

Companies Act, 1965

A Company Limited by Guarantee  
and not having a Share Capital

**ARTICLES OF ASSOCIATION**

**of**

**FEDERATION OF INVESTMENT MANAGERS MALAYSIA**

**INTERPRETATION**

1. In these Articles and in the Memorandum of Association unless the context or subject matter otherwise indicates or requires, the words standing in the first column of the table of interpretation next hereinafter contained shall bear the meanings set opposite them respectively in the second column thereof, if not inconsistent with the subject or context:

Act - means the Companies Act 1965 or any other act for the time being in force concerning companies and affecting the Federation.

Audit Committee - means the committee established by the Board of Directors under Articles 57 and 76A herein to which the Board of Directors' internal audit responsibilities are delegated.

Authorised Representative - means an individual person nominated and appointed by a Member to be its authorised representative in accordance with Article 8(2) herein.

AMSF - means annual membership subscription fee payable by each Member as provided under Article 15 herein.

AUM - means assets under management which is the aggregate net value of all of a Fund's assets less the Fund's liabilities at the end of the calendar year.

Board of Directors - means the board of directors of the Federation for the time being which is constituted in accordance with these Articles.

Business Day - means any day from Monday to Friday, excluding Saturdays, Sundays and any public holiday as declared in Kuala Lumpur. If the following day is a non-business day, the next Business Day shall be the immediate day after the non-business day.

Capital Markets Services Licence - means a licence that is granted or renewed under Section 61 of the Capital Markets and Services Act 2007.

Chairman - means the chairman of the Board of Directors as appointed pursuant to Article 51 herein.

Committee - means any of the committees established under Article 57 herein.

Constituency - means any of the constituencies as determined in accordance with Article 38A herein.

Deputy Chairman - means the Deputy Chairman of the Board of Directors as elected pursuant to Article 43 herein.

Federation - means the Federation of Investment Managers Malaysia (Company No: 272577-P), incorporated as a company limited by guarantee under the Act and shall include its successors-in-title and permitted assigns.

Funds - means securities (which, without limitation, include Unit Trusts, real estate investment trusts, exchange-traded funds, wholesale funds and closed-end funds) and where applicable, cash and such other funds as determined by the Board of Directors.

Fund Manager - means a person who holds a Capital Markets Services Licence in accordance with the Capital Markets and Services Act 2007 to carry on the regulated activity of fund management.

Investment Management Industry - means the professional management of various Funds to meet specified investment goals for the benefit of the investors.

Member - means a corporation or an organisation registered as a member in the Register of Members of the Federation.

Membership - means the status of being a Member.

month - means a period of thirty (30) days.

Public Interest Director - means a public interest director appointed pursuant to Article 51A herein.

Register of Members - means a register containing the names of Members created by the Federation in accordance with Article 13 herein.

Seal - means the common seal of the Federation.

Secretary - means any person who is a holder of a secretary's licence or a member of a prescribed body appointed to perform the duties of the secretary of the Federation.

Secretariat - means any person appointed to perform the duties of a secretariat of the Federation by the Board of Directors and includes any person acting in any such capacity by the direction of the Board of Directors.

Securities Commission - means the Securities Commission as established in accordance with the Securities Commission Act 1993.

Securities Laws - means the Capital Markets and Services Act 2007, Securities Industry (Central Depositories) Act 1991, Securities Commission Act 1993 and such other acts and regulations that are in force concerning the Investment Management Industry and affecting the Federation.

SRO - means an organisation that is recognised by the Securities Commission as a self-regulatory organisation in accordance with the Capital Markets and Services Act 2007.

Unit - in relation to a Unit Trust, means any right or interest therein by whatever name called and includes any subunit thereof.

Unit Holder - in relation to a Unit Trust, means the beneficiary of the Unit Trust.

Unit Trust - means a trust dealing with interests as defined by the Securities Laws, the trust deed in respect of which has been approved and registered by the relevant authorities under the Securities Laws and the Units of which are or are intended to be offered to the public.

UTC - means a unit trust consultant who is registered with and authorised by the Federation to market and distribute Unit Trusts.

Unit Trust Manager - means a management company of a Unit Trust as defined by the Securities Laws which is licensed by the Securities Commission and approved by such other relevant authorities, if required, for the purpose of the provision of management of a Unit Trust.

Expressions referred to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

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

Words importing the masculine gender shall include the feminine and neuter genders.

The headings and sub-headings to these Articles are inserted for purposes of convenience only and shall not be deemed to be a part thereof or be taken into consideration in the interpretation or construction of these Articles.

An expression used in a particular Part or Division of the Act or Securities Laws that is given by that Part or Division a special meaning for the purpose of that Part or Division has, in any of these Articles that deals with a matter dealt with by that Part or Division, unless the contrary intention appears, the same meaning as in that Part or Division.

Subject as aforesaid, words or expressions contained in these Articles of Association shall be interpreted in accordance with the provisions of the Interpretation Act 1967,

and of the Act or Securities Laws as in force at the date at which these regulations become binding on the Federation.

Reference to any statute or subsidiary legislation or any provision of any statute or subsidiary legislation shall include all modifications, extensions, substitutions or re-enactments thereof in force at any particular time and all regulations, rules, orders, directives, notices and other instruments then in force and issued under or deriving validity from the relevant statute or subsidiary legislation or provision.

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

### **MEMBERSHIP**

3. Deleted.
4. The subscribers to the Memorandum of Association and such other persons as shall be admitted to Membership in accordance with these Articles shall be Members of the Federation.
5. Members in a general meeting may create additional classes of Membership from time to time.
6. Any corporation which:
  - (a) is a Unit Trust Manager; or
  - (b) is a Fund Manager; or
  - (c) is at the date of application actively engaged in the Investment Management Industry,may apply for Membership of the Federation.
7. In respect of any application for Membership of the Federation under Article 6 herein, the Board of Directors may require the application to be accompanied by such proofs, information or evidence as to qualification for Membership as the Board of Directors may reasonably determine.
8. (1) Each application for Membership of the Federation shall be made in writing in the form prescribed by the Board of Directors and such application shall be signed by the applicant and include the resolution by the applicant's board of directors approving the application.

- (2) Any corporation applying for Membership as a Member shall appoint one (1) person as its Authorised Representative and furnish all particulars of the person appointed and submit all documents in relation to such person as may be required by the Board of Directors, including the resolution by the corporation's board of directors approving the nomination and appointment.
  - (3) The person nominated and appointed by a corporation as the Authorised Representative shall sign the application form signifying his consent to such nomination and appointment.
  - (4) The Authorised Representative shall have the right on behalf of the Member he represents to generally exercise all rights of Membership including attending all meetings and voting thereat, signing for and on behalf of the Member all Members' resolutions and receiving from and making all communications with the Federation for and on behalf of the Member. All communications made between the Federation and Authorised Representative shall be deemed to be communications between the Federation and the Member for whom the Authorised Representative represents.
  - (5) Subject to any provision in these Articles to the contrary, each application for Membership shall be accompanied by an application fee, the amount of which shall be determined in accordance with Article 14 herein and the first AMSF, the amount of which shall be determined in accordance with Article 15(1)(a) herein.
9.
  - (1) As soon as practicable upon the receipt of an application for Membership, the application shall be considered by the Board of Directors which shall thereupon determine upon the admission or rejection of the applicant.
  - (2) Admission to Membership shall be at the sole discretion of the Board of Directors.
  - (3) Upon the Board of Directors' decision to grant Membership to an applicant, the Secretariat shall give such applicant advice of the applicant's admission in the form of a receipt for the application fee, the first AMSF or in such other form as the Board of Directors may from time to time determine.
  - (4) In the event that an applicant is not admitted to Membership of the Federation the application fee and the first AMSF shall be refunded to the applicant, less administrative charges being not more than ten per centum (10%) of the application fee.
10. Each Member shall notify the Secretariat in writing within a period of one (1) month of any change in the qualification of such Member to be a Member of the Federation.

11. In the event of any change of the Authorised Representative nominated and appointed pursuant to Article 8(2) herein, the Member shall, within one (1) month of such change, notify the Secretariat in writing of the change and do all things necessary to ensure the change is reflected in the records of the Federation which the Member has access.
12. Deleted.
13. (1) A Register of Members of the Federation shall be kept in the office of the Federation in which shall be entered:
  - (a) the names in full and the registered address (if a corporation) or residential address (if an individual) of all Members;
  - (b) the full name and residential addresses of all Authorised Representatives of the Members;
  - (c) the date of admission to and cessation of Membership of each Member;
  - (d) the date of the last payment by each Member of that Member's AMSF;
  - (e) each Unit Trust of which the Member is the Unit Trust Manager at any time and from time to time; and
  - (f) such other information as the Board of Directors may require.
- (2) In the event of any change of address or contact details of the Member, the Member shall, within one (1) month of such change, notify the Secretariat in writing of such change and do all things necessary to ensure the change is reflected in the records of the Federation which the Member has access, failing which, all notices given in accordance with Article 77 herein to the address last notified by the Member shall be considered duly received by the Member.
- (3) Each Member shall notify the Secretariat in writing within a period of one (1) month upon its appointment, retirement or removal as Unit Trust Manager of any Unit Trust.

#### **APPLICATION FEE AND AMSF**

14. (1) The application fee payable by each applicant for Membership as a Member of the Federation shall be such sum as the Board of Directors shall from time to time determine.
- (2) No additional application fee shall be payable in respect of an application for Membership of any Committee of the Federation.

15. (1) The first AMSF payable by an applicant for admission as a Member and the subsequent AMSF payable by such Member shall be determined as follows:
- (a) the first AMSF payable by an applicant prior to its admission as a Member in accordance with Article 8(5) herein, which is refundable in accordance with Article 9(4) herein, shall be any amount as determined by the Board of Directors in its sole discretion from time to time, subject always to the provision on pro-rating as set out in Article 15(3) herein;
  - (b) upon admission as a Member, the AMSF payable by a Member in accordance with Article 15(2) herein for each and every calendar year following the calendar year of its admission as a Member, which is non-refundable, shall be calculated as follows:

$$\text{AUM Factor} + \text{UTC Factor} = \text{AMSF}$$

Whereby:

- (i) AUM Factor - shall be determined and calculated, in the manner stipulated below, by reference to the AUM of a Member as at 31<sup>st</sup> December of the calendar year immediately preceding the calendar year on which the AMSF of a Member is due and payable OR shall be the sum of RM10,000.00, whichever is higher.

AUM	Factor (per RM1mil)	
	Group A Funds (RM)	Group B Funds (RM)
First RM50 million	20.00	80.00
Next RM100 million	13.33	53.33
Next RM500 million	8.89	35.56
Next RM1,000 million	5.92	23.70
Next RM2,000 million	3.95	15.80
Thereafter	2.63	10.53

Notes:

Group A Funds consists of fixed income, bonds and such other funds as the Board of Directors so classifies.

Group B Funds consists of equity, growth and balanced funds and such other funds which are not classified under Group A Funds.

$$\text{AUM Factor} = (\text{Group A Funds Factor} \times \text{AUM}) + (\text{Group B Funds Factor} \times \text{AUM})$$

Any increase in the Factor shall be subject to the approval of the Members at a general meeting of the Federation.

- (ii) UTC Factor - shall be equal to the number of UTC of a Member as at 1<sup>st</sup> January of the calendar year on which the AMSF of a Member is due and payable multiplied by a sum determined by the Board of Directors in its sole discretion.
  - (2) All AMSF (save for the first AMSF as referred to in Article 15(1)(a) herein) shall become due and be payable by each Member in advance on or before 31 January of each and every calendar year following the year of its admission as a Member. (For avoidance of doubt, the AMSF shall only be calculated in the aforesaid manner as from the calendar year immediately following the date when all the relevant approvals (including those of the regulatory authorities) have been obtained in relation to the amendments to this Article in this manner).
  - (3) If an applicant applies for Membership of the Federation during the months of April to December inclusive, the Board of Directors may reduce the AMSF payable by such applicant in the proportion to the number of months left in that calendar year of and from the date of its admission as a Member. Notwithstanding anything contained in these Articles, the Board of Directors may waive the AMSF payable by a Member if there are less than three (3) months between the date the applicant is admitted as a Member and the date the AMSF is next payable in accordance with these Articles.
  - (4) No additional AMSF shall be payable in respect of Membership of any Committee.
- 15A The Board of Directors may declare a AUM Factor discount at the end of any calendar year whereupon the Board of Directors shall, at the end of the calendar year of such declaration, refund a sum of the AMSF equivalent to the discount that is declared by the Board of Directors to each Member which has paid its AMSF in accordance with Article 15 herein provided that the Federation has fulfilled the requirements of the general reserve set up in accordance with the criteria and computation agreed by the Federation and Securities Commission.
16. If the AMSF of a Member payable by the Member shall remain unpaid for a period of two (2) months after it becomes due in accordance with these Articles then the Member shall, after a written notice of the default has been sent to the Member by the Secretariat pursuant to an ordinary resolution of the Board of Directors, cease to be entitled to any of the rights (including voting rights), benefits or privileges conferred to a Member provided that the Board of Directors may reinstate the Member on payment of all arrears if the Board of Directors thinks fit to do so.

### **CESSATION OF MEMBERSHIP**

17. In the event that a Member has not paid all arrears of AMSF in accordance with Articles 15 herein or, if having paid, the Member's rights, benefits and privileges are not reinstated by the Board of Directors, the Member shall remain liable for all the



obligations and liabilities of Membership until the expiration of six (6) months following the date of notification in accordance with Article 16 herein whereupon the Member will cease to be a Member and the Member's name shall be removed from the Register of Members.

18. Every Member of the Federation shall have the right at any time to withdraw from Membership by giving written notice of withdrawal to the Secretariat. The withdrawal shall be deemed to take effect from the date of receipt of the written notice.
19. (1) A Member shall cease to be a Member if:
- (a) it shall enter into liquidation, whether compulsory or voluntary (save for the purpose of amalgamation or reconstruction); or
  - (b) a receiver or receiver and manager is appointed over it or the whole or any part of its assets or undertaking; or
  - (c) it is ordered by the relevant authorities or a court of competent jurisdiction to retire for any reason whatsoever from its position as Unit Trust Manager of any Unit Trust; or
  - (d) the event as stated in Article 17 herein shall occur; or
  - (e) it contravenes any of the provisions of the Securities Laws resulting in the revocation of its Capital Markets Services Licence issued by the Securities Commission.
- (2) The Board of Directors may in its absolute discretion determine that a Member shall cease to be a Member if:
- (a) it is requested or required either by the trustee of a Unit Trust of which it is a Unit Trust Manager or by a meeting of Unit Holders of a Unit Trust of which it is a Unit Trust Manager to retire for any reason whatsoever from its position as Unit Trust Manager of that Unit Trust;
  - (b) it does any act or omits to do any act in breach of the Act or Securities Laws or any other relevant legislation or in breach of any covenant, warranty, term or provision of a deed constituting a Unit Trust of which it is the Unit Trust Manager;
  - (c) it is a party to any litigation in any court of law (either local or foreign) concerning or related to the Member's position as a Unit Trust Manager; or
  - (d) the Board of Directors is of the opinion that the Member is not fit to be a Member and it is improper that it is retained as a Member.

- (3) A Member shall be suspended from Membership if its Capital Markets Services Licence is suspended by the Securities Commission subject to the terms and conditions as the Board of Directors deems fit.
20. (1) If any Member:
- (a) shall wilfully refuse or neglect to comply with the provisions of the Memorandum or Articles of Association of the Federation;
  - (b) shall wilfully refuse or neglect to comply with the provisions of any by-laws or Code of Ethics or other codes or standards of conduct promulgated or made by the Federation in accordance with and pursuant to these Articles; or
  - (c) shall act or conduct himself in any manner which in the opinion of the Board of Directors is unbecoming of a Member or prejudicial to the interest of the Federation or Investment Management Industry in Malaysia or contrary to the objects of the Federation;
- the Member shall be liable to disciplinary proceedings and punishment in accordance with any by-laws, rules or regulation which may be made by the Board of Directors pursuant to the powers conferred by Article 58(g) herein. A Member shall cease to be a Member if the Board of Directors makes an order in its absolute discretion for its cessation of Membership at any time following occurrence of any of the events stated in Article 20(1)(a) to (c) hereinabove.
- (2) For the purposes of Article 20(1) hereinabove, a refusal or neglect to comply by and any act or conduct of any employee, agent, representative or other person acting or omitting to act on the instructions or with the permission or consent (whether expressed or implied) of a Member shall be deemed to be the refusal, neglect, act or conduct of the Member.
  - (3) A Member shall not be exempted from disciplinary proceedings and punishment under Article 20(1) hereinabove by virtue solely of any criminal liability arising from the breach of any law, regulation or order.
21. (1) If any Member ceases to be a Member or its Membership is suspended pursuant to the provisions of Article 17, 18, 19, or 20 herein the Member shall remain liable to pay to the Federation any moneys whatsoever which at the time of the Member ceasing to be a Member or being suspended from Membership is or might become liable and a sum not exceeding Ringgit Malaysia One Hundred (RM100.00) for which the Member is liable as a Member of the Federation under Clause 7 of the Memorandum of Association.
- (2) If any Member ceases to be a Member pursuant to the provisions of Article 17 or sub-Article 19(1)(d) herein the Board of Directors may reinstate the Member and restore the name of that Member to the Register of Members on payment of

all arrears of subscriptions and other moneys that a Member is or may be liable to pay to the Federation if the Board of Directors thinks fit so to do.

- (3) If any Member ceases to be a Member other than pursuant to the provisions described in Sub-Article 19(1)(a), (b), (c) or (e) herein, the Board of Directors may reinstate the Member and restore the name of that Member to the Register of Members upon and subject to such terms and conditions as it thinks fit.
  - (4) If any Member is suspended from Membership pursuant to the provisions of Article 19(3) herein, the Board of Directors may reinstate the Member upon reinstatement of its Capital Markets Services Licence by the Securities Commission subject to such terms and conditions as the Board of Directors thinks fit.
  - (5) If any Member ceases to be a Member for any reason whatsoever, whether pursuant to the provisions of these Articles or otherwise, its Authorised Representative shall automatically cease to be a member of the Board of Directors or of any Committee, if so elected.
  - (6) If any Member ceases for any cause whatsoever to be a Member, the Member and/or its Authorised Representative shall not have any title, right and interest in or claim against the funds or property of the Federation (save and except as provided in these Articles).
- 21A. If any action is taken by the Federation to expel, suspend or otherwise discipline any of the Members, the Federation shall, within seven (7) days from such action being taken, notify the Securities Commission of the following:
- (a) the name of the Member;
  - (b) the reason or reasons for and nature of the action taken;
  - (c) the amount of the fine;
  - (d) the period of suspension, if any; and
  - (e) any other disciplinary action taken.
- 21B. The Federation shall not make a decision under its by-laws, rules or regulations that adversely affects the rights of any person unless such person has been given an opportunity to make representations to the Federation regarding the matter.

**GENERAL MEETINGS**

22. (1) The first general meeting of the Federation shall be held at such time being not less than one (1) month and not more than three (3) months from the date of incorporation of the Federation.
- (2) All general meetings shall be held at such time and place as the Board of Directors may determine.
23. An annual general meeting of the Federation shall be held at such time and place as may be determined by the Board of Directors provided that every annual general meeting shall be held in each calendar year not more than fifteen (15) months after the holding of the last preceding annual general meeting. An annual general meeting shall be held in accordance with the provisions of the Act.
24. (1) The notices convening meetings shall specify the date, hour and place of the meeting and any business deemed by these Articles to be special business, and shall be given by the Secretary to all Members at least fourteen (14) days before the meeting or at least twenty one (21) days before the meeting where it is an annual general meeting or where any special resolution is to be proposed. The notice shall be exclusive of the day on which the notice is effected or deemed to be effected and of the day of the meeting.
- (2) A copy of such notice shall be given to every Authorised Representative in the manner set out in these Articles.
25. A general meeting of the Federation shall, notwithstanding that it is convened by notice shorter than is required by the Act or these Articles, be deemed to be duly convened if it is so agreed:
- (a) in the case of a general meeting convened as an annual general meeting, by all the Authorised Representatives of Members entitled to attend and vote at the meeting; or
- (b) in the case of any other general meeting, by a majority in number of the Authorised Representatives of Members having the right to attend and vote at the meeting who are together entitled to not less than ninety-five per centum (95%) of the total voting rights of all the Authorised Representatives of Members having the right to attend and vote at the meeting. For the purpose of this Article, each Authorised Representative of the Member shall be counted as having one (1) vote only.
26. (1) In addition, extraordinary general meetings convened pursuant to the Members' rights under the Act shall be convened by the authority of the Chairman or of the Board of Directors or in pursuance of a requisition to the Secretary signed

by not less than ten per centum (10%) of the Members who are entitled to vote at general meetings of the Federation requisitioning that an extraordinary general meeting be convened and setting out the business of such meeting.

- (2) In the case of such a requisition, the date, hour and place of such general meeting shall be determined by the Board of Directors, but shall be no later than two (2) months after such requisition is delivered to the Chairman and there shall be no objection to such business being dealt with as special business at an annual general meeting of the Federation.

27. The accidental omission to give notice of a meeting to any Member or any person referred to in Article 24 herein shall not invalidate the proceedings at any meeting.

### **PROCEEDINGS AT GENERAL MEETINGS**

28. All general meetings other than annual general meetings shall be called extraordinary general meetings. All business that is transacted at an extraordinary general meeting shall be special business.

29. All business that is transacted at an annual general meeting shall be special business, with the exception of the following:

- (a) to receive the accounts, balance sheets and the report of the Board of Directors and auditors;
- (b) to elect members of the Board of Directors (other than Public Interest Directors) in the place of those retiring;
- (c) to appoint members of the Board of Directors of or over the age of seventy (70) years (if any);
- (d) to appoint and fix the remuneration of the auditors;
- (e) to note the fees and allowances paid pursuant to Article 54 herein; and
- (f) to transact any other business of which notice has been given.

- 29A For the avoidance of doubt:

- (1) All business except special business transacted at an annual general meeting shall be determined and passed by a simple majority vote on the show of hands whereby each Authorised Representative present at the meeting shall have one (1) vote only. However, if a poll is demanded, the voting system prescribed in Article 38A(2) shall apply (unless otherwise provided in any of the provisions of these Articles).

- (2) All special business transacted at a general meeting shall be determined and passed based on the voting system prescribed in Article 38A(2) herein.
30. For the purpose of ascertaining any quorum required by any of the succeeding Articles and the person entitled to attend and vote at a general meeting of the Federation, the term "member" in the succeeding paragraphs shall mean the Authorised Representative of a Member.
31. (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (2) Save as herein otherwise provided, five (5) of the Members entitled to vote at a general meeting who shall be made up of Authorised Representatives of the Members (irrespective of the Constituency to which the Member belongs) who are present in person or by proxy shall be a quorum.
32. If a quorum is not present within half an hour from the time appointed for the meeting:
- (a) the meeting, if convened upon the requisitioning of the Members in accordance with these Articles, shall be dissolved; or
- (b) in any other case:
- (i) the meeting shall stand adjourned to such day and such time and place as the Board of Directors may determine or if no determination is made by the Board of Directors, to the same day in the next week (or if that day be a national public holiday or public holiday declared in Kuala Lumpur, then the next business day following such public holiday) at the same time and place; and
- (ii) if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting:
- (A) the Authorised Representatives of the Members present (being not less than three (3) persons) shall form a quorum; or
- (B) where a quorum is not present, the meeting shall be dissolved.
33. The Chairman if present shall preside as chairman at every general meeting of the Federation or if there is no Chairman, or if the Chairman is not present within fifteen (15) minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Deputy Chairman shall preside as chairman of the meeting, or if the Deputy Chairman is not present or is unwilling to act, then the Authorised Representative of the Members present shall elect by simple majority (whereby each Authorised Representative of the Member present at the meeting shall have one (1) vote only,

notwithstanding that a poll is demanded or otherwise) one of them to be chairman of the meeting.

34. The Chairman may, with the consent of any meeting at which a quorum is present (and 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.
35. (1) When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of the original meeting.
- (2) Unless a meeting is adjourned for thirty (30) days or more, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
36. (1) 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 of the meeting; or
- (b) by at least two (2) Members represented by its Authorised Representative present in person or by proxy,
- subject always to the provisions in Article 29A(1) and (2) herein.
- (2) Unless a poll is so demanded a declaration by the chairman of the meeting that a resolution has on a show of hands been 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 Federation shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against the resolution.
- (3) The demand for a poll may be withdrawn.
- (4) If a poll is duly demanded it shall be taken either at once or after an interval or adjournment or otherwise as the chairman of the meeting directs, and the result of the poll shall be the resolution of the meeting at which the poll was demanded.
- (5) A poll shall not be taken on any resolution relating to the election of a chairman of the meeting or on a question of adjournment of a meeting.
- (6) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business, other than that on which the poll has been demanded.

37. In a case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded in addition to his deliberative vote (if any) shall be entitled to a second or casting vote.
38. A Member entitled to vote at a general meeting of the Federation either on a show of hands or on a poll shall have its vote counted in accordance with Article 29A(1) and (2) herein.
- 38A. (1) The Members shall be divided into four (4) Constituencies which shall be determined by the Board of Directors as follows:
- (a) Constituency A shall consist of any Member whose AMSF for that calendar year is equivalent to or exceeds W whereby:
- W = the aggregate sum of the AMSF payable by all Members for that calendar year divided by four (4).
- Constituency A shall not have less than three (3) or exceed five (5) Members. If Constituency A has less than three (3) Members, the remaining Members whose AMSF is the closest to W shall be included in Constituency A to make up the shortfall.
- (b) Constituency B shall consist of the remaining Members who are not in Constituency A, whose AMSF for that calendar year is equivalent to or exceeds X whereby:
- X = the aggregate sum of the AMSF payable by all Members for that calendar year less the aggregate sum of the AMSF payable by the Members who are in Constituency A and then divided by three (3).
- Constituency B shall not have less than three (3) or exceed five (5) Members. If Constituency B has less than three (3) Members, the remaining Members whose AMSF is the closest to X shall be included in Constituency B to make up the shortfall.
- (c) Constituency C shall consist of the remaining Members who are not in Constituencies A and B, whose AMSF for that calendar year is equivalent to or exceeds Y whereby:
- Y=the aggregate sum of the AMSF payable by all Members for that calendar year less the aggregate sum of the AMSF payable by the Members who are in Constituencies A and B and then divided by two (2).
- Constituency C shall not have less than four (4) or exceed seven (7) Members. If Constituency C has less than four (4) Members, the remaining Members whose AMSF is the closest to Y shall be included



in Constituency C to make up the shortfall.

- (d) Constituency D shall consist of the remaining Members who do not fall within Constituencies A, B and C.
- (1A) For purposes of Article 46(1) herein, the composition of each Constituency in accordance with Article 38A(1) herein shall first be determined immediately after the Federation has obtained all the approvals (including those from the regulatory authorities) for the amendments to these Articles in this manner. Thereafter, the Constituencies shall be determined by the Board of Directors in accordance with Article 38A(1) herein on 31<sup>st</sup> January of every alternate calendar year therefrom. Provided that the Federation admits no new Members after the Constituencies have been determined, the composition of each Constituency shall remain the same for a minimum period of two (2) years from the time of determination by the Board of Directors on each alternate year in accordance herewith and shall not be altered or changed for any reason whatsoever other than in accordance with this Article.
- (1B) In the event that the Federation admits a new Member in any year at any time after the Constituencies have been determined in accordance with Article 38A(1A) herein, then for the purpose of attending and voting at any general meeting (if pursuant to these Articles of Association, the votes are to be determined and passed in accordance with the voting system under Article 38A(2) herein):
- (a) the new Member shall be included in Constituency D from the date of admission of the new Member by the Federation until 31<sup>st</sup> December of the same year (hereinafter referred to as “the Admission Year” for the purpose of this Article) on the basis that it shall be deemed to have an AMSF of Ringgit Malaysia Zero (RM0.00) and the other Members shall remain in their respective Constituencies as at the last determination thereof until 31<sup>st</sup> December of the Admission Year;
  - (b) in the year following the Admission Year, the Constituencies will be determined again based on Article 38A(1A), regardless of whether it is a year for the determination of the Constituencies or otherwise in accordance with Article 38A(1A), whereby the new Member and the other Members shall be slotted into the Constituency corresponding with their actual AMSF as at 31<sup>st</sup> December of the Admission Year.
- (2) The voting rights of the Members shall be determined as follows in relation to resolutions for which this voting system shall apply in accordance with the provisions of these Articles:
- (a) The number of votes cast by each Authorised Representative of the Members within each Constituency (whether in favour of or against a resolution) shall be counted. In relation to each Constituency, the percentage of votes in favour of or against a resolution shall then be computed based on the aforesaid number of votes (hereinafter referred to as “Constituency Vote Percentage” or “CVP”).

- (b) Upon the determination of the CVP of each Constituency, the average percentage of the CVP in relation to the Constituencies shall be determined by adding the CVP of all Constituencies and dividing the total thereof by four (4) (hereinafter referred to as “Average Vote Percentage” or “AVP”). (Each Constituency shall therefore have an entitlement of up to twenty five per centum (25%) of the total voting rights of all the Members only).
- (c) The decision with the higher AVP, whether in favour of or against, shall determine the resolution.

For avoidance of doubt, a theoretical computation is as follows:

		Votes		Constituency Vote % (CVP)	
		Against	For	Against	For
A	3	0	3	0%	100%
B	3	1	2	33%	67%
C	10	7	3	70%	30%
D	26	10	16	38%	62%
	42	18	24	35%	65%

The AVP “against” the resolution is thirty five per centum (35%) and the AVP “in favour of” the resolution is sixty five per centum (65%) and accordingly, the resolution is passed in favour thereof.

- (d) For matters which require a special resolution in accordance with the provisions of the Act or these Articles, the resolution shall be passed if the AVP in favour thereof equals to or is higher than seventy five per centum (75%) (unless contrary to the provisions of the Act).
- (e) Authorised Representatives who are not present at a general meeting or who have elected to abstain from voting at a general meeting shall be excluded for the purpose of computing the percentage CVP.
39. No Member (represented by its Authorised Representative or proxy to the Authorised Representative) shall be entitled to vote at any general meeting if the AMSF of that Member shall be more than two (2) months in arrears at the date of the meeting.
40. (1) An objection may be raised to the qualification of a voter only at the meeting or adjourned meeting at which the vote objected to is given or tendered.
- (2) Any such objection shall be referred to the chairman of the meeting, whose decision is final and conclusive.
- (3) A vote not disallowed pursuant to such an objection is valid for all purposes.

41. (1) An instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. The Board of Directors may, but shall not be bound to, require evidence of the authority of the appointer or his attorney.
- (2) An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
- (3) An instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (4) An instrument appointing a proxy shall be in the following form or in a form that is as similar to the following form as the circumstances allow:

**FEDERATION OF INVESTMENT MANAGERS MALAYSIA**

*I, ..... of ..... being the Authorised Representative of the Member (being a member of the abovenamed Federation) HEREBY APPOINT ..... of ..... (being a person entitled to vote at a general meeting of the Federation in accordance with and subject to the Articles of Association of the Federation) as my proxy to vote for me on my behalf at the \*annual/extraordinary general meeting of the Federation to be held on the day of 20 and at any adjournment of that meeting.*

*This form is to be used \* in favour of/against the following resolution(s).*

*Signed this day of 20*

*\* Strike out whichever is not desired.*

42. The instrument appointing a proxy and the power of attorney or other authority (if any) under which the instrument is signed or a notarially certified copy of that power of attorney shall be deposited with the Secretary at the Federation's registered office not less than forty-eight (48) 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 taking the poll and in default the instrument of proxy shall not be treated as valid.

**THE BOARD OF DIRECTORS**

43. (1) Subject to the provisions of these Articles, the Board of Directors shall consist of:
- (a) a Chairman;

- (b) a Deputy Chairman; and
  - (c) a maximum of thirteen (13) other members of the Board of Directors, inclusive of Public Interest Directors.
- (2) For the purpose of the establishment of the Federation and until the holding of the first general meeting in accordance with Article 22(1) herein at which time such members of the Board of Directors shall retire, the Board of Directors shall consist of:
- (a) Steven Soh Teck Toh; and
  - (b) Terry Andrew Vandyke

Who shall hold the positions of members of the Board of Directors.

The above first members of the Board of Directors shall retire at the first general meeting of the Federation but shall be eligible for re-election.

44. Until such time as it is determined otherwise by a special resolution of the Members in a general meeting, the Board of Directors shall consist of not more than fifteen (15) members of the Board of Directors whereby at least forty five per centum (45%) of the Board of Directors shall be made up of Public Interest Directors.
45. Subject to these Articles, the Members may from time to time by special resolution passed at a general meeting increase or reduce the number of members of the Board of Directors provided always that at least forty five per centum (45%) of the Board of Directors shall be made up of Public Interest Directors.

### **ELECTION OF BOARD OF DIRECTORS**

46. (1) Once all the approvals (including those of the regulatory authorities) have been obtained for the amendment of these Articles in this manner, a general meeting shall be held whereat all members of the Board of Directors previously elected or re-elected from the Authorised Representatives and all Public Interest Directors previously appointed or re-appointed shall retire from office. A maximum of eight (8) members of the Board of Directors shall be elected or re-elected from the Authorised Representatives in accordance with these Articles at the general meeting and the remaining seats on the Board of Directors shall be filled by the Public Interest Directors. Thereafter, members of the Board of Directors shall remain in office and retire from office in accordance with Articles 48 and 51A herein.

- (2) An election of members of the Board of Directors (other than Public Interest Directors) shall take place every alternate year following the year in which a general meeting is held pursuant to Article 46(1) herein.
  - (3) For the purpose of election of members of the Board of Directors (other than Public Interest Directors) pursuant to these Articles, each Constituency shall be allocated two (2) seats on the Board of Directors.
  - (4) The seats as allocated to each Constituency under Article 46(3) herein shall not be transferable between the Members or between the Constituencies or otherwise for any reason whatsoever.
47.
  - (1) Any Authorised Representative shall be eligible for election or re-election as a member of the Board of Directors in accordance with these Articles.
  - (2) There shall be circulated with the notice of every annual general meeting held pursuant to Article 46(2) herein:
    - (a) the names of the members of the Board of Directors retiring in accordance with Article 48(1) herein;
    - (b) an indication as to whether such persons offer themselves for re-election; and
    - (c) the names of nominees approved by the Securities Commission for election as members of the Board of Directors.
48.
  - (1) At the annual general meeting of the Federation held pursuant to Article 46(2) herein, one (1) member of the Board of Directors representing each Constituency for the time being shall retire from office. The retiring members of the Board of Directors shall be those who have been the longest in office since their last election, but as between persons who became members of the Board of Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. All members of the Board of Directors (other than Public Interest Directors) shall retire from office at least once in four (4) years.
  - (2) A retiring member of the Board of Directors shall retain office until the close of the meeting at which he retires. A member of the Board of Directors who has retired in accordance with Article 48(1) herein shall be eligible for re-election (subject always to the provisions of Articles 49, 50 and 51B herein).
49.
  - (1) A Member shall only nominate its own Authorised Representative for election or re-election as a member of the Board of Directors and that Authorised Representative shall be a nominee representing the Constituency which the Member resides in that calendar year. The nomination shall be proposed by any member of the board of directors of the Member.

- (2) An Authorised Representative or a Member shall not nominate an Authorised Representative of another Member or any other person for election or re-election as a member of the Board of Directors.
  - (3) Any nomination for election or re-election of a member of the Board of Directors shall be in writing and signed by the nominator and accompanied by the consent of the nominee in writing.
  - (4) The nomination must be received by the Secretariat not later than the time and date as specified by the Secretariat in the written notice to the Members requesting for nominees.
  - (5) Subject to Article 51B herein, a list of the names of the nominees in alphabetical order, together with the names of the Members that the nominees represent, shall be placed in a conspicuous place in the registered office of the Federation for at least seven (7) days immediately preceding the annual general meeting.
50. (1) For purposes of election of members of the Board of Directors (other than Public Interest Directors):
- (a) in the event that there is only one (1) nominee from a Constituency, the nominee shall be declared by the chairman of the annual general meeting to be duly elected or re-elected, as the case may be, as a member of the Board of Directors representing that Constituency;
  - (b) in the event that there is more than one (1) nominee from a Constituency, a ballot shall be held to elect a member of the Board of Directors representing that Constituency.
- (2) In the event that a ballot is required, the balloting lists shall be prepared containing the names of the nominees in alphabetical order and their respective Constituencies.
  - (3) At the meeting, each Authorised Representative entitled to vote and voting thereat shall vote in favour of one (1) nominee only from each Constituency.
  - (4) Notwithstanding any provision in these Articles to the contrary, the calculation of votes in favour of the nominees for election as members of the Board of Directors in accordance with this Article 50 shall be determined by way of a simple majority whereby the vote of each Authorised Representative shall be counted as one (1) vote only (and not in accordance with the voting system as set out in Article 38A(2) herein, irrespective of whether a poll is demanded or otherwise).
  - (5) The nominee from each Constituency who receives the greatest number of votes cast in his favour shall be declared by the chairman of the annual general meeting to be elected or re-elected, as the case may be, as a member of the Board of Directors representing the respective Constituency.

- (6) No member of the Board of Directors shall hold more than one position in the Board of Directors at any one time.
- (7) In the case of an equality of votes, the chairman of the annual general meeting in addition to his deliberative vote (if any) shall be entitled to a second or casting vote. However, if the chairman:
- (a) does not exercise such second or casting vote, or
  - (b) is one of the persons in respect of whom there is an equality of votes,
- then, a further ballot shall be held for those persons in respect of whom there is an equality of votes.
- (8) The chairman of the annual general meeting shall declare the newly elected or re-elected members of the Board of Directors at the annual general meeting.
- (9) Thereafter, members of the Board of Directors shall, at a meeting of the Board of Directors held in accordance with these Articles, elect a Deputy Chairman from among the elected or re-elected members of the Board of Directors. For this purpose,
- (a) Each member of the Board of Directors standing for election of the Deputy Chairman shall be proposed by one (1) member of the Board of Directors and seconded by another.
  - (b) A member of the Board of Directors (other than a Public Interest Director) shall be eligible for re-election of the Deputy Chairman.
  - (c) In the event that only one (1) nomination is received for election as Deputy Chairman, the person nominated shall be declared duly elected as the Deputy Chairman.
  - (d) In the event that more than one (1) nomination is received for election as Deputy Chairman, a ballot shall be held in such manner as the members of the Board of Directors shall determine.
  - (e) In the case of an equality of votes, a further ballot shall be held for those members of the Board of Directors in respect of whom there is an equality of votes.
- (10) The Deputy Chairman shall hold office in accordance with Article 48 herein.
51. (1) The Chairman shall be appointed by the Securities Commission from among the Public Interest Directors.
- (2) The office of the Chairman is subject to the terms and conditions of his appointment by the Securities Commission.

- 51A. (1) A maximum of seven (7) Public Interest Directors appointed by the Securities Commission shall sit on the Board of Directors.
- (2) The directorship of Public Interest Directors is subject to the terms and conditions of their appointment by the Securities Commission.
- 51B. Notwithstanding the provisions contained herein, the appointment, election or nomination of any member of the Board of Directors (other than Public Interest Directors) pursuant to these Articles shall be subject to the fit and proper requirements prescribed by the Securities Laws and prior approval of the Securities Commission.

### **REMOVAL OF MEMBERS OF THE BOARD OF DIRECTORS**

52. (1) The Members may, by ordinary resolution of which special notice has been given (a copy of the special notice shall be forwarded to the Securities Commission), remove any elected member of the Board of Directors before the expiration of his period of office, and may, by ordinary resolution, appoint another person in his stead; provided that the person so appointed shall be the Authorised Representative of a Member from the same Constituency as the member of the Board of Directors who was removed and such new member of the Board of Directors shall hold office in accordance with Article 48 herein. For the purpose of this Article, ordinary resolution shall be determined by way of a simple majority whereby each Authorised Representative (representing its Member) shall have one (1) vote only (and not in accordance with the voting system in Article 38A(2) herein irrespective of whether a poll is demanded or otherwise).
- (2) Notwithstanding the provisions of Article 52(1) herein, no member of the Board of Directors shall be removed without the prior approval of the Securities Commission. The Federation shall inform the Securities Commission of any intention to remove any member of the Board of Directors together with the reason(s) therefor.
53. (1) The office of a member of the Board of Directors shall become vacant if the member of the Board of Directors:
- (a) becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (b) becomes prohibited from being the Authorised Representative of a Member by virtue of the Act or Securities Laws or by reason of any order made under the Act or Securities Laws or on the resolution of the board of the Member;



- (c) 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;
  - (d) ceases to be the Authorised Representative of the Member by reasons other than those mentioned in Sub-Article 53(1)(b) herein;
  - (e) is absent from three (3) consecutive meetings, without the prior leave of the Board of Directors, or, where no such leave is granted, the Board of Directors is not satisfied that such absence was justified in all the circumstances;
  - (f) holds any office of profit under the Federation;
  - (g) dies;
  - (h) becomes unable to perform the duties of his office for a continuous period of three (3) months by reason of illness;
  - (i) the Member which the member of the Board of Directors is representing ceases to be a Member of the Federation by virtue of the Act or Securities Laws or by reason of any order made under the Act or Securities Laws or ceases to be a Member in accordance with the Memorandum and Articles of Association of the Federation;
  - (j) is directly or indirectly interested in any contract or proposed contract with the Federation and fails to disclose the nature of his interest in a manner required by the Act;
  - (k) resigns from the Board of Directors by notice in writing to the Secretariat and in respect of Public Interest Directors by notice in writing to the Securities Commission;
  - (l) is removed from his office by ordinary resolution of the Members in accordance with Article 52 herein; or
  - (m) who is a Public Interest Director has his appointment revoked by the Securities Commission.
- (2) In the event of a vacancy in the office of an elected member of the Board of Directors due to any of the circumstances set out under Article 53(1) (excluding Sub-Articles 53(1)(i) and 53(1)(m)) herein, the newly appointed Authorised Representative of the affected Member shall, if nominated by the affected Member, be appointed to fill such vacancy. In the event that the affected Member does not nominate its newly appointed Authorised Representative as a member of the Board of Directors within three (3) months from the occurrence of the vacancy, the Board of Directors shall appoint such other Authorised Representative of any Member from the same Constituency (to which the affected Member belongs) to fill such vacancy. The newly appointed member of the Board of Directors shall hold office in accordance with Article 48 herein.

- (3) In the event of a vacancy in the office of an elected member of the Board of Directors due to the circumstance set out under Sub-Article 53(1)(i) herein, the Board of Directors shall appoint such other Authorised Representative of any Member from the same Constituency (to which the affected Member belongs) to fill such vacancy. The newly appointed member of the Board of Directors shall hold office in accordance with Article 48 herein.
- (4) In the event of a vacancy in the office of a member of the Board of Directors who is a Public Interest Directors due to any of the circumstances set out under Sub-Article 53(1) (excluding Sub-Articles 53(1)(b), 53(1)(d), 53(1)(i) and 53(1)(l)) herein, the vacancy shall be filled by a Public Interest Director appointed by the Securities Commission.
- 53A (1) In the event of a vacancy in the office of the Chairman due to any of the circumstances set out under Article 53(1) (excluding Sub-Articles 53(1)(b), 53(1)(d), 53(1)(i) and 53(1)(l)) herein, the vacancy shall be filled by a new Chairman appointed by the Securities Commission.
- (2) In the event of a vacancy in the office of the Deputy Chairman due to any of the circumstances set out under Sub-Article 53(1) (excluding Sub-Article 53(1)(m)) herein, the Chairman shall convene a Board of Directors' meeting within thirty (30) days from the date of such vacancy whereat members of the Board of Directors shall elect a new Deputy Chairman in accordance with Article 50(9) herein.
54. The Chairman shall be entitled to receive a monthly allowance and all members of the Board of Directors shall be entitled to receive an attendance fee for attending any meeting or proceedings of the Federation or the Board of Directors, or such other fee subject to and in accordance with the approval of the Members at an annual general meeting of the Federation. The Board of Directors may, with the approval of the Members at an annual general meeting of the Federation, pay such other persons for attendance at any meeting or proceedings of the Federation.
55. Provided always that nothing in this Article 55 shall affect the operation of Clause 4 of the Memorandum of Association nor contradict the provisions of the Act, no contract entered into by or on behalf of the Federation in which any member of the Board of Directors shall be in any way interested shall be avoided, nor shall any member of the Board of Directors so contracting or being so interested be liable to account to the Federation for any profit realised by any such contract by reason only of such member of the Board of Directors holding that office or the fiduciary relationship thereby established, provided that the nature of his interest must be disclosed by him at the meeting of the Board of Directors at which the contract is determined on or in any other case at the first meeting of the Board of the Directors after the acquisition of his interest. A member of the Board of Directors may vote in respect of any contract or arrangement in which he is interested and may be counted for the purpose of any resolution regarding the same in the quorum present at the meeting and may

notwithstanding his interest and whether or not he votes participate in the execution of any instrument by or on behalf of the Federation whether through signing or sealing the same or otherwise. In the event that the provisions of this Article 55 shall contradict any provision of the Act, such provision of the Act shall prevail.

### **POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

56. The business and general affairs of the Federation shall be under the management of the Board of Directors which may exercise all such powers of the Federation as are not required by the Act or Securities Laws or by these Articles to be exercised by the Federation in a general meeting. The Board of Directors shall be responsible for determining and setting the policies of the Federation.
57. Committees shall be set up consisting of members of the Board of Directors, Authorised Representatives, the Secretariat and/or such other persons the Board of Directors thinks fit. The chairman and deputy chairman of any of the Committees formed under this Article shall be determined by the Board of Directors. These Committees shall be empowered to execute, perform and/or carry out all tasks as thought necessary by the Committees in the implementation of any policy which has been determined and set by the Board of Directors. For avoidance of doubt, such Committees shall always have the general authority and power to execute, perform and/or carry out all tasks within the scope of any policy which has been determined and set by the Board of Directors without having to seek the prior approval of the Board of Directors for each such task separately. Any Committee so formed under this Article shall in the exercise of its powers conform to any regulations that may from time to time be imposed on it by the Board of Directors.
58. In particular, but without derogating from the general powers conferred by Article 56 herein and the powers conferred by Clause 3 of the Memorandum of Association, the Board of Directors shall have the power from time to time but solely for carrying out the objects of the Federation as set out in Clause 3 of the Memorandum of Association:
- (a) To purchase or otherwise acquire for the Federation any property rights or privileges which the Federation is authorised to acquire provided however that the acquisition of any real property shall require the sanction of a general meeting of the Federation;
  - (b) To secure the fulfilment of any contracts or engagements entered into by the Federation by mortgaging or charging all or any of the property of the Federation;
  - (c) To institute, conduct, defend, compound or abandon any legal proceedings by or against Federation or its officers or otherwise concerning the affairs of the Federation and also to compound or allow for payment and satisfaction of any debts due to and any claims or demands by or against the Federation to arbitration and to observe and perform the award;

- (d) To determine who shall be entitled to sign or endorse on the Federation's behalf, contracts, receipts, acceptances, cheques, bills of exchange, promissory notes and other documents or instruments;
  - (e) To invest and deal with any of the moneys of the Federation not immediately required and in such manner as may be permitted by law for the investment of trust funds;
  - (f) To sell, exchange, or otherwise dispose of any furniture, fittings, equipment, plant or any other goods or chattels belonging to the Federation and to let any property of the Federation and with the sanction of a general meeting of the Federation to lease, demise, exchange or sell all or any of the lands and buildings or other property or rights to which the Federation may be entitled from time to time;
  - (g) To make such by-laws, rules or regulations not inconsistent with the Memorandum and Articles of Association, as in the opinion of the Board of Directors are necessary or desirable for the proper control, administration and management of the Federation's finances, affairs, interests, effects and property and to govern the Members and such other persons registered with the Federation and to amend or rescind from time to time any such by-laws, rules and regulations without the sanction of a general meeting but subject to the approval of the Securities Commission;
  - (h) To enforce the observance of all by-laws, rules or regulations by suspension from enjoyment of Federation privileges or any of them or otherwise as the Board of Directors thinks fit;
  - (i) To appoint any delegate or delegates to represent the Federation for any purpose with such powers as may be thought fit; and
  - (j) To otherwise in any manner whatsoever consistent with the provisions of the Memorandum and Articles of Association of the Federation, promote, further or protect the interests, usefulness and efficiency of the Investment Management Industry and the members of the Federation.
59. The Board of Directors may exercise all the powers of the Federation to borrow money and to mortgage or charge its property, or any part thereof, and to issue debentures and other securities whether outright or a security for any debt, liability, or obligation of the Federation provided however that any limits on the power of borrowing imposed by the Federation in a general meeting are observed, and until such limitation is varied by the Federation the power to borrow shall be limited to the sum of Ringgit Malaysia One Thousand (RM1,000.00).
60. For the purpose of Clause 4 of the Memorandum of Association, the rate of interest payable in respect of money lent by members to the Federation shall not exceed the rate

of eight per centum (8%) per annum or such higher or lower rate as may be determined from time to time by an ordinary resolution of the Federation in a general meeting.

61. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for money paid to the Federation shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by any two (2) members of the Board of Directors or in such other manner as the Board of Directors may from time to time determine.
62. (1) The Board of Directors shall cause minutes to be made -
- (a) of all appointments of office bearers;
  - (b) of names of members of the Board of Directors present at all meetings of the Federation and the Board of Directors; and
  - (c) of all proceedings at all meetings of the Federation and the Board of Directors.
- (2) Such minutes shall be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting.
- 62A. Every member of the Board of Directors shall give notice to the Federation of such events and matters relating to him as may be necessary or expedient to enable the Federation and its officers to comply with the requirements of the Act.

### **PROCEEDINGS OF THE BOARD OF DIRECTORS**

63. (1) The Board of Directors may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit provided that at least three (3) such meetings are held within each calendar year.
- (2) Any member of the Board of Directors may, at any time, request for a Board of Directors meeting to be held and the Secretariat shall, on the requisition of the member of the Board of Directors, summon a Board of Directors meeting.
- (3) Notice in writing of a meeting of the Board of Directors shall be delivered or sent to each member of the Board of Directors in accordance with Article 77(1) herein at least five (5) Business Days before such meeting. The notice shall contain as far as practicable a statement of the business to be transacted at such meeting. It shall not be necessary in any case to prove that such notice has been delivered or sent but the same shall be taken as duly delivered or sent unless the contrary be shown and the non-receipt of any notice by any member of the Board of Directors shall not affect the validity of the proceedings of any meeting; provided that when the Chairman or Deputy Chairman ordering a

meeting certifies in writing that an emergency exists and such notice in writing as aforesaid needs to be delivered or sent only one (1) Business Day in accordance with Article 77(1) herein before such meeting, and in such a case the non-existence in fact of the supposed emergency shall not affect the validity of the proceedings of the meeting.

64. Subject to these Articles, questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and a determination by a majority of the members of the Board of Directors shall for all purposes be deemed a determination of the Board of Directors.
- 64A (1) The Board of Directors shall interpret the Memorandum and/or Articles of Association of the Federation and determine any point on which the provisions of the Memorandum and/or Articles of Association is silent as and when it deems necessary.
- (2) Except where they are contrary to or inconsistent with the policies laid down at any general meeting of the Federation, the decision of the Board of Directors shall be binding on all Members unless and until it is countermanded by a resolution of any general meeting.
65. In case of an equality of votes, the chairman of the meeting of the Board of Directors, in addition to his deliberative vote, shall have a casting vote.
66. The quorum necessary for the transaction of the business of the Board of Directors shall be five (5) members of the Board of Directors, with at least one (1) Public Interest Director or such greater number as may be determined by the Board of Directors from time to time.
67. The continuing member or members of the Board of Directors may act, notwithstanding any vacancy on the Board of Directors, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of the Board of Directors, the continuing member or members of the Board of Directors may act for the purpose of increasing the number of members of the Board of Directors (subject always that such increase in the number of members of the Board of Directors shall not be inconsistent with the provisions of these Articles) or of summoning a general meeting of the Federation but for no other purpose and any Authorised Representative so appointed to the Board of Directors shall hold office until the next annual general meeting subject always to Article 48 herein.
68. The Chairman shall preside at every meeting of the Board of Directors or if there is no Chairman or if at any meeting the Chairman is not present within ten (10) minutes after the time appointed for holding the meeting, the Deputy Chairman shall be the chairman of the meeting. If there is no Deputy Chairman or if the Deputy Chairman is also not

present at the meeting, then the members may choose one amongst themselves to be the chairman of the meeting.

### **OTHER PROCEEDINGS AT MEETINGS**

69. (1) Unless the Board of Directors determines to the contrary any Authorised Representative may attend any meeting of the Board of Directors or Committee of which he is not a member and may with the leave of the chairman of the meeting be heard at that meeting but not vote thereat.
- (2) A meeting of the Board of Directors or any Committee may be conducted at more than one venue using any technology that allows the members of the meeting, including the secretary of the meeting and such other persons invited to the meeting, as a whole to participate in the meeting and communicate with each other simultaneously. For the purpose of this sub-article 69(2), the members of the meeting shall be deemed to have attended a meeting of the Board of Directors or Committee and form the requisite quorum for such meetings.
- (3) Notwithstanding sub-article 69(2) above, the Chairman or chairman of any Committee may require any meeting of the Board of Directors or Committee, as the case may be, to be conducted in the manner deemed appropriate or necessary.
70. All acts done by any meeting or any person acting as a member of the Board of Directors or a Committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such member of the Board of Directors or Committee or person acting as aforesaid, or that the members of the Board of Directors or Committee or any of them were disqualified be as valid as if every such person had been duly appointed and was qualified to be a member of the Board of Directors or Committee as the case may be.
71. (1) If all members of the Board of Directors have signed a document containing a statement that they are in favour of a resolution of the Board of Directors in terms set out in the document, a resolution in those terms shall be deemed to have been duly passed at a meeting of the Board of Directors held on the day on which the document was signed and at the time at which the document was last signed by a member of the Board of Directors or if members of the Board of Directors signed the document on different days on the day on which and at the time at which the document was last signed by a member of the Board of Directors.
- (2) For the purposes of Article 71(1) hereinabove, two (2) or more separate documents containing statements in identical terms each of which is signed by one or more members of the Board of Directors shall together be deemed to constitute one document containing a statement in those terms signed by those

members of the Board of Directors on the respective days on which they signed the separate documents.

- (3) A reference in Article 71(1) hereinabove to all members of the Board of Directors does not include a reference to a member of the Board of Directors who at a meeting of the Board of Directors would not be entitled to vote on the resolution or who between the time when the document was both first and last signed by a member of the Board of Directors was not present in Malaysia.
- (4) The expression “signed” in this Article 71 includes approval by legible confirmed transmission by facsimile, e-mail or other forms of electronic communications.

### **SECRETARY**

72. (1) The Secretary shall in accordance with the Act be appointed by the Board of Directors for such term, upon such conditions as it thinks fit, and any Secretary so appointed may be removed by it. The first Secretary of the Federation shall be Wong Boon Choy.
- (2) Nothing herein shall prevent the Board of Directors from appointing an Authorised Representative of as Honorary Secretary and the Authorised Representative so appointed shall forthwith become, if not already a member of the Board of Directors, ex-officio a member of the Board of Directors notwithstanding that the maximum number of members of the Board of Directors permitted under these Articles is thereby exceeded and he shall be subject to the provision of Clause 4 of the Memorandum of Association.

### **CHIEF EXECUTIVE OFFICER**

- 72A. (1) Notwithstanding anything in these Articles, the Board of Directors shall, subject to the criteria specified by the Securities Commission and their prior approval, appoint a Chief Executive Officer of the Federation for such term and upon such conditions as the Board of Directors thinks fit; the Chief Executive Officer so appointed may be removed by the Board of Directors.
- (2) The Chief Executive Officer shall:
- (a) be a full-time employee of the Federation;
  - (b) be responsible for the day-to-day management and affairs of the Federation and such other matters as the Board of Directors may instruct him on;
  - (c) be answerable directly to the Board of Directors; and



- (d) safeguard confidential information in the possession of the Federation and not misuse the same in any manner that may result in him making an unfair gain.
- (3) Whilst the Chief Executive Officer may, on the invitation of the Board of Directors, attend all meetings of the Board of Directors and the Federation, he shall not be considered a member of the Board of Directors nor shall he be eligible to vote at any of such meetings.

### **SEAL**

- 73. (1) The Board of Directors shall provide for the safe custody of the seal.
- (2) The seal shall only be used by the authority of the Board of Directors or by such members of the Board of Directors authorised by the Board of Directors on that behalf.
- (3) Every instrument to which the seal is affixed shall be signed by a member of the Board of Directors and shall be countersigned by the Secretary or by a second member of the Board of Directors or by some other person appointed by the Board of Directors for that purpose.

### **ACCOUNTS**

- 74. (1) Subject to the provisions of the Act, the Board of Directors shall cause proper accounting and other records to be kept and shall distribute copies of every profit and loss account and balance sheet (including every document required by law to be attached thereto) accompanied by a copy of the auditor's report thereon as required by the Act provided, however, that the Board of Directors shall cause to be made out and laid before each annual general meeting a balance sheet and profit and loss account made up to a date not more than six (6) months before the date of the meeting.
- (2) The Board of Directors shall within three (3) months after the end of each financial year prepare and submit to the Securities Commission a report on the extent to which the Federation has complied with the terms and conditions imposed on the Federation under the Capital Markets and Services Act 2007 or any guidelines, rules or regulations created pursuant thereto.

### **INSPECTION**

- 75. (1) The Board of Directors shall from time to time determine in accordance with Clause 9 of the Memorandum of Association at what times and places and under

what conditions or regulations the accounting and other records of the Federation shall be open to the inspection of members.

- (2) For so long as the Federation has under its care custody and control any property which is subject to a trust the Board of Directors when and so often as reasonably requested shall make available to the Trustee of such property or any registered company auditor appointed by the Trustee for inspection all the accounting records of the Federation whether kept at the registered office or not which are relevant to that property.

### **AUDIT**

76. (1) Subject to the provisions of the Act and the Capital Markets and Services Act 2007, an auditor or auditors shall be appointed and his or their duties and the audit of the accounts of the Federation shall be regulated in accordance with the Act and the Capital Markets and Services Act 2007.
- (2) The Federation shall further establish or appoint an internal audit team to carry out internal audit functions and report directly to the Audit Committee. The remit of the internal audit functions shall be determined by the Audit Committee and shall include regular review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Federation. The internal audit team shall be independent of the activities that it audits and shall perform its function impartially, proficiently and professionally.

### **AUDIT COMMITTEE**

- 76A. (1) The Board of Directors shall establish an Audit Committee comprising at least three (3) members who are Public Interest Directors, one of whom shall be the chairman of the Audit Committee. For the avoidance of doubt, the Chairman shall not be a member of the Audit Committee.
- (2) The Board of Directors shall provide the Audit Committee with written terms of reference pertaining to its authority and duties. The members of the Audit Committee shall have recent and relevant financial experience and at least one (1) member shall be a member of an accounting body or association recognised in Malaysia.

### **NOTICES**

77. (1) A notice may be given by the Federation to any Member either personally or by sending it by post, facsimile transmission or electronic mail to the Authorised Representative at the last address of the Member as recorded in the Register of Members.

- (2) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying 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 other case at the time at which the letter would be delivered in the ordinary course of post.
  - (3) Where a notice is sent by facsimile, service of the notice is deemed to be effected at the time the transmission report is received by the sender which confirms that the addressee has received such facsimile by showing that the addressee has received such facsimile in full and without error, provided such transmission is made on a Business Day.
  - (4) Where a notice is sent by electronic mail, service of the notice is deemed to be effected at the time the electronic mail is sent which purports to confirm that the addressee has received such electronic mail by showing that the electronic mail has been sent without error, provided such electronic mail is sent on a Business Day.
78. (1) Notice of every general meeting shall be given in any manner set out in Article 77 herein to:
- (a) every Member;
  - (b) every member of the Board of Directors; and
  - (c) the auditor or auditors for the time being of the Federation.
- (2) No other person shall be entitled to receive notices of general meetings.

### **WINDING UP**

79. The provisions of Clause 8 of the Memorandum of Association relating to the winding up or dissolution of the Federation shall have effect and be observed as if the same were repeated in these Articles.

### **INDEMNITY**

80. (1) Members of the Board of Directors and Committee, office bearers, the Secretariat, Secretary and/or auditors shall be indemnified by the Federation 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 wilful default, or in the case of an auditor his own negligence or wilful default or that of any partner or employee of such auditor.

- (2) No member of the Board of Directors or Committee, office bearer or auditor shall be liable for any other member of the Board of Directors or Committee, office bearer or auditor, or for joining in any receipt or document, or for any act of conformity, or for any loss or expense happening to the Federation unless the same happens from his own wilful default, or in the case of an auditor from his own negligence or wilful default or that of any partner or employee of such auditor.

### **STATEMENT OF ETHICS AND STANDARDS OF PRACTICE**

81. Upon becoming a Member and for so long as it remains a Member, each Member agrees to be bound by the provisions of this Article 81.
- (a) Members shall conduct their business in a professional manner ensuring that they themselves, their associates and staff, are thoroughly knowledgeable in all areas and aspects of the Investment Management Industry in which they participate and that they are acting in compliance with sound business practices.
  - (b) Members shall act in compliance and conformity with all laws and shall co-operate with the Government bodies and responsible authorities to achieve the objects of the Federation in the conduct of their own businesses.
  - (c) Members shall always act in a manner which recognises that integrity and responsibility are essential to win and maintain confidence in all aspects of the Investment Management Industry.
  - (d) Members shall respect and preserve the confidentiality of their clients and investors and shall not misuse any of the information in their possession in any manner that may result in them making an unfair gain.
  - (e) Members shall make full disclosure of all pertinent facts including any interest they may have in connection with the Unit Trusts in respect of which they are the Unit Trust Managers or Funds in respect of which they are the Fund Managers.
  - (f) Members shall be bound by these Articles and shall comply with all the directions and rulings of ethics and standards as set out by the Federation from time to time.
  - (g) Members agree to notify the Federation within seven (7) Business Days of any breach in meeting their repurchase obligation in Unit Trusts of which they are the Unit Trust Managers and inform the Federation of any eventuality which may be detrimental to the Investment Management Industry as a whole.
  - (h) Members agree to provide the Federation with copies of:
    - (i) all audited accounts and reports to Unit Holders of all Unit Trusts of which they are the Unit Trust Managers;

- (ii) all of their audited accounts;
  - (iii) any deed by or pursuant to which they are appointed as the Unit Trust Managers; and
  - (iv) any prospectus or statements issued by them or in respect of the Unit Trusts of which they are the Unit Trust Managers.
- (i) Members will comply within three (3) Business Days with any request by the Federation for information as to any activity relating to the Federation or as to any of their activities relating to their position as Unit Trust Managers or Fund Managers, or of any Unit Trust or Fund of which they are the Unit Trust Managers or Fund Managers, as the case may be.
82. The Federation shall provide such assistance to the Securities Commission, or to a person acting on behalf of or with the authority of the Securities Commission, as the Securities Commission or such person reasonably requires, including the furnishing of such returns and the provision of such information relating to the operations of the Federation or any other information as the Securities Commission or such person may require for the proper administration of the Securities Laws.

-- THE END --

WE, the several subscribers to the Memorandum of Association, hereby agree to the foregoing Articles of Association.

SIGNATURE OF SUBSCRIBERS

**THE COMMON SEAL** of )  
**AMANAH SAHAM MARA BERHAD** )  
was hereunto affixed in accordance )  
with its Articles of Association )  
in the presence of: )

ZAHARAH BT IBRAHIM  
Secretary

KAMARUDDIN BIN MOHAMMED  
Director

**THE COMMON SEAL** of )  
**ARAB-MALAYSIAN PROPERTY** )  
**TRUST MANAGEMENT BERHAD** )  
was hereunto affixed in accordance )  
with its Articles of Association )  
in the presence of: )

RAVINDRA KUMAR THAMBIMUTHU  
Secretary

N MURUGIAH  
Director

**THE COMMON SEAL** of )  
**ARAB-MALAYSIAN UNIT TRUSTS** )  
**BERHAD** was hereunto affixed in )  
accordance with its Articles of Association )  
in the presence of: )

RAVINDRA KUMAR THAMBIMUTHU  
Secretary

ABDUL HALIM HJ NOORDIN  
Director

**THE COMMON SEAL** of )  
**ASIA UNIT TRUSTS BERHAD** )  
was hereunto affixed in accordance )  
with its Articles of Association )  
in the presence of: )

CHAN CHEE MENG  
Secretary

MOHD RAMZAN IBRAHIM  
Director

**THE COMMON SEAL** of )  
**BBMB UNIT TRUST MANAGEMENT** )  
**BERHAD** was hereunto affixed in )  
accordance with its Articles of Association )  
in the presence of: )

ZAUYAH WAN CHIK  
Secretary

ABDUL RAZAK ALWI  
Director

**THE COMMON SEAL** of )  
**BHLB PACIFIC TRUST** )  
**MANAGEMENT BERHAD** was hereunto )  
affixed in accordance with its Articles of )  
Association in the presence of: )

TOH CHIN HIAN  
Authorised Signatory

LOW HAN HING  
Director

**THE COMMON SEAL** of )  
**COMMERCE PROPERTY TRUST** )  
**MANAGERS BERHAD** )  
was hereunto affixed in accordance )  
with its Articles of Association )  
in the presence of: )

JAMIL HAJAR ABDUL MUTTALIB  
Secretary

Y. BHG. DATUK MOHD DESA  
BIN PACHI  
Director

**THE COMMON SEAL** of )  
**DCM - RHB UNIT TRUST** )  
**MANAGEMENT BERHAD** )  
was hereunto affixed in accordance )  
with its Articles of Association )  
in the presence of : )

GOH KOK NYOR  
Secretary

SIAH FOOK CHIN  
Director

**THE COMMON SEAL** of )  
**KUALA LUMPUR MUTUAL FUND** )  
**BERHAD** was hereunto affixed in )  
accordance with its Articles of )  
Association in the presence of: )

WONG BOON CHOY  
Secretary

SOH TECK TOH  
Director

**THE COMMON SEAL** of )  
**MBf UNIT TRUST MANAGEMENT** )  
**BERHAD** was hereunto affixed in )  
accordance with its Articles of )  
Association in the presence of: )

CHAN CHOY LIN  
Secretary

DATUK DR AUGUSTINE ONG  
SOON HOCK  
Director

**THE COMMON SEAL** of )  
**MIC UNIT TRUSTS BERHAD** )  
was hereunto affixed in accordance )  
with its Articles of Association )  
in the presence of: )

N K JASANI  
Secretary

LAWRENCE ISSAC PEREIRA  
Director

**THE COMMON SEAL** of )  
**PELABURAN JOHOR BERHAD** )  
was hereunto affixed in accordance )  
with its Articles of Association )  
in the presence of: )

RODZIAN LATIFF  
Secretary

DATO' MOHD ALI HJ HASHIM  
Director



DATED this 15th day of July 1993.

Witness to the above signatures:

AHMAD JOHARI BIN TUN ABDUL RAZAK  
Advocate & Solicitor  
2 Benteng,  
50050 Kuala Lumpur

These Memorandum and Articles of Association were amended by Special Resolution of the Members as approved by the Minister of Domestic Trade and Consumer Affairs on 29 January 2013.