

THE COMPANIES ACT, 1965  
MALAYSIA

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COMPANY LIMITED BY GUARANTEE AND NOT HAVING A  
SHARE CAPITAL

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MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA

Incorporated on the 28<sup>th</sup> day of July 1994

**THE COMPANIES ACT, 1965**  
**COMPANY LIMITED BY GUARANTEE**  
**AND NOT HAVING A SHARE CAPITAL**

**MEMORANDUM OF ASSOCIATION**

**OF**

**THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA**

1. The name of the Institute is “THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA” (or abbreviated as “IIA Malaysia”).
2. The registered office of the Institute will be situated in Malaysia. The location of the registered office may be changed from time to time by action of the Board of Governors of the Institute.
3. The objects for which the Institute is established are to provide dynamic leadership for the global profession of internal auditing through:-
  - i) Advocating and promoting the value that internal audit professionals add to their organisations;
  - ii) Providing comprehensive professional educational and development opportunities, standards and other professional practice guidance, and certification programmes;
  - iii) Researching, disseminating, and promoting to practitioners and stakeholders knowledge concerning internal auditing and its appropriate role in governance, risk management and control;

- iv) Educating practitioners and other relevant audiences on best practices in internal auditing; and
- v) Bringing internal auditors together to share information and experiences.

4. The powers of the Institute under the objects clause shall be as follows:-

- (1) To advance the theory and practice of internal auditing in all aspects.
- (2) To recruit, educate, train and assess by means of examination or otherwise a body of members skilled in these areas.
- (3) To preserve at all times the professional independence of internal auditors in whatever capacities they may be serving.
- (4) To maintain high standards of practice and professional conduct of all members.
- (5) To do all such things as may advance the profession of internal auditing in all sectors inter alia but not limited to industry, commerce, education and the public sector.
- (6) To provide practising internal auditors with a forum for exchanging ideas and expertise on matters of common interest, to develop their professional skills and to enhance their contribution to the organisations they serve.
- (7) To enhance professional status of internal auditing in Malaysia.
- (8) To create awareness to interested parties on the benefits of professional internal auditing.

- (9) To develop courses and conduct examinations for the continued professional development of the members.
- (10) To maintain a library or libraries for the use of members and others.
- (11) To make grants to societies, local or otherwise, that have the same purpose in the furtherance of the objects of the Institute; to make grants to universities or other educational establishments; to provide, to finance and to make grants for courses, lectures, classes or other tuition or research; and to establish scholarships or bursaries and give prizes with a view to promoting or furthering the interests of members and prospective members of the Institute.
- (12) To organise, finance and maintain schemes for professional education, for the granting of diplomas, certificates and other awards (with or without prior examination) to members of the Institute and of other professional bodies in any activities with which the internal audit profession is concerned and to provide for the use of Suffixes (“designatory letters”) by persons granted such diplomas, certificates and awards, provided always that no such scheme shall become operative unless and until it shall have been approved by the Institute in general meeting.
- (13) To amalgamate or merge with any companies, institutes, societies or associations having objects similar to those of the Institute and which are prohibited by their constitution from distributing their income and property amongst their members to an extent at least as great as imposed on the Institute by Clause 5 hereof and with a view thereto to transfer all of any part of the property, assets, liabilities and engagements of the Institute to any one or more of the companies, institutes, societies or associations with which the

Institute is authorised to amalgamate or to acquire by purchase or otherwise and take over all or any of the property, assets, liabilities and engagements of any company, institute, society or association with which the Institute is authorised to amalgamate or merge. To borrow and raise money that may be required by the Institute upon such terms as may be deemed advisable and in particular by mortgage or charge of all or part of the property of the Institute.

- (14) To print or publish any newsletters, periodicals, books or leaflets that the Institute may think desirable for the promotion of its objects.
- (15) To purchase, take on lease, sell or otherwise acquire for the purposes of the Institute and to hold any estates, lands, buildings, easements or other interests in movable or immovable property or charge of all or part of the property which may be deemed necessary or convenient for any of the purposes of the Institute PROVIDED that the Institute shall not acquire, charge, mortgage or dispose of any land (as so defined under the National Land Code) without the written consent of the Minister charged with the responsibility for companies.
- (16) To construct, alter and maintain any buildings considered necessary for the use of members and others or for any purposes of the Institute with all proper and necessary fixtures, fittings, furniture and other equipment.
- (17) To receive any gift whether moveable or pecuniary, and whether or not subject to any trust, for any one or more of the objects of the Institute.
- (18) To take such steps by personal or written appeals, public meetings, or otherwise, as may from time to time be deemed expedient for the purpose of procuring

contributions to the funds of the Institute, in the form of donations, grants, loans, legacy, subscriptions or otherwise.

- (19) To purchase, acquire, hold, sell and deal in debentures, debenture stock, bonds, obligations and securities issued or guaranteed by the Malaysian Government, State Government or public authority PROVIDED that the Governors shall not develop or turn to account any interest in such properties for commercial purposes.
- (20) To invest in Malaysia the money of the Institute, not immediately required, in such manner as may from time to time be determined PROVIDED that the Institute shall not invest in or incorporate any subsidiary company.
- (21) To subscribe to any local or other charities, and to grant donations for any public purpose.
- (22) To develop, organise and run seminars, conferences, workshops and other activities of a similar nature for the benefit of members and general public.
- (23) To do, alone or in conjunction with others, the foregoing and all such other lawful things as may be incidental or conducive to promoting, furthering or protecting the interest, usefulness or efficiency of the Institute or its members or the internal audit profession generally.
- (24) To pay all costs, charges and expenses incurred or sustained in or about the promotion, establishment and running of the Institute and to remunerate any person or persons for services rendered in the promotion, establishment and running of the Institute in cash or in any other manner allowed by this Memorandum.
- (25) To promote good governance.

PROVIDED THAT:

- (i) the provisions of the Third Schedule of the Companies Act, shall not apply to the Institute. The foregoing provision of this Paragraph shall be read and construed without reference to the provisions of that Schedule; unless expressly included in this Memorandum and Articles of Association with the approval in writing of the Minister charged with the responsibility for companies; and
- (ii) the Institute shall not support with its funds any political organisation or any objects or endeavour to impose on or procure to be observed by its members or others any regulations, restrictions or conditions on any object of the Institute which would make it a Trade Union within the meaning of the Trade Union Act 1959.

5. The income and property of the Institute whencesoever derived shall be applied wholly and exclusively towards the promotion of the objects of the Institute as set forth in this Memorandum of Association, and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the members of the Institute.

PROVIDED that nothing herein shall prevent the payment, in good faith, of remuneration to any officer or servant of the Institute, or to any person whether a member of the Institute or not, in return for any professional services actually rendered to the Institute, nor prevent the payment of interest at a rate not exceeding eight per centum per annum or market rate (whichever is lower) on money lent, or reasonable and proper rent for premises demised or let by any member of the Institute; but so that no member of the Board shall be appointed to any salaried office of the Institute, or any office of the Institute paid by fees, and that no remuneration or benefit in money or money's worth shall be given by the Institute to any member of the Board except for fees for conducting training courses, seminars and conferences, fees for consulting services rendered in

income generating projects of the Institute, reimbursement of out-of-pocket expenses, travelling and subsistence allowances and interest at the rate aforesaid on money lent or reasonable and proper rent for premises demised or let to the Institute.

6. No addition, alteration or amendment shall be made to or in the provisions contained in the Memorandum or Articles of Association for the time being in force, unless the same shall have been previously passed by resolution of a general meeting specially convened for the purpose with at least twenty-one (21) days' notice in writing and upon such resolution being passed, submitted to and approved by the Minister charged with the responsibility for companies.
7. The liability of the members is limited.
8. Every member of the Institute undertakes to contribute to the assets of the Institute, in the event of the same being wound up during the time that he is a member, or within one year afterwards, for payment of the debts and liabilities of the Institute contracted before the time at which he ceases to be a member, and of the costs, charges and expenses of winding up the same, and for the adjustment of the rights of the contributories amongst themselves such amount as may be required, not exceeding One Hundred Ringgit (RM100).
9. If upon the winding up or dissolution of the Institute there remains, after satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid or distributed among the members of the Institute, but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Institute, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Institute under or by virtue of clause 5 hereof, such institution or institutions to be determined by the members of the Institute at or before the time of dissolution, and in default thereof by a Judge of the

High Court of Malaysia having jurisdiction in regard to charitable funds, and if and so far as effect cannot be given to the aforesaid provision, then to some charitable object.

10. True and fair accounts shall be kept of monies received and expended by the Institute, and the matter in respect of which such receipt and expenditure takes place, and of the property, credits and liabilities of the Institute and once at least in every year, shall be subject to audit in accordance with the provisions of the bye-laws of the Institute and the Act.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into an Institute in pursuance of this Memorandum of the Institute.

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Names, Addresses and Descriptions of Subscribers

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Stanley Yap Onn Nam  
(I/C No. 3961823)                      18 Jalan SS 2/34  
47300 Petaling Jaya.

Lim Kien Chai  
(I/C No. 5376613)                      206 Jalan 5/49  
46000 Petaling Jaya.

Mathuraiveran Marimuthu  
(I/C No. 7064715)                      24 Lintang Sungai 7  
Kawasan 7  
Off Jln Tepi Sungai  
41100 Kelang.

Daud Chong Abdullah  
(I/C No. 3519479)                      34 Jln SS 18/3C  
Subang Jaya  
47500 Petaling Jaya.

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Dated this 5<sup>th</sup> day of July, 1994

Witness to the above signatures:-

Chan Kim Hong, ACIS  
7003987 (MAICSA)  
2<sup>nd</sup> Flr. Bg. Getah Asli  
148 Jln Ampang,  
50450 Kuala Lumpur.

# THE COMPANIES ACT, 1965

## COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

### ARTICLES OF ASSOCIATION

#### OF

### THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA

#### INTERPRETATION

1. In these Articles, unless the context or subject matter otherwise indicates or requires :-

“The Act” means the Companies Act, 1965 and every other Act for the time being in force concerning companies and affecting the Institute.

“These Articles” means these Articles of Association as originally framed or as altered from time to time by special resolution and as approved by the Minister of Domestic Trade and Consumers Affair.

“The Board” means the Board of Governors of the Institute.

“The Secretary” means the Secretary or Secretaries as defined under Section 139A of the Act or as amended and appointed by the Board and shall include any person acting in any such capacity under the direction of the Board.

“The Seal” means the Common Seal of the Institute.

“Member” means a person or body who for which is for the time being registered as a member of the Institute under Article 3.

“Institute” means The Institute of Internal Auditors Malaysia or otherwise known as Institut Juruaudit Dalam Malaysia in Bahasa Malaysia and abbreviated as “IIA Malaysia”.

“Executive Committee” as defined in Article 16.

“External Auditors” refer to independent auditors appointed and their duties regulated in accordance with the provisions of the Act.

“Term” means the number of years a Governor holds office before he is required to retire and offers himself for re-election.

Expressions referring to writing shall include printing, lithography, photography and any other mode or modes of representing or reproducing words in a visible form.

Words importing the singular number only shall include the plural number, and vice versa.

Words importing person only shall include corporation of any similar description.

Words importing the masculine gender only shall include the feminine gender.

Subject as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meanings in these Articles.

## MEMBERSHIP OF THE INSTITUTE

2. The number of Members of the Institute shall be limited to ten thousand (10,000) but the Board of Governors may register an increase in members.
3. The members of the Institute shall be the subscribers to the Memorandum of Association and such other persons who shall be admitted to membership in accordance with these Articles and shall be entered in the Register of Members accordingly and he shall be a member thereof.
4. Memberships of the Institute shall comprise the following classes:
  - i) “Honorary Member” refers to a conferred status upon persons who:
    - a. by virtue of their esteemed position and standing in public or business life would enhance the stature of the Institute or the internal audit profession; or
    - b. have, in the opinion of the Board rendered exceptional service to the Institute or the internal audit profession.
  - ii) “Fellow Member” refers to a conferred status upon person who have achieved distinction in their profession and who have made valuable contributions to internal auditing and/or to the Institute provided that the conferees:
    - a. have been a Professional Member of the Institute for at least ten (10) years; and
    - b. have had five (5) years internal auditing experience in a senior position or an academician of good standing; and
    - c. have rendered exceptional services in the areas of development, promotion and enhancement of the internal auditing profession and the Institute; and

- d. have been recommended by the Awards Conferment Committee and approved by the Board of Governors.
  
- iii) “Professional Member” refers to a class open to persons in private and government employment who are performing internal auditing functions, no matter the titles such persons or departments are designated provided that:
  - a. they have satisfactorily passed and completed the professional examinations offered by IIA Inc. and possess two years of working experience in internal auditing; or
  - b. they have at least 3 years of professional working experience and training in internal auditing and possess professional qualifications recognized by the Institute.
  
- iv) “Associate Member” refers to a class open to persons who are engaged in fields related to internal auditing or have such interests but who do not qualify for membership under ‘Professional Member’. Any person who by virtue of being non-resident in Malaysia may opt for associate membership.
  
- v) “Student Member” refers to a class open to those pursuing any degree programme at colleges or universities who do not qualify for membership as ‘Professional Member’ or ‘Associate Member’ provided that no University or University College student may be admitted as a member without the prior permission of the University authorities concerned.
  
- vi) “Audit Committee Member” refers to a class open to persons who are currently serving or have been members of the audit committees of companies or government or statutory bodies.

- vii) “Corporate Member” refers to a class open to organisations or companies who nominate employees as their representative.
5. The Institute is established for the purposes expressed in its Memorandum of Association. Any amendments to the object of the Institute must first be approved by two third (2/3) of the Members present and voting at any Annual or Extraordinary General Meeting.
  6. The Board of Governors may admit to membership any person who makes an application for membership whom the Board deems in its absolute discretion to be desirable to admit to membership of the Institute. Every person desiring to become a Member shall make a written application to the Institute together with a duly completed prescribed form and upon vetting, review and approval by the Institute, such person shall be admitted as a Member and his name shall be entered in the Register of Members.
  7. The voting right of members in General Meeting shall be limited to the Fellow Members and Professional Members.
  8. Persons who at the date hereof are members of The Institute of Internal Auditors Malaysia, currently registered under the Societies Act, 1966, whose names are with consent inscribed in the said register of members shall henceforth become Members of the new Institute which is incorporated under the Companies Act, 1965 notwithstanding that any such persons may not have satisfied the requirements provided for by these Articles.
  9. Every Member on his admission as a member of the Institute shall pay such fee or subscription which shall be determined by the Board from time to time except for the Honorary Member.

10. Every Member of the Institute shall be bound to further to the best of his ability the objects, interests and influence of the Institute and shall observe all regulations of the Institute.

11. Any Member admitted to the Institute who:-

(a) violates or breaches the Code of Conduct or any rule of the Institute; or

(b) is convicted of a felony or misdemeanor or is declared by any Court of competent jurisdiction to be guilty of any fraud; or

(c) has been found guilty of any act or default of any nature as to render him unfit to continue as member of the Institute; or

(d) is adjudged bankrupt, or fails to satisfy a judgement debt, or individually or as a partner or director of a company makes an assignment for the benefit of creditors, or under any resolution of creditors or Order of the Court or any deed or document, or makes any arrangement for the payment of a composition to creditors; or

(e) is adjudged of infirm mind;

shall, depending on the gravity of the offence be admonished, be suspended for a period to be determined by the Board or be excluded from membership.

Membership with the Institute shall automatically lapse, if a person fails to pay his subscription or other sums due to the Institute by 31st March annually. The right of membership is not transferable and shall cease upon a member ceasing for any cause whatsoever to be a member of the Institute.

The Board may appoint any three (3) of its Members to sit on a Disciplinary Committee to consider the breaches mentioned in Article 11 (a), (b), (c), (d) and (e).

The Disciplinary Committee may, after receiving an explanation from a Member, either dismiss such charge or impose such punishments as are provided under these Articles.

Any member aggrieved by the decision of the Disciplinary Committee may appeal to the Board whose decision shall be final.

The decision of the Board or the Disciplinary Committee shall be sent to the Member forthwith.

If any person ceases, for any cause whatsoever, to be a Member of the Institute, he shall not have any interest in or claim against the funds or properties of the Institute.

### DESIGNATION

12. The Board shall permit Professional Members to use after their names the words “Chartered Member of The Institute of Internal Auditors Malaysia” or the designatory letters CMIA whilst they remain members of the Institute.
13. The Board shall permit Fellow Members to use after their names the words “Chartered Fellow of The Institute of Internal Auditors Malaysia” or the designatory letters CFIA whilst they remain members of the Institute.
14. The Board shall permit Audit Committee Members to use after their names the words “Chartered Audit Committee Directors” or the designatory letters CACD whilst they remain members of the Institute.
15. The Board shall permit Associate Members to use after their names the words “Associate Member of The Institute of Internal Auditors Malaysia” or the designatory letters AIA whilst they remain members of the Institute.

## THE BOARD

16. There shall be a Board of Governors to provide for continuous governance on the management of the Institute. The Board shall at any time comprise not less than five (5) or more than fifteen (15) members.

The Board shall within twenty-one (21) days after each Annual General Meeting appoint amongst themselves the following Executive Committee:

- i) a President;
- ii) two (2) Vice Presidents;
- iii) an Honorary Secretary; and
- iv) an Honorary Treasurer

The term of office of the President shall not exceed two (2) years in aggregate and shall thereafter not be eligible to hold the post of President.

The Executive Committee shall exercise such functions and powers as are determined by the Board and shall only be empowered to carry out such decisions relating to the management of the Institute or matters so decided by the Board. The Board maintains the responsibility for policy decisions.

17. All nominations for Governors must be made on a prescribed form to be submitted to the Honorary Secretary not later than seven (7) calendar days before the date of the Annual General Meeting.

The Board shall appoint a Nomination Committee, comprising a minimum of three (3) Board members who are not members of the Executive Committee, to review such nominations and recommend nominees for election to the Board.

18. At the Annual General Meeting, one-third of the Board for the time being or if their number is not three or a multiple of three, then the number nearest one-third shall retire from office who shall be eligible for re-election. The Governors to retire in every year shall unless they otherwise agree among themselves be those who have been longest in office since their last election, but as between persons who become governors on the same day, those to retire shall unless they otherwise agree among themselves be determined by lot.

19. Governors shall be elected by majority vote of members present and voting at the Annual General Meeting at which such an election is held. Save as aforesaid, the Immediate Past President of Institute shall automatically serve as member of the Board upon retirement as President and that his appointment to such office for the first year shall not be subject to voting of the members. The President shall not, while holding that office, be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Governors.

The Governors elected by members shall hold office for a maximum of three (3) consecutive terms on the Board, at the end of which period, the Governors concerned shall retire from the Board. However, such Governors may be elected by members after a lapse of at least one (1) year from their retirement.

20. A resolution in writing signed by at least seventy five (75) per centum of the Governors for the time being shall be as valid and effectual as if it has been passed at a meeting of the Board duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more Governors.

21. The Board may delegate any of its powers to a committee consisting of such member or members of their body as it thinks fit. A committee so formed shall in the exercise of its powers so delegated conform to any regulation that may be

imposed on it by the Board and meet and adjourn its meetings as its members think fit.

22. The Board shall meet at least bimonthly at such times and places as it may elect. The quorum shall be not less than half of the total number of Governors. Notice of the meetings of the Board shall be posted, faxed or electronically mailed by the Secretary and/or Honorary Secretary at least 7 calendar days before the date fixed for the meeting or as the Board may otherwise direct. Save as aforesaid the President may convene a meeting of the Board at anytime he deems fit and necessary provided two (2) calendar days notice is given to all members of the Board.
23. At all meetings of the Board the majority vote present and voting will decide all issues. In the event of a tied vote the President shall have a casting vote.
24. The Governors shall receive no salaries or remuneration for their services as Governors. Any Governor who performs or renders services, which in the opinion of the Board are outside his ordinary duties as a Governor, may be paid and/or reimbursed for expenses incurred in the performance of his duties as may be determined by the Board.
25. A Governor may be removed by a two-thirds vote of the members of the Institute present at any duly held general meeting convened upon written petition of one-fifth (1/5) of the members having a right to vote, provided notice of such proposed action shall have been incorporated in the notice for the meeting. Such notice shall be mailed to the Institute Members by the Honorary Secretary at least seven (7) calendar days before the date fixed for the meeting.
26. A Governor may be deemed to have resigned for failure to attend three consecutive Board Meetings without valid reasons acceptable to the Board, provided that he has been granted an opportunity of being heard.

27. The Board shall have power at any time, and from time to time, upon recommendation by the Nomination Committee, to appoint any person to be a Governor, either to fill a casual vacancy or as an addition to the existing Governors, but so that the total number of Governors shall not at any time exceed the number fixed in accordance with Article 16. Any Governor so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Governors who are to retire by rotation at that meeting. Provided always that in case of the number of the Governors shall at any time be reduced in number to less than five (5), it shall be lawful for the remaining Governors to act as Board for the purposes of filling up vacancies in their body or of summoning a general meeting of the Institute but for no other purposes.
28. A Governor, who ceases to be a member of the Institute for whatever reasons, shall vacate his Governor position automatically.
29. The resignation of any Governor shall be tendered to the Board and may be resolved at any regular or special meeting of the Board.
30. In addition to all powers expressly conferred upon the Board but subject to the Memorandum of Association, the Board shall have the following powers, namely:-
  - (a) To expend the funds of the Institute in such manner as it shall consider most beneficial for the objects of the Institute and to invest in the name of the Institute such part thereof as it may see fit, and to direct the sale or transposition of any such investments, and to expend the proceeds of any such sale for the objects of the Institute.
  - (b) To acquire in the name of the Institute build upon, pull down, rebuild, add to, alter, repair, improve, sell or

dispose of, or otherwise deal with any land, buildings or premises for the use of the Institute.

- (c) To enter into contracts on behalf of the Institute.
- (d) To borrow money upon the security of any of the property of the Institute, and to grant or direct to be granted mortgages for securing the same.
- (e) To make and from time to time to repeal or alter regulations as to the management of the Institute and the affairs thereof, and as to the duties of officers or servants of the Institute, and as to their conduct.
- (f) Generally determine any point on which rules are silent and to do all-things necessary or expedient for the due conduct of the affairs of the Institute not herein otherwise provided for.

31. The first Governors shall be Yap Onn Nam, Lim Kien Chai, Mathuraiveran Marimuthu, and Daud Chong Abdullah.

### EXAMINATIONS

32. The Board may conduct such examinations for professional development of the members in internal auditing and shall have full discretion in the management of such affairs including determining the syllabus, the setting of standards and the fees payable.
33. The Board may exempt any member from the whole or any part of the prescribed examinations on the grounds that he has passed examinations which in the opinion of the Board are of equivalent standard to the prescribed examinations and may permit any Member who fails in an examination to present himself for the whole or any part of a subsequent examination.

34. The Board shall appoint an Examination Committee which shall exercise such functions and powers as are determined by the Board.
35. The Board shall have power at any time:-
  - (a) To remove any Member of the Examination Committee and appoint another in his place.
  - (b) To fill any vacancy in the Examination Committee howsoever occurring.
  - (c) To increase or reduce the number of Members of an Examination Committee.
  - (d) To fix examination fees payable by candidates.

#### ANNUAL GENERAL MEETING AND MEETING OF MEMBERS

36. General Meetings shall be held once every year at such time and place as may be determined by the Board except as is provided by the Act, so that not more than fifteen (15) months shall be allowed to elapse between any two Annual General Meetings.
37. The abovementioned General Meetings shall be called Annual General Meetings. All other General Meetings shall be called Extraordinary General Meetings.
38. At all general meetings, a majority vote of all eligible members present and voting shall decide on all issues except as provided elsewhere in these Articles.
39. An Extraordinary General Meeting may be called by the Board or, by a requisition in writing of not less than one-fifth (1/5) of the voting members upon giving not less than fifteen (15) days written notice to members specifying the business to be transacted. An Extraordinary General Meeting

requisitioned by the members shall be held within thirty (30) days of receipt of such requisition by the Secretary.

40. An Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a special resolution, shall be called by twenty-one (21) calendar days notice in writing at the least (excluding in either case the day on which it is served or deemed to be served and of the day for which it is given).
41. Communications to members shall be deemed to be delivered without proof of posting if sent by ordinary mail to their last known addresses registered with the Institute.
42. At all General Meetings, a quorum shall be one half of the voting Members or twice the members of the Board, whichever is the lesser, present.
43. If, within thirty (30) minutes of the time appointed for the commencement of a general meeting, there shall be no quorum present, the meeting shall be adjourned to the same day and time the next following week at the same place. Should the number then present be insufficient to form a quorum, those present shall be considered a quorum for all purposes of the meeting, save that they shall not be empowered to alter, amend or make additions to any of the existing provisions in the Articles.
44. The President of the Institute shall preside as Chairman at every General Meeting, but if there be no such President, or if at any meeting he shall not be present within ten (10) minutes after the time appointed for holding same, or shall be unwilling to preside, the Members present shall choose a Governor or if no Governor be present, or if all the Governors present decline to take the chair, they shall choose a Member present who agrees to preside.
45. The Chairman may, with the consent of any meeting at which a quorum is present (as shall if so directed by the

meeting) adjourn the meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given in the same manner as the original meeting. Save as aforesaid, the Members shall not be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting.

46. At a General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands by a majority of the Members having a right to vote and present in person and every Fellow and Professional Member so present shall have one vote. A declaration by the Chairman that a resolution has been carried and an entry to the effect in the book containing the minutes of the proceedings of the Institute shall have conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

### THE SEAL

47. The Secretary shall provide for the safe custody of the seal which shall only be used with a resolution of the Board. Every instrument to which the seal is to be affixed, shall be signed by any one (1) EXCO member and by the Secretary, or any person appointed by the Board for the purpose.

### AUTHENTICATION

48. Extracts of Board resolutions duly passed which are certified by any two members of the Executive Committee, or by any one member of the Executive Committee and countersigned by the Secretary, such signatures shall be conclusive evidence of the fact that the resolution has been duly passed in accordance with the provisions of these Articles.

## SECRETARY

49. The Secretary shall, in accordance with the Act, be appointed by the Board for such term, at such remuneration and upon such conditions as the Board thinks fit and any Secretary so appointed may be removed by them. The Board may from time to time by resolution appoint a temporary substitute for the Secretary who shall be deemed to be the Secretary during the term of his appointment.
50. The first Secretary of the Institute is Chan Kim Hong.

## ACCOUNTS

51. The Board shall as soon as may be after the business of the Institute shall have commenced open or cause to be opened in the name of the Institute an account (hereinafter called "the Institute Account") with a bank carrying on business in Malaysia. The Current Account shall be operated by cheques signed on behalf of the Institute by any two (2) members of the Executive Committee. Thereafter the Board subject to the terms of the Memorandum of Association, may but shall be under no obligation to invest the moneys or any part thereof of the Institute in any lawful manner which the Board in their discretion may deem advisable and the Board may from time to time vary such investments in such manner as the Board may deem advisable.
52. Subject to the following provisions in this article, the funds of the Institute may be expended for any purpose necessary for the carrying out of its objects, including the expenses of its administration, the payment of salaries, allowances and expenses to its executive committee and paid staff and the audit of its accounts, but they shall on no account be used to

pay the fine of any member who may be convicted in a court or law or summons.

53. As soon as possible after the end of each financial year, the Honorary Treasurer shall prepare or cause to be prepared the financial statements and reports for the year which shall be audited.

### AUDITED ACCOUNTS

54. The Board shall from time to time in accordance with the Act prepare or cause to be prepared the financial statements and reports are required by the Act, and further to appoint External Auditors who shall review these accounts before it is laid before the members in General Meeting.

### AUDIT COMMITTEE

55. An Audit Committee comprising at least two (2) Fellow Members who are not members of the Board shall be appointed by the Board.
56. The Role of the Audit Committee will stated in the Terms of Reference of Audit Committee which will be reviews annually by the Board of Governors.

### INDEMNITY

57. The members of the Board, any committee or sub-committee of the Institute, employees, volunteers, the Secretary and External auditors shall be indemnified by the Institute from all losses and expenses incurred by them in or about the discharge of their respective duties, except such as happen from their own respective willful default, or in the case of an auditor his own negligence or willful default or that of any partner or employee of such auditor.

58. No member of the Board, any committee or sub-committee of the Institute, employees, volunteers, the Secretary or External auditors shall be liable for any other member of the Board, officer or for joining in any receipt or document, or for any act of conformity, or for any loss or expense happening to the Institute unless the same happen from his own willful default, or in the case of an auditor from his own negligence or willful default or that of any partner or employee of such auditor.

## CHAPTER XII LOCAL CHAPTER

59. Subject to the approval of the Registrar of Companies, the Board may establish local chapters of the Institute within Malaysia and in any states outside the Federal Territory and the State of Selangor upon application in writing to the Board signed by not less than fifteen (15) members of the Institute who are residing in the state. The application shall be accompanied by the proposed rules and regulations of the Chapter for the approval of the Board.

Notwithstanding the provisions of the by-laws and/or the act, the Board shall reserve the right to close any Local Chapter as it deems fit.

60. All Fellow Members, Professional Members, Associate Members, Student Members, Audit Committee Members and Corporate Members of the Institute residing normally within a region where a Local Chapter has been established shall automatically become members of the Chapter. No member shall be a member of more than one (1) Local Chapter.
61. The affairs of each Local Chapter shall be conducted by the Local Chapter Executive Committee which shall submit to the Board the annual reports and statement of accounts and

a copy of the minutes of each and every meeting of the Committee.

The powers and authority of the Local Chapter Executive Committee of each Local Chapter shall be subordinated to that of the Board.

62. No Local Chapter shall impose any levy on its Fellows Members, Professional Members, Associate Members, Student Members, Audit Committee Members or Corporate Members without the prior approval of the Board.

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Names,

Addresses

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Lim Kien Chai  
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Daud Chong Abdullah  
(I/C No. 3519479)

34 Jln SS 18/3C  
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47500 Petaling Jaya.

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Dated this 5<sup>th</sup> day of July, 1994

Witness to the above signatures:-

Chan Kim Hong, ACIS  
7003987 (MAICSA)  
2<sup>nd</sup> Flr. Bg. Getah Asli  
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