

# ANTI-MONEY LAUNDERING, TERRORIST FINANCING, CORRUPTION AND BRIBERY POLICY & MANUAL

**Scope:** IATP Technical Resources Inc. and IATP S.A. (together, “IATP”), IATP Board of Directors, IATP Members Airlines and Associate Members (as such terms are defined in the International Airlines Technical Pool Organization Manual, and together referred to herein as, “IATP Members”), potential IATP Members, IATP employees, and IATP authorized Guest vendors and service providers

**Effective from:** June 1, 2024

**Last updated:** September 17, 2024

**Effective until:** expiry/amendment

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## A. Introduction

The purpose of this policy is to set out organizational responsibilities and internal competencies to prevent money laundering, terrorist financing, corruption and bribery (collectively referred to herein as, “anti-corruption and anti-money laundering laws”). IATP is committed to the highest ethical standards and expects all of IATP’s activities to be based on honesty, integrity, respect, and compliance with the spirit and letter of all applicable laws.

Given IATP’s international scope, this manual provides specific information about the anti-corruption and anti-money laundering laws in Canada and provides general guidance to compliance with anti-corruption and anti-money laundering laws in other jurisdictions. General descriptive information is provided since it is impossible to anticipate and discuss every situation which you may face. You are not required to become an expert on anti-corruption and anti-money laundering laws. You are expected, however, to become familiar with the prohibitions outlined here, to seek advice from the Compliance Coordinator whenever you encounter a situation in which an anti-corruption and anti-money laundering problem may exist, and to strictly adhere to IATP’s policy of compliance with all laws applicable to its business activities.

IATP trusts in the integrity of its employees, board of directors, member airlines, authorized guest vendors and other service providers and expects each to comply willingly and completely with this policy. The parties governed by this policy are expected to inform their employees and agents of these requirements and to monitor their compliance.

## B. Overview

- IATP does not tolerate governmental and commercial bribery on any scale or level.
- IATP is committed to accuracy in reporting and recording transactions.
- IATP has controls to ensure proper control, accountability, and safeguarding of assets.
- Prohibited activity and high-risk areas include:
  - Bribery of government officials.
  - Commercial bribery and other corrupt activities undertaken for financial gain.
  - Misreporting and concealment in the accounting records of bribery and other improper acts.
  - Use of third-party agents, consultants, and other intermediaries in potential bribe schemes.
  - Travel, entertaining, and gift giving to customers.
  - Charitable giving and community payments.
  - Other areas of high risk such as customs and offset commitments.
- IATP strongly encourages employees to report violations to or seek guidance from the Compliance Coordinator if they encounter problem situations.

## C. Statement of the Board of Directors

IATP's policy is to comply with the letter and spirit of the anti-corruption and anti-money laundering laws of Canada as well as the comparable laws of the other countries in which IATP operates. IATP expects for its directors, officers, employees, members and third-party consultants, agents, and intermediaries to observe the highest standards of business and personal ethics in the conduct of their duties and responsibilities.

Although anti-corruption and anti-money laundering laws may vary in their scope and severity, IATP's policy is to comply with the strictest requirements. There are no exceptions to this policy, and it may not be compromised or qualified by anyone acting for or on behalf of IATP or any of its other divisions or subsidiaries. No claim of business exigency, increased sales or profits or business opportunity will excuse any violation of this policy. This statement applies regardless of the apparent reasonableness or justification for such arrangements on economic or other grounds.

As a result, every party subject to this policy must be alert to activities which may give rise to corruption concerns including even the appearance of corruption. To this end, this manual has been prepared to explain in more detail the anti-corruption and anti-money laundering laws and, their possible application to IATP. This document is intended only as a guide. It is not a complete compilation of all anti-corruption and anti-money laundering laws, but points out areas of conduct which must be avoided or which should alert you to situations in which you should seek the assistance of IATP's designated Compliance Coordinator.

Whenever a situation arises where a payment or other item of value is requested by a governmental official, either directly or through an agent, those involved are expected to seek the advice and

assistance of the Compliance Coordinator to avoid a possible violation of anti-corruption laws. The payment or acceptance of a bribe to or from a governmental official or anyone else, no matter how small, or some other form of inappropriate conduct, can cause major expense to IATP. The ultimate sanctions may be grossly disproportionate to whatever advantage sought to be gained.

Violations of anti-corruption and anti-money laundering laws can result in criminal penalties for IATP and its directors, officers and employees, including imprisonment. If an individual is convicted of violating anti-corruption or anti-money laundering laws, IATP may be unable to protect the person from punishment that a court may impose. In addition, IATP may be unable to defend or indemnify any individual who intentionally violates, orders or knowingly permits a subordinate to violate anti-corruption or anti-money laundering laws. Further, any such person will be subject to disciplinary action by IATP, including possible dismissal or in the case of an IATP Member, expulsion from IATP.

Each of us must ensure that all anti-corruption and anti-money laundering laws are adhered to in all of our dealings, including deals unrelated to IATP. IATP may choose to cease relationships with any IATP Member, authorized guest vendor or service provider, or other party who is facing charges of corruption or money laundering in any form, as a relationship with such an entity may violate IATP's commitment to avoid even the appearance of any form of corruption or money laundering.

This manual and statement of IATP's policy should assist you in meeting these obligations. If there are any areas about which you are uncertain, please bring them to the attention of your legal advisor or the Compliance Coordinator. The contact information for the Compliance Coordinator can be found at the end of this Policy.

## D. Applicable Laws

### 1. Anti-Corruption Laws

The *Corruption of Foreign Public Officials Act* (the "CFPOA") is a Canadian anti-corruption law aimed to prevent bribery, i.e. corrupt payment of money or giving of things of value, by Canadian businesses to officials of a foreign government, foreign state-owned enterprise, public international organization or foreign political party, candidates for foreign political office, and other foreign public officials in order to obtain business or secure an improper advantage. It was passed in 1999, ratifying the *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*, in an attempt to combat global corruption.

Domestic bribery and corruption in Canada are governed under the *Criminal Code* (the "Criminal Code"), which prohibits various forms of corruption including bribery of various officials, frauds on government, breach of trust by a public officer and secret commissions, as well as various corrupt accounting and record-keeping practices. Canada also has federal and provincial laws that govern issues related to conflicts of interest, lobbying, and hospitality. In the Province of Québec, bribery and corruption are governed under the *Anti-Corruption Act*.

## 2. *Anti-Money Laundering and Terrorist Financing Laws*

The *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the “CPCTFA”) and the *Criminal Code* are the primary Canadian statutes that contain anti-money laundering and terrorist financing laws.

These regulatory and criminal statutes place reporting and identification requirements on certain entities and prohibit money laundering, which includes the use, transfer, disposal, or otherwise dealing with in any manner or by any means property or proceeds of property with an intent to conceal or convert the property or proceeds of the property knowing, believing, or being reckless as to whether all or part of the property or proceeds was obtained directly or indirectly through the commission of a designated offence, or an act or omission that if it had occurred in Canada would have constituted a designated offence.

These laws are also aimed at prohibiting terrorist financing, which includes: providing, collecting, or possessing property intending or knowing it is owned or controlled by a terrorist group or will be used for a terrorist activity; doing any act, possessing any property, or performing any service, or inviting someone else to do so, knowing it will benefit a person carrying out a terrorist activity or benefit a terrorist group or is otherwise done on behalf of a terrorist group; and not forthrightly disclosing to Canadian authorities the existence of property in your possession or control that you know is owned or controlled by or on behalf of a terrorist group.

## 3. *Sanctions*

A violation of the CFPOA is an indictable criminal offence and can result in imprisonment for up to fourteen years and/or a fine, with no upper limit, in the discretion of the court.

Committing a money laundering or terrorist financing offence under the Criminal Code can result in imprisonment for up to ten years. Additionally, a violation of the CPCTFA can result in imprisonment of up to five years and fines of up to \$2,000,000 Canadian dollars.

## 4. *International Laws and Regulations*

International laws and regulations may influence the laws implemented in your country to combat corruption and bribery. A key international instrument is the United Nations Convention Against Corruption, a universal anti-corruption instrument which 189 countries are a party to. Another globally reaching instrument is the Organisation for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials, which establishes standards for criminalizing bribery of foreign public officials with a focus on the ‘supply side’ of bribery transactions. Canada’s anti-money laundering and terrorist financing legislation are based on the Financial Action Task Force Recommendations, which set an international standard that more than 200 countries and jurisdictions have committed to implementing.

## *5. Contact Compliance Officer*

Due to the global nature of IATP, additional anti-corruption and anti-money laundering laws may apply in any specific circumstance. A good place to start is your country's penal code, which may contain provisions addressing these issues. If you are in doubt as to the application of any anti-corruption and anti-money laundering laws, we recommend that you contact your legal advisor or the Compliance Coordinator.

### **E. IATP Anti-Money Laundering, Terrorist Financing, Corruption and Bribery Policies**

#### *1. Anti-Corruption and Bribery Policy*

- The use of IATP funds, assets, or personnel for any unlawful, improper, or unethical purpose is strictly prohibited.
- You may not offer or give or promise anything of value to a government official or anyone else, with the intent to obtain or retain any business or any other advantage. Gifts nominal in value and business hospitality may be acceptable when undertaken to establish and maintain cordial business relations or promote products and services.
- You may not offer, promise or give directly or indirectly any commercial bribe to any person. For this purpose, a bribe is a payment or gift of any value made to secure or reward the improper or corrupt performance of an activity or an improper or corrupt commercial advantage.
- You may not retain a consultant, agent, or intermediary for work related to IATP who has contact with, deals with, or does business with a government official until sufficient due diligence has been performed to enable IATP to conclude with reasonable assurance that the consultant, agent, or intermediary understands and will fully abide by all applicable anti-corruption laws and this policy. All consultants, agents and intermediaries, of IATP must be aware of and abide by this policy.
- You will not make any payments to government officials, including low-level government employees, to expedite or secure performance of a routine governmental action, including facilitation payments.
- You will not, on behalf of IATP, make any form of sponsorship or contribution to a charitable organization, any candidate for political office or to a political party in any country unless the contribution is pre-approved in writing by the Compliance Coordinator.
- Where applicable, you must make accurate and complete entries in IATP's records and follow IATP's accounting procedures and internal controls. You must not make, or provide information to IATP that would lead to IATP making, any false or misleading entries in IATP's books and records.

- Where applicable, you must record all transactions related to IATP in IATP's records and adequately identify them.
- You must not prepare, accept or use false invoices or records of any kind, including invoices from suppliers. If you have any suspicion regarding the authenticity and truthfulness of a document, you should contact the Compliance Coordinator.
- You are strictly prohibited from concealing a bribe including by establishing or maintaining accounts which do not appear in any books and records IATP is required to keep or intentionally destroying accounting books and records earlier than permitted by law.
- You must not accept, solicit, or entertain bribes from any individual internally within IATP or from external parties.
- You must not accept inappropriate gifts or hospitality that are used as bribes or as part of a bribery scheme.
  - Appropriateness Test:
    - Made for the right reason.
    - Does not create any obligation or expectation on the recipient.
    - Not be seen as intended for or capable of achieving undue influence.
    - Made openly.
    - Compliant with relevant laws.
    - Would not be viewed unfavorably by stakeholders.
    - Value and nature of the expenditure is not disproportionate to the occasion.
    - Meets the policies of IATP.
    - The giving or receipt of gifts and hospitality is not overly frequent between the giver and the receiver.

## 2. *Anti-Money Laundering and Terrorist Financing Policy*

- IATP must determine the identity of all directors, officers, employees, and where the circumstances require additional caution, take reasonable steps identify its authorized guest vendors and service providers.
- Before entering into a business relationship with another party, a party's identity can be confirmed by:
  - in the case of an individual, referring to a government issued (other than a municipal government) identification document with their picture and name and verifying the name and picture is of that person;

- in the case of a corporation, referring to information received from a governmental body and confirming the name and address of an authorized representative are the same as the contracting party/person in question; or
- by referring to two pieces of information from reliable sources one that includes their name and address and a second that includes their name and confirms they have a deposit account, credit card, or other loan account with a reliable financial entity and verifying both pieces of information are for the person in question.

In the event the identity cannot be confirmed through one of the three methods, please contact the Compliance Coordinator for further instructions.

- Before entering into a business relationship with another party, proper due diligence should be carried out to ensure the other party is not engaged in illicit activities or connected to criminal or terrorist organizations, including identifying beneficial and controlling owners. Enhanced due diligence is expected when engaging in high-risk business relationships or transactions. Due diligence may also include financial credit checks and court searches of the party, which may flag high financial risk organizations or individuals.
- You must contact the Compliance Coordinator if you have any reason to suspect that any of the parties subject to this policy are engaged in any money laundering or terrorist financing offences. In order to determine if there is a reason to suspect the party is engaged in a money laundering or terrorist financing offence, you should consider seeking the following background information on the party:
  - beneficial ownership;
  - financial background and payment of contract;
  - competency of third party, where competence should be determined by considering whether the third party has:
    - i. experience in the industry and the country where the services are to be provided;
    - ii. necessary qualifications and experience to provide the services;
    - iii. provided a competitive estimate for the services to be provided;
    - iv. a business presence in the country where the services are to be provided;
    - v. been recommended by a public official;
    - vi. requested urgent payments or unusually high commissions;
    - vii. requested payments to be made in cash, to a third party, or to a different country;
    - viii. suggested they know the “right people” to secure the contract; and

- ix. been selected in a transparent way;
  - history of corruption and adverse news (from public records resources);
  - reputation (consulting third party's commercial references); and
  - approach to ethics and compliance.
- You must report all transactions related to IATP that occur or are attempted in which there are reasonable grounds to suspect the transaction is related to the commission or attempted commission of a money laundering or terrorist financing offence to the Compliance Coordinator.
- Unless otherwise authorized by law, you must not transport more than \$10,000 Canadian dollars or its monetary equivalent over Canadian borders without declaring it in accordance with Canadian Law.
- You must not transfer, use, possess, alter, dispose of, or deal with in any manner property or proceeds of property if you have any suspicion regarding the proceeds being obtained, or derived directly or indirectly as a result of the commission of a crime in Canada or the act or omission anywhere that would have been a crime in Canada.
- You must not directly or indirectly collect property, provide or invite a person to provide, or make available property or services, if you have any suspicions regarding the property or services being used in whole or in part to carry out a terrorist activity, to harm any person, to be used to intimidate the public, or to compel a government or international organization to do or refrain from doing any act, or for the purpose of benefiting someone who is facilitating or carrying out any such activity or any suspicions regarding the products or services being used or benefiting a terrorist group.
- You must not, directly or indirectly, deal with any property, or facilitate any transaction involving property that you suspect is owned or controlled by or on behalf of a terrorist group.
- You must not provide financial or other related services in respect of property which you suspect is owned or controlled by or on behalf of a terrorist group, for the benefit of a terrorist group, or at the direction of a terrorist group.
- You must inform the Compliance Coordinator and Canadian authorities immediately of the existence of property in your possession or control that is owned or controlled on behalf of a terrorist group and of any information about a transaction or proposed transaction in respect of property owned or controlled by a terrorist group.
- You must not allow yourself to be willfully blind to any fact which if investigated may result in additional obligations or prohibitions under this policy and must reasonably investigate any suspicions of money laundering, terrorist financing, or corruption in any form.



- You must inform the Compliance Coordinator immediately if you have any suspicions, doubts or actual knowledge of anyone, including yourself, having breached any of these provisions.

### *3. Compliance*

IATP requires its directors, officers, employees, members and third-party consultants, agents, and intermediaries, who have responsibilities that may include contact with government officials to certify that they have received a copy of this policy, and have read and understand the policy.

Directors, officers, employees or members of IATP who violate this policy or the procedures under this policy are subject to disciplinary action including termination or expulsion from IATP. Third parties, such as authorized guest vendors, service providers, consultants, agents, and intermediaries, who violate this policy or who are facing charges of any anti-corruption and anti-money laundering offences are subject to immediate termination of all commercial relationships with IATP. Willful blindness is equivalent to actual knowledge and may result in disciplinary action to the same extent.

This policy and its enforcement will be taken seriously, and IATP will take reasonable steps to ensure that this policy and associated procedures are followed, including monitoring and auditing to detect criminal conduct. All violations or alleged violations will be investigated by IATP. All parties subject to this policy are expected to provide full cooperation with any investigation under this policy. IATP must also take reasonable steps to evaluate the effectiveness of its anti-corruption and anti-money laundering compliance program. Accordingly, this policy and related procedures may be revised in the future as appropriate.

IATP with the assistance of their professional advisors, employees and/or members may, from time to time, conduct compliance audits designed to prevent and detect violations of anti-corruption and anti-money laundering laws and IATP's policies, practices and procedures.

### *4. Whistleblower Policy/Protection of Whistleblowers*

IATP's directors, officers, employees, members and third-party consultants, agents, and intermediaries have the responsibility to promptly report any violations or suspected violations of IATP's policies or federal, provincial, territorial, or local laws and regulations to the Compliance Coordinator. Reports can be made to the Compliance Coordinator, whose contact information is listed in Section F. Reports are an avenue for you to raise concerns on a confidential and, if desired, anonymous basis, consistent with the need to conduct an adequate investigation and without fear of retaliation.

Reports should be made in good faith and on reasonable grounds for believing the information disclosed indicates a violation of a policy or law. Any unfounded allegation that proves to have been made maliciously, recklessly, or knowingly to be false will be viewed as a serious offence and result in disciplinary action, up to and including termination of employment. IATP takes steps to ensure no individual who makes a report in good faith shall be subject to retaliation, harassment, or adverse employment consequences because of such report.

The Compliance Coordinator will promptly and discreetly investigate each report, advise the board of directors where appropriate, and if deemed necessary, follow-up with the reporter or engage experts to assist in the investigation. A full investigation may not be possible if a report made anonymously is vague or general, so individuals should include as much detail as possible when making a report. Upon completion of the investigation, the Compliance Coordinator will provide the reporter with the results of the investigation. An inquiry into the status of investigations made through anonymous reports may be made through a telephone appointment or through email. If the reporting party is directly involved or implicated in the violation, the party's act of self-reporting the violation will be considered when determining an appropriate sanction.

#### *5. Policy dissemination and communication plan*

- All directors, officers, and employees of IATP must certify that they have received a copy of this policy, and have read and understand the policy.
- The policy shall be disseminated by broadcast to all IATP Members and shall be published in the IATP website, under the folder named "References". All IATP platform users shall be requested to acknowledge the policy; the platform should prevent the access to all users not having reviewed and acknowledged the policy.
- This policy shall be introduced to the IATP Members during a plenary session of an IATP conference. A copy of this policy shall be made available in hard copy at the IATP conference, conference secretariat, and shall be also published in the conference booklet.

#### **F. Compliance Coordinator Contact Information**

Any reports or questions or suggestions relating to the scope, interpretation or operation of this policy should be directed to the Compliance Coordinator.

IATP Corporate Office  
17 rue Jean-Pierre Sauvage  
L-2514 Luxembourg  
Compliance Coordinator  
Phone: +352 2668 4184  
Email: [Compliance@iatp.com](mailto:Compliance@iatp.com)

If the subject of the compliance violation involves a member of the IATP Office Team (i.e. Chief Executive Officer, Senior Business & IT Manager, Corporate Administrative Coordinator, Corporate Secretary, or Event Coordinator), you may send your report to the following email address: [compliance1@iatp.com](mailto:compliance1@iatp.com).

If the subject of the compliance violation involves a member of the IATP Advisory Committee (i.e. Chairman & Custodian, Vice-Chair & Budget Controller, Membership Coordinator, or Standby Member), you may send your report to the following email address: [compliance2@iatp.com](mailto:compliance2@iatp.com).