

**ANNUAL REPORT OF TI-CANADA'S VICE CHAIR, MICHAEL DAVIES,
TO THE SEVENTH ANNUAL GENERAL MEETING OF TI-CANADA MEMBERS
May 13, 2004**

OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions

Feb/03 - On behalf of TI, TI-Canada, the Business and Industry Advisory Committee, the International Chamber of Commerce (ICC) and the Trade Union Advisory Committee, put together, organized and coordinated the six panels that comprised the civil society/private sector/trade union input to the Organization for Economic Cooperation and Development (OECD) Phase 2 review of Canada's implementation of the OECD Convention which took place in Ottawa and Toronto throughout the week of February 17th. Participated on the Civil Society panel with Wes Cragg and Bronwyn Best presenting to the OECD review team the views and positions of TI and TI-Canada relating to the OECD Convention and the implementing Canadian legislation. The OECD report on the Canadian Review has only recently been finalized.

Sept/03 - In preparation for a meeting in Paris in early October sponsored by TI and attended by TI representatives from several OECD countries, members of the OECD Working Group and a number of prosecutors from a variety of countries, conducted on behalf of TI-Canada a national survey to identify obstacles to enforcement of the Convention in Canada and to consider possible steps to overcome such obstacles. This TI-Canada survey is the result of meetings and discussions held over several weeks with Canadian law enforcement officials, officials with the Departments of Justice and Foreign Affairs, leading lawyers in the field, corporate executives involved in international trade, accounting executives and other knowledgeable experts. The survey is available on the TI-Canada web site.

Oct. 2-3/03 - Attended the Paris meeting convened by TI and co-chaired the session on Proposals for Strengthening OECD Phase 2 Monitoring. The meeting, attended by 39 experts from 19 countries, including prosecutors, OECD officials, TI representatives from 11 countries and representatives of the private sector and trade unions, considered the current status of enforcement of the OECD Convention, the causes of insufficient enforcement and what can be done to strengthen enforcement. The report summarizing the conclusions and recommendations of the meeting is on the TI-Canada web site.

ICC Anti-Corruption Commission

Jan-Mar/03 - As Chair of the Committee on Bribery and Corruption of the Canadian Council for International Business and a member of the ICC Anti-Corruption Commission, contributed a chapter on "Whistle blowing" to the second edition of the ICC Manual "Fighting Corruption" which was released in April/03 and also updated and revised the chapter on sales representatives that I wrote for the first edition a few years ago. Protection of whistle blowers is of importance to both TI and TI-Canada. This practical manual, which is aimed specifically at corporate managers, details concrete steps that companies can take to help prevent unethical and unlawful acts by their employees, agents and corporate officials.

April/03 - Gave a presentation at an International Bar Association conference in Paris, co-sponsored by the IBA, the ICC and the OECD, entitled "The Awakening Giant of Anti-Corruption Enforcement" conference, on the importance of an internal reporting (whistle blowing) system – why a company should have such a system and how to go about developing a system which is meaningful and effective.

Education - Codes of Conduct and Compliance Programs

Mar/03 - Made a presentation to the Queen's University School of Business Marketing Ethics class on "Company Codes of Conduct - Ingredients of an effective Compliance Program" and, in March 2004, again visited Queen's to make a similar presentation to two of the graduating classes in the business school.

Mar/04 – Gave similar presentations to a class of students, taking a course on global corruption at the University of Toronto and also to a group of business students at the Rotman School of Management.

Oct/Nov/03 – Gave a presentation, at a Conference entitled "Blowing the Whistle on Ethical Lapses," co-hosted by the ethicscentre.ca and the Sheldon Chumir Foundation and sponsored by TI-Canada, at the end of October and early November in Calgary and Toronto. Similar to the IBA Conference in Paris earlier in the year, my presentation was directed specifically to indicate why a company should develop an internal whistle blowing culture and how to go about it.