



MEMBERS' DISCIPLINARY COMMITTEE (MDC) TERMS OF REFERENCE

1. AUTHORITY

- (a) The Members' Disciplinary Committee ("MDC") is constituted by the Board of Directors ("Board") of the Institute of Corporate Directors Malaysia ("ICDM") with the delegated authority to carry out the MDC's functions and roles as set out in these Terms of Reference and ICDM Members' By-Laws.
- (b) These Terms of Reference are made pursuant to Clause 12.4 of ICDM Members' By-Laws and must be read with the roles and powers of the MDC as set out in ICDM Members' By-Laws and approved by the Board.
- (c) The MDC shall exercise its authority in the best interest of ICDM in achieving the strategies and objectives of ICDM.

2. COMPOSITION OF THE MDC

- (a) The Board shall appoint not less than three members to be the members of the MDC. The Board shall appoint the following members of the MDC:
 - (i) Chairman of the MDC, which shall be a member of the Board; and
 - (ii) Not exceeding three Board Members as ordinary members.
- (b) If the Chairman is unable to attend any meeting, the Chairman shall elect one of the members in paragraph 2(a)(ii) above as Chairman of the meeting.
- (c) The MDC shall be assisted by such employees of ICDM nominated by the President & Chief Executive Officer, who shall have no power to vote in any MDC meeting.
- (d) The secretariat to the MDC shall be the Head of the Membership Division or such other employee of ICDM as may be nominated by the President & Chief Executive Officer and shall provide administrative support to the MDC.
- (e) A-company secretary as may be recommended by the President & Chief Executive Officer shall be appointed to minute any meeting of the MDC. In the absence of the company secretary, the Head of the Membership Division or such other employee of ICDM nominated by the President & Chief Executive Officer will minute the meeting of the MDC.

3. ANNUAL GENERAL MEETING

The Chairman of the MDC shall attend ICDM's annual general meeting and respond to any ICDM member's questions on the MDC's activities or in his absence, another member of the MDC.



4. DUTIES OF THE MDC

- (a) The MDC shall carry out its roles and functions as set out in these Terms of Reference, ICDM Members' By Laws and such mandate delegated by the Board.
- (b) Without limiting the generality of the foregoing, the MDC shall:
 - (i) Investigate complaints made against members for failure to observe the professional and ethical standards laid down in the ICDM Members' Code of Conduct or the Rules of ICDM.
 - (ii) Refer any investigation it conducts to an external regulatory authority if the complaint or matter relates to a breach of any applicable laws.
- (c) The disciplinary process set out in these Terms of Reference is underpinned by the principles of natural justice:
 - (i) The right to a fair hearing.
 - (ii) The right of reply.
 - (iii) No bias or conflicts of interest (or appearance of such).
- (d) The Board delegates the power to the MDC to investigate complaints and recommend appropriate sanctions. However, any decision made by the MDC is appealable to the Board. Where a matter has been referred to the Board for final decision under paragraph (7)(h), such final decision shall not be appealable to the Board.
- (e) The MDC may refuse to investigate a complaint if:
 - (i) The person is not, or is no longer, a member of ICDM.
 - (ii) The complaint is not in writing (notification by telephone can be accepted but must be followed up by email or postal communication). The MDC may investigate a complaint if it is made by an anonymous person, who may wish to retain their anonymity.
- (f) Complaints can be made by a member, ICDM, any stakeholder of ICDM, any government or regulatory authority or any member of the public.

5. MEETINGS

- (a) The quorum for the MDC meetings shall be any two (2) members of the MDC.
- (b) The notice and agenda of each meeting shall be sent by the company secretary or such other ICDM employee as the Board may determine to all members of the MDC and any other persons that may be required to attend.
- (c) The MDC may meet together for dispatch of business, adjourn, and otherwise regulate its meetings as the MDC members think fit, whether in person or by means of any communication technology by which all persons participating in the meeting are able to hear and be heard by all other participants without the need for a member to be in the physical presence in the meeting.
- (d) Reasonable notice of a meeting of the MDC shall be given. An agenda and accompanying meeting papers should be sent in full to all members of the MDC in a timely manner and at least three days before the intended date of a meeting (or such other period as approved by the MDC members). However, a meeting may be convened without reasonable notice being



given with the consent of all the members of the MDC.

- (e) Management of ICDM is obliged to provide the MDC with adequate information in a timely manner, in order to enable it to make informed decisions.
- (f) Decisions and matters tabled for approvals at any meeting of the MDC shall be decided:
 - (i) unanimously if the quorum is 2 members;
 - (ii) by a majority of votes if the quorum is more than 2 members.
- (g) Decisions and matters tabled for approval can also be passed via circulation (whether in the form of paper, email or otherwise) if so approved unanimously by the MDC members.
- (h) In the case of an equality of votes, the matter shall be referred to the Board for final decision.
- (i) Minutes of meetings shall record in sufficient detail the matters considered by the MDC and decisions reached, including any concerns raised by any member, or dissenting views expressed.
- (j) Minutes of each meeting shall be kept and distributed to each MDC member and the minutes of the meetings shall be reported to the Board at its earliest meeting.
- (k) Full minutes of the MDC's meetings shall be kept by the secretary, and such minutes shall be available for inspection at any reasonable time on reasonable notice by any member or director of ICDM.

6. DECISION TO BE PUBLISHED.

As provided in ICDM's By-laws, the MDC may publish its decisions. The extent and method of the publication must be approved by the Board.

7. CONFIDENTIALITY

- (a) All information acquired by the MDC members during the disciplinary process is classified as CONFIDENTIAL and should not be released, EXCEPT after a decision has been made and with the prior written approval from the Board.
- (b) MDC members should not make any statements that might risk a breach of these requirements or jeopardise any investigation it conducts without the prior written approval from the Board.

8. FREQUENCY OF MEETING.

The MDC is an ad-hoc committee which is convened only when a complaint is lodged.

9. AMENDMENT

The Board may amend these Terms of Reference at any time and from time to time.

(This Terms of Reference for the Members' Disciplinary Committee was approved and adopted by the Board effective as of 8 September 2022.)