<u>Transparency International Canada</u> <u>Fifteenth Annual General Meeting</u> Report of President on work of TI-Canada – 2011

June 5, 2012

President's Report

This is my final report as President of Transparency International Canada Inc., as I am voluntarily stepping down after a three year term as President. Many people have asked why, after three terrific years, I would want to step aside. The fact is, I would stay if I thought it was appropriate – but, I do not. Transparency International is fundamentally a "good governance" organization, and as such, it is my conviction that serving beyond three years would give the appearance of a sinecure, and that must be avoided.

However, the end of a term provides an opportunity for reflection and I am gratified that I leave TI-Canada stronger, more relevant, and more empowered to make a difference in the global fight against corruption.

Three years ago, our organization was struggling. We had no product, no sustainable source of revenue, and were more reactive than proactive. Since then, we have created and widely distributed our acclaimed product, the "TI-Canada Anti-Corruption Compliance Checklist" (TI-Canada ACC). We have conducted two tremendously successful "TI-Canada Day of Dialogue" conferences. The most recent, held on April 19, was the most powerful anti-corruption program that I (and many of our attendees) have ever attended. Our "Business Roundtable" has attracted some of the top names in the anti-corruption world, and provides a steady source of revenue to ensure that our organization is funded for the future.

Thanks to project funding from TRACE, we have commissioned an exciting new study looking at corruption in Canada at the provincial level; a study that will be sure to evoke great public interest.

Transparency International Canada is now firmly recognized as the primary anti-corruption organization in Canada. We have been invited to consult with the Department of Justice, we have participated in the OECD Phase 3 examination of Canada's performance under the OECD anti-bribery convention, and our Legal Committee has completed a draft of Transparency International Canada's "Victim Impact Statement" for use by courts and prosecutors. Since I last reported to you, I have had the privilege of being the face of TI-Canada on a regular basis on national news and other television broadcasts, and in every major newspaper in the country.

However, I cannot take credit for the events of past year, starting with the conviction of Niko Resources Ltd. (and its massive fine under the CFPOA), and the recent imbroglio involving SNC-Lavalin. These circumstances have finally brought long-awaited attention to the issue of international corruption and Canadian companies. This awareness, together with the 34 known investigations being undertaken by the RCMP International Anti-Corruption Unit, will surely provide increased relevance to TI Canada.

All of this could not be accomplished with the support and hard work of the dedicated, hands-on, directors on our board, Milos Barutciski, Peter Dent, Julie Desjardins, Bruce Futterer, Janet Keeping, Tom Marshall, Joe Ringwald, Susan Reisler, Michael Robinson, David Shugarman, and Kernaghan Webb, and our tireless Executive Director, Bronwyn Best, whose dedication to the cause is unparalleled.

I do not plan to disappear. I will remain involved as an ex-officio member of the Board for the next year, and thereafter, who knows. My commitment remains unassailable. It has been an honour to serve Transparency International Canada as President.

James M. Klotz President and Chair Transparency International Canada Inc.