

THE COMPANIES ACT, 1965

PRIVATE COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION

OF

MALAYSIAN TECHNICAL STANDARDS FORUM BHD

1. The regulations in Table A in the Fourth Schedule to the Act shall not apply to the Company except so far as the same is repeated or contained in these Articles.
2. In these Articles of Association the following apply unless the context otherwise requires:

WORDS

MEANING

" Academic Institutions "	Institutions whose membership includes a significant number of individuals from the field of academia involved in the teaching and/or research of communications goods and services.
" Act "	The Companies Act 1965 and every other Act for the time being in force concerning companies and affecting the Company.
" Annual Revenue "	The gross annual revenue of the applicant or Member company whose business is related to and derived within the communications and multimedia industry based on the last audited accounts of the applicant or Member, whereby the financial year of the last audited accounts shall not be more than two (2) years prior to the current calendar year. For clarification, if the current calendar year is 2003, then the latest audited accounts shall be for financial year 2001 or 2002, whichever is later.
" Applications Service "	means a service provided by means of, but not solely by means of one or more Network Services.

" Applications Service Provider"	means a person who provides an Applications Service.
" Associate Members"	Members who are admitted pursuant to Article 9 .
" Associations"	Members who are either Professional Bodies, Government Bodies, International Bodies, Academic Institutions, Consumer Associations and Industry Associations as defined in this Memorandum and Articles of Association.
"Authorised Representative"	Persons nominated as such by a Corporate Member.
"Board"	The Board of Directors of the Company.
" Chairman"	The person elected as Chairman of the Board pursuant to Article 64 .
" Chief Executive Officer"	The person appointed by the Board pursuant to Article 99 .
" CMA"	Communications and Multimedia Act 1998.
" Commission"	The Malaysian Communications and Multimedia Commission established under the Malaysian Communications and Multimedia Commission Act 1998.
"Communications Technologies"	Any system, service equipment or facilities used for carrying communications by means of guided and/or unguided electromagnetic energy.
" Company"	The Company limited by guarantee and called the Malaysian Technical Standards Forum Bhd.
" Consumer Associations"	Associations whose membership includes a significant number of individuals and/or small businesses not involved in the supply of goods and services relating to the communications and multimedia industry.
" Content Applications Service"	means an Applications Service which provides content.
" Content Applications"	

- Service Provider** means a person who provides a Content Applications Service.
- “Corporate Member”** A Member who is a corporation and who is not an Individual.
- “Court”** A Malaysian Court of law of competent jurisdiction.
- “Designated Majority”** The Designated Majority of the Board as prescribed by **Article 93(b)**.
- “Executive”** These are employees appointed by and responsible to the Board, whether directly or through the Chief Executive Officer. The Chief Executive Officer will be deemed part of the Executive.
- “Government Bodies”** Units or representative of a department of the Government of Malaysia.
- “International Bodies”** International organisation or a representation of an international organisation whose membership includes a significant number of individuals or organisation involved in the derivation of communications standards or in the supply of goods or services relating to the communications and multimedia industry.
- “Industry”** The various groups of persons, firms and corporations and government entities which are involved in the development, manufacture, sale, regulation, standardisation, operation or use of Communications Technologies.
- “Industry Associations”** Associations whose membership includes a significant number of individuals and/or organisations involved in the supply of goods and services relating to the communications and multimedia industry.
- “Licensee”** such persons or entity being:-
- (a) a licensee or exempted from being licensed as a:-
 - (i) Network Facilities Provider;
 - (ii) Network Services Provider;
 - (iii) Applications Service Provider; and/or
 - (iv) Content Applications Service Provider,

(whether class or individual licensee) under the CMA; or

(b) the applicant being the owner or provider of facilities and/or services under a licence issued under the Telecommunications Act 1950 or the Broadcasting Act 1988 ("**old licence**") has registered with the Commission in accordance with the CMA but:-

(i) has not been issued a license under the CMA in substitution of the old license; or

(ii) does not intend to seek a licence under the CMA and intends to operate under the old licence;

"Members"

Members of the Company who shall consist of:-

(a) Ordinary Members; and

(b) Associate Members,

and whose names are entered on the Register of Members.

"Meeting"

Meetings of Members of the Company.

"National Standards Development Agencies"

The body(s) appointed under the Standards of Malaysia Act 1996, including but not limited to SIRIM Berhad.

"Network Facilities"

means any element or combination of elements of physical infrastructure used principally for, or in connection with, the provision of Network Services, but does not include customer equipment.

"Network Facilities Provider"

means a person who is an owner of any Network Facilities.

"Network Services"

means a service for carrying communications by means of guided and/or unguided electromagnetic radiation.

"Network Services Provider"

means a person who provides Network Services.

"Non-profit Organisation"	Members who are either Academic Institutions, Consumer Association, Government Bodies, Industry Associations, Professional Bodies and any other non-profit organisations but does not include Licensees, Profit Organisations and National Standards Development Agencies.
"Office"	The registered office of the Company.
"Office Bearer"	Person appointed as a member of the Board, the Secretary or any other office established by the Company under Article 67 .
"Operating Manual"	The document or documents referred to in Articles 17 and 84 and prepared or caused to be prepared by the Board, which set out the process by which the Company, the Board, the Executive, Reference Panels and Working Committees undertake work.
"Ordinary members"	means Members who are admitted pursuant to Article 5
"Professional Bodies"	Organisations whose membership includes significant number of individuals of a profession involved in the supply of goods and services relating to the communications and multimedia industry.
"Profit Organisations"	Members who are Vendors/Manufacturers and any other profit making enterprises but does not include Licensees, Non-Profit Organisations and National Standards Development Agencies.
"Reference Panel"	Persons appointed by the Board as provided in Article 103 .
"Register of Members"	The register of Members kept by the Secretary as required by Article 12 .
"Related Company"	In relation to a Member (" First Company "), <ul style="list-style-type: none"> (a) a company which holds or controls, directly or indirectly, more than fifty percent (50%) of the issued and paid up share capital of the First Company; or (b) a company where more than fifty percent (50%) of the issued and paid up share capital of which are held or controlled by: <ul style="list-style-type: none"> (i) the First Company; or

- (ii) another company which also holds or controls, directly or indirectly, more than fifty percent (50%) of the issued and paid up share capital of the First Company.

"Seal"	The common seal of the Company.
"Secretary"	Any person appointed to perform the duties of a Secretary to the Company.
"technical codes"	Has the same meaning as defined in the CMA.
"technical standards forum"	Has the same meaning as defined in the CMA.
"Vendors/Manufacturers"	Vendors or suppliers of communications and IT equipment, software and services who have a registered office in Malaysia.
"Working Committee"	Persons appointed under the auspices of the Board as provided under Article 107 .
"Work programs"	Programs referred to in Article 76 .

Reference to statutes include statutes replacing them.

Words importing the singular gender includes all genders.

Words importing persons include corporations.

The Company is established for the purposes set out in the Memorandum of Association.

MEMBERS

3. The subscriber to the Memorandum of Association and other persons as the Board may admit to membership in accordance with these Articles are Members. The number of Members to which the Company proposes to be registered is not more than One Thousand Five Hundred (1,500), however, the Company may from time to time register an increase or reduction in the number of Members.
4. (a) There shall be two types of membership, namely:-
 - (i) Ordinary Membership; and
 - (ii) Associate Membership.
- (b) The Ordinary Membership shall comprise of Ordinary Members.
- (c) The Associate Membership shall comprise of Associate Members.

5. The Board will admit into membership of the Company as an Ordinary Member any person or corporation which meets and maintains the following eligibility criteria:
 - (a)
 - (i) the applicant being a Licensee; or
 - (ii) the applicant being a National Standards Development Agency; or
 - (iii) the applicant being a corporation or a person whom Board considers that their admission would advance the achievement of the objects of the Company.
 - (b) the applicant has provided the Company with a properly completed application form prescribed by the Board from time to time and containing such particulars, information, undertakings as the Board may determine from time to time, requesting admission into the Company;
 - (c) the applicant has paid the initial subscription fee; and
 - (d) the applicant has not previously been refused or terminated membership from the Company, unless waived by the Board.
6. Ordinary Members who are admitted to membership as Licensee, shall be assigned into one or more of the following categories:-
 - (a) Network Facilities Provider;
 - (b) Network Services Provider;
 - (c) Applications Service Provider; and/or
 - (d) Content Applications Service Provider.
7. Upon admission as an Ordinary Member, the Board shall assign, in a manner consistent with the licensing structure of the CMA, each of the Ordinary Members who are Licensees to the relevant category(ies) of Licensees:-
 - (i) depending on the type of licence (whether individual or class licence) issued to or registered by, or exemptions granted to such Ordinary Member under the CMA; or
 - (ii) where such Ordinary Members has an old license (and has registered its intention to migrate to the new license) but has not been issued a new license under the CMA, in accordance with the Commission's mapping of Ordinary Member's old licence to the new licenses under the CMA. Such Ordinary Member is to adduce evidence of the Commission's licence mapping applicable to it to the Secretary/Board; or

- (iii) where such Ordinary Members intends to operate under the old licence or where the Commission has not mapped the Ordinary Member's old licence, on the types of facilities and services provided or to be provided.

Subject to **Article 8**, such Ordinary Members, shall for the purposes of determining eligibility for nominating and appointing a Director, be assigned into the relevant category of licenses stated in **Article 6**. For the avoidance of doubt, such assignment shall not be construed as attempting to assign such Ordinary Member into a particular category of license for the purpose of the CMA.

8. The classification of Ordinary Members who are admitted to membership as Licensees shall be reclassified or terminated for any of the following reasons:-
 - (a) the classification was made prior to the issuance or registration of a license under the CMA and upon the issuance or registration of such a licence, it is discovered that the classification is not in accordance with the license issued pursuant to the CMA; or
 - (b) the license of the Ordinary Member in respect of that category of licence is revoked and it is not immediately granted another licence of that type;
 - (c) the exemption granted to a Member for the provision of facilities or services under the CMA is no longer applicable and the Members is not granted a licence for the same (where a license is required);
 - (d) upon notification by the Ordinary Member that the licenses obtained were not of the kind envisaged for by the Ordinary Member; or
 - (e) the classification is erroneous for any reason whatsoever.

9. The Board will admit to membership of the Company any person, corporation or organisation (other than an Ordinary Member) as an Associate Member where:
 - (a)
 - (i) the Board considers that the admission of that person, corporation or organisation would advance achievement of the objects of the Company; or
 - (ii) a person or corporation who is entitled to be admitted as an Ordinary Members, chooses to be admitted as an Associate Member and not as an Ordinary Member;
 - (b) the person or corporation has provided the Company with a duly completed application form requesting admission into a category of membership of the Company appropriate to the activities of that person or corporation; and
 - (c) the person or corporation has not previously been refused or terminated membership from the Company, unless waived by the Board.

10. (a) The initial subscription fee and/or annual membership fee payable by the applicant for:-
- (i) Ordinary Membership is determined generally by reference to the Annual Revenue of the person concerned and which is more particularly described in **Schedule 1**; and
 - (ii) Associate Membership is determined by reference to **Schedule 1**.
- (b) The annual membership fee is payable annually in advance during the month of January in each year by each Member provided that the Board may permit a Member who joins after the month of January in any year to pay a proportionate part of the annual subscription. A resolution of the Board to amend **Schedule 1** requires a Designated Majority and must be ratified by a special resolution of the Members of the Company.
- (c) In the event of the cessation a membership of any member ("**Ex-Member**") for any reason whatsoever, any subscriptions, levies charges or other sums previously paid by the Ex-Member to the Company shall not be refundable to the Ex-Member notwithstanding that the sums were paid in advance.
- (d) Notwithstanding anything to the contrary, in the event a Member has merged with another Member ("**Merged Entity**") as prescribed in this **Article 19**, any subscriptions, levies, charges or other sums (other than the joining fee) previously paid by the Member prior to the merger shall be refunded on a pro rated basis to the Member subject to the confirmation on the Annual Revenue of the Merged Entity. The Member may also transfer all such refunded sums to the Merged Entity and the Board shall recognise the transfer of such sums as payment of the initial subscription fee for the purposes of **Articles 5 or 9**. Where there is any short fall in the transfer of the sums as payment of the initial subscription fee, the Merged Entity shall pay the difference.
- (e) Notwithstanding anything to the contrary, in the event a Member has merged with a non-member, all sums (other than the joining fee) previously paid by the Member prior to the merger shall be automatically transferred to the Merged Entity and the Board shall recognise the transfer of the said fees in the Register (as part or full payment of the subscription fee, as the case may be) subject to the confirmation on the Annual Revenue of the Merged Entity. The Merged Entity shall pay such additional fees (if any) based on the revised Annual Revenue.
11. **Schedule 1** as determined in accordance with **Article 10** must be consistent with the principle that the categories of membership should facilitate admission to membership of a broad range of persons who or which by their admission would advance achievement of the objects of the Company and who or which are engaged or proposing to engage in the Industry, but changes to **Schedule 1** must reflect the need to maintain a balance between the size of each organisation and the number of organisations eligible in any category.

12. If an application for membership is accepted, the Secretary must send to the applicant written notice of its acceptance and enter the eligible applicant in the Register of Members as a Member.
13. The Board may refuse to admit any person to membership of the Company and reasons for this refusal must be provided. The Board's decision is final and conclusive.
14. The Ordinary Member shall notify the Company immediately:-
 - (a) where it has applied for a licence under the CMA, upon the granting of the said licence or modification thereof by the Commission;
 - (b) if any of its licence or any part thereof granted or registered under the CMA is terminated or expired and it is not immediately granted another licence of that type; or
 - (c) the exemption granted to a Member for the provision of facilities or services under the CMA is no longer applicable and the Member is not granted a licence for the same (where a licence is required).

CESSATION OF MEMBERSHIP

15. A Member may resign from membership at any time by giving notice in writing to the Secretary.
16. A Member shall cease to be a member of the Company and its name shall be removed from the Register of Members in any one of the following events:-
 - (a) when notice in writing is given to the Secretary to resign from membership;
 - (b) if he or she is bankrupt or makes any arrangement or compromise with his creditors generally or it is dissolved or wound up or ceases to carry on activity for more than six (6) months or deregistered as or ceases to be an association, society, corporative society;
 - (c) if all of its licence(s) granted or registered under the CMA is/are terminated or expired and it is not immediately granted a licence(s) under the CMA;
 - (d) the exemption granted to a Member for the provision of facilities or services under the CMA is no longer applicable and the Members is not granted a licence for the same (where a license is required);
 - (e) where a Member has merged with another entity, in the circumstances set out in **Article 19**;
 - (f) where a Member has ceased to represent the interest of the body, Association or interest group; or

- (g) where the Member ceases to be a National Standards Development Agency.
- 17. Any Member whose membership fee remains unpaid for two (2) calendar months may have all privileges of membership suspended until payment of all arrears is made, and after three (3) months the Board may, without prior notice terminate such membership. Upon termination of membership of the Company, an ex-Member must immediately cease to use any logo, trade mark or other indicia of membership of the Company.
- 18. Any Member who fails to attend three (3) meetings consecutively without any valid reason may have their membership terminated without prior notice.
- 19. Subject to **Article 10(d)** and **(e)**, where one or more Members have merged with another Member (collectively or individually known as the "**Pre-existing Member**") or non-member, wherein the merged entity obtains or maintains a licence pursuant to the CMA ("**Merged Entity**"), the Merged Entity shall apply to continue their membership under the same name or with a new name as a Merged Entity. The Merged Entity shall become a new Member with immediate effect upon registration as a Member subject to the Merged Entity complying with the membership requirements under **Articles 5 or 9**, as the case may be. The Pre-existing Members shall automatically cease their membership upon the registration of the Merged Entity.

GENERAL MEETINGS

- 20. An annual general meeting of the Company must be held in accordance with the provisions of the Act. All general meetings other than annual general meetings are called extraordinary general meetings.
- 21. The Secretary must, whenever required by:-
 - (a) the provisions of the Act; or
 - (b) the Board; or
 - (c) by not less than 10% of the total Ordinary Members as at the date of the deposit of the requisition exerciseable at extraordinary general meetings,convene an extraordinary general meeting to be held not less than twenty-one (21) days after the date of the requisition at such time and place as the Board may determine. Any requisition made by Ordinary Members must state the object of the meeting proposed.
- 22. An extraordinary general meeting must also be convened as provided for in the Act.
- 23. Subject to the provisions of the Act relating to special resolutions and agreements for shorter notice, twenty-one (21) days' notice at the least, of an extraordinary general meeting specifying, in the case of special business the general nature of

that business, must be given to such persons as are entitled to receive such notices from the Company.

24. For the purposes of **Article 22** all business shall be special that is transacted at an extraordinary general meeting and also all that is transacted at an annual general meeting, with the exception of the consideration of the accounts, balance sheets and the reports of the Board and Auditors, the election of officers and other members of the Board and the appointment of the Auditors, if necessary.

REPRESENTATION AT GENERAL MEETINGS

25. Each Ordinary Member is entitled to exercise its vote at extraordinary general meetings by its Authorised Representative or by proxy. A Corporate Member must appoint an Authorised Representative. Such appointment must be in writing addressed to the Secretary and must contain the name, address, status and specimen signature of the Authorised Representative. Any such appointment may be terminated by the Corporate Member by notice in writing addressed to the Secretary and the Corporate Member is entitled at the same time to appoint another person in place of the person whose appointment was terminated.

PROCEEDINGS AT GENERAL MEETINGS

26. No business may be transacted at any general meeting unless a quorum of Ordinary Members is present at the time when the Meeting proceeds to business. Save as herein otherwise provided, a majority of Ordinary Members in person or by proxy or by Representative, holding not less than sixty seven percent (67%) of the total voting rights of all Ordinary Members having at the date of the meeting a right to vote thereat, shall be a quorum.
27. Associate Members will be entitled to attend general meetings of the Company and be heard, but :
- (a) may not requisition a general meeting;
 - (b) may vote in relation to any variation to the fees contained in **Schedule 1** and the appointment of the Chairman;
 - (c) will not be counted in determining whether a quorum is present at the time when the general meeting proceeds to business.
28. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting (if convened upon the requisition of Ordinary Members) must be dissolved. In any other case it stands adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Chairman of the meeting may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, a majority of Ordinary Members present in person or

by proxy or by Representative, holding not less than fifty percent (50%) of the total voting rights of all Ordinary Members having at the date of the meeting a right to vote thereat, shall be the quorum.

29. The Chairman of the Board is the chair (person) of every general meeting of the Company, or if he is not present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, or if the Chairman has notified the Secretary in writing that he will not be present, then the Ordinary Members present may appoint one of their Ordinary Member to be Chairman of the meeting.
30. The Chairman may, with the consent of the majority of Ordinary Members present at any meeting at which a quorum is present (and must if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business may 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 days or more, notice of the adjourned meeting must be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.
31. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
 - (a) by the Chairman; or
 - (b) by at least seven (7) Ordinary Members present in person, by proxy or by an Authorised Representative; or

The demand for a poll may be withdrawn.

32. Unless a poll is so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
33. If a poll is duly demanded it must be taken in such a manner as set out in **By-Law 1**, either at once or after an interval or adjournment or otherwise as the Chairman directs. The result of the poll shall be the resolution of the meeting at which the poll was demanded. However, a poll demanded on the election of a Chairman or on a question of adjournment must be taken forthwith.
34. An Ordinary Member may vote in person, by Authorised Representative or by proxy.
35. On a show of hands or a poll every Ordinary Member shall have one vote.
36. Any resolution of Members will not be taken to be carried whether on a show of hands or a poll unless the requisite majority comprises the following: -

- (a) in the case of an ordinary resolution of Ordinary Members, there is an affirmative vote of more than 50% of Ordinary Members present and entitled to vote in person or by Authorised Representative or by proxy; or
- (b) in the case of a designated resolution of Ordinary Members, there is an affirmative vote of more than two thirds of the Ordinary Members, present and entitled to vote in person or by Authorised Representative or by proxy; or
- (c) in the case of a special resolution of Members, as prescribed by the requirements of Clause 8 of the Memorandum of Association and the Act.
- (d) in the case of Reserved Matters, the Consensus of the Ordinary Members.

Note: For voting requirements at meetings of the Board, See **Articles 93** and **94** below.

- 37. For the purposes of **Article 36(d)**, “**Consensus**” is established when the Ordinary Members participating in the consideration of a Reserved Matter have reached an affirmative vote of more than seventy five (75%) but not necessarily unanimity. Consensus requires that all views and objections be considered and the views and objections of the minority shall be recorded with the report of the above agreement.
- 38. An increase or reduction in the number of office bearers other than Directors will require a designated resolution of Ordinary Members in meeting.
- 39. The following matters will require a special resolution of the Members in Meeting:
 - (a) any business which the Act states requires a special resolution subject to (f) below;
 - (b) *any variation to **Schedule 1**;
 - (c) any alteration to the Company’s legal status;
 - (d) voluntary winding up of the Company;
 - (e) changing the object or scope of the Company subject to **Article 40**;
 - (f) *changes to these Articles subject to **Article 40**;
 - (g) *making, varying or repealing the Company’s by-laws;
 - (h) establish entities to undertake specific responsibility for prescribed industry wide activities, including initiatives in respect of dispute resolution, it may do so on the basis of full cost recovery.

Note: Matters indicated with an asterisk (*) require a Designated Majority of the Board prior to submission to the Members: see **Article 94** below.

40. The following matters are classified as Reserved Matters:-
- (a) the alteration, amendment or modification of this **Article 40**;
 - (b) increasing or reducing the quorum and number of Directors to be appointed to the Board;
 - (c) any recommendation of, or approval by, the Company of any change to a technical standard or standards (without limitation) which existed or was in operation prior to the establishment of the Company; and
 - (d) any recommendation of, or approval by, the Company of any new technical standard or technical code (without limitation) which would or may:
 - (i) have the effect or necessitating a change to a technical standard or standards (without limitation) which existed or was in operation prior to the establishment of the Company; or
 - (ii) result in material financial expenditure by an Ordinary Member to alter, amend or change the operation of, or replace, or upgrade facilities or equipment utilised in its network which existed or was in operation prior to the establishment of the Company
41. A Member, Authorised Representative or proxy who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental health shall not vote. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
42. The instrument appointing a proxy must be in writing under the hand of the appointer. The instrument appointing a proxy confers authority to demand or join in demanding a poll. A Member is entitled to instruct its proxy in favour of or against any proposed resolutions. Unless otherwise instructed the proxy may vote as he thinks fit.
43. The instrument appointing a proxy may be in the following form or in a form as near thereto as circumstances admit:

I of
..... *being the
Authorised Representative of being a
Member of the Malaysian Technical Standards Forum Bhd hereby appoint
..... of
..... or failing
that person hereby appoint of
..... as my proxy
to vote for me on my behalf at the +Annual General Meeting/Extraordinary
General Meeting of the Company to be held on the day of and
at any adjournment thereof.

My proxy is hereby authorised to vote +in favour of/against the following
resolutions.

Signed this day of

NOTE: If a Member wishes to vote for or against any resolution the Member must
instruct the proxy accordingly. Unless otherwise instructed the proxy may vote as
the proxy thinks fit.

* Delete or leave blank if inapplicable
+ Delete whichever is not desired

44. The instrument appointing a proxy must be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting not less than twenty-four (24) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default of the above the instrument of proxy is invalid.
45. A vote given in accordance with the terms of an instrument of proxy is valid notwithstanding the previous death or unsoundness of mind of the principal or revocation of the instrument if no intimation in writing of such death, unsoundness of mind or revocation has been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the instrument is used.
46. The general meeting will provide advice and guidance to the Board on issues of policy. The general meeting shall also have the right to propose to the Board a body of work or establishment of working areas. It may recommend membership and any Reference Panel or Working Committee.
47. The Chief Executive Officer must issue reports regarding the Company's operations to the general meeting each year. The reports must include an outline of work within Reference Panels and Working Committees that has been

completed during the said period. Copies of these reports must also be given to any members of the public if so requested and on payment of a fee that the Board may determine.

48. The general meeting may give reports, submissions and recommendations to the Board. The Board must take account of and consider reports, submissions and recommendations of the general meeting and shall have complete discretion in making any decision regarding such report, submissions and recommendations.
49. The general meeting shall admit, when necessary to its meetings representatives of appropriate Government agencies, including but not limited to those organisations involved in defence and security. Such organisations shall be eligible subject to Board approval to participate in the activities of Working Committees and Reference Panels.
50. A resolution in writing signed by all Ordinary Members for the time being entitled to receive notice of and to attend and vote at a general meeting shall be as valid and effective as if the same has been passed at a general meeting of the Company duly convened and held.
51. All resolutions passed by the Ordinary Members are binding notwithstanding that it is discovered that a person is not entitled to be a Member or is not entitled to vote by virtue of **Article 19** unless mala fides is proven. The burden of proof that a person was entitled to be an Ordinary Member or entitled to vote rest with such Ordinary Member or person.

BOARD OF DIRECTORS

52. The management of the Company is vested in the Board. Until and unless otherwise determined as aforesaid the number of directors shall consist of a maximum of thirteen (13) Directors, excluding the Chairman (unless the Chairman is also a Director).

APPOINTMENT OF DIRECTORS

53. The first Directors of the Company shall be:
 - (a) Norehan binti Yahya
 - (b) Tuan Haji Mohd Yahaya bin MohdShariff
54. Appointment of Directors other than the Chairmanship position shall be by nomination and election by the Members. The Board may determine the number of Directors eligible for election or re-election in any year, consistent with the following:
 - (a) the independent Chairman is to be elected pursuant to **Article 64**;
 - (b) Subject to **Article 55(g)**, Directors appointed by Ordinary Members who are Licensee shall be not more than eight (8) as follows:-

- (i) there shall be not more than two (2) Directors appointed by Ordinary Members under the Network Facilities Provider category;
 - (ii) there shall be not more than two (2) Directors appointed by Ordinary Members under the Network Services Provider category;
 - (iii) there shall be not more than two (2) Directors appointed by Ordinary Members under the Applications Service Provider category;
 - (iv) there shall be not more than two (2) Directors appointed by Ordinary Members under the Content Applications Service Provider category;
- (c) Subject to **Article 55(h)**, Directors appointed by Ordinary Members who are Profit Organisations shall be not more than two (2);
 - (d) Subject to **Article 55(h)**, Directors appointed by Ordinary Members who are Non-Profit Organisation shall be not more than two (2); and
 - (e) Subject to **Article 55(h)**, Director appointed by Ordinary Members who are National Standards Development Agencies shall be one (1).
55. The procedures and principles for the nomination and appointment of the Directors by Ordinary Members shall be as follows:-
- (a) (i) with respect to **Article 54(b)**:-
 - (A) subject to **sub-paragraph (C)**, only Ordinary Members who are Licensees from a particular category of licence shall be entitled to vote to determine the Directors to be appointed from that category of licence;
 - (B) subject to **sub-paragraph (C)**, where an Ordinary Member is in one or more category of licence, that Ordinary Member shall have one (1) vote in each category;
 - (C) where a Director is to be appointed pursuant to **Article 55(g)** to fill the vacant positions, all Ordinary Members who are Licensees and its Related Companies shall be entitled to collectively nominate one (1) representative to fill any of the vacant positions unless an Ordinary Member who is a Licensee and/or its Related Company has already been allotted one (1) directorship position. However, each Ordinary Member who is a Licensee is entitled to vote but may only cast one (1) vote notwithstanding that they are in more than one category of license.

- (ii) notwithstanding anything to the contrary, an Ordinary Member and its Related Companies shall not be allotted more than one (1) Directorship position at any one time. Upon an Ordinary Member and its Related Company being allotted one (1) directorship position, they shall not be entitled to nominate another Director but they shall, respectively, be entitled to cast their votes for the appointment of other Directors;
 - (iii) where the appointment of a Director is determined by ballot, the Board shall have the discretion to determine the rules and procedures applicable for the ballot unless otherwise specified in these **Articles**.
- (b)
 - (i) the first position available for the Director appointed by Ordinary Members who are Licensees from the Network Facilities Provider category will be reserved to be filled by the largest Network Facilities Provider determined by reference to the Annual Revenue of the Network Facilities Providers concerned during the preceding financial year; and
 - (ii) the second position is to be nominated by the Ordinary Members who are Licensee from the Network Facilities Providers category and the directorship position will be determined by ballot. The Ordinary Member and its Related Companies who are Licensees shall collectively be entitled to nominate only one (1) representative only unless that Ordinary Member and/or its Related Company has already been allotted one (1) directorship position. They shall state the name of its representative on paper before voting. However, each Ordinary Member and its Related Companies who are Licensees from the Network Facilities Providers category shall be entitled to cast one (1) vote each. The nominee with the highest vote will be allocated the directorship position. If there is equality of votes, the nominee shall be selected by the drawing of lots by the Chairman;
- (c) the appointment of the two (2) directorship position available to the Ordinary Members who are Licensees from the Network Service Provider, Application Service Provider and Content Applications Service Provider, respectively, shall follow the procedures set out in **Article 55(b)** above;
- (d)
 - (i) the first position available for the Director appointed by Ordinary Members who are Profit Organisations will be reserved to be filled by the largest Profit Organisation determined by reference to the Annual Revenue of the Profit Organisation concerned during the preceding financial year; and
 - (ii) the second position is to be nominated by the Ordinary Members who are Profit Organisations and the directorship position will be determined by ballot. The Ordinary Member and its Related Companies who are Profit Organisation shall collectively be entitled to nominate only one (1) representative only unless that Ordinary Member and/or its Related Companies has already been

allotted one (1) directorship position. They shall state the name of its representative on paper before voting. However, each Ordinary Member and its Related Companies who are Profit Organisations shall be entitled to cast one (1) vote each. The nominee with the highest vote will be allocated the directorship position. If there is equality of votes, the nominee shall be selected by the drawing of lots by the Chairman;

- (e) with respect to Directors to be appointed pursuant **Article 54(d)**, the two (2) positions available for the Directors appointed by Ordinary Members who are Non-Profit Organisations shall be determined by way of ballot. Such Ordinary Member and its Related Companies shall collectively be entitled to nominate only one (1) representative only. They shall state the name of its representative on paper before voting. However, each Ordinary Member and its Related Companies who are Non-Profit Organisations shall be entitled to cast one (1) vote each. The nominee with the highest and second highest votes will be allocated the directorship positions. If there is equality of votes, the nominee shall be selected by the drawing of lots by the Chairman;
- (f) with respect to Directors to be appointed pursuant **Article 54(e)**, the appointment of the Directorship position for Ordinary Members who are National Standards Development Agencies shall follow the procedures set out in **Article 55(e)**.
- (g) if the Directors appointed by Ordinary Members who are Licensees is less than eight (8) Directors by virtue of this Article, any Ordinary Member and its Related Company who are Licensees (who collectively do not already have a Directorship position) shall be entitled to nominate one (1) representative collectively to fill up any of the vacant positions (irrespective of whether they are in that category of licence which has a vacant position) such that the total number of Directors appointed by Ordinary Members who are Licensees is eight (8). However, all Ordinary Members and its Related Company who are Licensees may, respectively, only cast one (1) vote each notwithstanding that they may be in more than one category of licence. All Ordinary Members and its Related Company who are Licensees who voted under **Article 54(b) and/or (c)**, may vote again. They shall state the name of its representative nominated on paper before voting. The vacant positions to be filled shall be reserved for the nominees with the highest votes, followed by the subsequent highest votes until all vacant positions are filled provided that the total number of Directors allotted to Ordinary Members who are Licensees do not exceed eight (8) Directors. If there is equality of votes, the nominee shall be selected by the drawing of lots by the Chairman;
- (h) if the Directors appointed by Ordinary Members who are Profit Organisations, Non-Profit Organisations and National Standards Development Agencies (collectively termed as "**Non-Licensees**") is less than five (5) Directors by virtue of this Article, any Ordinary Member and its Related Companies who are Non-Licensees (who collectively do not already have a Directorship position) shall be entitled to nominate one (1) representative collectively to fill up any of the vacant positions

(irrespective of which category of Non-Licensees they are) such that the total number of Directors appointed by Ordinary Members who Non-Licensee is five (5). All Ordinary Member and its Related Company who are Non-Licensees may, respectively, only cast one (1) vote each. All Ordinary Members and its Related Company who are Non-Licensees who voted under **Article 54(d), (e) and/or (f)**, may vote again. They shall state the name of its representative nominated on paper before voting. The vacant positions to be filled shall be reserved for the nominees with the highest votes, followed by the subsequent highest votes until all vacant positions are filled provided that the total number of Directors allotted to Ordinary Members who are Non-Licensees do not exceed five (5) Directors. If there is equality of votes, the nominee shall be selected by the drawing of lots by the Chairman;

56. Subject to **Articles 60, and 61**, any Director appointed by nomination by a Member may only be removed or replaced by the Member who nominated that person and must resign if so requested by the nominator.
57. Each Director must act in the best interests of the Company as a whole and with due regard to the furtherance of the Company's objectives. Each Director must also act in accordance with any non-excludable duty or obligation owed by the Director to the Company or the Members of the Company under general law, the Act, or other provisions of these Articles, provided that notwithstanding any fiduciary duty, principle of general law or provision of the Act to the contrary, any Director may make a decision in the interests of the person, organisation or Association appointing him.
58. At the first general meeting, the first Directors shall retire and the new Director appointed will hold office for a two (2) year term, expiring at the general meeting immediately subsequent to the end of the two (2) year term.
59. A retiring Director shall be eligible for re-election.

CESSATION OF DIRECTORSHIP

60. In addition to the circumstances in which the office of a Director becomes vacant by virtue of the Act the office of a Director becomes vacant if : -
 - (a) the Director is removed from his position by the Ordinary Member that appointed him;
 - (b) the Director is absent without the consent of the Board from three (3) successive meetings of the Board, provided that a Director will be taken to be present at a meeting of the Board if represented by his alternate;
 - (c) the Director resigns by notice in writing to the Board;

- (d) the Director becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
 - (e) the Director ceases to be a Director by virtue of these Articles of Association;
 - (f) the member which appointed the Director under **Article 55** ceases to be a Member;
 - (g) becomes prohibited from being a director by reason of any order made under the Act; or
 - (h) become bankrupt or make arrangement or composition with its creditors generally.
61. If any Ordinary Member entitled to nominate a Director ceases for any reason to be entitled to nominate a Director, the Director nominated by that Ordinary Member will cease to be a Director of the Company and the position of that former Director will become a casual vacancy to be filled in accordance with **Article 68**.
62. No nominee of any Ordinary Member is eligible to stand for election to the Board unless the nominating Ordinary Member has paid all annual fee charges outstanding and any other outstanding charges properly levied by the Board.
63. The acts of a Director shall be valid notwithstanding any defect that may afterwards be discovered in his appointment or qualification whether by virtue of **Articles 55, Article 62** or the Act.

CHAIRMAN

64. The first Chairman shall be Norehan binti Yahya, and will hold office until the first general meeting wherein the first Chairman shall retire. At the first general meeting, the Members shall, in accordance with Article 36(a), appoint a person to be the Chairman of the Board. The Chairman appointed will hold office for one (1) year term, expiring at the general meeting immediately subsequent to the end of the one (1) year term, at which time the Chairman must retire but is eligible for re-election for another one (1) year term only.
- <![endif]>
65. A person nominated as Chairman may be a Member and/or a Director. The nominee must also have relevant experience in the Industry. The Chairman will be entitled to receive a stipend in such amount as the Board may determine and to receive reimbursement of reasonable traveling and associated expenses as may be incurred in attending and returning from meetings of Directors or general meetings or otherwise howsoever in or about the business of the company in the course of performance of his duty as Chairman.
66. The Chairman shall not be eligible to vote and shall not have a casting vote in the event of equality of votes.

OFFICE BEARERS

67. Subject to **Articles 54, 55** and **56**, the Company may from time to time by special resolution passed at a general meeting increase or reduce the number of statutory office bearers excluding Directors.
68. Any Director may at any time resign office by giving to the Secretary notice in writing of his resignation. The Board may at any time, and from time to time, appoint any Member representative to the Board, either to fill a casual vacancy or as an addition to the existing office bearers or other Directors, provided that: -
- (a) the total number of office bearers or other Directors must not at any time exceed the number fixed in accordance with these Articles;
 - (b) the person so appointed is a person which would otherwise be eligible to be nominated as a Director; and
 - (c) the person so appointed must be a representative of an Ordinary Member and the ratio of Directors representing Ordinary Members who are Licensees and Members who are not Licensees as set out in **Article 54** is maintained.

Any Director so appointed shall hold office only until the next annual general meeting, and shall then be eligible for re-election.

69. Subject to **Article 61**, nothing in **Article 68** will affect the right of a Member entitled to appoint a Director pursuant to the provisions of **Article 55** to replace that Director, including by filling a casual vacancy caused by the resignation of the Director. The Director appointed to fill a casual vacancy must retire at the time that the Director whom he is replacing would have retired in accordance with these Articles, but may seek re-election.
70. Subject to **Articles 54, 55** and **56**, the Company may, at a general meeting by special resolution, remove any office bearer before the expiration of his period of office, and may by a special resolution appoint another person in his stead.

POWERS AND DUTIES OF THE BOARD

71. The business of the Company is managed by the Board who may pay all expenses incurred in promoting and registering the Company and may exercise all powers of the Company as are not prohibited by the Act or these Articles required to be exercised by the Company in general meeting, provided that any rule, regulation or by-law of the Company made by the Board may be disallowed by the Company in general meeting and provided further that no resolution passed by the Company in general meeting invalidates any prior act of the Board, which would have been valid if that resolution had not been passed.
72. The Board shall meet at least once every quarter.

73. The Board may from time to time by Designated Majority recommend changes to the annual fees/subscription for membership, for approval by the Members by special resolution at a Meeting.
74. The Board has ultimate responsibility for the policy of the Company but in formulating policy it shall operate in an open, responsive, competitively neutral manner to ensure that it has the confidence of the community, the Industry and government. Inter alia, it shall co-ordinate its activities with those of the Malaysian Access Forum, and operate in such broadly consultative manner as ensures compliance with all the requirements of the CMA. In developing codes of practice and technical standards it shall act in accordance with accepted principles of transparency and consensus.
75. The Board shall prepare, or cause to be prepared and updated from time to time an Operating Manual which shall set out, inter alia the method of nomination to Reference Panels and Working Committees, the nominal sizes of such Reference Panels and Working Committees and shall describe the openness and transparency of process with which the Company is to conduct its deliberations and operations.
76. The Board, upon considering advice from the Chief Executive Officer and Reference Panels, shall by Designated Majority adopt and promulgate a Works Program which shall be implemented by the Executive, Reference Panels and the Working Committees, or where appropriate outsourced for implementation by suitably qualified contractors.
77. Any work prepared by Working Committees and Reference Panels must be submitted to the Board for consideration and, if appropriate, approval by the Board in its absolute discretion unless otherwise directed by the Board.
78. The Board will be responsible for formal and documented approval of the Works Program of the Company, endorsement of Reference Panels and Working Committees.
79. The Board shall ensure that to the greatest extent possible all Reference Panels and Working Committees are representative of all parties interested in the subject matter of the proposed code or technical standard or other issue the subject of their deliberations and recommendations.
80. The Board may, where appropriate, facilitate development of codes or technical standards by bodies other than the Company, especially in instances where such codes or standards have applicability to persons or organisations in addition to the Industry. The Board will co-operate with other self regulatory and co-regulatory bodies at all levels to ensure a coordinated approach to the development and implementation of codes and/or technical standards.
81. The Board shall be accountable for the functions of the Company including administration of the Executive, the provision of reports to the general meeting and the fulfillment of all corporate governance responsibilities.

82. The Board shall ensure that professional competency is maintained and that due process is observed.
83. The Board shall be given the authority to monitor technical code and/or technical standards compliance and administer sanctions, as it deems fit, for breaches of the technical codes in accordance with the rules and procedures set out in the technical codes.
84. The Board shall establish resourcing arrangements for the activities of the Company and shall constitute itself as the body responsible for the raising and allocation of funds to finance the Company's activities. The Board may at its discretion, by resolution passed by a majority, specify that the operating guidelines or principles or other requirements specified in any Operating Manual of the Company must be followed before any technical standard or code of practice will be approved by the Board, provided that any specification of guidelines or principles or other requirements will not preclude the Board by Designated Majority from, in exceptional circumstances, approving a code of practice or technical standard which does not comply with the Operating Manual, where the Board considers this appropriate.
85. The Board may at its discretion endeavour to resolve or facilitate the resolution of disputes as between Members or other persons participating in Working Committees and Reference Panels and which arise in the course of the development of codes of practice and/or technical standard, provided that the Board exercises this discretion, consistent with the principle that:
- (a) Working Committees are intended to be the primary focus for resolution of differences in opinion or views between Members and other participants in those committees;
 - (b) if a Working Committee is unable to resolve a difference in opinion between Members and other persons involved in that Working Committee, the dispute should be referred to the appropriate Reference Panel and the Chief Executive Officer for resolution in accordance with procedures or practices consistent with any Operating Manual and principles set by the Board;
 - (c) if a Reference Panel and the Chief Executive Officer are unable to resolve a difference in opinion between Members or other persons involved in a Working Committee which reports to that Reference Panel, or a dispute between Members or other persons involved in a Reference Panel, the dispute should be referred to the Board for resolution.

However, if there are no Working Committees established, such differences may be referred directly to the Reference Panels.

86. The Board may apply to operate as a recognised Standard Writing Organisation for the development of Malaysian standards in accordance with the Standards of Malaysia Act 1996.

87. The Board may exercise all the powers of the Company to raise money to fulfil the objects of the Company.
88. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be by any two Directors or in such other manner as the Board from time to time determines.
89. The Board must cause minutes to be made:
- (a) of all appointments of officers;
 - (b) of the names of the Directors present at all meetings of the Company and of the Board;
 - (c) of all resolutions and proceedings at all meetings of the Company and of the Board and every Director present, whether in person or by means of telephone, audiovisual link or other instantaneous communication medium at any meeting of the Board shall sign his name in a book to be kept for that purpose.

Such minutes must be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

PROCEEDINGS OF THE BOARD

90. (a) Subject to the provisions of **Article 72** the Board may meet together for the dispatch of business and adjourn and otherwise regulate its meetings as the Board thinks fit.
- (b) The Chairman or any three (3) Directors not including the Secretary may at any time request a meeting of the Board, and the Secretary must convene a meeting of the Board on such requisition within twenty-one (21) days.
- (c) A Board meeting may be held with one or more of the Directors taking part by telephone, audiovisual link up or other instantaneous communication medium, if the meeting is conducted so that each Director is able to hear each other Director attending the meeting. Such a meeting is deemed to be held at such place as is agreed upon by the Directors provided that the following conditions are satisfied:
- (i) each Director must acknowledge his presence at the commencement of the meeting to all other Directors taking part; and
 - (ii) a Director may not leave the meeting so conducted by disconnecting his telephone or other means of communication

unless he has previously obtained the express consent of the Chairman so to do.

A Board meeting held as above will be deemed to conclude at such time as there is no longer sufficient number of Directors present by telephone or other instantaneous medium as constitute a quorum pursuant to **Articles 96**, provided that conclusion of a meeting by loss of a quorum will not affect the validity of business transacted prior to the loss of quorum.

91. A Director, in consultation with the Member nominating that Director, shall by notice to the Company appoint an alternate Director to exercise the powers of the nominating Director if the nominating Director is unable to attend a meeting of the Board. The nomination will take effect upon receipt of that notice by the Company and continue in operation until: -
 - (a) receipt of any further notice given by the nominating Director revoking the nomination;
 - (b) the office of the nominating Director becoming vacant pursuant to **Articles 56, 60 or 61**; or
 - (c) the Director otherwise ceasing to be a Director of the Company.
92. On a show of hands or a poll every Director shall have one vote.
93. Any resolution of the Board will not be taken to be carried, whether on a show of hands or a poll, unless the requisite majority comprises the following:
 - (a) in the case of an ordinary resolution of the Directors, there is an affirmative vote of more than one-half of the Directors, (including alternate directors acting as Directors) present at the meeting, or
 - (b) in the case of matters requiring a Designated Majority, there is an affirmative vote of more than two thirds of the Directors, (including alternate directors acting as Directors) present at the meeting.
94. The following matters will require a Designated Majority of the Board at a Board meeting: -
 - (a) the approval of technical standards and codes of practice submitted by the Working Committees and Reference Panels;
 - (b) promulgation, adoption and variation of a Works Program;
 - (c) the promulgation, adoption and variation of the Operating Manual;
 - (d) appointment of additional Directors pursuant to **Article 68**;
 - (e) the prescription of the annual fee for each category of membership; and

(f) adoption and variation of the Company's annual budget.

The following matter will require a Designated Majority of the Board and must also be subsequently ratified by the Members as specified in **Articles 39** and **40**:

(g) any variation to **Schedule 1**;

(h) changes to these Article;

(i) making, varying or repealing the Company's by laws; and

(j) the decision to undertake such activities to provide Industry wide competitively neutral operational services;

(k) increasing or reducing the quorum and number of Directors to be appointed to the Board;

(l) any recommendation of, or approval by, the Company of any change to a technical standard or standards (without limitation) which existed or was in operation prior to the establishment of the Company; and

(m) any recommendation of, or approval by, the Company of any new technical standard or technical code (without limitation) which would or may:

(i) have the effect or necessitating a change to a technical standard or standards (without limitation) which existed or was in operation prior to the establishment of the Company; or

(ii) result in material financial expenditure by an Ordinary Member to alter, amend or change the operation of, or replace, or upgrade facilities or equipment utilised in its network which existed or was in operation prior to the establishment of the Company.

95. The Board will cause to be maintained a record of Directors present and voting at meetings of the Board in a form and setting out such details as are appropriate to evidence compliance with **Articles 93, 94** and **96**, which will in the absence of manifest error be conclusive as to matters there stated, provided that failure to maintain a proper record as required by this Article will not affect the validity of any decision made by the Board otherwise in conformity with these Articles and the law.

96. No business may be transacted at a meeting of the Board unless a quorum of Directors is present at the time when the meeting proceeds to business. A quorum will comprise of the presence of 2/3 of the total number of Directors at the date of the meeting or three (3) Directors, whichever is higher.

97. In the event of any vacancy or vacancies in the office of a Director or offices of the Directors the remaining Directors may act but if the number of remaining directors is not sufficient to constitute a quorum at the meeting of the Board they may act only for the purpose of convening a general meeting of the Company.

98. If all the Directors have signed a document containing a statement that they are in favour of a resolution of the Board in terms set out in the document, a resolution in those terms is deemed to have been passed at the meeting of the Board on the day and time at which the document was last signed by a Director.

CHIEF EXECUTIVE OFFICER

99. The Board must appoint a person as the Chief Executive Officer who shall be entitled to attend meetings of the Board and to be heard but will not be entitled to vote. Appointment or removal of the Chief Executive Officer must be confirmed in writing by the Board.
100. The Board may entrust to and confer upon the Chief Executive Officer any of the powers exercisable by it upon such terms and conditions and with such restrictions as it may think fit and either collaterally with or to the exclusion of its own powers and may from time to time revoke, withdraw, alter or vary all or any of those powers.
101. The Chief Executive Officer may, subject to guideline set out in the Operating Manual and any directions of the Board, appoint, engage and remove such employees, agents subcontractors and other persons as deemed necessary or desirable for the purpose of the Company, but shall submit recommendations for personnel directly reporting to the Chief Executive Officer to the Board for approval, unless otherwise required by the Operating Manual. All personnel shall at all times carry out their duties under the supervision and control of the Chief Executive Officer.
102. The Chief Executive Officer will be accountable to the Board for inter alia:
- (a) delivery of Works Programs in a timely fashion in accordance with promulgated guidelines;
 - (b) development of the Operating Manual for approval and endorsement by the Board;
 - (c) performance of the administrative functions of the Company;
 - (d) provision of logistical support to Reference Panels, Working Committees and general meetings;
 - (e) implementation of public consultation processes;
 - (f) monitoring of the progress of Reference Panels, Working Committees and/or relevant outside organisations;
 - (g) preparation of reports to the Board and the Members; and
 - (h) communication and liaison between, Reference Panels and Working Committees.

ESTABLISHMENT OF REFERENCE PANELS

103. The Board may at any time appoint Reference Panels from amongst the Members or persons co-opted by the Board and the constitution of each such Reference Panel must be approved or endorsed by the Board. Reference Panels must, to the greatest extent possible be representative of parties interested in the subject matter of the body of work proposed to be undertaken.
104. Reference Panels will be approved by and accountable to the Board at all times. Reference Panels will be responsible for professional oversight of particular areas of Industry activity.
105. Reference Panels will operate in consultation with the Chief Executive Officer and advise, inter alia, on:-
 - (a) preparation of Works Programs;
 - (b) conduct of Working Committees according to due process, quality and timing objectives;
 - (c) content of codes and technical standards expected, where it is fully delegated to a Working Committee;
 - (d) assignment, variation or revocation of allocation of work to any Working Committee;
 - (e) project management of work delegated to other organisation.
106. Reference Panels will operate in consultation with the Chief Executive Officer and be responsible, inter alia, for:-
 - (a) reporting on a regular basis, as appropriate, to the Board and general meetings;
 - (b) consulting with the other Reference Panels or Working Committees where the making of technical standards or codes practice by those other committees will impinge on the subject matter of the Reference Panel's responsibilities;
 - (c) monitoring the effectiveness of technical standards and codes of practice;
 - (d) proposing to the Board that the Board give the Reference Panel a direction to establish a Working Committee to make a new code;
 - (e) consulting with other industry associations, consumer associations and any relevant authorised concerning matters falling within the scope of the Reference Panel's responsibilities;

- (f) monitoring general developments in the Industry which have an impact on matters falling within the scope of the Reference Panel's responsibilities and making proposals to the Board or to the general meeting in relation to the Company's operations and Industry self-regulation generally in relation to those matters; and
- (g) monitoring the Executive's public education and other promotional activities in relation to matters falling within the scope of the Reference Panel's responsibilities, subject to the Board's primary responsibility for financial matters.

ESTABLISHMENT OF WORKING COMMITTEES

- 107. The Board may at any time appoint Working Committees from among the Members, either corporate or individuals, or non-Member individuals co-opted by the Board and the constitution of such Working Committees must be as approved or endorsed by the Board. Working Committees must to the greatest extent possible be representative of parties interested in the subject matter of the proposed body of work to be undertaken.
- 108. Working Committees will be established on a project by project basis and must operate accordance with the Operating Manual or principles determined by the Board, these Articles and any by-laws determined by the Board. Where the Working Committee has been delegated the task of developing new codes or modifying existing codes, the Working Committee shall take into consideration the technical, economic and commercial considerations relevant to the code being developed and to the Industry generally.
- 109. The Working Committees shall maintain a relationship with the Board and the relevant Reference Panels and liaise with them on a regular basis.
- 110. Where the Board establishes a Working Committee to undertake specific tasks, any work prepared by the Working Committee must be submitted to the Board for consideration and approval unless otherwise directed by the Board.

REVIEW

- 111. The Board may, at any time, during its term and shall, in the second year after incorporation, review the role, activities, progress and accomplishment of the Company.
- 112. The Board may cause the Chief Executive Officer, or such person as the Board may nominate for its purpose, to report to the Members through the Board no later than 31 December 2004 as to whether the composition and mode of appointment of the Board is broadly representative of the Industry as then

constituted and continues to be appropriate to the further achievement of the object of the Company.

SECRETARY

113. The Board must appoint a Secretary of the Company who holds office on such terms and conditions as the Board determines. The Secretary will not be an ex-officio Member of the Board but if a Director will be entitled to exercise Director's powers. The first Secretary shall be [].

SEAL

114. The Board must provide for safe custody of the Seal.
115. The Seal must only be used by the authority of the Board or by the authority of a committee of the Board ("**Sealing Committee**") acting in accordance with and delegation by the Board to the Sealing Committee. Every document to which the Seal is affixed must be signed by a Director and countersigned by another Director or Secretary or such other person appointed by the Board for that purpose.

ACCOUNTS AND RECORDS

116. The Board must ensure that there are kept proper accounts and records of the transactions and affairs of the Company and such other records as sufficiently explain its financial operations and financial position.
117. The Board must do all things reasonably open to it to:
- (i) ensure that all money payable to the Company is properly collected;
 - (ii) ensure that all money expended by the Company is properly expended and properly authorised;
 - (iii) ensure that adequate control is maintained over assets owned by or in the custody of the Company;
 - (iv) ensure that all liabilities incurred by the Company are properly authorised;
 - (v) ensure efficiency and economy of operations and avoidance of waste and extravagance;
 - (vi) ensure the development and maintenance of an adequate budgeting and accounting system; and
 - (vii) ensure the development and maintenance of an adequate internal audit system.

ANNUAL REPORT

118. The Board must in respect of each financial year prepare an annual report for the Members.

AUDIT

119. The Board must at all times ensure compliance with all statutory audit requirements.

BY-LAWS

120. The Board has the power to make, vary and repeal by-laws from time to time for the proper conduct and management of the Company and such by-laws are binding on all Members. A resolution of the Board to make, vary or repeal by-laws requires a Designated Majority and must be subsequently ratified by a special resolution of the Members.

NOTICE

121. A notice may be given by the Company to any Member either personally or by sending it by post to him at his registered address, or (if he has no registered address within Malaysia) to the address, if any, within Malaysia supplied by him to the Company for the giving of notices to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing, and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting on the day after the date of its posting, and in any case at the time at which the letter would be delivered in the ordinary course of post.
122. Notice of every general meeting shall be given in any manner herein before authorised to:-
- (a) every Member;
 - (b) the auditor for the time being of the Company.
123. No other person shall be entitled to receive notices of general meetings.

WINDING UP

124. If upon the winding up or dissolution of the Company, there remains, after the satisfaction of its debts and liabilities, any property or assets whatsoever, the Members may decide that the same be paid to or distributed:-

- (a) among the Members of the Company in accordance with the proportion of the initial subscription fee and annual membership fee paid by each Member in the calendar year in which the company is wound up or dissolves;
- (b) to some other institution or institutions or organisations having objects similar to the objects of the Company and having been approved by the Director-General of Inland Revenue, Malaysia at or before the time of dissolutions; or
- (c) (c) to such other persons or in such other manner as the Members may decide.

INDEMNITY

- 125. Every director, officer, secretary, auditor or agent of the Company for the time being shall be indemnified out of the assets of the Company against any liability incurred by him in his capacity as director, officer or agent unless the liability arises out of conduct involving negligence and/or lack of good faith.
- 126. The liability includes, but not limited to, any loss costs or expenses suffered or incurred by the officer, auditor, agent : -
 - (a) in defending any proceedings, whether civil or criminal relating directly or indirectly to that person's capacity within the Company and in which judgment is given in his favour or which he is acquitted; or
 - (b) in connection with any application under the Act in which relief is granted to him by the Court in respect of any negligence, default breach of duty or breach of trust.

REPEAL VARIATION AND AMENDMENT OF ARTICLES

- 127. These Articles may only be varied or amended in accordance with this Memorandum and Articles, the Act and the CMA.

BY-LAW NO. 1

VOTING PROCEDURES FOR POLLS AT GENERAL MEETINGS

The following procedures are set out as called for by **Article 33** of the Articles of Association. In the event that a demand for a poll is made and sustained at any general meeting the poll must be carried out in the following manner;

- (a) The Chairman must appoint a Director, or if no Director be present and willing to act, a Member or a Member's Authorised Representative to act as a Returning Officer for the purpose of the poll.
- (b) The Returning Officer must initial and distribute a specific number of ballot papers in accordance with the category of membership of each Member.
- (c) Ballot papers shall have marked on their face a "Yes", "No" and "Abstain" box and Member must place an "X" or other recognisable mark in one box in relation to each candidate of their choice.
- (d) The returning Officer must arrange for the ballot to be counted in the presence of two independent scrutineers appointed by the Chairman and must observe the following rules regarding the count;
 - (i) Any ballot papers solely marked with an "X" or other recognisable mark in one of the three aforementioned boxes is valid.
 - (ii) Any ballot paper unmarked is informal and must not be counted.
 - (iii) Any mutilated or crossed-out ballot paper or any ballot paper where more than one box has been marked with an "X" or other recognisable mark, is informal and must not be counted.
 - (iv) Any ballot paper solely marked "X" or otherwise clearly marked in the "Yes" box must be counted as a vote for the resolution.
 - (v) Any ballot paper solely marked "X" or otherwise clearly marked in the "No" box must be counted as a vote against the resolution.
 - (vi) Any ballot paper solely marked "X" or otherwise clearly marked in the "Abstain" box or any other ballot paper within clauses (ii) and (iii) hereof must not be counted for or against the resolution.
- (d) The Returning Officer must count the votes and the informal votes and record the result on a Return Sheet which, after the Returning Officer and both scrutineers have affixed their signatures the
- (e)
- (f) reof, must be handed to the Chairman.
- (f) The Chairman Officer must read the result of the ballot to the meeting and the ballot papers must be destroyed by shredding within twenty-four (24) hours.
- (g) The result of the poll is deemed to be a resolution of the Meeting at which the poll was demanded and an entry to that effect in the minute book of the Company must be made accordingly.

**SCHEDULE 1
INITIAL SUBSCRIPTION FEES AND ANNUAL MEMBERSHIP FEES**

No.	Membership	Annual Revenue	Initial Fee (RM)	Annual Fee (RM)
A.	Ordinary Members			
1.	Licensees	100 Million and above	3,000	50,000
		Above 50 Million to 100 Million	3,000	30,000
		Above 10 Million to 50 Million	1,000	15,000
		Above 5 Million to 10 Million	1,000	10,000
		5 Million or less	1,000	3,000
2.	Profit Organisation	100 Million and above	3,000	30,000
		Less than 100 Million	1,000	3,000
3.	Non-Profit Organisation	All	1,000	3,000
4.	National Standards Development Agency	All	1,000	3,000
5.	Others	All	1,000	3,000
B.	Associate Members	All	1,000	1,000

Note

The Board may, at its discretion, and acting in a fair and equitable manner reduce the Joining Fees and Annual Fees payable by each class of members.