

Registration No. 199401024059 (309740-D)

**THE COMPANIES ACT 2016**

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**COMPANY LIMITED BY GUARANTEE  
MALAYSIA**

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**CONSTITUTION**

**OF**

**THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA  
[REGISTRATION NO. 199401024059 (309740-D)]**

**Incorporated on 28 July 1994**



PEJABAT PENDAFTAR SYARIKAT  
(Registry of Companies)  
MALAYSIA

BORANG 13  
AKTA SYARIKAT 1965  
[Seksyen 23 (2)]

No. Syarikat

309740	D
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**PERAKUAN PEMERBADANAN ATAS  
PERTUKARAN NAMA SYARIKAT**

Adalah diperakui bahawa

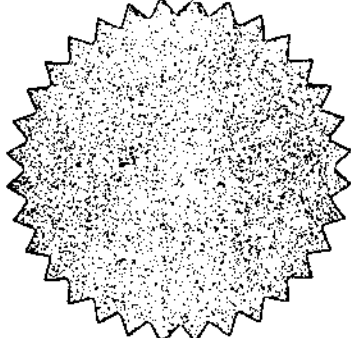
**INSTITUTE OF INTERNAL AUDITORS MALAYSIA**

yang telah diperbadankan di bawah Akta Syarikat 1965, pada  
28 haribulan Julai, 1994, sebagai sebuah syarikat  
Awam, pada 27 haribulan Mei, 1999,  
telah menukar namanya kepada

**THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA**

dan bahawa syarikat ini adalah sebuah syarikat Awam  
dan adalah sebuah syarikat berhad menurut Jaminan

Diberi di bawah tandatangan dan meterai saya di Kuala Lumpur  
pada 27 haribulan Mei, 1999



  
ZULKIFLI BIN SALLEH  
PENOLONG PENDAFTAR SYARIKAT  
MALAYSIA



PEJABAT PENDAFTAR SYARIKAT  
(Registry of Companies)  
MALAYSIA

BORANG 8

AKTA SYARIKAT 1965

[Seksyen 16 (4)]

No. Syarikat

309740	D
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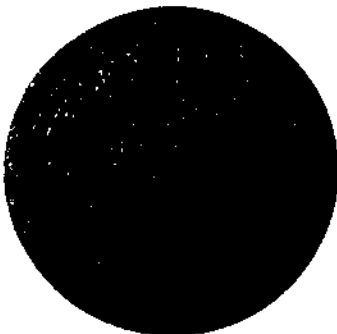
**PERAKUAN PEMERBADANAN SYARIKAT AWAM**

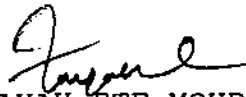
Ini adalah untuk memperakui bahawa

INSTITUTE OF INTERNAL AUDITORS MALAYSIA

telah diperbadankan di bawah Akta Syarikat 1965, pada dan  
mulai dari 28 haribulan           Julai   , 1994, dan bahawa  
syarikat ini adalah sebuah syarikat berhad menurut jaminan.

Diberi di bawah tandatangan dan meterai saya di Kuala Lumpur  
pada 28 haribulan           Julai   , 1994 .



  
( ROGAYAH BTE MOHD. SAID )  
Penolong Pendaftar Syarikat  
Malaysia



MENTERI PERDAGANGAN DALAM NEGERI  
DAN HAL EHWAL PENGGUNA MALAYSIA

BORANG 15

AKTA SYARIKAT 1965

LESEN DI BAWAH SEKSYEN 24(1)

INSTITUTE OF INTERNAL AUDITORS MALAYSIA

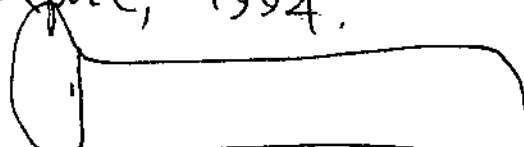
Bahawasanya telah dibuktikan dengan puashati saya:

- (a) bahawa suatu syarikat bernama INSTITUTE OF INTERNAL AUDITORS MALAYSIA (kemudian daripada ini disebut sebagai "INSTITUT" tersebut) hendak ditubuhkan sebagai suatu syarikat berhad bagi menganjurkan tujuan-tujuan khairat atau berguna yang dinyatakan dalam Tatawujud Persatuan "INSTITUT" tersebut;
- (b) bahawa "INSTITUT" tersebut bercadang hendak menggunakan semua keuntungannya dan lain-lain pendapatan untuk menganjurkan tujuan-tujuan khairat dan berguna yang tersebut itu;
- (c) bahawa "INSTITUT" tersebut adalah dilarang oleh Perlembagaannya dari membayar apa-apa dividen kepada ahli-ahlinya.

Maka dalam ini saya, Dato' Haji Abu Hassan bin Haji Omar, Menteri Perdagangan Dalam Negeri dan Hal Ehwai Pengguna Malaysia, dengan ini mengarahkan, menurut kuasa-kuasa yang diberi kepada saya oleh Seksyen 24(1), Akta Syarikat 1965, bahawa "INSTITUT" tersebut didaftarkan sebagai suatu syarikat dengan tanggungan berhad tanpa perkataan "BERHAD" kepada namanya.

Bertarikh:

30 h. April, 1994.

  
~~(DATO' HAJI ABU HASSAN BIN HAJI OMAR)~~  
Menteri Perdagangan Dalam Negeri  
dan Hal Ehwai Pengguna Malaysia.

## THE COMPANIES ACT 2016

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

#### CONSTITUTION OF THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA

##### Preliminary

##### NAME OF THE INSTITUTE

1. The name of the Institute is “THE INSTITUTE OF INTERNAL AUDITORS MALAYSIA” (or abbreviated as “IIA Malaysia”).

##### REGISTERED OFFICE

2. The registered office of the Institute will be situated in Malaysia.

##### Part A

##### DEFINITIONS AND INTERPRETATION

3. In this Constitution:
  - (a) “**The Act**” means the Companies Act 2016 or any statutory modification or amendment thereof for the time being;
  - (b) “**Annual General Meeting**” means a meeting of Members that is conducted and held annually 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 (2) Annual General Meetings, in the form of either a Physical General Meeting, Hybrid General Meeting or Virtual General Meeting;
  - (c) “**The Board**” means the Board of Governors hereby set up for the management of the affairs of the Institute;
  - (d) “**Constitution**” means this Constitution;
  - (e) “**Executive Committee**” means the executive committee as appointed pursuant to Clause 32 of this Constitution;

- (f) “**External Auditors**” means the independent auditors appointed and their duties regulated in accordance with the provisions of the Act;
- (g) “**Extraordinary General Meeting**” means any other meeting of Members that is not an Annual General Meeting which may take place in the form of either a Physical General Meeting, Hybrid General Meeting or Virtual General Meeting;
- (h) “**General Meeting**” means an Annual General Meeting and/or Extraordinary General Meeting;
- (i) “**Hybrid General Meeting**” means a form of an Annual General Meeting or Extraordinary General Meeting where The Board, members and senior management of the Institute may convene in a physical meeting venue and/or participate in the meeting via an online platform;
- (j) “**The Institute**” means The Institute of Internal Auditors Malaysia or otherwise known as Institut Juruaudit Dalam Malaysia in Bahasa Malaysia and abbreviated as “IIA Malaysia”;
- (k) “**Member**” means the subscriber to the Constitution and any new member admitted as a member in accordance with Clause 22;
- (l) “**Physical General Meeting**” means a form of an Annual General Meeting or Extraordinary General Meeting where the Board, members and senior management of the Institute can convene at a physical venue, which is conducted without the need to utilize a broadcast venue and an online platform;
- (m) “**Secretary**” means any person who is a holder of a secretary licence or a member of a prescribed body appointed to perform the duties of the secretary of the Institute;
- (n) “**The Seal**” means the Common Seal of the Institute; and
- (o) “**Virtual General Meeting**” means a virtual form of an Annual General Meeting or Extraordinary General Meeting where The Board, members and senior management of the Institute convene in a general meeting conducted fully on an online platform.

Unless the context otherwise requires, words or expressions contained in this Constitution shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which this Constitution becomes binding on the Constitution.

**OBJECTS, POWERS AND NATURE OF THE INSTITUTE**

4. The objects for which the Institute is established are:-
  - (a) 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) Research, 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.
  
5. The powers of the Institute under the objects clause shall be limited to the powers set out below:-
  - (a) To receive any gift whether movable or pecuniary and whether or not subject to any trust for anyone or more of the objects of the Institute;
  - (b) To take such steps by personal or written appeals, public meetings, or otherwise, only 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;

- (c) To purchase, take on lease 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 which may be deemed necessary or convenient for any of the purpose of the Institute PROVIDED that the Institute shall not hold, acquire, charge, mortgage, sell or dispose of any land (as so defined under the National Land Code) without the consent of the Minister charged with the responsibilities for companies;
- (d) To construct, maintain and alter any houses, building or works considered necessary or convenient for the use of members and others or for any purpose of the Institute with all proper and necessary fixtures, fittings, furniture and other equipment;
- (e) To let on lease or on hire the whole or any part of the movable property of the Institute on such tenure as the Board shall determine;
- (f) To purchase or otherwise acquire, erect, maintain, reconstruct, and adopt any offices, workshops, mills, plants, machinery and other things found necessary or convenient for the purpose of the Institute;
- (g) To purchase, acquire, hold, sell and deal in shares, stocks, debentures stocks, bonds, obligations, and securities issued or guaranteed by the Malaysian Government, State Government or public body or authority PROVIDED that the Board shall not develop or turn to account any interest in such properties for commercial purposes;
- (h) To sell, dispose of, or transfer any property and undertaking of the Institute or any part thereof, for any consideration which the Institute may see fit to accept;
- (i) To accept stock or share, mortgage debentures of other securities of any company in payment or payment for any services rendered for any sale made to or debt owing from any such company;
- (j) To draw, accept and make, and to endorse, discount and negotiate, bills of exchange, promissory note, and other negotiable instruments;
- (k) To invest in Malaysia the money of the Institute not immediately required in such manner as from time to time may be determined, PROVIDED that the Institute shall not invest in, own or incorporate any subsidiary company unless consent from the Registrar of Companies is obtained;



- (l) To engage and appoint and pay such officers, clerks, agents, servants or persons to perform such duties or services for the proper administration and management of the Institute and to remove and suspend the same;
- (m) To pay all costs, charges and expenses incurred or sustained in or about the promotion and establishment, administration and management of the Institute and to remunerate any person or persons for services rendered thereof in cash or in any other manner allowed by law;
- (n) To borrow and raise money in such manner as the Institute may think fit;
- (o) To do all or any of the matters hereby authorised in part of Malaysia either alone or in conjunction with, or as trustees or agents, for any company, association or person, and by or through trustees or agents;
- (p) Generally to do all such other lawful things as are incidental or conducive to the attainment of the above objects and the exercise of powers of the Institute;
- (q) To advance the theory and practice of internal auditing;
- (r) To recruit, educate, train and assess by means of examination or otherwise a body of members skilled in these areas;
- (s) To preserve at all times the professional independence of internal auditors in whatever capacities they may be serving;
- (t) To maintain high standards of practice and professional conduct of all members;
- (u) 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;
- (v) To provide practicing 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;
- (w) To enhance professional status of internal auditing in Malaysia;
- (x) To create awareness to interested parties on the benefits of professional internal auditing;

- (y) To develop courses and conduct examinations for the continued professional development of the members;
- (z) To maintain a library or libraries for the use of members and others;
- (aa) 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;
- (bb) 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;
- (cc) 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 7 hereof and with a view thereto to transfer all or 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;
- (dd) To print or publish any newsletters, periodicals, books or leaflets that the Institute may think desirable for the promotion of its objects;
- (ee) To subscribe to any local or other charities, and to grant donations for any public purpose;
- (ff) To develop, organise and run seminars, conferences, workshops and other activities of a similar nature for the benefit of members and the general public;

(gg) 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; and

(hh) To promote good governance.

**PROVIDED that:**

the Institute shall not support with its funds any political organisation or society or endeavour to impose on or procure to be observed by its members or others any regulations, restrictions or conditions which, if any were included in the objects of the Institute would make it a Trade Union within the Trade Union Act 1959.

6. There shall be a Board of Governors who shall delegate the Executive Committee for the management of the affairs of the Institute.
7. The profits, income and property of the Institute howsoever derived shall be applied solely towards the promotion of the objects of the Institute as set forth in this Constitution, 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:
  - (a) allowance or remuneration to any officer or servant of the Institute in return for any professional services rendered to the Institute;
  - (b) Payment of interest at the current bank rate on any loan advanced by members of the Institute to promote the objects thereof; and
  - (c) Reasonable and proper rent for premises demised or let by any member of the Institute.
8. No addition, alteration or amendment shall be made to or in provisions contained in this Constitution for the time being enforced unless the same shall have been previously submitted to and approved by the Registrar of Companies.
9. No person shall be appointed as governor of the Board of the Institute unless his appointment has been approved by the Registrar of Companies.
10. The Institute is not allowed to solicit donation from the public without the approval of the Registrar of Companies.

11. Where relevant, the Institute shall ensure that the contribution is received within six (6) months after the Institute is incorporated.
12. The Board and the members of the Institute shall always ensure that the Institute or the fund of the Institute is not being used for any form of political activity or for unlawful purpose prejudicial to or incompatible with peace, welfare, security, public order, good order or morality in Malaysia or for any purpose prejudicial to national security or public interest.
13. The Institute shall spend every year at least **50%** of all income (surplus) and donations received or whatever percentage approved by the Director General of Inland Revenue subject always that such spending must be solely towards the promotion of the objects of the Institute as set forth in this Constitution.
14. The liability of the members of the Institute is limited.
15. If upon the winding up or dissolution of the Institute there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the Institute, but shall be given or transferred to some other institution or institutions or organisation having objects similar to the objects of the Institute and having been approved by the Director General of Inland Revenue, Malaysia at or before the time of dissolution and if and so far as effect cannot be given to the aforesaid provision, to some other funds of similar organisation or some charitable objects approved by the Director General of Inland Revenue, Malaysia.
16. Every member of the Institute undertakes to contribute to the assets of the Institute, in the event of the Institute being wound up during the time that he is a member, or within one year after he ceases to be a member for payment of debts and liabilities of the Institute contracted before he ceases to be a member and for the adjustment, of rights of the contributories amongst themselves, such amount as may be required not exceeding Ringgit Malaysia One Hundred (RM100.00).
17. True accounts shall be kept of the sums of money 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 subjects to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the Institute for the time being, shall be open for the inspection of the members. Once at least in every calendar year, the accounts of the Institute shall be examined and the correctness of the balance sheet ascertained by one or more qualified auditor or auditors.

**Part B**

**MEMBERSHIP OF THE INSTITUTE**

18. The number of members of the Institute shall be limited to ten thousand (10,000) but the Board of Governors may from time to time register an increase or reduction in the number of members.
19. The members of the Institute shall be subscribers to the Constitution and such other persons who shall be admitted to membership in accordance with this Constitution and shall be entered in the Register of Members accordingly and he shall be a member thereof.
20. Memberships of the Institute shall comprise the following classes:
  - (a) "Honorary Member" refers to a conferred status upon persons who:
    - (i) 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
    - (ii) have, in the opinion of the Board rendered exceptional service to the Institute or the internal audit profession.
  - (b) "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:
    - (i) have been a Professional Member of the Institute for at least ten (10) years; and
    - (ii) have had five (5) years internal auditing experience in a senior position or an academician of good standing; and
    - (iii) have rendered exceptional services in the areas of development, promotion and enhancement of the internal auditing profession and the Institute; and
    - (iv) have been recommended by the Awards Conferment Committee and approved by the Board of Governors.
  - (c) "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:

- (i) they have satisfactorily passed and completed professional examinations offered by IIA Inc. and possess two (2) years of working experience in internal auditing; or
  - (ii) they have at least three (3) years of professional working experience and training in internal auditing and possess professional qualifications recognised by the Institute.
- (d) “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.
- (e) “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.
- (f) “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.
- (g) “Corporate Member” refers to a class open to organisations or companies who nominate employees as their representative.
21. The Institute is established for the purposes expressed in this Constitution. 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 General Meeting or Extraordinary General Meeting.
22. 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.
23. The voting right of members in an Annual General Meeting or Extraordinary General Meeting shall be limited to the Fellow Members and Professional Members.

24. Persons who at the date hereof are Members of The Institute of Internal Auditors Malaysia, which is now incorporated under the Companies Act 2016, whose names are with consent inscribed in the Register of Members.
25. 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.
26. 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.
27. 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 judgment 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 to 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 Clause 27 (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 this Constitution.

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**

28. 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 CMIIA whilst they remain members of the Institute.
29. 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 CFIIA whilst they remain members of the Institute.
30. 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.
31. 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 AIIA whilst they remain members of the Institute.

### **THE BOARD**

32. There shall be a Board of Governors to provide for continuous governance on the management of the Institute. The Board of Governors shall, at any time, comprise no less than five (5) or more than fifteen (15) members, of which shall not comprise more than three (3) Past Presidents.

The term for each Governor serving on the Board of Governors shall be three (3) years, and each Governor is eligible to serve on the Board of Governors for a maximum of three (3) terms provided that they are re-elected. Under this Clause, each year shall commence on the date of the relevant Annual General Meeting during which the Governor was appointed and expire on the date of the next Annual General Meeting. Subsequent years shall refer to the date of the relevant previous Annual General Meeting to the date of the succeeding Annual General Meeting. Further, every term shall mean three (3) years.



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

- (a) a President;
- (b) two (2) Vice Presidents;
- (c) an Honorary Secretary; and
- (d) 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.

33. All nominations for Governors must be made on a prescribed form either in hard copy, or in electronic form, or partly in hard copy and partly in electronic form to be submitted to the Honorary Secretary not later than seven (7) business 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.

34. 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.

For the avoidance of doubt, in the event there are no Past Presidents in the one-third retiring from the Board, the longest-serving Past President in the Board at the time being shall retire and vacate his seat for the incoming immediate Past President onto the Board.

35. Governors shall be elected by way of a majority vote of the members present and voting at the Annual General Meeting whereat such an election is held. Save as aforesaid, the Immediate Past President of Institute shall automatically serve as Governor 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 immediate Past President shall not, while holding the office of a President, be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Governors.

Any Past President nominated for election to the Board of Governors shall only be considered upon a vacant seat being made available by the retirement of a Past President on the Board of Governors. At all times, the total number of Past Presidents serving on the Board of Governors shall not exceed three (3). Should there be more than one (1) nomination of a Past President for election as a Governor, and there are two (2) seats available, the first seat shall automatically go to the immediate Past President and the second seat shall go to the Past President who obtains the highest number of member votes among all nominated Past Presidents during the Annual General Meeting, who shall be elected to serve as a Governor in the said vacant seat. Accordingly, should there be three (3) seats available, the two (2) Past Presidents who obtain the two (2) highest numbers of member votes among all nominated Past Presidents during the Annual General Meeting shall be elected to serve as Governors in the said vacant seats and the last vacant seat shall automatically go to the immediate Past President.

The Governors elected by the members during the relevant Annual General Meeting 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 the members after either a lapse of at least one (1) year from the date of their retirement or during the next Annual General Meeting (whichever is the earlier).

36. 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.

For the avoidance of doubt, any such resolution may be accepted as sufficiently signed by the Governors if transmitted to the Institute by any technology or electronic means purporting to include a signature and/or an electronic or digital signature by the Governors.

37. 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.
38. The Board shall meet at least bimonthly at such times and places as it may elect in the form of either a physical, hybrid or virtual meeting. The quorum shall be not less than half of the total number of Governors. Notice of the meetings of the Board shall be provided to members either personally, by post, fax or electronically mailed by the Secretary and/or Honorary Secretary at least seven (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 physical, hybrid or virtual meeting of the Board at any time he deems fit and necessary provided two (2) calendar days' notice is given to all members of the Board.
39. At all physical, hybrid or virtual 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.
40. The Governors shall receive no salaries, remuneration, fees or allowances 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. Any Governor while performing his duty as a Governor incurs any out-of-pocket expenses, which shall include travelling, accommodation, meals and parking, shall be reimbursed for such expenses incurred. Any reimbursement shall be supported with a receipt for such expenses incurred.
41. A Governor may be removed by a two-thirds vote of the members of the Institute present at any duly held Annual General Meeting or Extraordinary 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 provided to members either personally or by post to the respective address provided by the members to the Institute for such purpose, and a notice provided in electronic form shall be transmitted to the respective electronic address provided by the members to the Institute for such purpose by the Honorary Secretary at least seven (7) calendar days before the date fixed for the meeting.
42. A Governor may be deemed to have resigned for failure to attend three (3) consecutive Board Meetings without valid reasons acceptable to the Board, provided that he has been granted an opportunity of being heard.

43. The Board shall have power at any time, and from time to time, upon recommendation by the Nomination Committee, to appoint any person, save and except for persons who are Past Presidents of the Institute unless a vacancy is made available by a retiring Past President, 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 Clause 32. 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.
44. A Governor, who ceases to be a member of the Institute for whatever reasons, shall vacate his Governor position automatically.
45. The resignation of any Governor shall be tendered to the Board and may be resolved at any regular or special meeting of the Board.
46. In addition to all powers expressly conferred upon the Board but subject to the provisions of this Constitution, 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 of 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.
47. The first Governors shall be Yap Onn Nam, Lim Kien Chai, Mathuraiveran Marimuthu, and Daud Chong Abdullah.

### **EXAMINATIONS**

48. 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.
49. 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.
50. The Board shall appoint an Examination Committee which shall exercise such functions and powers as determined by the Board.
51. 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; and
  - (d) To fix examination fees payable by candidates.

### **ANNUAL GENERAL MEETING AND MEETING OF MEMBERS**

52. Annual 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.

53. All other general meeting of Members which are not the above mentioned Annual General Meeting shall be called Extraordinary General Meetings.
54. At all General Meetings, a majority vote of all eligible members present and voting shall decide on all issues except as provided elsewhere in this Constitution.
55. 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 either in hard copy, in electronic form or partly in hard copy and partly in electronic form. An Extraordinary General Meeting requisitioned by the members shall be held within thirty (30) days of receipt of such requisition by the Secretary.
56. A General Meeting at which it is proposed to pass a special resolution, shall be called by twenty-one (21) calendar days' notice in writing and shall be given to the members either in hard copy, in electronic form or partly in hard copy and partly in electronic form 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).

For the avoidance of doubt, a notice to be provided to members pursuant to Clauses 55 and 56 above shall be provided to members either personally or by post to the respective address provided by the members to the Institute for such purpose, and a notice provided in electronic form shall be transmitted to the respective electronic address by the members to the Institute for such purpose.

57. The Institute shall notify members of the publication of the notice on the website of the Institute, and such notification shall be in writing and shall be given in hard copy or electronic form stating the following:
  - (a) the notice concerns a meeting of members of the Institute; and
  - (b) the date, time, place and form of the meeting in question.

Such notice shall be made available on the website of the Institute to the members from the date of the notice to the conclusion of the meeting. Electronic form of communication and/or notices via electronic form shall be deemed delivered if sent by electronic mail to their last known email address registered with the Institute.

58. 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.

59. At all Physical General Meetings, a quorum shall be one half of the voting Members or twice the members of the Board, whichever is the lesser, present.
60. If, within thirty (30) minutes of the time appointed for the commencement of a Physical 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 this Constitution.
61. Notwithstanding Clauses 59 and 60 above, at all Hybrid General Meetings, the quorum shall be determined by one half of the voting Members or twice the members of the Board, whichever is the lesser and all of whom are either present at the physical meeting venue or electronically logged-in on the online platform at the commencement of the meeting.
62. Notwithstanding Clauses 59, 60 and 61 above, at all Virtual General Meetings, the quorum shall be determined by one half of the voting Members or twice the members of the Board, whichever is the lesser and all of whom are electronically logged-in on the online platform at the commencement of the meeting.
63. In the case of either a Hybrid General Meeting or Virtual General Meeting, Members of the Institute may raise and submit questions prior to the meeting within the specified time and manner as determined by the Institute. The Institute shall share and address the submitted questions at General Meetings.
64. The Institute may elect to conduct General Meetings in the form of either a Physical General Meeting, Hybrid General Meeting or Virtual General Meeting. The form of a General Meeting elected by the Institute to be conducted shall be specified in the notice to Members. In the case of a Physical General Meeting, the notice must specify the address of the physical meeting venue. In the case of either a Hybrid General Meeting, the notice must specify the physical meeting venue and the online platform for online participation. In the case of a Virtual General Meeting, the notice must specify the online platform for online participation.
65. In the case of a General Meeting conducted in the form of a Hybrid General Meeting, the Institute shall:
  - (a) ensure that there is a reliable infrastructure to enable the conduct of a Hybrid General Meeting, including enabling members to exercise their rights to participate in, speak and vote at the meeting;

- (b) provide proper guidance to the Governors and/or members in relation to gaining access to the broadcast venue and/or online platform for the meeting;
  - (c) identify the physical meeting venue and the online platform for the meeting;
  - (d) ensure that only Governors and/or eligible members are allowed to attend and/or participate in the meeting; and
  - (e) observe any directives and/or protocols on physical gatherings as determined by the Government of Malaysia from time to time.
66. In the case of a General Meeting conducted in the form of a Virtual General Meeting, the Institute shall:
- (a) ensure that there is a reliable infrastructure to enable the conduct of a Virtual General Meeting, including enabling members to exercise their rights to participate in, speak and vote at the meeting;
  - (b) provide proper guidance to the Governors and/or members in relation to gaining access to the broadcast venue and/or online platform for the meeting;
  - (c) identify the broadcast venue and online platform for the meeting;
  - (d) ensure that only selected individuals are allowed to be physically present at the broadcast venue for the meeting, and all other individuals shall only be allowed to participate in the meeting by way of the online platform; and
  - (e) ensure only Governors and/or eligible members are allowed to participate in the meeting.
67. In the case of a members meeting conducted in the form of a Hybrid General Meeting or a Virtual General Meeting, eligible members shall have the right to verbal communication and submission of typed texts during the meeting. The Institute shall set out the acceptable and appropriate modes of communication during the meeting in the notice.
68. Where a member attends or participates in a Hybrid General Meeting or a Virtual General Meeting via the online platform, the member shall cast his vote on an online poll which shall be made available on the online platform by the Chairman. Each member shall have a maximum period of five (5) minutes of voting time during the casting of votes. In the event there is an occurrence of an online or technical issue during the casting of votes, the member shall inform the Chairman and/or the Executive Committee of such online or technical issue, and the Chairperson shall thereafter allow an additional period of five (5) minutes for such member to re-access the online platform to cast his vote.



69. The Institute shall ensure that minutes of the resolutions passed at the Hybrid General Meeting and Virtual General Meeting are properly recorded and maintained. The Institute shall, by way of audio and video recording, record the minutes of the meeting, all resolutions passed at the meeting and any and all details provided to the Institute during the meeting. Such records shall be kept for a minimum of seven (7) years from the date of the meeting or resolution of Members, as the case may be.
70. 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.
71. The Chairman may, with the consent of any General 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 adjourned, or of the business to be transacted at an adjourned meeting.
72. At any Physical 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.
73. At any Hybrid General Meeting or Virtual General Meeting, a resolution put to the vote of the meeting shall be decided by electronic votes casted on an online poll by a majority of eligible Members, which shall be made available on the online platform by the Chairman. 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 with proof of the number or proportion of the votes recorded in favour of or against such resolution.

**THE SEAL**

74. 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**

75. 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 this Constitution.

**SECRETARY**

76. 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.
77. The first Secretary of the Institute is Chan Kim Hong.

**BANK ACCOUNTS**

78. 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 Constitution, 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.
79. Subject to the following provisions in this Constitution, 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.

80. 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**

81. The Board shall from time to time in accordance with the Act prepare or cause to be prepared the financial statements and reports 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**

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

### **INDEMNITY**

84. 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.
85. 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**

86. 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.

87. 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.
88. 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.

89. 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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#### **LODGER INFORMATION**

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