidential basis unless the persons involved waive confidentiality.
 - The Ethics Council shall reach a conclusion and make a written recommendation to all persons involved and, as appropriate, to TI-M staff, the Executive Director, the Co-Managing Director, the Chair and Vice -Chair of the Board of Directors and the Board of Directors.
 - If a Council member is her/himself involved in a suspected violation of the Code, s/he shall not be involved in the review of the case. A replacement will be co-opted by the remaining members.

The Ethics Council will not deal with cases involving personnel issues, which have no ethical implications.

4. Amendments

The Code shall be reviewed regularly. Amendments to the Code shall be discussed with all stakeholders. Final changes must be agreed between TI-M Management and TI-M staff, and must be endorsed by the TI-M Board of Directors.

Date, Name _____

Signature _____

4. 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

5. TI-M Policy on Donations – Procedures and Guidelines

1. Introduction

Donations and other income enable TI-M to fight corruption. TI-M needs to secure the funding necessary to undertake its vital work. Secure and diverse funding enables TI-M to maintain its independence, protect its reputation, and operate effectively.

2. Background

- 1) TI-M is funded from diverse sources: foundations, governments, the private sector, individuals, Supporter's fees, income from publications and events, and other activities. Relying on many sources of income helps TI-M to maintain its independence. Funding may be unrestricted or tied to specific projects.
- 2) Generally TI-M raises its own funding. A sub-committee of the TI international Board of Directors, the Fundraising Task Force, pursues and oversees major fundraising initiatives for the TI movement. This committee also advises on all matters referred to it under the procedure described in Paragraph 6. Of this Policy.
- 3) TI-M must not risk jeopardizing its reputation for honesty, openness, and integrity. Its reputation could be compromised if funding would be received from sources that were perceived to be pursuing activities inconsistent with TI-M's mission.

3. Policy

It is TI-M's policy to accept funding from any donor, whether monetary or in kind, provided that acceptance does not:

- I. Impair TI-M's independence to pursue its mission;
- II. Endanger its integrity and reputation.

4. Scope

This Policy applies to all fundraising for TI-M, regardless of types of donor or amounts involved, unless otherwise stated in this document. It is to be applied to all new funding from existing donors and to all new donors in the future. It does not apply to income raised from the sale of publications or from fees for participation in conferences, events, and other activities.

Appropriate care to protect the reputation of TI-M should always be taken.

5. Guidelines

- 1) Funding to enable TI-M to carry out its work should be sought from a wide range of sources. Care should be taken to ensure that project-related funding does not result in undue influence over TI-M's program work. Subject to maintaining TI-M's independence and reputation, TI-M may accept funding from all kinds of sources.

- 2) TI-M must list all donations over 2.000.000 (Two Million) Mongolian Tugrik and publicly disclose them, including in the organization's Annual Report and on its website.
- 3) If there is a significant risk that receiving funds from a particular source would impair TI-M's independence or if there is a significant risk to TI-M's reputation from public association with the donor, then funding from that source must not be accepted by TI-M.
- 4) Any donation to TI-M must be able to stand up to public scrutiny. TI-M's independence requires that a donor may be subject to the same criticism by TI-M as any other organization or individual in a comparable situation. A donor accused of having been involved in corruption can expect no protection from TI-M.
- 5) TI-M can receive funding from corporations and donors from the private sector. This does not imply any endorsement of a donating company's policies or record. A policy on the procedure to accept donations from a company shall be approved by the Board of Directors. Such a policy shall include a request that corporate donors sign a commitment to integrity before any donation from that company is accepted. TI-M shall not accept a donation from a company that is found to have engaged in corruption unless the company can demonstrate that this was a violation of the company's policies, that breach of these policies is being addressed in an appropriate manner, or that its policies have been amended to proscribe a similar violation in the future. TI-M works with companies on the understanding that they are working towards a business environment in which bribery is not accepted.

6. Procedure to Refer Matters to the Fundraising Task Force

It is the responsibility of the staff and Board of Directors of TI-M to ensure that TI-M's independence and reputation are not jeopardized. The procedure below describes the steps which should be followed when a staff or Board Member believes that TI-M has accepted, or is considering accepting, funding from an inappropriate source. Other people associated with TI-M may also make use of this procedure.

- 1) If any staff or Board Member of TI-M is concerned that there is a threat to TI-M's independence or reputation from donations already received, or about to be accepted, the person(s) should draw this to the attention of the Executive Director and/or the Chairperson and the Vice-Chairperson.
- 2) If necessary, the Executive Director and/or the Chairperson and the Vice-Chairperson will consult the Fundraising Task Force of the TI international Board and seek their advice on whether to accept funding from a specific donor.
- 3) If TI-M proposes to accept more than 30.000.000 (Thirty Million) Mongolian Tugrik (or an amount greater than 20% of its overall budget) from any private company in a year, this should be brought to the attention of the TI international Board's Fundraising Task Force for their advice.

- 4) All communications with the Fundraising Task Force of the TI international Board should be made through a TI international Board Member or the Chief Executive of TI-S.
- 5) The Fundraising Task Force will report to the TI international Board all guidance given under this procedure.

Ends

6. TI-M Policy on Involvement in Concrete Cases

1. Background

TI-M's objective is to promote systemic and sustainable change towards a corruption-free Mongolia. Such a strategy can gain credibility, momentum, and impact, particularly when it leads to tangible help to the victims and witnesses of corruption. It implies that TI-M will not shy away from "naming names" or exposing individual cases if it believes it is necessary to achieve these aims.

This policy is based on the TI Secretariat's "Due diligence guidelines for involvement in concrete cases" and its Annexes. It includes support that is provided by the TI Secretariat in relation to the involvement with concrete cases. For the full scope of support by the TI Secretariat regarding TI-M's or other chapter's involved in concrete cases, please refer to Annex 2 of the "Due diligence guidelines for involvement in concrete cases" of the TI Secretariat, developed by the TI Secretariat in consultation with the international Board of Directors in March 2013.

2. Ground Rules

In line with TI international's policies and procedures, however, TI-M will adopt the utmost care and robust legal, political, and financial risk assessments if it decides to become involved in a particular corruption case – be it, but not limited to, through ALACs, public interest litigation or public comment. Ground rules for such potential involvement in individual cases can be summarized as follows:

- 1) TI-M always respects and operates in full compliance with the core values and principles of the TI movement, as defined in the "TI-M Umbrella Statement of Vision, Mission, Values, and Guiding Principles".
- 2) TI is bound by national legal requirements regarding the extent to which it can collect information and what methods it can use to do so.
- 3) No one should in a TI-M capacity comment or get involved in a particular case that involves another country or took place in another country without first consulting the appropriate national chapter and/or the TI Secretariat.
- 4) TI-M must avoid taking sides in partisan conflicts, and must at all-time follow the requirements of the rule of law in all its actions, statements, and publications.
- 5) Comments and actions should focus on the systemic questions raised in each case rather than the particulars of the individual case.

While helping the victims and witnesses of corruption might require actions that go beyond awareness-raising – e.g. research on the case – TI-M should not pose itself as an investigator.

3. Due Diligence Before Taking Action

Any involvement in a concrete case should

1. Be strategic in its objectives and expected impact;
2. Be properly consulted with relevant bodies of the movement;
3. Be professionally managed and resourced;
4. Be based on sound legal analysis;
5. Take potential risks into account;
6. Have a communication and media plan in place.

1. Assessment of strategic impact

- 1) TI-M always concludes a strategic assessment of the concrete case at hand prior to taking a decision to get involved. In the strategic assessment TI-M considers TI international's three strategic priorities, such as the impact that the involvement may have on the fight against corruption, TI-M, including its board and staff, as well as on the whole TI movement.
- 2) TI international's three strategic priorities as stated in the strategy 2015 are:
 1. People and Partners
 - a) Taking action to demand accountability
 - b) Working with partners and leaders
 - c) Protecting activists
 2. Prevention, enforcement, and justice
 - a) Promoting prevention and enforcing anti-corruption standards
 - b) Demanding justice to end impunity
 3. Strong movement
 - a) Sharing knowledge
 - b) Leading by example
 - c) Enhancing strategic presence
- 3) Involvement in a concrete case can contribute significantly in the fight against corruption and strengthen the reputation of TI in the local, regional, and international context. It can inspire people to join the fight against corruption and contribute to more effective enforcement of laws and standards, such as the UNCAC which can be instrumental to reduce impunity.
- 4) TI-M shall remain conscious that any precise attack on vested interests may generate retaliation, and that this may incur personal risk for anyone associated with TI-M, even if not directly involved in the particular concrete case under investigation. Moreover, the cost of defending legal proceedings can be prohibitive, with high pressure to issue an apology which can be very harmful to the movement's integrity.

5) This strategic assessment includes the following elements and steps:

- TI-M develops an analysis and advocacy strategy which includes
 - Objectives
 - Types of actions and approaches which respect TI's global strategy
 - Mandate
 - The opportunities and risks attached to the concrete case. TI-M does not get involved in the concrete matter if other lines of action better serve the mandate and objectives of TI international.
- In such analysis, TI-M also analyses whether a conflict of interest may exist or arise and ensures that it is addressed. Equally, TI-M considers whether any special circumstances exist in the organization or the Board of Directors that could make it vulnerable for retaliation or other actions that could damage TI-M or the global movement and takes appropriate steps to address these.
- TI-M ensures that it remains non-partisan and even takes measures to avoid the appearance or perception of partisanship. This does not only relate to the substance of the concrete case, but also to aspects such as timing and other special circumstances, such as the occurrence of general elections, national referenda, or other events that could give rise to such perceptions.
- TI-M assesses whether it has the required organizational capacity in terms of management and technical competencies, financial and human resources, access to technical and legal assistance, partnerships and coalitions to successfully pursue the case. TI-M does not get involved in concrete cases when these minimal requirements are not met at an acceptable level. Such organizational capacity might be significantly enhanced by support from the TI Secretariat and can be requested from the TI Secretariat at all times.
- TI-M shall identify and partner with other individuals, organizations, and networks with relevant expertise, experiences, and credibility in the area of the concrete case. This can strongly enhance the capacity and credibility of TI-M in the concrete case and will often reduce organizational risks.
- Upon request the TI Secretariat can provide support in various areas and at all stages of the involvement in the concrete case. The TI Secretariat will make all reasonable efforts to provide such support, which will be evaluated on a case by case basis and includes, but is not limited to:
 - Concrete technical and management support;
 - Provision of legal assistance; and
 - Communications support and assistance with security and risk management.
- In exceptional cases, the TI Secretariat can provide financial support, whereas the guiding principle remains that TI-M itself addresses and manages financial aspects.

- After assessing the above mentioned points, the Board of Directors decides whether TI-M shall get involved in a concrete case and all follow up actions are executed under its leadership and responsibility. The Board of Directors ensures that TI-M meets all requirements to fully comply with its duty of care toward the organization and the global movement in all aspects related to its involvement in the concrete case.

2. Proper Consultations/Active Sharing of Information

According to the TI international “Due diligence guidelines for involvement in concrete cases” TI-M shall swiftly inform the Asia Pacific Department at the TI Secretariat of the concrete case and of its analysis thereof as well as of potential (positive or negative) impact for TI-M and/or for the TI movement. The Asia Pacific Department will share this information with the TI Secretariat’s Risk Management Committee for its review. Where necessary, the TI Secretariat may seek further information, and may advise TI-M not to get involved with the given case. Where the interest of the global movement might be at stake, and TI-M proceeds against the TI Secretariat’s advice, the Secretariat may inform the international Board of Directors.

3. Operational Management/ Resource Allocation

- 1) When TI-M has decided to get involved in the concrete case, it develops a project plan that reflects the strategic assessment and addresses the immediate, mid- and long-term aspects of the action.
- 2) The involvement in a concrete case can lead to considerable costs over a longer period of time, especially when it includes litigation. The Board of Directors ensures that the necessary funds are reserved and/or organizes the necessary actions to acquire such funds.
- 3) The Board of the Directors appoints a responsible person or a team that ensures that all activities are well organized, coordinated, and communicated with all relevant stakeholders throughout the preparation, implementation, and evaluation of the action in a timely manner. The Board of Directors closely monitors and oversees all activities.
- 4) TI-M evaluates its involvement and activities for each concrete case in which it has been involved and actively records and shares lessons learned with the movement and the TI Secretariat. The TI Secretariat can assist TI-M with such evaluations and will actively share and disseminate lessons learned within the movement.
- 5) TI-M shall maintain and update guidelines and procedures for decisions about its involvement in concrete cases in its on-going risk management policies and regularly reviews these to address any required updates and/or additional requirements.

4. Legal aspects

- 1) TI-M must at all-time follow the requirements of the rule of law in all its actions, statements, and publications. This includes, but is not limited to respect for the presumption of innocence, rights of defendants and victims, fair trial and transparency in all our communications and actions.
- 2) TI-M does not seek to replace public authorities in their investigations and respects national legal requirements with regard to what evidence the organization can collect and what methods it can use.
- 3) Before taking legal action, TI-M has to decide what the goals are and whether the law can provide effective remedies.
- 4) Therefore, prior to entering into any formal legal actions, TI-M consults with qualified legal professionals within the network of TI-M and/or outside to receive legal advice on:
 - The chances of success;
 - What possible actions the organization can take against the government, institutions, organizations, and individuals;
 - The attached risks;
 - The financial costs; and
 - The timelines related to the involvement of TI-M in the concrete case.
- 5) Prior to any decision about legal actions, TI-M verifies or seeks professional assistance whether it has reliable and strong legal evidence to support its claims and whether these can be used for the case. TI-M verifies whether any expert witnesses or other additional factual information may be necessary to collect.
- 6) TI-M always seeks formal legal representation by qualified lawyers, unless it has in house legal capacity with all necessary formal qualifications that allow them to formally represent the organization.
- 7) Legal actions can be very time-consuming and drag on for many years. TI-M therefore reserves funds or otherwise makes arrangements to appropriately finance legal action and to be able to defend itself, which includes both professional and administrative fees and other costs. TI-M should refrain from involvement in the concrete case if these funds are not available. Alternatively, TI-M can raise funds for the action or seek financial assistance within the movement.
- 8) TI-M avoids any unnecessary defamation charges at all times and is fully committed to thoroughly verify all sources of information and their background. TI-M will only release public statements after prior libel reviews have been concluded by qualified legal professionals. TI-M can request assistance from the TI Secretariat that will make all possible efforts to facilitate this through pro bono legal support. All public statements and declarations, whether oral or in writing, refrain from accusations of organizations, individuals, groups, governments or other entities if these cannot be backed up with recognized, verified and, if possible documented legal evidence.

- 9) TI-M shall promptly inform the TI Secretariat of any legal notices – or legal threats brought against it – and prepares measures and procedures to manage such situations.

5. Security and risk management

- 1) Involvement in concrete cases can create security risks for TI-M, its staff and Supporters, the Board of Directors, and the movement. TI-M shall therefore have an operational risk management plan in place under the direction of the Board of Directors that ensures that the plan is regularly reviewed and updated.
- 2) This operational risks management plan address general safety systems, measures, and procedures for the Board of Directors, management, and staff of TI-M and access to legal assistance to prevent and address crisis situations.
- 3) The TI-M Board appoints a qualified person from within the organization that will be responsible for the security and risk management and will coordinate all communications between the TI-M office, the Board of Directors and the SAFE unit at the TI Secretariat regarding security and risk management. This may not be a full time function and the Board of Directors may appoint this function to the team or individual who leads the operational management of the concrete case.
- 4) TI-M shall promptly inform the TI Secretariat about any threats or security incidents that can compromise the security of the Board, management and staff, or Supporters and partners. TI-M can request the assistance of the SAFE unit on all these aspects who will make all possible efforts to support on security and risk management.
- 5) The Board of Directors and the Executive Director ensure that all staff are informed and trained about the safety systems, measures, and procedures and are responsible for its enforcement.
- 6) The operational risk management plan notably includes concrete support measures and mechanisms what staff members need to do and refrain from in case of security risks. This is included, but not limited to access to legal and medical assistance, measures to safeguard personal security and data.

6. Communication and media

- 1) TI-M appoints qualified individuals to represent TI-M as spokesperson in the media and other communications and coordinates the approach to the media. The TI Secretariat can at all times be requested to assist.
- 2) TI-M shall inform the TI Secretariat about its media activities in concrete cases and the Secretariat will support TI-M in all possible ways in its media efforts. Such support must be assessed on a case by case basis, but can include supporting publications, press releases, and strategic support on the communications approach.

- 3) TI-M ensures that all journalistic principles and standards are respected, especially with regard to verification of claims, independence and reliability of information sources, and other relevant aspects of the concrete case that could lead to defamation claims.
- 4) TI-M keeps a record of all media interventions and publications, which will primarily serve as a precaution of defense in case legal actions are taken against TI-M or the TI movement.
- 5) TI-M and TI international make all possible efforts to ensure that all communication efforts are concerted and organized to maximize the impact and contribution to our mandate.

4. Checklist for involvement in concrete cases

The following checklist is meant as a support to ensure that all steps related to the involvement of TI-M in a concrete matter have been completed.

Step	People/ Organizations involved	Yes/No	Comments
The full strategic assessment, including attached risks of TI-M's involvement in the concrete case has been concluded.			
TI-M has verified whether it requires assistance from the TI Secretariat and has contacted the relevant department at the TI Secretariat.			
The TI Secretariat Regional Department has been informed about the case.			
The Board of Directors has taken the formal decision to get involved in the concrete case.			
TI-M has completed its advocacy and media strategy for the concrete matter.			
TI-M has appointed responsible person(s) or a team to organize and coordinate the involvement of TI-M, including risk management.			
TI-M has received legal advice from qualified lawyers about the legal aspects of the case.			

TI-M has addressed the financial costs of the involvement in the concrete case.			
TI-M is in full compliance with all (inter)national relevant legal and administrative requirements.			
TI-M has appointed a qualified person to coordinate aspects of risk management.			
All high risk security incidents have been shared with the TI Secretariat's SAFE unit.			
The operational risk management plan has been updated to incorporate lessons learned.			
TI-M has evaluated its involvement in the concrete case.			
Lessons learned have been shared with the TI Secretariat and the movement.			

Ends

7. TI-M Policy on Paid Advisory and Professional Services

1. Introduction and definition

These procedures are established to draw attention to the risks which TI-M faces when engaging in paid work, whether advisory work or any other paid service “purchased” by a buyer.

It is relevant to make a distinction between a grant and “paid advisory and professional services”. In a grant relationship, usually the grantee (TI-M) receives payment from the grantor (typically a donor) for an activity/project initiated by the grantee or jointly with the grantor and serving the public good. In a consultancy, or other forms of paid work, the initiative comes from the “principal” (who pays for the contract to the “contractor”), and the principal determines the tasks as well as the terms of work. Potentially, such paid work could compromise the independence, integrity, and the credibility of TI-M.

The following provisions aim at identifying and addressing potential dangers and risks of undertaking paid work, and at the same time requiring transparency and seeking to preserve TI-M’s independence.

This document is meant for TI-M as a checklist of issues that ought to be taken into account before undertaking paid work, and it is based on TI international’s “Due Diligence Procedures for TI Relating to Paid Advisory and Professional Services”, which was approved by the international Board of Directors on 23rd June 2009. Grants and other types of funding can also carry risks, therefore, much of the following recommendations apply to grant contracts as well. While these provisions focus primarily on TI-M as an organization, paid work undertaken outside of TI-M by TI-M individuals, such as TI-M staff may also have important potential risk implications for TI-M. Adherence to the TI-M Policy on Conflict of Interest is specifically required in such cases.

2. Considerations to be Assessed

NINE POTENTIAL PROBLEM AREAS SHOULD BE ASSESSED CAREFULLY BEFORE ENGAGING IN PAID ADVISORY AND PROFESSIONAL SERVICES:

- 1) Bearing in mind that TI-M is a value based organisation which involves volunteers in its work, consulting or any other paid work, if not done professionally, can undermine independence;
- 2) Complex technical assistance projects may be too demanding and thus risky for civil society organisations;
- 3) TI-M receives grants from donors on the assumption that what is done is undertaken for the public good, to be shared for free, and is in the public interest. Consequently, consultancy work may carry the risk of losing some donors’ financial support;
- 4) By entering the “consulting market”, TI-M may run the risk of alienating some supporters, including consulting firms, who may feel that their support provides TI-M with an advantage when competing with them;

- 5) For-profit companies may challenge TI-M for “unfairly” undercutting market prices based on its not-for-profit status;
- 6) The search for paid work may distort TI-M’s original mission and focus and might distract its efforts to keep a diversified funding base;
- 7) Instead of TI-M setting the agenda, the principal might be driving it, which can compromise important advocacy work;
- 8) There are possible conflicts of interest between policy advocacy and consulting. By being paid for a government contract, not only will it be more difficult to criticise that government but any commentary on, or commendation of the work of that government will be less credible;
- 9) Different categories of consultancy work involve different types and degrees of risk for TI-M:
 - Training assignments can in most circumstances be regarded as a continuation of our advocacy work, bearing lower reputational risk;
 - Advisory work in particular to governments or private sector entities may raise questions as to our independence. The challenges associated with a short or one-off contract are normally lower than for repeated or longer services, or for long-term relationships;
 - The provision of certification or verification services poses normally the greatest challenges to TI’s reputation, because of the need for expertise and exposure to the related professional reputation and liability issues. Therefore, TI-M will refrain from certifying or verifying any public or private organization and their corruption programs/efforts. To mitigate this risk TI-M shall make it clear that TI-M paid advisory and professional services are neither a guarantee of corruption not occurring, nor a certification of the institution’s good conduct, as outlined in paragraph 3.3.II of this policy.

3. Specific Risk Issues to be assessed

TWENTY CRITICAL RISKS THAT HAVE TO BE REVIEWED BEFORE UNDERTAKING PAID ADVISORY AND PROFESSIONAL SERVICES:

A. Principles and Core Values

1. TI-M must ensure that the assignment under consideration (whether advisory or other paid work) is in full compliance with the core values of the TI movement, as defined in “TI-M’s Umbrella Statement of Vision, Mission, Values, and Guiding Principles”. The terms of the proposed paid work should be carefully measured against the seven core values and the ten guiding principles of TI-M. If any of these values or principles is compromised by the paid work in question, it should not be undertaken.

2. TI-M should only undertake paid advisory and professional services in areas that are close to TI-M's core mission and priorities and select paid work that will enhance TI-M's overall knowledge of anti-corruption strategies and tools.
3. TI-M will only accept consulting or other paid assignments from those – be they public, private, or NGO contractors – who are convincingly committed to eradicating corruption.

B. Professionalism

4. A consultancy or any other paid work contract requires resources, professional competence, and management capacity that few civil society organisations have “in house”. Before signing a contract, TI-M must ensure that it possesses the necessary skills, resources, capacities, monitoring, supervising, and reporting arrangements so that quality work can be delivered. Poor quality work will undermine not only the reputation of TI-M, but also damage the TI movement as a whole.
5. TI-M must ascertain that it has all the necessary legal, financial, and accounting arrangements and payment/disbursement procedures in place that will ensure proper financial management of the project in question.

C. Protecting TI's Name

6. TI-M will make sure to include a clause that prevents the principal from using the organization's name or the name of TI in order to give the principal “good publicity”.
7. TI-M will make it clear (with the principal, e.g. through a clause in the contract, and the general public, through its communication channels) that the intervention of TI-M is neither a guarantee of corruption not occurring, nor a certification of the institution's good conduct.

D. Conflict of Interest (refer also to the TI-M Policy on Conflict of Interest)

8. In order to avoid possible conflicts of interest and to safeguard TI-M's integrity, TI-M will only undertake paid work if its key internal governance instruments are in place.
9. TI-M will only conduct paid work when a Code of Conduct and a Policy on Conflict of Interest are approved, ensuring that consultancy work is not misused for personal gain.
10. TI-M will report all significant paid advisory and professional services undertaken on its websites, and in its published Annual Reports.
11. If any member of TI-M, e.g. staff, or volunteer, receives payment, other than reimbursements of expenses, from TI-M as a result of consultancy work, this must be properly accounted for and reported within the organisation. As per section 3.3. of the TI-M Policy on Conflict of Interest, Board members or companies or other organizations with which such members are currently affiliated, may not perform remunerated work for TI-M.

12. In cases where paid assignments in the anti-corruption area are paid in part or in full directly from the principal to members of the Board of Directors, or to TI-M staff with decision-making authority, the respective Board's approval shall be required before undertaking any such assignment. Such work should be reported on the register of interest of the respective individual and managed as per the TI-M Policy on Conflict of Interest. The Board of Directors may authorise the undertaking of such assignment by the individual but require that TI's name may not be used in this context.
13. When an individual associated with TI-M intends to conduct a paid assignment which involves the use of TI's tools or methodologies, prior approval from the Board of Directors must be obtained by the individual on the use of that intellectual property and portrayal thereof toward the principal.
14. With regard to members of the Board of Directors, there needs to be developed ways of identifying and managing potential conflicts of interests.

E. Independence

15. TI-M will not allow the principal to exercise control which goes beyond the normal control of the particular project.
16. TI-M will incorporate a clause in the contract reserving the right to withdraw in the event of unethical conduct of the contracting party, as well as any event that constrains TI-M's independence.

F. Advocacy

17. TI-M should avoid copyright provisions that restrict future use of work done under the consulting agreement.
18. Whenever possible, TI-M will avoid confidentiality clauses in contracts. Where not possible (e.g. in a privatisation monitoring), TI-M will make sure that the confidentiality clause does not go beyond the necessary minimum set of information. TI-M will also make sure that such a clause will not prevent the organisation from going public if it sees inappropriate conduct or any other violation of the contract.

G. Preserving TI-M's Funding Base

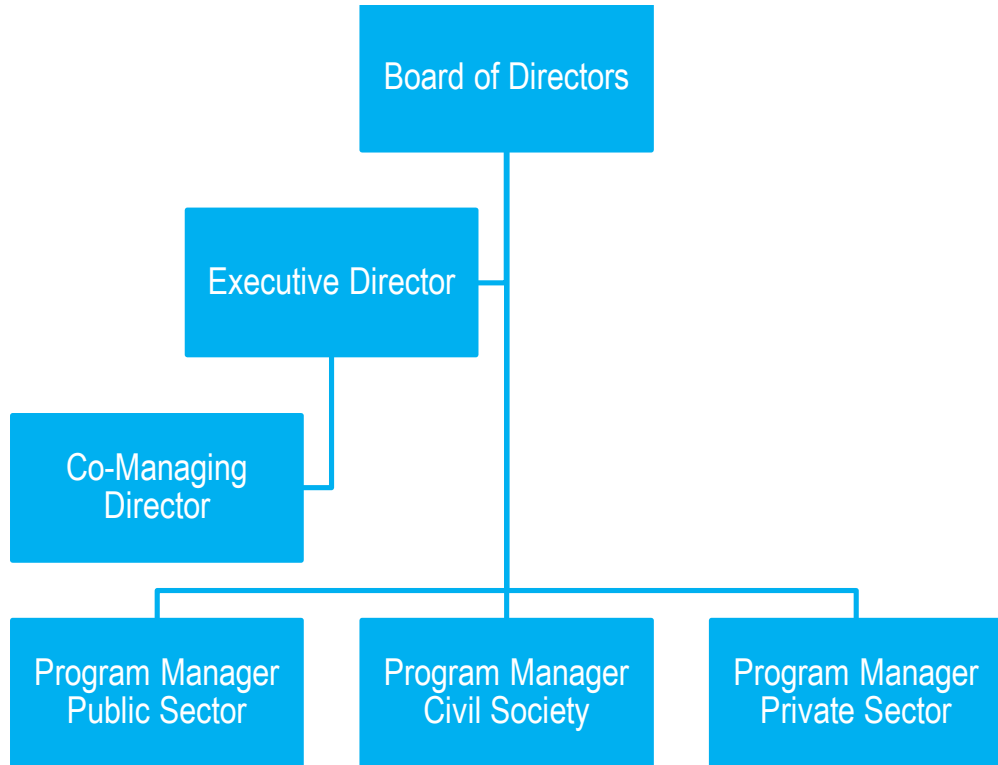
19. When planning to undertake paid work, TI-M will make certain that its funding base is diverse enough so that it does not become dependent on paid work. TI-M will exercise particular care to avoid repeated or ongoing paid assignments for the same principal.
20. Before undertaking paid work of material impact – with or without bidding involved – TI-M will consult its main donors as important stakeholders and explain to them the nature of the consulting assignment being considered.

ADVICE

If uncertain about possible paid work, the Board of Directors should seek advice from the Managing Director of the TI Secretariat who can refer it to the Board Ethics Committee. In similar cases affecting the TI Secretariat, it should seek advice from the Board Audit Committee. The Board Audit Committee may at its discretion seek advice from the Board Ethics Committee.

Ends

8. Organizational Chart



9. Policy for Corporate Donations

1. Pre-conditions

- 1) Business entities that wish to make a donation to TI-M shall aspire high standards of integrity in their own organization and already have a program that will match this aspiration. Such programs should aim to be compatible with TI international's Business Principles for Countering Bribery.
- 2) If a Corporate Donor is found to have engaged in corruption, TI-M will decide on an individual basis whether the remaining fund from the donor shall be returned to the Corporate Donor.

2. Approval Procedures

- 1) Before approval of a Corporate Donor TI-M will conduct a due diligence procedure based on TI's 20-point Anti-Bribery Checklist (Annex 1) and the TRAC benchmarking methodology, in which TI-M will:
 - I. Undertake a background check;
 - II. Examine the documents and statements on the organization's website;
 - III. Meet with the organization to talk through the checklist and any issues that have arisen during the research to give TI-M a sufficient basis for assessing whether a prospective Corporate Donor is in line with the TI-M's principles.
- 2) The approval of Corporate Donors is exercised by the Board of Directors. A letter is issued to the organization by the Chairperson or Vice-Chairperson outlining the Donation Principles.
- 3) The donating organization officially confirms its wish to donate, including an approval at senior level and a confirmation that the organization's board has been made aware of the decision to donate.
- 4) The donating organization shall sign a commitment to integrity before any donation from that company is accepted.
- 5) TI-M shall not accept a donation from a company that is found to have engaged in corruption unless the company can demonstrate that this was a violation of the company's policies, that breach of these policies is being addressed in an appropriate manner, or that its policies have been amended to proscribe a similar violation in the future.

POLICY FOR BOARD OF DIRECTORS

1. Role and Responsibilities

The responsibility of the TI-M Board of Directors is divided into the following three categories:

- I. Governance
- II. Decision-making
- III. Accountability

Below is an overview of the implications of each of these categories for the members of the TI-M Board of Directors.

I. Governance

The TI-M Board of Directors is an organ of governance for

- The TI-M management and staff
- Individual and Institutional Supporters
- The Ethics Council

The governance activities of the members of the Board of Directors and their participation in discussions and decisions should be aimed at promoting and safeguarding **the overall interests of TI-M**, rather than the specific interest of one particular entity or group within TI-M or outside TI-M. Board members should strive to reach decisions or outcomes that take account of the opinions of all stakeholders.

The Board of Directors exercises its governance role in relation to all operations and activities of TI-M. Through their actions, Board members should promote TI-M and its cause as well as maintain public trust in the organization.

II. Decision-Making

As per the TI-M Charter, responsibility for formal legal representation of TI-M is held by the Chairperson and Vice-Chairperson of TI-M. No other Board member has such representative rights.

The Board's role is not to become involved in the operational functions of the organization. The Board entrusts the TI-M staff, under the leadership of the Executive Director, with implementing its decisions and leading related operations. In case of absence of the Executive Director, the Co-Managing Director will take over these tasks, as the deputy of the Executive Director. The Board, however, provides the strategic orientation of TI-M. It is also responsible for reviewing Supporters on behalf of TI-M.

Specific decision-making responsibilities are specified in the TI-M Charter. These are:

- I. Approving amendments to the Charter of the organization, or its dissolution;
- II. Approving and/or amending other By-Laws;
- III. Restructure or dissolve TI-M under the specific conditions lined out in Article 13;
- IV. Approving the annual budget;

- V. Approving TI-M strategy and amendments to it and provide strategic direction for TI-M;
- VI. Approving the Annual Report and financial statements of the organization upon proposal by the Executive Director;
- VII. Determine the fees (if any) payable by Supporters and the date by which such fees shall be payable;
- VIII. Deciding and revising a policy for the appointment of Individual and Institutional Supporters, upon a proposal by the Executive Director;
- IX. Appointing, suspending, removing, and expelling Individual and Institutional Supporters;
- X. Approving staff structure and organization, number of staff, budget, and internal rules based on the proposal of the Executive Director;
- XI. Managing property of the organization, determining or modifying authority and obligations of the Executive Director related to this;
- XII. Approving any expenditure of MNT 20.000.000 million (Twenty million Mongolian Tugrik) or more which has not gained prior approval as part of the annual budget;
- XIII. Approving the appointment of the Executive Director and Co-Managing Director and evaluate their performance report;
- XIV. Determining from time to time the size of the Board of Directors, within the parameters set by Article 5.2);
- XV. Approving the minutes of Board Meetings, and dissemination of decisions taken at Board Meetings to the staff as well as the Individual and Institutional Supporters;
- XVI. Vote for the election of the Chairperson and Vice-Chairperson of the Board of Directors;
- XVII. Vote for the election of members of the Board of Directors;
- XVIII. Removing members of the Board of Directors by majority resolution;
- XIX. Other powers provided by this Charter and in the legislation.

III. Accountability

It is expected that Board members and the Board as a whole exhibit accountability by:

- 1) Being available to listen to the Supporters as well as the TI-M management and staff;
- 2) Reporting to stakeholders; In this way, minutes of Board meetings are made available to all Supporters and staff;
- 3) Committing themselves to high standard of integrity and signing the TI Board of Directors Code of Conduct and relating documents, including completing a register of interests and making it available to the TI-M office for publication.

Ends

2. Code of Conduct for the TI-M Board of Directors

1. Introduction

- 1) This Code of Conduct for the members of the TI-M Board of Directors is based on the Umbrella Statement of TI-M entitled “Vision, Mission, Values, and Guiding Principles” that was agreed upon by the Board of Directors in Ulaanbaatar in 20XX.
- 2) While the Umbrella Statement provides a firm ethical framework for TI-M, this Code of Conduct reflects the particular needs of the members of the TI-M Board of Directors.
- 3) The members of the TI-M Board of Directors are committed to uphold the highest standards of integrity and accountability, to act according to the core values and guiding principles of TI-M and to promote these standards and principles.
- 4) The members of the TI-M Board of Directors are aware that they have a special role to play in promoting TI-M and its ideals to other stakeholders.
- 5) This Code of Conduct is a living document. Its value to TI-M lies in its ability to create an enhancing environment for a culture of integrity.

2. TI Umbrella Statement

The members of the TI-M Board of Directors agree to and adhere to the TI-M Umbrella Statement, which can be found in chapter 2 of the “Ground Rules and Principles” of this By-Law.

3. TI-M Policy on Conflict of Interest

The members of the TI-M Board agree to comply fully with the TI-M Policy on Conflicts of Interest, which can be found in chapter 5. of the Ground Rules and Principles of this By-Law and to complete the Registry of Interests, which can be found in chapter 3. of the Policy for Board of Directors.

4. Practical Guidelines

- 1) The members of the TI-M Board of Directors will consult all Supporters in the development and implementation of all policies and activities that could have an impact on them.
- 2) The members of the TI-M Board of Directors will refrain from deliberating and voting on matters on which they may have potential conflict of interest.
- 3) The members of the TI-M Board of Directors will treat others with respect and consideration and will be sensitive to the fact that some statements, even some jokes may be perceived, heard or understood in very different manners by the audience, and as offending, discriminating, even as sexist or racist, from a gender or a cultural perspective.

- 4) The members of the TI-M Board of Directors will communicate and consult with the other members of the Board openly and collegially and in a manner that assists all the members to fulfil their duties and responsibilities faithfully and efficiently.
- 5) The members of the TI-M Board of Directors will respect the privacy and private lives of all colleagues when dealing with personal information.
- 6) The members of the TI-M Board of Directors accept and adhere to the principles and terms of the Code of Conduct, including the additional By-Laws referred to in this Code of Conduct.

Date, Name _____

Signature _____

3. Register of Interests of TI-M Members of Board of Directors – Guidelines

- 1) TI-M cannot expect of others higher standards of integrity than it applies to itself and to all individuals whose contribution to TI-M is important. We understand that the full completion of a Register of Interests is a fundamental aspect of integrity. Moreover, the Register is a “living” document, in that circumstances change, and a situation, which previously raised no issue of potential conflict can suddenly be transformed into an issue where disclosure is imperative.

Completion of the Register of Interest is not a “box-Ticking” exercise. Those completing the Register are expected to think about the appearance of a conflict of interest and to disclose it, even when they are satisfied that no actual conflict exists. On the other hand, there is no point in filling the Register with entries where the risk of conflict is non-existent or never likely to arise.

Those completing the Register are also reminded that TI-M’s Policy extends beyond the individual to include the interests of persons “with whom they have a close personal relationship”. This means that if such a person could be seen in any capacity as having an interest, which could conflict with an interest of TI-M, disclosure should be made.

A potential conflict of interest does not cease at the moment when an individual leaves an organization. TI-M has always recognized the danger of the “revolving door”. Thus, the Register should include details of those past associations where current circumstances have placed that past association into a potential conflict light.

- 2) Each member of the TI-M Board of Directors shall declare in this Register any and all interests that could potentially lead to, or could conceivably be perceived as, a conflict of interest. Such interests shall include, but not be limited to,
 - I. Any current or past remunerated affiliation (employment or directorship) with a public or private company or other organization, including long-term or frequent relationship but excluding one-off short-term consultancies;
 - II. Any current or past non-remunerated affiliation with any public or private company or other organization;
 - III. Significant (>10%) ownership or controlling position in any company or other organization;
 - IV. Any entity in which the member have more than 5% of their total assets (company share, public/private bonds or other kind of debts, investment-funds shares, etc.);
 - V. Any pension;
 - VI. Any current or past public office or public employment;
 - VII. Interests of persons with whom the member has a close personal relationship, according to Section 1) or TI-M Policy on Conflict of Interest.

- 3) As set forth in Section 2.3) in the Policy on Conflict of Interest, this Register resides with TI-M's Ethics Council and may be made public, if the circumstance require it.
- 4) The filing in this Register shall be made within three weeks of taking up position of a member of the Board of Directors and shall be updated in a timely fashion as changes occur, and at least once a year.
- 5) In case of doubt, a member may request advice from the Ethics Council as to whether an interest that is subject to registration exists.

Each member fills in the following table

Name	
Dates on which initial statement lodged, and last updated	
Remunerated affiliation (current and, where relevant, past)	
Non-remunerated affiliation (current, and, where relevant, past)	
Significant (>10%) ownership or controlling position	
Any entity in which the member have more than 5% of their total assets	
Public Office or public employment (current, where relevant, past)	
Interests of close personal relationship (where applicable). (See Conflict of Interest Policy, Section 1)	
Other	

Date _____

Signature of member _____

4. Procedure for the Nomination of Candidates for Election as Chairperson, Vice-Chairperson, and the Board of Directors

- 1) Three months before an election at a Board Meeting, the Chairperson shall inform the members of the likely number of vacancies on the Board of Directors and for the Chairperson and Vice-Chairperson as well as the desirable profile of the Board members to be elected.
- 2) This Board profile will consider any imbalances in the existing composition of the Board of Directors as well as imbalances resulting from the retirement or resignation of Board members. The continuous change in focus of TI-M's work stands against fixing in detail an ideal composition of the Board. However, the role of women should be adequately reflected as well as the professional backgrounds and other skills needed for the Board to effectively fulfil its responsibilities for approving the strategy and policy of TI-M and supervising its activities.
- 3) Candidates may be nominated by another member or they may submit their own candidacy.
- 4) Nominations of, and submissions by, candidates must be filed with the Chairperson no later than one month before the respective Board Meeting. The Board of Directors has the right to nominate candidates until the commencement of the respective Board Meeting.
- 5) Candidacies and nominations for the position as Chairperson and Vice-Chairperson shall be announce to the Board two weeks prior to the Board meeting during which the election shall take place.
- 6) The Chairperson shall speedily inform all members about the candidacies received.
- 7) The records of Board meeting attendance will be published in the context of the Board elections, with the possibility for concerned Board members to stipulate the reasons for absence.

Ends

POLICY FOR SUPPORTERS

1. TI-M Policy for Individual Supporters

1. Introduction

The objective of appointing Individual Supporters is for the organization to avail itself of the competence, experience, and dedication of individuals of recognized integrity from diverse geographical, cultural, and professional backgrounds, who acknowledge the TI-M Charter and the organization's values and are committed to the active promotion and realization of its goals.

The Board of Directors is responsible, in consultation with the TI-M staff and the Executive Director and Co-Managing Director, to prepare the forms used for appointment or re-appointment of Individual Supporters.

2. Appointment procedures

- 1) An individual can be considered as Individual Supporters through three means:
 - I. Through self-application in writing supported by two Supporters, or
 - II. Through recommendation by an Individual Supporter, or
 - III. Through recommendation from a Board member supported by one Individual Supporter.

In all cases, these should be addressed to the Chairperson for consultation with the Board of Directors for its decision.

- 2) In this context:
 - I. When considering applications or recommendations for Individual Supporters appointment or re-appointment, the Board of Directors will review the competences, experience, integrity, and dedication of the concerned candidate and bear in mind geographic diversity as well as gender and age balance. In order to assess the competence of current and prospective Individual Supporters, the Board of Directors will take into consideration that Individual Supporters should be expected, upon their own initiative or in response to a request from TI-M, to make contributions to TI-M through their participation in regional and national issues.
 - II. In the review of applications for an Individual Supporter's appointment:
 - a. The Chairperson together with the Vice Chair will invite and review the questionnaire filled by the candidate (outlined in Article 7 of this Policy), feedback on the perceived competence, experience, integrity, and dedication of the candidate from organizations and individuals mentioned in the questionnaire submitted by the candidate, and from other Individual Supporters.
 - b. All these non-anonymized opinions will be sent directly to the Chairperson and the Vice-Chairperson. The Chair will then transmit all these opinions in full to the Board of Directors appended to the Chairpersons and the Vice

Chairperson's recommendation to the Board supporting or not the candidate's appointment. These non-anonymized opinions will also be sent to the candidate, giving the candidate a specified time of not less than one week for his/her personal comments.

- III. Individual Supporters whose term is about to expire will be asked in a letter from the Chairperson whether they wish to stand for a new term or not, and in the former case, whether they wish to put themselves forward for a full two year term or a shorter period. In case an Individual Supporter responds negatively, the Individual Supporter status ends at the end of its term. If the Individual Supporter replies positively, a review, including a newly filled Appointment and Review Questionnaire, will be conducted by the Board of Directors.
- IV. For candidates who are not Individual Supporters at the time of their application for the status, their application questionnaire will be disseminated among the existing Supporters together with the candidates resume, at least one month prior to the Chair formulating his/her recommendation, so that the views of other Supporters could be made known to the Chairperson to inform his/her recommendation.
- V. The Chairpersons and Vice Chairperson's recommendations to the Board of Directors on Individual Supporters' appointments will be accompanied by a resume of the candidate and will outline the reasons for the recommendation by making explicit the competence, experience, integrity, and dedication the candidate would bring to TI-M.
- VI. Appointments of Individual Supporters serving as such for the first time will be reported to the Supporters outlining the Board's rational, particularly concerning the competence of the new Individual Supporter and his/her dedication to TI-M.
- VII. Dates pertaining to Individual Supporter terms:
 - a. Individual Supporter terms are up to two years and end as decided by the Board upon appointment.
 - b. For individuals who are not Individual Supporters at the time of the Boards decision:
 - i. For newly appointed Supporters the term will start upon formal notification to them, which should take place within seven days of the Boards decision;
 - ii. Unsuccessful candidates will be informed within seven days of the Board decision.
 - c. For individuals who are Supporters at the time of the Board decision:
 - i. Re-appointed Supporters will be formally notified of that decision within seven days of the Board decision. Their new term will start right after their current one.
 - ii. Unsuccessful candidates for re-appointment will be notified of that decision within seven days of the Board decision. Their Individual Supporter term will end upon lapsing of their current term, unless otherwise specified by the Board decision.

- d. Unless specifically stated otherwise in the Board decision, there will be no limit to the number of terms.
- VIII. Individual Supporters who also serve as members of the Board of Directors shall not be involved in their own re-appointment process.
- IX. The Board will report annually about the composition of the Individual Supporters group in terms of geographical diversity, gender, and age.

3. Expulsion

If in the opinion of the Board of Directors an Individual Supporter prejudices the interests of TI-M through his/her action or inaction, or brings TI-M into disrepute, that Individual Supporter may be expelled from TI-M by decision of the Board of Directors. Before such decision is taken, the Individual Supporter must be afforded an opportunity by the Board of Directors to reply to the charges either at a hearing or in writing. Thereafter, the Board of Directors must send the Individual Supporter in writing the reason for its decision. Individual Supporters who also serve as members of the Board of Directors may also be expelled from the Board of Directors by decision of the Board and shall not be involved in any Board decision related to their own expulsion.

4. Suspension

The Board of Directors may at any time suspend an Individual Supporter with immediate effect, if this is considered necessary to avoid a threat to TI-M or its reputation, or for reasons threatening the safety or security of any TI-M Supporter, officer, or staff member. Individual Supporters who also serve as members of the Board of Directors may also be suspended from the Board of Directors with immediate effect if considered necessary.

5. Appeals

The respective Individual Supporter may appeal against any expulsion or suspension decision to the Chairperson in writing within six weeks of the receipt of the decision appealed against. In such cases, the Chairperson will seek the advice of the Board of Directors before making his/her final decision, and will append the recommendation of the Board of Directors to the final decision towards the respective Individual Supporter.

6. Individual Supporter Appointment and Review Questionnaire

The Individual Supporters Appointment policy prescribes an initially as well as regular review of Individual Supporters. The aim of the review is to consider whether and how outgoing or prospective Individual Supporters have been and will be able to serve TI-M. The concerned individuals are invited to answer an eight-point questionnaire:

1. How have you been able to serve the TI global movement in the last two years?

2. In that capacity, did you interact a) with any other TI national chapter (other than TI-M) and if so, which national chapter(s) and in what way, and b) with the TI Secretariat and if so, in what way?
3. Are you committed to continue serving TI in the future? If so, how and for how long?
4. Reflecting that the declared objective of appointing Individual Supporters is for TI-M “to avail itself of the competence, dedication, and experience of individuals”, please state briefly how your background and current circumstances equip you to serve TI-M.
5. Please sign the TI-M Umbrella Statement of Vision, Mission, Values, and Guiding Principles and return it with this questionnaire.
6. Please sign the TI-M Policy on Conflict of Interest and return it with this questionnaire.
7. Please complete the Register of Interests and return it with this questionnaire. Please note that a yearly update will be required in case of appointment as Individual Supporter.
8. Any further comments you have.

In case a candidate indicates present or past affiliation with another TI national chapter, the Executive Director of the respective chapter will be asked to comment, both on the self-evaluation and on the competence, dedication, experience, and integrity of the candidate.

In case of candidates who are not Individual Supporters at the time of their application, the self-evaluation form as well as the candidate’s resume will be disseminated to TI-M’s Supporters for potential feedback.

All comments received should be sent to the candidate, giving them a short specified time of not less than one week to respond, before the review documentation is submitted to the Chairperson and Vice-Chairperson. In this context, feedback received by the Chairperson and Vice-Chairperson over e-mail following the dissemination of the candidacy among TI-M Supporters, will have been shared anonymized form with the candidate.

The Chairperson formulates its recommendations to the Board of Directors regarding appointment or renewal on the basis of an overall assessment of all inputs.

7. Individual Supporters Registry of Interests

- 6) Each Individual Supporter shall declare in this Register any and all interests that could potentially lead to, or could conceivably be perceived as, a conflict of interest. Such interests shall include, but not be limited to,
 - VIII. Any current or past remunerated affiliation (employment or directorship) with a public or private company or other organization, including long-term or frequent relationship but excluding one-off short-term consultancies;
 - IX. Any current or past non-remunerated affiliation with any public or private company or other organization;
 - X. Significant (>10%) ownership or controlling position in any company or other organization;

- XI. Any entity in which the member have more than 5% of their total assets (company share, public/private bonds or other kind of debts, investment-funds shares, etc.);
 - XII. Any pension;
 - XIII. Any current or past public office or public employment;
 - XIV. Interests of persons with whom the member has a close personal relationship, according to Section 1 or TI-M Policy on Conflict of Interest.
- 7) As defined in Section 1. of the Policy on Conflict of Interest, the interests of the Supporters shall include the interests of persons, with whom the Supporter has a “close personal relationship”.
- 8) As set forth in Section 2.3) of the Policy on Conflict of Interest, this Register resides with TI-M’s Ethics Council and may be made public, if the circumstance require it.
- 9) This register shall be updated regularly and at least yearly.
- 10) In case of doubt, an Individual Supporter may request advice from the Ethics Council as to whether an interest that is subject to registration exists.

Ends

Each Supporter fills in the following table and updates it at least yearly, as indicated in question 7. of the Individual Supporter questionnaire. This disclosure statement will be published on the TI-M website.

Name	
Dates on which initial statement lodged, and last updated	
Remunerated affiliation (current and, where relevant, past)	
Non-remunerated affiliation (current, and, where relevant, past)	
Significant (>10%) ownership or controlling position	
Any entity in which the member have more than 5% of their total assets	
Public Office or public employment (current, where relevant, past)	
Interests of close personal relationship (where applicable). (See Conflict of Interest Policy, Section 1)	
Other	

Date _____

Signature of member _____

2. TI-M Policy for Institutional Supporters

1. Pre-conditions

- 1) Organizations from various backgrounds, including government agencies, corporate or other business entities, and charitable organizations that wish to attain the highest standards of integrity and share the vision of TI-M are eligible to become TI-M Institutional Supporters.
- 2) Institutional Supporters are expected to acknowledge their support for the objectives of the organization and further its work. Beyond that, Institutional Supporters are also expected to aspire high standards of integrity in their own organization and already have, or are committed to putting in place, a program that will match this aspiration. Such programs should aim to be compatible with TI international's Business Principles for Countering Bribery. In addition, all Institutional Supporters are expected to make available funds and/or material assistance and/or expertise for TI-M and its activities.

2. Supporters Principles

- 1) Institutional Supporters of TI-M:
 - I. Are committed to operating to high standards of integrity and transparency;
 - II. Have, or will put into place within a stated period, a detailed anti-bribery & corruption policy; and
 - III. Are committed to implementing the anti-bribery & corruption policy throughout their operations, and have, or will put into place, a monitoring and evaluation process to ensure effective compliance with the organization's policy.
- 2) In addition further policies approved by the TI-M Board of Directors may apply to certain groups of Supporters, such as Corporate Supporters.

3. Appointment procedures

- 1) Institutional Supporters shall, under consideration of Article 10.4) of the TI-M Charter apply to become Institutional Supporters by declaring in writing to the Chairperson their willingness to further the work of the organization. A senior level discussion between the applying organization and TI-M will establish whether there is a genuine alignment of interests.
- 2) Based on this conversation, if the applying organization indicates its interest in joining, there is a due diligence procedure based on TI's 20-point Anti-Bribery Checklist (Annex 1) and the TRAC benchmarking methodology, in which TI-M will:
 - I. Undertake a background check;
 - II. Examine the documents and statements on the organization's website;

- III. Meet with the organization to talk through the checklist and any issues that have arisen during the research to give TI-M a sufficient basis for assessing whether a prospective member is in line with Supporters Principles.
- 3) The approval of Supporters is exercised by the Board of Directors. A letter is issued to the organization by the Chairperson or Vice-Chairperson inviting the Organization to join TI-M as Institutional Supporter, and outlining the Supporters Principles.
- 4) The applying organization officially confirms its wish to join, including an approval at senior level and a confirmation that the organization's board has been made aware of the decision to join.
- 5) Long-term partners and donors may apply or be invited as Institutional Supporters, undergoing the approval process outlined in this Article, however, without the obligation stated in Article 10.4) of the TI-M Charter.

4. Suspension and Termination Procedures

- 1) Institutional Supporters will be expelled if in the opinion of the TI-M Board of Directors the respective Institutional Supporter has breached the Supporters Principles and has not demonstrated it is committed to genuine remedial reforms.
- 2) If a significant passage of time has passed since the breach of the Principles took place, TI-M may allow an Institutional Supporter to maintain its membership if it is able to provide convincing evidence (oral and written) that the specific or systemic problem has been fixed. Such evidence might include change of management, punishment of those involved, full cooperation with enforcement authorities, an admission of guilt, an appropriate remediation plan, and evidence of a change in culture and leadership that is committed to genuine, meaningful reforms.
- 3) TI-M will expel an Institutional Supporter if it is unwilling or unable to provide such evidence.
- 4) If the breach of the Principles is more recent, TI-M may suspend an Institutional Supporter pending further information becoming available, or terminate the sponsorship immediately.
- 5) The decision to suspend or terminate will be taken by the TI-M Board of Directors and will include an assessment based on the criteria outlined in this Article.
- 6) Suspension is usually for 12 months, and may be extended by the TI-M Board of Directors; it involves:
 - I. An Institutional Supporter not attending Supporters' meetings for a period of 12 months (or more if extended by the TI-M Board of Directors);
 - II. The Institutional Supporter's name being removed from the list of Supporters;
 - III. The Institutional Supporter removing references on its own website or elsewhere of its support for TI-M;


- IV. A commitment by the Institutional Supporter to meet periodically with TI-M in order to allow TI-M to assess whether the organization has taken steps to justify lifting its suspension or whether, in the absence of such action, the Institutional Supporter status as such shall be terminated;
 - V. A cessation of any donations (financial and in kind) by the Institutional Supporter to TI-M;
 - VI. TI-M writing to the Institutional Supporter's management to convey its decision;
- 7) TI-M reserves the right to state publicly that the Institutional Supporter has been suspended.
 - 8) If the TI-M Board decides to terminate a Supporter's status:
 - I. TI-M will write to the individual or the organization's leadership to convey its decision; and
 - II. TI-M will place a statement on its website noting the termination.
 - 9) The Supporter may re-apply to join TI-M after a period of time has elapsed, and may be re-admitted after undergoing the new Institutional Supporter's appointment procedure if it is able to provide convincing evidence that there has been a sufficient change in culture, procedures, and leadership, such that a repetition is unlikely.

5. Investigation of allegations

- 1) In cases where there is clear evidence – for example through a regulatory ruling – that the Supporters Principles have been breached, TI-M may proceed immediately to the termination procedure in accordance with Article 4. of this Policy.
- 2) In the event that credible allegations arise that an Individual Supporter may have breached the Supporters Principles, TI-M will follow the procedure outlined below.
- 3) This procedure is carried out confidentially, although TI-M reserves the right to state publicly that it is in discussion with the Supporter about allegations that have been received and that this may lead to suspension or termination of their status as Institutional Supporter.
- 4) TI-M contacts the Supporter through its designated contact and requests a high-level meeting to discuss the allegations, regulatory findings, and/or evidence.
- 5) TI-M meets the Supporter to hear its explanation and reviews appropriate documentation.
- 6) TI-M's Board of Directors assesses the explanation and conclude:
 - I. The Supporter's response is satisfactory; no further action is necessary **or**
 - II. The response is not satisfactory; the suspension or termination procedure is initiated.

Ends

Annex 1

TI ABC Anti-bribery Checklist: aligned to the Business Principles for Countering Bribery, third edition, 2013			
Where does your company stand on countering bribery?			
COMMITMENT		Yes	No
1	Does your company have a published policy of prohibition of bribery in any form whether direct or indirect?	<input type="checkbox"/>	<input type="checkbox"/>
2	Has your company committed to implementing a Programme to counter bribery?	<input type="checkbox"/>	<input type="checkbox"/>
3	Is your Programme consistent with all laws relevant to countering bribery in each of the jurisdictions in which you operate?	<input type="checkbox"/>	<input type="checkbox"/>
IMPLEMENTATION			
4	Is your Programme designed and improved on the basis of continuing risk assessment?	<input type="checkbox"/>	<input type="checkbox"/>
5	Does your Programme provide detailed policies and procedures to address the following:	Conflicts of Interest	<input type="checkbox"/>
		Bribes in any form?	<input type="checkbox"/>
		Political contributions?	<input type="checkbox"/>
		Charitable donations and sponsorships?	<input type="checkbox"/>
		Prohibition of facilitation payments?	<input type="checkbox"/>
		Gifts, hospitality and travel expenses?	<input type="checkbox"/>
6	Does your Board of Directors demonstrate visible and active commitment to the implementation of the anti-bribery Programme?	<input type="checkbox"/>	<input type="checkbox"/>
7	Is your CEO responsible for ensuring that the Programme is implemented consistently with clear lines of authority?	<input type="checkbox"/>	<input type="checkbox"/>
8	Does your Programme cover business relationships as follows:	The Programme is implemented in all business entities over which your company has effective control?	<input type="checkbox"/>
		An equivalent Programme is encouraged in business entities in which your company has a significant investment or with which it has significant business relationships including joint ventures and consortia?	<input type="checkbox"/>
		The Programme requires agents, lobbyists and other intermediaries to agree contractually to comply with your company's anti-bribery policies and procedures and provides them with appropriate advice and documentation?	<input type="checkbox"/>
		The Programme is communicated to contractors and suppliers and your company works in partnership with major contractors and suppliers to help them develop their anti-bribery practices?	<input type="checkbox"/>
9	Does your company undertake properly documented, reasonable and proportionate anti-bribery due diligence on business entities when entering into a relationship?	<input type="checkbox"/>	<input type="checkbox"/>
10	Do your human resources practices reflect your company's commitment to the Programme?	<input type="checkbox"/>	<input type="checkbox"/>
11	Is the Programme communicated to:	All Directors, managers and employees?	<input type="checkbox"/>
		Business associates?	<input type="checkbox"/>
		Other stakeholders?	<input type="checkbox"/>
12	Does your company provide secure and accessible channels through which employees and others can obtain advice or raise concerns ("whistleblowing") without risk of reprisal?	<input type="checkbox"/>	<input type="checkbox"/>
13	Is tailored training provided to:	All Directors, managers, employees and agents?	<input type="checkbox"/>
		Where appropriate, contractors and suppliers?	<input type="checkbox"/>
14	Are there internal controls to counter bribery comprising financial and organisational checks over accounting and record keeping practices and other business processes related to the Programme?	<input type="checkbox"/>	<input type="checkbox"/>
MONITORING AND REVIEW			
15	Are the internal control systems, in particular the accounting and record keeping practices, subjected to regular review and audit?	<input type="checkbox"/>	<input type="checkbox"/>
16	Does your company perform reasonable and proportionate monitoring of its significant business relationships?	<input type="checkbox"/>	<input type="checkbox"/>
17	Does your company have feedback mechanisms and other internal processes supporting the continuous improvement of the Programme?	<input type="checkbox"/>	<input type="checkbox"/>
18	Is there regular assessment of the Programme by the leadership including:	Monitoring and periodic review by senior management of the Programme's suitability, adequacy and effectiveness?	<input type="checkbox"/>
		Periodic reporting by management of the results of reviews to the Audit Committee or the Board with implementation of improvements as appropriate?	<input type="checkbox"/>
		An independent assessment by the Board of the adequacy of the Programme?	<input type="checkbox"/>
19	Where appropriate, does your company undergo voluntary independent assurance of the Programme?	<input type="checkbox"/>	<input type="checkbox"/>
PUBLIC REPORTING			
20	Does your company publicly disclose information about:	The Programme including the management systems employed to ensure its implementation?	<input type="checkbox"/>
		Material holdings of subsidiaries, affiliates, joint ventures and other related entities?	<input type="checkbox"/>
		Payments to governments on a country-by-country basis?	<input type="checkbox"/>

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