

TRANSPARENCY INTERNATIONAL CANADA BOARD MEETING

Friday, December 16, 2005, 10:30 – 13:30 EST

Hydro One, 483 Bay Street, South Tower, B1 Level, Room 27

Present:

Wesley Cragg, Chair

Elizabeth Beale (by conference call)

Bronwyn Best

Robert Blackburn (by conference call)

Clare Bonnell

David Brennan

Anita Davis (by conference call)

Tom Goldie

Joy Kennedy

Ian Marshall (by conference call)

Bob Olivero (by conference call)

John Swinden

Regrets:

Peggy Cunningham

John Willson

MINUTES

In introducing the Agenda, the Chair requested that the Board move to the Report of the Chair of the Governance and Nominating Committee on Conflict of Interest Issue as an order of the day at 11 o'clock to ensure adequate discussion of that issue before Board members were required to leave the meeting to attend to other business. The Board agreed to this proposal.

The meeting was convened at 10:40 AM.

1. Approval of Minutes of 05 May 2005 and 30 Sept 2005 Board Meetings

Moved by Robert Blackburn and **seconded** by Clare Bonnell to adopt the Minutes of the 05 May 2005 Board Meeting as amended. To Item 1, the word "**Carried.**" was added as well as the list of Regrets. **Carried.**

Moved by Ms. Bonnell and **seconded** by Tom Goldie to adopt the Minutes of the 30 September 2005 Board Meeting as circulated. **Carried.**

2. Business arising from the minutes

There was no business arising from the minutes not listed elsewhere on the agenda.

3. Correspondence

The correspondence was reviewed. **Wesley Cragg** noted that he would contact Peter Harder again, next week, with regard to the Oil for Food program. Bob Olivero reported that the UN will continue to look after the Volcker Commission information into the new year.

4. Report of Chair and President

The report already sent to the Board, regarding the TI AMM, was briefly reviewed. The response at the Annual Members meeting to the motion, introduced by TI-Canada to the TI AMM, was briefly described. The International Board discussed the motion at their Meeting prior to the AMM. Several of the International Board members spoke to Dr. Cragg including Nancy Boswell (Managing Director of TI USA and John Makumbe former Chair, TI Zimbabwe) following the International Board meeting to suggest

modest changes. The changes suggested were entirely consistent with the spirit of the motion drafted by the TI-Canada Board and were incorporated into the motion. The revised motion was subsequently placed on the agenda of the Annual Meeting on a vote of those present. The motion was presented, moved and seconded under other business. The only criticism voiced was that of the Chair of TI Pakistan, It was his view that the motion did go far enough. He proposed that the motion should apply to all aspects of the relations of TI-S and the National Chapters. TI-Canada's motion was passed with only a very small number of dissenting votes. A significant number of individual and chapter members present and voting at the AMM expressed their personal support for the importance of the motion following the meeting. Dr. Cragg then read an e-mail, dated 12 December 2005, from TI-S (which is attached to these minutes) that is an indication of the impact that the motion adopted at the AMM is now having. The email from TI-S reports in detail on the funding TI-S is now receiving from CIDA and what is currently being negotiated. The TI-S e-mail promises a new era of cooperation in this regard and invites TI-Canada to join a TI-S fund raising team in planning and participating in a meeting with CIDA in the new year. The response sent from TI-Canada regarding support also received from CIDA echoes this cooperation. This is the first memo of its kind from TI-S and indicates we are now evidencing a better level of sharing information and communication.

A brief discussion of the motion and its reception at the Annual Members Meeting followed. The value of the initiative was affirmed. (The revised motion presented and adopted at the AMM in Berlin is attached to these minutes for information.)

5. Report of Vice Chair

Due to time constraints at this meeting, **Ms. Bonnell** noted that she would circulate a written report of her observations at the IV Summit of the Americas and the TI AMM.

6. Reports from Board Members on TI-Canada Activities

Discussion of this agenda item was postponed to later in the meeting.

Bronwyn Best will send to the Board a report just received from Anita Davis with regard to her participation in the BMENA meeting in Bahrain. Dr. Cragg acknowledged that the active participation of a number of Board Members in various activities in a number of international locations shows the strong level of commitment of TI-Canada Board Members.

It being 11 o'clock, the Board turned to a discussion of item 7 on the agenda

7. Committee Reports

▪ Governance and Nominating

The Chair proposed the following procedure for the discussion of this agenda item: He proposed that the Chair of the Governance and Nominating Committee, Tom Goldie, introduce the discussion and invite Vice Chair, Clare Bonnell, to make a presentation on her Background Report to the Board on the conflict of interest concerns occasioned by Errol Mendes' appointment to the Privy Council Office, circulated prior to the meeting. The Chair then suggested that following the presentation of the Background Report, each member of

the Board should have an opportunity to comment on the conflict of interest issue under discussion. When every member of the Board who wished to do so had commented on the background report and their own view of the issues involved, the Chair would call for a motion which would then be followed by a discussion and a debate. This procedure was **agreed** to and Mr. Goldie was invited to introduce the agenda item.

Following Ms. Bonnell's report, Mr. Goldie invited Dr. Cragg to comment briefly on his role on the Export Development Canada Social Advisory Council and as an independent member of the Audit and Ethics Committee of Public Works Canada. Dr. Cragg pointed out that his participation on both committees was carefully vetted by the Board in the first case and members of the Governance and Nominating Committee in the second case and in light of the fact that no conflict of interest issues were identified, Dr. Cragg was advised to accept the invitations to join the committees in question. Dr. Cragg indicated that he had no objection to the Board reevaluating conclusions previously arrived at if there were concerns in that regard (Dr. Cragg's report is attached to these minutes for information.)

At 11:30, round table discussion began. Each member of the Board was invited to comment on the issue under discussion rotating between members present at Hydro One and members joining the meeting by conference call.

(David Brennan joined the meeting in the Hydro One conference room prior to 12 noon. Four members of the Board, Tom Goldie, Robert Blackburn, Anita Davis and Elizabeth Beale, had left the meeting by the conclusion -12:35- of the first round of discussion.)

It was **moved** by John Swinden and **seconded** by Mr. Olivero that:
The Board of TI-Canada is of the view that there is an important perception of conflict of interest if Errol Mendes maintains his TI-Canada Board membership while executing the responsibilities flowing from his position with the Privy Council Office.

Following discussion of the motion, the motion was **Carried**. Six in favour, one opposed.

The Board then directed the Chair to write to Errol Mendes for the purpose of communicating the Board's view on this matter and to consult with the Vice Chair in preparing the letter. (Note: Drafts of the letter were circulated among the Executive Committee. The letter was sent on Monday, December 19. A copy of the letter is appended to these Minutes for information.)

8. Treasurer's Report

▪ Financials as at 30 November 2005

John Swinden reviewed the Financial Statements.

▪ Draft Working Budget 2006

Mr. Swinden noted that TI-Canada may need to work hard to raise an extra \$10,000-\$15,000 to balance the budget. **Moved** by Mr. Swinden and **seconded** by Ms.

Bonnell to accept the Draft Working Budget. **Carried.**

9. National Coordinator's Report

Moved by Joy Kennedy and **seconded** by Ms. Bonnell to accept, as Individual Members, Saiful Amin Bhuiyan, Andrew Eisenhower, Grayce Jell and Christopher Nwakoby.

Carried.

10. National Coordinator's Contract

The Board expressed its thanks to Ms. Best and noted that remuneration would be increased by 6% in 2006.

11. Next Board Meetings

- **17 February 2006**
- **21 April 2006**

Ms. Best will canvas the Board with regard to next meeting dates.

12. Adjournment

Ian Marshall moved to terminate the meeting.

Items not addressed will be carried over to the next meeting.