

## Anti-Corruption Policy

### Purpose of the Policy:

IMII is committed to an effective approach to the management of the risk of fraud, bribery and corruption in its activities in Canada and elsewhere. IMII has a zero tolerance principle to fraud, bribery and corruption and requires Covered Persons at all times to act and comply with this principle by fully conforming to all procedures and policies adopted to prevent fraud, bribery and corruption at IMII.

This Policy, together with IMII's Code of Ethics, Conflict of Interest and Confidentiality Agreement, is designed to define fraudulent and corrupt activities and increase awareness; encourage prevention; define appropriate standards of personal conduct and responsibilities at different levels within IMII; promote and understand methods of detection; and identify a clear pathway for the investigation and reporting of allegations of fraud, bribery or corruption. In any situation where a Covered Person has any concerns as to whether actions may be fraudulent, corrupt or constitute a bribe, he or she should seek the advice of the Executive Director or the Board Chair.

### Definitions:

Unless otherwise defined herein, the following terms shall have the following meanings throughout this document.

- "Covered Persons" means all IMII Directors, employees, contractors, consultants and volunteers.
- "Fraud" means a range of activities such as deception, bribery, forgery, extortion, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. It involves the act of deceit against IMII in order to obtain a personal or collective advantage, avoid an obligation or cause a loss.
- "Bribery" means the act of, directly or indirectly, giving, offering, or agreeing to give an offer, a loan, regard, advantage or benefit of any kind to, or for the benefit of, a third party in order to obtain or retain some advantage (or, in other words, giving, offering or agreeing to give or offer with the intent that a person who is trusted to or expected to act in good faith or with impartiality will perform that function improperly).
- "Corruption" means the act of dishonestly obtaining an advantage from a third party by abusing an entrusted power for private gain.

The terms fraud, bribery and corruption are not restricted to monetary or material benefit, but could also include intangible benefits such as status or information.

### Standards and Expectations:

Covered Persons are expected to be aware that fraud, bribery and corruption may cover a wide range of activity including (but not exclusive to): theft of assets; misappropriation of funds; misuse of IMII's assets (i.e., for example, using IMII property privately without permission); deception (e.g. misrepresentation of qualifications to obtain employment); theft from a partner, customer, donor or supplier; the theft or misuse of proprietary data; theft of intellectual property; providing favors or money to domestic or foreign legislative, administrative or judicial officials for personal or IMII goals; and providing contracts to third parties for the provider's personal benefit.

Covered Persons are also expected to be aware that, to the extent that IMII may conduct activities outside of Canada, either directly or through third-party agents, representatives or otherwise, the activities of

those Covered Persons must be conducted scrupulously within the meaning of Canada's Corruption of Foreign Public Officials Act and other applicable Canadian and foreign anti-corruption laws.

#### Implementation Procedures:

##### **Prevention:**

IMII seeks to regulate the actions of Covered Persons, and to ensure that appropriate procedures are in place, to prevent fraud, bribery and corruption. Covered Persons should also consider in this context IMII personnel procedures and policies, the terms of their employment contracts, and the protection of the IMII trademarks, logo and other intellectual property belonging to IMII. Although the Board and management of IMII bear overall responsibility for establishing, maintaining and ensuring enforcement of a sound system of internal control, in practice these responsibilities fall directly on management, generally, and will involve all of IMII's Covered Persons, wherever located.

##### **Prohibited Payments and Gifts:**

Covered Persons may not, directly or indirectly, give, offer, accept, request or authorize or agree to any bribe. Moreover, under no circumstances may any payment or anything of value be made, promised or offered to any government official or employee in contravention of the applicable laws of Canada or of the relevant country. Furthermore, no Covered Person shall, directly or indirectly, give, offer or agree to give any assistance, payment or anything of value (monetary or non-monetary) to any government employee or official in order to: induce any official government act or decision; induce any government employee or official to do or admit to doing any act in violation of his or her lawful duty; or to obtain or retain business for, or direct business to, any individual or entity.

The term "government employee or official", includes a person who holds a legislative, administrative or judicial position of a government (domestic or foreign); a person who performs public duties or functions for a government, including a person employed by a board, commission, corporation or other body that is established to perform a duty or function on behalf of a government, or is performing such duty or function, or that is otherwise owned or controlled by a government; a political candidate or party official; and any official or agent of a public international organization that is formed by two or more governments, or by two or more such public international organizations.

The receipt of "token gifts", herein defined as items or services with a nominal value of \$100.00 (Cdn.) or less, by IMII Directors or staff members, is an acceptable practice, provided that the token gift does not place and does not appear to place the IMII Director or staff member under any obligation when making decisions on behalf of IMII.

##### **Retention of Third Party Agents, Representatives, Consultants and Intermediaries:**

When IMII engages third parties to perform services for, or on behalf of, IMII (including agents or representatives involved in conducting IMII's overseas projects and activities), the behaviour and actions of those third parties can reflect on IMII, and, in some cases, IMII, its Directors and employees may become liable for the acts of those third parties. For the purposes of this section of the Policy, "third parties" include agents, intermediaries, representatives, officials, external consultants, brokers, distributors, vendors, suppliers, contractors, joint venture or consortia partners, lobbyists/activists and any other third parties acting for, or providing services to, IMII.

Prior to engaging or contracting with a third party, a Covered Person must conduct an appropriate diligence review of such third party's background, reputation and business capability. A Covered Person

engaging or contracting with a third party must ensure that the contract for any such third party contains appropriate contractual safeguards for IMII, having respect to the provisions of IMII's Code of Ethics, Conflict of Interest Policy, and this Policy. In particular, an employee of IMII must obtain prior written approval from the Executive Director when hiring a third party or renewing such a person's relationship or contract, if that third party will seek to procure a government grant or contract for IMII; seek any governmental permit or license for IMII or in furtherance of IMII's activities; or seek to influence a government employee or official to take any action on behalf of IMII that the government employee or official would not otherwise be obligated to take as a matter of law. The request for approval must include a written due diligence report as indicated above.

IMII will review, not less than annually, the activities of all Special Parties for continued compliance with applicable laws and IMII policies. This review will include ensuring that appropriate contractual safeguards are incorporated in all contractual arrangements with Special Parties and that contractual provisions are strictly adhered to and enforced.

**Reimbursements:**

IMII will reimburse expenditures for goods, services or other expenses only if the same are fully and properly supported by third party invoices or receipts in accordance with IMII's policies and procedures.

**Responsibilities of the IMII Executive Director:**

The Executive Director has overall responsibility for the promotion of an anti-fraud, anti-bribery and anti-corruption environment at IMII and will ensure that:

- This Policy is communicated to all Directors and employees of IMII and implemented in full, and that appropriate procedures are put in place to ensure the communication of, and implementation of, this Policy with, contractors, consultants and volunteers.
- Employees of IMII have the necessary training in order to comply with their obligations.
- Employees of IMII have the necessary "atmosphere" in which to ensure compliance (i.e. there is an understood and accepted "zero-tolerance" rule regarding fraud, bribery and corruption, that employees know how and to whom to address their concerns if fraud, bribery or corruption is suspected, etc.)
- Appropriate legal and/or disciplinary action is taken against the perpetrators of any actual or attempted fraud, bribe and/or corruption as well as those who may be complicit in such acts.
- Recommendations for control improvements following any investigations are properly implemented.
- Reporting and investigation of incidents of actual or suspected fraud and/or corruption is prompt.
- Internal audits of the prevention and detection processes and internal controls are put into place by management where applicable.
- This policy is reviewed and monitored for compliance, from time to time, and is in accordance with applicable laws and current best practice for Canadian non-profit organizations.

**Responsibilities of Employees:**

Employees should be alert to the possibility that unusual events or transactions could be symptoms of fraud or corruption. They should ensure that satisfactory controls are in place and be alert to any "red flags" that come to their attention. Particular examples of such "red flags" might include:

- Unusual or inadequately documented payments,
- Purchases which have not passed through IMII's regular procedure for obtaining quotes,
- Excessive rates of remuneration paid to consultants,
- Regular use of the same consultants,

- Use of government officials as consultants or the provision of travel grants to government officials,
- Excessive fuel usage for vehicles, or
- Sale of assets to third parties which do not follow customary IMII procedures.

**Reporting Suspected Fraud, Bribery or Corruption:**

Covered Persons who are Directors and employees have a duty to ensure that IMII's assets and funds are properly safeguarded and to report immediately if they suspect a fraud has been committed or they observe any acts or events which they believe to be suspicious. In addition, employees should alert their supervisor where they believe that the opportunity for fraud or corruption exists because of weak procedures or the lack of effective oversight. Employees should assist in any investigation by making available all relevant information and by co-operating with investigators.

Where any Covered Person suspects that a fraudulent or corrupt act or a bribe has been or may be being committed, he or she must promptly report it in accordance with the provisions of the Whistleblower Policy. Inappropriate delay in reporting a known or reasonably suspected incident of fraud, a bribe or corruption will itself constitute a violation of this Policy and of the IMII Code of Ethics.

IMII assures every Covered Person that it will not carry out or, to the fullest extent reasonably within its power, permit, any retribution or retaliation of any kind for reports made in good faith regarding known or reasonably suspected violations of this Policy. The ability of a Covered Person to make reports without fear of retribution or retaliation is vital to the successful implementation of this Policy.

**Investigation:**

The Executive Director of IMII is responsible for ensuring that each allegation reported in accordance with this Policy is appropriately and promptly investigated. The Executive Director will keep IMII's Governance, Nominations & Human Resources Committee and Finance and Audit Committee aware of developments as appropriate. In the event that the Executive Director determines that an actual or alleged violation could have a detrimental effect on the reputation of IMII, the Executive Director shall advise and consult with the Governance, Nominations & Human Resources Committee and Finance and Audit Committee.

As a minimum requirement, at the end of any investigation of any alleged incident of fraud, bribery or corruption, the Executive Director will report:

- Details of what has taken place (i.e. including the loss to IMII in Canada, if any), how the conduct was detected and the likely reasons why the fraud, bribe or corrupt act was able to take place,
- The action taken (if any) to deal with the persons involved in the act of fraud, bribery or corruption,
- Action taken or to be taken to recover lost assets and funds, where applicable, and
- Lessons learned and actions to be taken to prevent the recurrence of such acts of fraud, bribery or corruption.

**Breach of Policy:**

The Board has overall responsibility for monitoring compliance with this Policy. Each Covered Person will be held accountable for adherence to this Policy. Covered Persons who violate this Policy will be subject to disciplinary action, including potential termination of employment or association with IMII. Any violation of this Policy by a Director will be handled by the Board of Directors, and may result in a request for that Director's resignation. In addition to any disciplinary action which may be taken against a Covered Person who violates this Policy, IMII reserves its right to initiate legal proceedings to recover any losses or other consequential damages in circumstances in which it deems it appropriate to do so.