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**BY-LAWS FOR THE GOVERNANCE OF THE INTERNATIONAL ISLAMIC
LIQUIDITY MANAGEMENT CORPORATION (IILM)**

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BY-LAWS FOR THE GOVERNANCE OF THE INTERNATIONAL ISLAMIC LIQUIDITY MANAGEMENT CORPORATION (IILM)

Introduction

These by-laws are made by the Governing Board under Article 45 of the Agreement, and are intended to be complementary to the Agreement and shall be construed accordingly. In the event of a conflict between the provisions of these by-laws and the provisions of the Agreement, the provisions of the Agreement shall prevail.

1. MEMBERSHIP OF THE IILM

Application for membership

- 1.1 An application for membership in the IILM shall be made by using the prescribed form as set out in Appendix I and shall be submitted to the Chief Executive Officer. The application shall be accompanied by a draft of the Legal Confirmation as set out in Appendix II.
- 1.2 The application form for membership in the IILM must be complete in every respect.
- 1.3 On receipt of an application for membership, the Chief Executive Officer or any officer of the IILM appointed by the Chief Executive Officer shall ensure that the application is complete, carry out a provisional assessment, determine whether the membership criteria are met and ensure that the application is consistent with the Sanctions Policy of the IILM. The Chief Executive Officer may request the Applicant to provide such further information as he considers necessary or appropriate in order to consider the application.

- 1.4 The Chief Executive Officer shall make a report on the application for membership to the Board Executive Committee. The Board Executive Committee may advise the Chief Executive Officer to take into account such matters and developments which the Committee considers relevant or necessary. The Chief Executive Officer shall, thereupon, make a recommendation to the Governing Board based on the advice of the Board Executive Committee for the consideration of the Governing Board at its next meeting as to whether or not the Applicant should be admitted to membership.
- 1.5 The Governing Board shall determine whether the Applicant shall be admitted to membership in the IILM.
- 1.6 If the Governing Board resolves to admit the applicant to membership, the Chief Executive Officer shall, within 14 days of the Governing Board meeting at which the resolution to admit was passed, notify the Applicant that its application for membership has been accepted and shall send the Applicant a Membership Agreement as set out in Appendix III for execution. The Applicant shall sign and return the Membership Agreement to the Chief Executive Officer together with the formally executed Legal Confirmation as set out in Appendix II within 30 days or such other period as the Governing Board may deems reasonable. The Chief Executive Officer shall thereafter sign the Membership Agreement.
- 1.7 The applicant shall be admitted to membership in the IILM on the date of the executed Membership Agreement.
- 1.8 The Chief Executive Officer will send notification of the admission of a new member to all members.

- 1.9 If the Governing Board resolves not to admit the Applicant to membership, the Chief Executive Officer shall within 14 days of the Governing Board meeting notify the Applicant in writing that its application for membership has been rejected.
- 1.10 An Applicant admitted as a member in the IILM is also eligible to be a member of the Governing Board provided that the eligibility criteria as set out in Article 18.2 of the Agreement are fulfilled.
- 1.11 In the event there is any adverse change in the eligibility status of a member of the Governing Board, including any change to the sovereign rating of its country, the member of the Governing Board concerned shall inform the Chief Executive Officer within 30 days of such adverse change. The Chief Executive Officer shall then forthwith report to the Board Executive Committee and the Board Risk Management Committee for these committees to assess and make their recommendation to the Governing Board.
- 1.12 Notwithstanding that the member of the Governing Board concerned has not informed the Chief Executive Officer under by-law 1.11, the Chief Executive Officer shall investigate any adverse change of which he otherwise becomes aware in the eligible status of such member. The Chief Executive Officer shall thereafter take action as set out in by-law 1.11.
- 1.13 The decision of the Governing Board on the eligibility status of a member shall be based on a set of transparent and clear assessment criteria. The Governing Board member whose eligibility status has changed may be requested to provide relevant information to the Governing Board.

Register of members

- 1.14 The IILM shall keep a register in English of its members in which it shall enter the names of the members, date of allotment of shares and the number of shares held by the members, the amount of paid-up shares, date of entry in the register as a member and any other relevant information and particulars of the members. The register of the members shall be in chronological order according to the date of the members joining the IILM. In the event that there is more than one member admitted on the same date, the names of the members so admitted shall be listed in alphabetical order.
- 1.15 Upon full payment of the subscription amount under Article 12.2 of the Agreement, the Chief Executive Officer shall issue to the member a document signed by the Chief Executive Officer evidencing the ownership of the shares subscribed by such member in the IILM.

2. MEETINGS OF THE GENERAL ASSEMBLY

Notice of Meetings

- 2.1 For the purpose of any meeting of the General Assembly under Article 17.5 of the Agreement or by-law 2.7, the Chief Executive Officer shall give notice to each member specifying the date, time and place of the meeting as approved by the Governing Board and the nature of the business to be transacted and, in the case of a meeting convened under by-law 2.7, specify that the meeting is an extraordinary meeting of the General Assembly.
- 2.2 A notice to convene a meeting under by-law 2.1 shall be sent not less than 30 days prior to the date of the meeting. The Chief Executive Officer shall ensure that members of the General Assembly have received the notice of a meeting.

- 2.3 The non-receipt of notice of a meeting of the General Assembly by any person entitled to receive notice shall not invalidate the proceedings and resolutions that might be adopted by the General Assembly at that meeting, provided that a quorum is present.
- 2.4 All members, unless their membership is suspended, are entitled to attend and vote at all meetings of the General Assembly. Each member shall have one vote.
- 2.5 A majority of members of the General Assembly may, at any time between the service of notice of a meeting and the commencement of the meeting, by petition in writing to the Chief Executive Officer, adjourn a meeting of the General Assembly, but no business shall be transacted at the adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place, except in the case specified under by-law 2.7.
- 2.6 A majority of members may, at any time between the service of notice of the meeting and the commencement of the meeting, by petition in writing to the Chief Executive Officer, propose any new business to be transacted at the meeting.

Petitions for extraordinary meetings

- 2.7 The Governing Board or at least a simple majority of the members of the General Assembly may, by a petition in writing and signed by the petitioners, request the Chairman of the Governing Board to call an extraordinary meeting of the General Assembly. The petition shall state the objects of the meeting, and any resolution to be moved, and the proposed resolution.

- 2.8 Where the petition is by a majority of the members of the General Assembly, the Chairman of the Governing Board shall, within 30 days of receipt of such petition, at a meeting of the Governing Board or by circular resolution of the Governing Board, determine the date, time and place of the extraordinary meeting of the General Assembly and shall require the Chief Executive Officer to serve a notice convening the meeting at such date, time and place, in accordance with by-law 2.1. The notice shall state the objects of the meeting and shall be accompanied by the proposed resolution in writing.

Proceedings at meetings

- 2.9 No business shall be transacted at any meeting of the General Assembly unless a quorum is present. A quorum for the purposes of any meeting of the General Assembly shall be two-thirds of all members as provided under Article 17.3 of the Agreement.
- 2.10 The Chairman of the Governing Board shall be the Chairman of the General Assembly.
- 2.11 If the Chairman of the General Assembly does not attend a meeting of the General Assembly, the Deputy Chairman of the Governing Board shall act as Chairman of that meeting. If neither the Chairman nor the Deputy Chairman attends a meeting of the General Assembly, the Chairman of the meeting of the General Assembly shall be elected from the members of the Governing Board present at the meeting.
- 2.12 For the purpose of the meeting of the General Assembly, each member shall be represented by a representative appointed by the member. The name and designation of the representative shall be informed to the Chief Executive Officer in writing prior to the meeting. A member may not appoint another

member of the General Assembly to be its proxy at a meeting of the General Assembly.

- 2.13 A resolution put to vote at a meeting of the General Assembly shall be decided on a show of hands unless a secret ballot is requested by the Chairman or by at least one-fifth of the members present.
- 2.14 The Chairman shall have a casting vote in the event of a tie in respect of any matter put to vote in a meeting of the General Assembly.
- 2.15 The minutes of each meeting of the General Assembly shall be taken by the Chief Executive Officer or by such person designated by the Chief Executive Officer on his behalf. The minutes and the resolutions of each meeting shall be circulated to all members of the IILM not later than 10 working days after the meeting.

3. MEETINGS OF THE GOVERNING BOARD

Notice of meetings

- 3.1 For the purpose of any meeting of the Governing Board under Article 20.1 or Article 20.2 of the Agreement, the Chief Executive Officer shall give notice to each member of the Governing Board specifying the date, time and place of the meeting as approved by the Governing Board or the Board Executive Committee and the nature of the business to be transacted and, in the case of a meeting under Article 20.2 of the Agreement, specify that the meeting is an extraordinary meeting of the Governing Board.
- 3.2 A notice to convene a meeting under Article 20.1 of the Agreement shall be sent not less than 60 days prior to the date of the meeting.

- 3.3 A notice to convene a meeting under Article 20.2 of the Agreement shall be sent:-
- (a) if it is requested by a majority of the members of the Governing Board, not less than 30 days prior to the date of the meeting; or
 - (b) if it is requested by the Chairman of the Governing Board, within such time as the Chairman deems appropriate.
- 3.4 The Chief Executive Officer shall ensure that members of the Governing Board have received the notice of a meeting. The non-receipt of notice of a meeting of the Governing Board by any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 3.5 A majority of members of the Governing Board may, at any time between the service of notice of a meeting and the commencement of the meeting, by petition in writing to the Chief Executive Officer, adjourn a meeting of the Governing Board, but no business shall be transacted at the adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place except in the case as specified under by-law 3.6.
- 3.6 A majority of members may, at any time between the service of notice of the meeting and the commencement of the meeting, by petition in writing to the Chief Executive Officer, propose any new business to be transacted at the meeting.

Proceedings at meetings of the Governing Board

- 3.7 No business shall be transacted at any meeting of the Governing Board unless a quorum is present. A simple majority of all members of the Governing Board shall constitute a quorum for any meeting of the Governing Board as provided under Article 20.4 of the Agreement.

- 3.8 A member of the Governing Board shall not appoint another member of the Governing Board to be its proxy for any meeting of the Governing Board. Each member of the Governing Board shall inform the Chief Executive Officer of its representative to the meeting.
- 3.9 The Chairman may, with the consent of a meeting at which a quorum is present and, shall if so directed by the meeting, adjourn the meeting of the Governing Board from time to time and from place to place. Unless it is requested by the majority of the Governing Board members, no business shall be transacted at the adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.
- 3.10 The Chairman shall have a casting vote in the event of a tie in respect of any matter put to a vote in a meeting of the Governing Board.
- 3.11 The minutes of each meeting of the Governing Board shall be taken by the Chief Executive Officer or by such person designated by the Chief Executive Officer on his behalf. The resolutions and minutes of each meeting shall be circulated to all members of the Governing Board not later than 2 working days and 7 working days, respectively after the meeting.
- 3.12 Subject to any of the preceding by-laws, the Chairman of the Governing Board shall regulate its proceedings as he deems fit.
- 3.13 If the Chairman of the Governing Board does not attend a meeting of the Governing Board, the Deputy Chairman shall act as Chairman of that meeting. If neither the Chairman nor the Deputy Chairman attends a meeting of the Governing Board, the Chairman of the meeting shall be elected from the members present at the meeting.

- 3.14 The Chairman may permit a member to participate in any meeting of the Governing Board by the use of live video, television links or other appropriate communications or multimedia facilities from a satellite meeting place anywhere in the world. A member present in person at the satellite meeting place and permitted by the Chairman to participate in the meeting under this by-law shall qualify to constitute the quorum for the meeting, and shall be entitled to vote at the meeting.

Circular resolutions

- 3.15 Pursuant to Article 20.5 of the Agreement, whenever the Chief Executive Officer considers it advisable that a decision on a specific question, which is for the Governing Board to determine, should not be postponed until the next meeting of the Governing Board and does not warrant the calling of an extraordinary meeting of the Governing Board, the Chief Executive Officer shall, with the consent of the Chairman of the Board Executive Committee, promptly notify in writing to each member of the Governing Board, his proposals relating to that question accompanied by the proposed resolution in writing, with a request for the members to vote on such proposals.
- 3.16 The votes shall be sent to the Chief Executive Officer and should reach the Chief Executive Officer's office within 7 days of the notice issued under by-law 3.15. Upon the expiration of that period, the Chief Executive Officer or such person designated by the Chief Executive Officer on his behalf, shall record the results of the voting. A resolution receiving a unanimous vote supporting the resolution shall be deemed carried. If the resolution does not receive a unanimous vote supporting it then the resolution shall not be deemed carried. Any abstention from voting by any member shall result in such resolution being considered as having not received an unanimous vote supporting it. If the resolution receives any objections, comments or queries

from any of the members of the Governing Board during the initial 7 day period, then at the end of the initial 7 day period the Chief Executive Officer or such person designated by the Chief Executive Officer on his behalf, shall summarise and circulate in writing to all members of the Governing Board any objections, comments or queries received during the initial 7 day period from the members of the Governing Board. After the circulation of all such objections, comments or queries from the members of the Governing Board, the resolution (as originally submitted or as amended by the Chief Executive Officer or such person designated by the Chief Executive officer on his behalf), shall again be voted upon by the Governing Board. The votes shall be sent to the Chief Executive Officer and should reach the Chief Executive Officer's office within 7 days of the circulation of objections, comments or queries received during the initial 7 day period from the members of the Governing Board. Upon the expiration of this subsequent 7 day period, the Chief Executive Officer or such person designated by the Chief Executive Officer on his behalf, shall record the results of the voting. A resolution receiving at least a simple majority of the votes supporting the resolution shall be deemed carried. If the resolution does not receive at least a simple majority of votes supporting it or if responses to the notice issued under by-law 3.15 or the circulation of objections, comments or queries issued under this by-law, are not received from at least a simple majority of all members of the Governing Board upon the expiration of this subsequent 7 day period, the resolution shall be considered dropped. The Chief Executive Officer or such person designated by the Chief Executive Officer on his behalf shall communicate the results to all members of the Governing Board within 2 working days of the expiration of this subsequent 7 day period.

- 3.17 Any circular resolutions which have been passed under the by-law 3.16 since the last Governing Board meeting shall be circulated for the attention of the Governing Board at its next immediate meeting.

4. BOARD EXECUTIVE COMMITTEE

Appointment of Members and Chairman

- 4.1 The members of the Board Executive Committee shall be appointed amongst the members of the Governing Board or their representatives by the Governing Board.
- 4.2 Before any appointment of any person as a member of the Board Executive Committee, the Chairman of the Governing Board shall invite all the Governing Board members to submit nominations for membership in the Board Executive Committee.
- 4.3 Under Article 21.2 of the Agreement, any person to be nominated under by-law 4.2 shall, *inter alia*:-
- (a) have a university degree or professional qualification in economics, finance or other related fields;
 - (b) shall be at least a director's position and unless otherwise decided by the Governing Board in any particular case, have a minimum of 10 years working experience in financial institutions, central banks, regulatory authorities, international organizations or other comparable institutions which is relevant to the functions and operations of the IILM;
 - (c) demonstrate a good understanding of international financial markets and knowledge of the Islamic financial services industry;
 - (d) be a person of integrity, competence and sound judgment, whose appointment will not pose any conflict of interest with the operations of the IILM; and
 - (e) be fluent in English language.

- 4.4 The Governing Board shall assess and review all nominations and appoint the member or members of the Board Executive Committee in accordance with the criteria set out in by-law 4.3.
- 4.5 The number of members to be appointed as the Board Executive Committee, excluding the Chairman, shall be at least 4.
- 4.6 The Governing Board shall appoint a Chairman, who is of a governor position, from amongst members of the Governing Board.
- 4.7 Members of the Board Executive Committee shall be appointed for a period of 3 years and may be re-appointed. The members of the Board Executive Committee shall continue in office until their successors are appointed.
- 4.8 A member of the Board Executive Committee shall disclose to the Board Executive Committee any potential or actual conflict of interest or related party interest that may arise from a project, transaction or any other matter being considered by the Board Executive Committee. Such member shall excuse himself from any meetings of the Board Executive Committee whilst the matter is being considered and should not be entitled to vote on the matter.

Meetings of the Board Executive Committee

- 4.9 The Board Executive Committee shall meet regularly and shall hold at least 1 meeting before each ordinary Governing Board meeting in a financial year. A notice to convene a meeting shall be sent not less than 30 days prior to the date of the meeting.
- 4.10 The venue for any meeting of the Board Executive Committee shall be determined by the Chairman of the Board Executive Committee.

- 4.11 The Chairman of the Board Executive Committee may, at any time, call a meeting of the Board Executive Committee. Except when the meeting is to be convened as a matter of urgency, each member of the Board Executive Committee shall be given 14 days' notice.
- 4.12 A notice convening any meeting of the Board Executive Committee under by-law 4.11 shall be sent by the Chief Executive Officer or by such person designated by the Chief Executive Officer on his behalf.
- 4.13 The Chief Executive Officer shall ensure that members of the Board Executive Committee have received the notice of the meeting. The non-receipt of notice of a meeting of the Board Executive Committee by any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 4.14 The Chairman of the Board Executive Committee or a majority of members of the Board Executive Committee may, at any time between the service of notice of a meeting and the commencement of the meeting, by petition in writing to the Chief Executive Officer of the IILM, adjourn a meeting of the Board Executive Committee, but no business shall be transacted at the adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place except in the case specified under by-law 4.15.
- 4.15 A majority of members may, at any time between the service of notice of the meeting and the commencement of the meeting, by petition in writing to the Chief Executive Officer, propose any new business to be transacted at the meeting.

- 4.16 No business shall be transacted at any meeting of the Board Executive Committee unless a quorum is present. A simple majority of the members of the Board Executive Committee shall constitute a quorum for the transaction of business at any meeting of the Board Executive Committee.
- 4.17 In the event a member of the Board Executive Committee is unable to attend a meeting of the Committee such member may be represented by an official representative who meets the criteria in by-law 4.3. Prior to the meeting, the name and designation of the representative shall be notified in writing to the Chief Executive Officer.
- 4.18 The decisions of the Board Executive Committee at any meeting shall be adopted by a simple majority of the votes of the members of the Board Executive Committee present and voting.
- 4.19 If the Chairman of the Board Executive Committee does not attend a meeting of the Board Executive Committee, the most senior member of the Board Executive Committee shall be the chairman.
- 4.20 The Chairman may permit a member to participate in any meeting of the Board Executive Committee by the use of live video, television links or other appropriate communications or multimedia facilities from a satellite meeting place anywhere in the world. A member present in person at the satellite meeting place and permitted by the Chairman to participate in the meeting under this by-law shall qualify to constitute the quorum for the meeting, and shall be entitled to vote at the meeting.
- 4.21 The minutes of each meeting of the Board Executive Committee shall be taken by the Chief Executive Officer or by any other person designated by him, on his behalf. The resolutions and minutes of each meeting shall be

circulated to all members of the Board Executive Committee no later than 2 working days and 7 working days, respectively after the meeting.

- 4.22 The Governing Board may replace a member of the Board Executive Committee if such member:-
- (a) fails to attend 2 consecutive meetings without prior written permission of the Chairman of the Board Executive Committee; or
 - (b) does any act or omits from doing any act, which in the opinion of the Governing Board, may adversely affect the credibility or the objectives of the IILM.

5. SHARĪAH COMMITTEE

Appointment of Members and Chairman

- 5.1 The Governing Board shall appoint the *Sharīah* Committee as provided under Article 24.1 of the Agreement. The *Sharīah* Committee shall at all times consist of not less than 3 and not more than 6 members excluding the Chairman.
- 5.2 Before any appointment of any person as a member of the *Sharīah* Committee, the Chief Executive Officer shall invite all Governing Board members to submit nominations for membership in the *Sharīah* Committee. The Chief Executive Officer may submit nominations for membership in the *Sharīah* Committee. Nominees may be nationals from non-member countries.
- 5.3 The Governing Board shall assess and review all nominations and appoint the member or members of the *Sharīah* Committee taking into consideration the following criteria:

- (a) be an internationally recognized Islamic scholar well versed in Islamic financial transactions, banking, finance, law or such other related disciplines;
 - (b) demonstrate strong written and verbal proficiency and knowledge in the Arabic and English languages;
 - (c) persons who are qualified in *Sharī'ah* commercial jurisprudence or *fiqh-almuamalah* and who have knowledge or experience in the *Sharī'ah*;
 - (d) experts with a relevant background, such as finance and law, which could enhance the depth and breadth of the *Sharī'ah* deliberations; and
 - (e) individuals having diverse backgrounds in terms of qualifications, experience and knowledge.
- 5.4 Any person to whom an offer of appointment to the Shari'ah Committee is made shall not be regarded as a member of the Shari'ah Committee unless he has accepted the appointment in writing not later than 30 days from the date of the offer.
- 5.5 Each member shall be appointed for a minimum period of 3 years and may be re-appointed. A member of the *Sharī'ah* Committee shall continue in office until his successor is appointed by the Governing Board.
- 5.6 The Governing Board shall appoint a Chairman for the *Sharī'ah* Committee or may delegate such power to appoint the Chairman to the existing members of the *Sharī'ah* Committee.
- 5.7 Unless otherwise decided by the Governing Board, the IILM shall pay both the remuneration and allowances of the members of the *Sharī'ah* Committee as approved by the Governing Board.
- 5.8 The Chairman of the Shari'ah Committee shall submit to the Governing Board a report including but not limited to its activities and opinions on the Shari'ah

compliance for each financial year at the same time or not later than the submission of the annual financial statements.

Meetings of the *Sharī'ah* Committee

- 5.9 The *Sharī'ah* Committee shall as and when required hold meetings to decide on any *Sharī'ah* issues relating to business, operations or activities of the IILM or any of its subsidiaries, special purpose entities or trusts and shall consider any question referred to it by the Governing Board, Board Executive Committee, the Chief Executive Officer or the staff of the IILM.
- 5.10 The Chairman of the *Sharī'ah* Committee may, at any time, call a meeting of the *Sharī'ah* Committee. The Chairman shall ensure that:-
- (a) each member of the *Sharī'ah* Committee is given at least 14 days' notice of the meeting; or
 - (b) if the meeting is to be convened as a matter of urgency, the members of the *Sharī'ah* Committee shall agree by simple majority to waive the requirement under paragraph (a).
- 5.11 A notice convening any meeting of the *Sharī'ah* Committee under by-law 5.10 shall be sent by the Chief Executive Officer or on his behalf.
- 5.12 The Chief Executive Officer shall ensure that members of the *Sharī'ah* Committee have received the notice of the meeting. The non-receipt of notice of a meeting of the *Sharī'ah* Committee by any person entitled to receive notice shall not invalidate the proceedings at that meeting.
- 5.13 A majority of members of the *Sharī'ah* Committee may, at any time between the service of notice of a meeting and the commencement of the meeting, by petition in writing to the Chief Executive Officer, adjourn a meeting of the *Sharī'ah* Committee, but no business shall be transacted at the postponed

meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.

- 5.14 A majority of members may, at any time between the service of notice of the meeting and the commencement of the meeting, by petition in writing to the Chief Executive Officer, propose any new business to be transacted at the meeting.
- 5.15 The venue for any meeting of the *Sharī'ah* Committee shall be determined by the Chairman of the *Sharī'ah* Committee in consultation with the Chief Executive Officer.
- 5.16 The member of the Shari'ah Committee shall attend each Shari'ah Committee meeting in person and shall not designate or be represented by any other person at the meeting.
- 5.17 The Chairman may permit a member to participate in any meeting of the Sharī'ah Committee by the use of live video, television links or other appropriate communications or multimedia facilities from a satellite meeting place anywhere in the world. A member present in person at the satellite meeting place and permitted by the Chairman to participate in the meeting under this by-law shall qualify to constitute the quorum for the meeting, and shall be entitled to vote at the meeting.
- 5.18 No business shall be transacted at any meeting of the *Sharī'ah* Committee unless a quorum is present. A simple majority of the members of the *Sharī'ah* Committee shall constitute a quorum for the transaction of business at any meeting of the *Sharī'ah* Committee.

- 5.19 The decisions of the *Sharī'ah* Committee shall be made after considering the views of the IILM and if necessary any expert on the matter that it may wish to consult.
- 5.20 The decision of the *Sharī'ah* Committee shall be adopted by a simple majority of the votes of the members of the *Sharī'ah* Committee present and voting. The Chairman shall have the casting vote in case there is a tie. The minutes of the *Sharī'ah* Committee meeting shall reflect the basis for the decision.
- 5.21 The minutes of each meeting of the *Sharī'ah* Committee shall be taken by the Chief Executive Officer or on his behalf. The resolutions and the minutes of each meeting shall be circulated to all members of the *Sharī'ah* Committee no later than 7 working days and 14 working days after the meeting.
- 5.22 The Governing Board may replace a member of the *Sharī'ah* Committee if such member:-
- (a) fails to attend two consecutive meetings of the *Sharī'ah* Committee, without the prior written permission of the Chairman of the Governing Board; or
 - (b) does any act or omits from doing any act, which in the opinion of the Governing Board, may adversely affect the credibility or the objectives of the IILM.
- 5.23 A member of the *Sharī'ah* Committee shall not be replaced under by-law 5.22 unless the Governing Board is satisfied that, after giving such member an opportunity of making any representation, he should be replaced. Any representation by a member of the *Sharī'ah* Committee shall be made in writing by sending it to the Chief Executive Officer within 30 days of the notice issued by the Governing Board.

5.24 A member of the *Sharī'ah* Committee may at any time resign from his office by giving a written notice of at least 30 days to the Chairman of the Governing Board.

6. BOARD AUDIT COMMITTEE

Objectives

6.1 The Board Audit Committee shall be established by the Governing Board pursuant to Article 20.7 of the Agreement with its primary objective to assist the Governing Board in its oversight of the integrity of the accounts and financial statements of the IILM, the effectiveness of the internal control system of the IILM, the performance of the internal audit function of the IILM and the compliance by the IILM with legal and regulatory requirements, if any.

Appointment of members and meeting procedures

6.2 Unless the Governing Board determines otherwise, the appointment of the members of the Board Audit Committee and the procedures of the Board Audit Committee shall be as set out in the Schedule in respect of a Board Committee.

Duties and responsibilities

6.3 The Board Audit Committee, in fulfilling its responsibilities, shall:

(a) In respect of Financial Reporting:-

- (i) Review the integrity of the IILM's financial reporting processes, including disclosure and financial reporting standards.
- (ii) Review the implementation of key accounting policies that affect the IILM's Financial Statements.

- (iii) Review significant issues and areas of management judgments or estimates that could materially affect the IILM's Financial Statements of the IILM.
- (b) In respect of Internal Control System and Compliance:
 - (i) Review the adequacy and effectiveness of the IILM's risk management measures, controls and governance processes, including accounting controls and operating procedures, and assess the procedures for the monitoring of compliance with laws and regulations, if any.
 - (ii) Review the adequacy and effectiveness of the IILM's process for identifying, assessing and managing risks and evaluate the implementation of the IILM's risk management plan.
- (c) In respect of the Internal Audit function:
 - (i) Review and approve the Internal Audit Charter endorsed by the Governing Board and any proposal for amendments to the Charter.
 - (ii) Review the scope of work, audit focus and approve the annual audit plan.
 - (iii) Oversee any other audit assignment conducted by the Internal Audit Unit, as may be determined by the Board Audit Committee from time to time.
 - (iv) Review the significant findings, recommendations by the Internal Audit Unit and the Board Executive Committee's responses and ensure that such issues are appropriately acted upon in a timely manner.
 - (v) Review the independence and objectivity of the Internal Audit Unit.
 - (vi) Review the audit activities, resource requirements and organizational structure of the Internal Audit Unit.
 - (vii) Appraise the performance of the Internal Audit Unit, its Head of Unit and his/her senior staff.

- (viii) Approve the appointment, transfer and dismissal of the Head and other staff of the Internal Audit Unit.
- (d) Review of the external auditor's audit reports, including their findings and any remedial action to be taken.

7. BOARD RISK MANAGEMENT COMMITTEE

Objectives

7.1 The Board Risk Management Committee shall be established by the Governing Board pursuant to Article 20.7 of the Agreement with its primary objective to provide oversight on the management of risks faced by the IILM that could lead to financial loss, disruption to operations, failure to attain objectives or damage to the IILM's reputation. The Board Risk Committee would also oversee the IILM management's activities in managing credit, market, liquidity, operational, reputational and other risks while ensuring appropriate risk management processes are in place and functioning well.

Appointment of members and meeting procedures

7.2 Unless the Governing Board determines otherwise, the appointment of the members of the Board Risk Management Committee and the procedures of the Board Risk Management Committee shall be as set out in the Schedule in respect of a Board Committee.

Duties and responsibilities

7.3 The Board Risk Committee shall have the following duties and responsibilities:

- (a) Review and recommend the risk management framework for approval by the Governing Board:-
 - (i) Risk management policies including risk tolerance level and standards by which the IILM's risks are defined, controlled and measured and the indicators used;
 - (ii) Risk governance structure and accountabilities.
- (b) Ensure that the IILM identifies the key areas of risk and sound policies, procedures and practices are implemented to manage these risks.
- (c) Monitor and review the IILM's aggregate risk profile and exposures to understand the nature and magnitude of key risks to which the IILM is exposed.
- (d) Review periodic risk reports detailing risk exposure and risk management activities.
- (e) Review and recommend resource allocation for effective management of risks.
- (f) Highlight to the Governing Board the key risks and the manner in which they are being managed.
- (g) Collaborate with the Board Audit Committee through effective dialogues and flow of information to ensure successful implementation of risk management in the IILM.

8. OTHER BOARD COMMITTEES

Establishment

- 8.1 Pursuant to Article 20.7 of the Agreement, the Governing Board may, in addition to the Board Audit Committee and the Board Risk Management Committee, establish from time to time any other board committees as the Governing Board deems necessary (hereinafter referred to as Board Committee).

- 8.2 Unless the Governing Board determines otherwise, the appointment of the members of a Board Committee and the procedures of a Board Committee shall be as set out in the Schedule.
- 8.3 A Board Committee shall have such objectives, duties and responsibilities as may be determined by the Governing Board from time to time.

9. Chief Executive Officer

Appointment of the CEO

- 9.1 The Chairman of the Governing Board shall invite nominations of candidates from members or applications for the position of Chief Executive Officer either through advertisement in any media, headhunting services or any other means he deems appropriate.
- 9.2 Any nomination of a candidate or application for the position of the Chief Executive Officer shall be submitted to the Chairman of the Governing Board within such period of time as he determines.
- 9.3 The Chairman of the Governing Board shall appoint a Selection and Interview Committee to prepare a short list and will send all nominations or applications received to that committee. The Selection and Interview Committee shall consist of such representatives of members of the Governing Board as the Governing Board shall agree. The Selection and Interview Committee shall, in accordance with guidelines prescribed by the Governing Board (if any), review and assess all nominations or applications and prepare a short list of candidates who shall be invited for interview before the Committee.
- 9.4 The Selection and Interview Committee shall interview all candidates on the shortlist and notify each member of the Governing Board in writing of details

of the short-listed candidates together with the committee's ranking of the short-listed candidates in order of preference.

- 9.5 Subject to by-law 9.6, each member of the Governing Board shall provide its written approval or rejection (as the case may be) of the recommendation of the selection and interview committee within 21 days of notification under by-law 9.4.
- 9.6 Any member of the Governing Board may, by petition in writing to the Board Executive Committee within 14 days of notification under by-law 9.4, convene an extraordinary meeting of the Governing Board at which the members of the Governing Board shall discuss and approve or reject (as the case may be) the recommendation of the Selection and Interview Committee. The Chairman of the Governing Board shall give not less than 30 days' notice of such a meeting and shall invite all the members of the Governing Board to attend. Any such meeting shall be conducted in accordance with the by-laws and the procedural rules applied at the previous meeting of the Governing Board meeting.
- 9.7 Pursuant to Article 19(f) of the Agreement, the Chief Executive Officer shall be appointed by the Governing Board upon the approval of a majority of the members of the Governing Board, either in writing under by-law 9.5 or by a resolution passed at a meeting convened under by-law 9.6.
- 9.8 To be eligible to be nominated to the position of Chief Executive Officer, a person shall, *inter alia*:-
- (a) have a university degree or professional qualification in economics, finance or other related fields;
 - (b) be a dynamic professional who will bring an outstanding vision and operational expertise and experience in international banking industry, preferably in the area of bond/*Sukūk* structuring and distribution, with

- profound knowledge on the international Islamic financial services industry;
- (c) have a minimum of 10 years practical experience in financial markets, risk management, investment banking, investment management, asset and/or liability management;
 - (d) demonstrate good understanding of international financial markets and knowledge of the Islamic financial services industry;
 - (e) be a person of integrity, competence and sound judgment and that his appointment will not pose a conflict of interest with the operations of the IILM;
 - (f) be fluent in English language;
 - (g) be an inspiring leader capable of managing the strategic and financial operations of the IILM, advocating the IILM's mission and programmes, and increasing its global profile and visibility; and
 - (h) be a competent professional with strong track record in managing multiple complex projects, working effectively with internal and external professional investment banking teams, and engaging in an effective manner with different international stakeholders.

Terms and conditions of appointment of CEO

- 9.9 The terms and conditions of the appointment of the Chief Executive Officer shall be as set out by the Governing Board in the letter of appointment and/or employment agreement.
- 9.10 The age of retirement of the Chief Executive Officer shall be 60 years. However, the Governing Board may continue to employ a Chief Executive Officer beyond 60 on a case-by-case basis.

10. OFFICERS AND STAFF

Secondment of staff by members

- 10.1 Upon request by the Governing Board, each Member shall make reasonable endeavours to second personnel with suitable qualifications and experience for such period and on such terms as the Governing Board and the Member shall agree.
- 10.2 When making a request under by-law 10.1, the Governing Board shall consider the equitable apportionment of requests among Members having regard to the needs and the capacity of the IILM.
- 10.3 The salaries, expenses and disbursements of the seconded staff shall be paid by the Member whose staff is seconded. However, the IILM may pay such allowances in accordance with the staff rules, as it deems appropriate to the seconded staff.

Appointment of officers and staff

- 10.4 The Chief Executive Officer may appoint such officers and staff, including with the approval of the Board Audit Committee, the Head and staff of the Internal Audit and in consultation with the Board Risk Management Committee as it considers necessary for the efficient conduct of the business of the IILM.
- 10.5 The officers and staff of the IILM shall be subjected to such rules or by-laws on conduct and discipline and other terms and conditions of service as may be determined by the Governing Board.
- 10.6 Unless authorised by the Chief Executive Officer, or for the purposes of reporting to the Governing Board or any committee of the Governing Board as

required by their job functions or lawfully available to the public or required by law, all officers and staff of IILM shall be subject to a duty to keep confidential all matters they know or ought reasonably to know to be confidential relating to the affairs of the IILM or any member of the IILM during and after their involvement with the IILM.

- 10.7 The contract of employment of all officers and staff shall include an undertaking by the employee to comply with the obligations imposed by this by-law.
- 10.8 Employment at the IILM shall be governed by the principles of non-discrimination, equality and respect for the dignity of the individual.

11. MISCELLANEOUS

Annual Financial Accounts

- 11.1 The accounts of the IILM shall be audited at least once a year by an external auditor appointed by the General Assembly pursuant to Article 17.2 of the Agreement. On the basis of the audit, the Chief Executive Officer shall table the accounts before the Governing Board for its views and comments. Thereafter the Chief Executive Officer shall submit the final audited accounts to the General Assembly for approval at its annual meeting.

Power to amend

- 11.2 The Governing Board shall on the proposal of any Board Committee or Chief Executive Officer make, alter, amend or repeal the by-laws of the IILM.

Books and records

- 11.3 The IILM shall keep correct and complete books of records of accounts and shall keep minutes of the proceedings of its General Assembly, Governing Board, any Board Committee and Management Committee or Executive Committee of the Management at least for a period of 10 years.
- 11.4 The IILM shall comply with an archival policy approved by the Governing Board from time to time upon the recommendation of the Board Executive Committee.

Designated spokesperson

- 11.5 The Chairperson of the Governing Board and the Chief Executive Officer shall be the designated spokespersons of the IILM.
- 11.6 The Chairperson of the Governing Board or the Chief Executive Officer may designate the staff of the IILM or any other person as the spokesperson for the purpose of marketing, roadshow, conference, meetings or such other events as may be approved by the chairperson of the Governing Board or the Chief Executive Officer from time to time.

12. INTERPRETATION

- 12.1 The words and expressions defined in the Agreement shall have the same meaning in these by-laws.
- 12.2 Words denoting the:-
- (a) singular number shall include the plural number and *vice versa*; and
 - (b) masculine gender shall include the feminine gender and *vice versa*.
- 12.3 “**Agreement**” means the Agreement establishing the International Islamic Liquidity Management Corporation dated 25 October 2010;

- 12.4 “**Legal Confirmation**” means a confirmation provided by an appropriately qualified internal or external legal adviser to the applicant substantially in the form set out in Appendix II or in such other form as the Governing Board may approve from time to time, that the applicant has the power and authority to enter into the Membership Agreement and to perform its obligations under the Agreement;
- 12.5 “**Membership Agreement**” means an agreement substantially in the form set out in the Appendix III or in such other form as the Governing Board may approve from time to time.
- 12.6 “**Sanctions Policy**” means the prevailing policy of the IILM approved by the Governing Board relating to members who are subject to international or other sanctions;
- 12.7 “**Working day**” means any day other than a Saturday, a Sunday or a federal public holiday in Malaysia.

Appendix I

**INTERNATIONAL ISLAMIC LIQUIDITY MANAGEMENT CORPORATION
Application for Membership**

Information must be typewritten

1.

Full name of Applicant:		
Address		
Street:		
City:	Postal code:	Country:
Telephone(s)		
Country Code:	Area Code:	Numbers:
Telex:	Fax:	

applies for membership of the International Islamic Liquidity Management Corporation (the **IILM**) pursuant to by-law 1.1 of the by-laws for the Governance of the IILM.

2. Please state whether the applicant is:

Central Bank

Monetary Authority/Agency

Financial Regulatory Authority

Government Ministries/Agencies

Multilateral Organisation

Other (please describe)

*: _____

3. The following are principal contact persons for the Applicant:

Name: Designation: Office/Department:	Telephone: Fax: e-mail:
Name: Designation: Office/Department:	Telephone: Fax: e-mail:
Name: Designation: Office/Department:	Telephone: Fax: e-mail:

4. This application is accompanied by a draft confirmation in the form specified by the IILM that the applicant has the capacity to enter into the Membership Agreement.
5. The applicant confirms that the information given in this application including all documents attached hereto are accurate and complete in every respect.

Date of signing:	Authorised signatory(ies) for and on behalf of Applicant:
Place of signing:	Full name(s) and title(s) of signatory(ies):

6. The completed application form must be sent by registered mail to:

International Islamic Liquidity Management Corporation
 Level 43, The Intermark,
 348 Jalan Tun Razak,
 50400 Kuala Lumpur,
 Malaysia.

7. Indicate the contact person regarding this application:

Name and title:		
Address (if different from that in 1.):		
Telephone:	Telex:	Telefax:

Appendix II

Form of Legal Confirmation

To: International Islamic Liquidity Management Corporation
Level 40, Tower 2
Petronas Twin Towers
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia

[Date]

Dear Sirs

Application for subscription of shares of the International Islamic Liquidity Management Corporation

We are acting as legal adviser on behalf of [name of the Applicant] (the **Applicant**) for the purpose of this legal confirmation.

We refer to:

- (a) an agreement dated 25 October 2010 establishing the International Islamic Liquidity Management Corporation (the **Agreement**);
- (b) a membership agreement (the **Membership Agreement**) to be entered into between the International Islamic Liquidity Management Corporation and [name of institution] (the **Applicant**) in connection with the application for membership of the International Islamic Liquidity Management Corporation; and
- (c) the by-laws of the International Islamic Liquidity Management Corporation (the **By-laws**).

In this letter the Agreement, the Membership Agreement and the By-laws are referred to as the **Constituent Documents**.

1. We have examined:-
 - (a) the Constituent Documents; and
 - (b) the constitutional documents of the Applicant.
2. Having considered the documents listed in paragraph 1 above and having regard to all applicable laws of [jurisdiction of Applicant] we are pleased to confirm that in our opinion:

- (a) the Applicant was established in [country] on [date] and is a separate legal entity, and can sue and be sued in its own name;
- (b) the Applicant has the necessary power and authority, and all necessary legislative, corporate and other action has been taken, to enable the Applicant to sign and deliver the Membership Agreement and to perform the obligations undertaken by it under the Constituent Documents;
- (c) the execution by the Applicant of the Membership Agreement and the performance by the Applicant of its obligations under the Constituent Documents will not cause:
 - (i) any limit or conditions imposed on the Applicant or its directors (whether imposed by the documents constituting the Applicant, statute or regulation, or, to the best of our knowledge, agreement or otherwise) to be exceeded or breached;
 - (ii) any applicable law, rule, regulation or order to which the Applicant is subject to be contravened;
 - (iii) any default under any agreement or other instrument or any judgment or other requirement known to us to which the Applicant is a party or by which it or any of its assets is bound;
- (d) the Membership Agreement has been properly signed and delivered on behalf of the Applicant and the obligations on the part of the Applicant contained in the Constituent Documents, assuming them to be valid and binding according to Malaysian law by which they are expressed to be governed, are valid and legally binding on and enforceable against the Applicant under the laws of [jurisdiction of Applicant] and the courts of jurisdiction of Applicant.

Yours faithfully

Appendix III

Form of Membership Agreement

This **MEMBERSHIP AGREEMENT** is made on []

BETWEEN

THE INTERNATIONAL ISLAMIC LIQUIDITY MANAGEMENT CORPORATION (the **IILM**), an international organization whose headquarters are at Level 43, Intermark, 348 Jalan Tun Razak, 50480 Kuala Lumpur; and

[] whose [principal place of business] is at _____ (the **Member**) (collectively “the **Parties**”)

IT IS AGREED AS FOLLOWS:

INTERPRETATION

1. In this Membership Agreement:-
 - (a) “**Constituent Documents**” refers collectively to the Malaysian International Islamic Liquidity Management Corporation Act 2011, the Articles of Agreement among the founding members of the IILM establishing the IILM and the by-laws made under the said Articles of Agreement; and
 - (b) words and expressions defined in the Constituent Documents shall have the same meanings in this Membership Agreement.

ADMISSION TO MEMBERSHIP

2. The IILM hereby admits the Member to membership of the IILM as a Member in accordance with and subject to the Constituent Documents and the By-laws with effect from [date]

MEMBER’S UNDERTAKING, ACKNOWLEDGEMENT, REPRESENTATION AND WARRANTY

- 3.1 The Member undertakes to the IILM to comply in all respects and at all times with and to be bound by the Constituent Documents in force as at the date hereof and as amended from time to time.
- 3.2 The Member represents and warrants that the information provided by it in connection with its application for membership of the IILM is accurate and complete in every respect.

GOVERNING LAW

4. This Agreement shall be governed in accordance with the laws of Malaysia.

This Membership Agreement has been executed by the parties on the dates set out below.

SIGNED for and on behalf of the Member)

By:)

Designation:)

Date:)

(Signature of Member's Representative)

In the presence of:

(Signature of Witness)

Name of Witness:

Designation of Witness:

SIGNED for and on behalf of the IILM)

By:)

Designation: Chief Executive Officer)

Date:)

(Signature of IILM's Representative)

In the presence of:

(Signature of Witness)

Name of Witness:

Designation of Witness:

SCHEDULE
[By-laws 6, 7 and 8]

Appointment of Members and Chairman of Board Committee

1. The Governing Board shall appoint members of a Board Committee from amongst members of the Governing Board or their representative.
2. Before any appointment of any person as a member of a Board Committee, the Chairman of the Governing Board shall invite all Governing Board members to submit nominations for the members of a Board Committee.
3. Any person to be nominated under paragraph 2 shall, inter alia:-
 - (a) have a university degree or professional qualification in economics, finance or other related fields;
 - (b) have a minimum of 10 years practical experience in financial markets, risk management, investment banking, investment management, asset and/or liability management, which are relevant to the objective of the Board Committee which he is being nominated to;
 - (c) demonstrate good understanding of international financial markets and knowledge of the Islamic financial services industry;
 - (d) be a person of integrity, competence and sound judgment, whose appointment will not pose a conflict of interest with the operations of the IILM; and
 - (e) be fluent in English language;
4. The Governing Board shall assess and review all nominations and appoint the member of a Board Committee in accordance with the criteria set out in paragraph 3.

5. The number of members to be appointed to a Board Committee at all times inclusive of a Chairman shall be no less than 5 and no more than 7.
6. The Governing Board shall appoint a Chairman of the Board Committee, a member of a governor position from amongst members of the Governing Board. A deputy governor or a person of a similar function may however be designated as the Chairman if no governor is appointed as a member of the Board Committee.
7. The members of a Board Committee shall be appointed for a term of 3 years, subject to the Governing Board's actual term of appointment of a Board Committee, and shall be eligible for a reappointment.
8. A member of a Board Committee may at any time resign his office by giving a written notice of at least 30 days to the Chairman of the Governing Board.
9. A member of a Board Committee shall disclose to a Board Committee any potential or actual conflict of interest or related party interest that may arise from a project, transaction or any other matter being considered by a Board Committee. Such member shall excuse himself or herself from any meetings of a Board Committee whilst the matter is being considered and should not be entitled to vote on the matter.

Reporting

10. The Chairman of a Board Committee shall report to the Governing Board any significant finding and decision of a Board Committee at a Governing Board's next meeting.

Meetings of a Board Committee

11. A Board Committee shall hold regular meetings, which shall be a minimum of 2 meetings in a financial year or as and when required by the Chairman.
12. In calling a meeting, the Chairman of a Board Committee, shall ensure that:-
 - (a) each member of the Board Committee is given at least 30 days' notice of the meeting; or
 - (b) if the meeting is to be convened as a matter of urgency, the majority of the members of a Board Committee agree to waive the requirement under paragraph (a).
13. A notice convening any meeting of a Board Committee under paragraph 12 shall be sent by the Chief Executive Officer or any officer of the IILM appointed by the Chief Executive Officer.
14. The Chief Executive Officer or by such person designated by the Chief Executive Officer on his behalf shall ensure that all members of a Board Committee received the notice of the meeting. The non-receipt of notice of a meeting of the Board Executive Committee by any person entitled to receive notice shall not invalidate the proceedings at that meeting.
15. A majority of members of a Board Committee may, at any time between the service of notice of a meeting and the commencement of the meeting, by petition in writing to the Chief Executive Officer of the IILM, adjourn a meeting of a Board Committee, but no business shall be transacted at the adjourned meeting other than business which might properly have been

- transacted at the meeting had the adjournment not taken place except as specified under the by-laws.
16. A majority of members of a Board Committee may, at any time between the service of notice of the meeting and the commencement of the meeting, by petition in writing to the Chief Executive Officer, propose any new business to be transacted at the meeting.
 17. The Governing Board may replace a Member of a Board Committee if such Member:-
 - (a) fails to attend 2 consecutive meetings without prior written permission of the Chairman of the Governing Board; or
 - (b) does any act or omits from doing any act, which in the opinion of the Governing Board, may adversely affect the credibility or the objectives of the IILM.
 18. The IILM staff attending Board Committee meetings:-
 - (a) Unless decided otherwise by the Chairman of a Board Committee, the Head of Internal Audit unit and Head of Risk Management unit shall attend the meetings of the Board Audit Committee and Board Risk Management Committee respectively.
 - (b) The Chairman of the Board Committee may request the Chief Executive Officer for any staff of the IILM to attend the meetings of such Board Committee, and respond to any questions put forward by the Board Committee.
 19. A Board Committee may, if necessary for the performance of its duties, call upon any officer or person to provide any information or document which is relevant to its functions.

20. The venue for any meeting of a Board Committee shall be determined by the Chairman of a Board Committee in consultation with the Chief Executive Officer.
21. The Chairman may permit a member to participate in any meeting of the Board Committee by the use of live video, television links or other appropriate communications or multimedia facilities from a satellite meeting place anywhere in the world. A member present in person at the satellite meeting place and permitted by the Chairman to participate in the meeting under this by-law shall qualify to constitute the quorum for the meeting, and shall be entitled to vote at the meeting.
22. No business shall be transacted at any meeting of a Board Committee unless a quorum is present. A simple majority of the members of a Board Committee shall constitute a quorum for the transaction of business at any meeting of a Board Committee.
23. The decisions of a Board Committee at any meeting shall be adopted by a simple majority of the votes of the members of a Board Committee present and voting. In the case of tie, the Chairman shall have a casting vote.
24. A resolution in writing, signed by all of the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of any of the Committee duly convened and held and any such resolution may consist of several documents in like form, each signed by one or more members.
25. The Governing Board shall appoint an officer of the IILM to act as Secretary to a Board Committee (hereinafter refer to as the "Secretary").

26. The Secretary shall, upon receiving directions from the Chairman of a Board Committee, organise the meetings and prepare the agenda for the meeting.
27. The minutes of each meeting of a Board Committee shall be recorded by and remain in the custody of the Secretary.
28. The minutes shall contain the decisions made and key deliberations, including justification of the decisions.
29. The resolutions and minutes shall be circulated to all members of a Board Committee no later than 7 working days and 14 working days after the meeting.
30. The minutes of proceedings of a Board Committee meeting shall be confirmed by the Board Committee at its next meeting.
31. A Board Committee may act, notwithstanding any vacancy in its membership, and its proceedings shall not be invalidated by:-
 - (a) the absence of any member;
 - (b) any defect afterwards discovered in the appointment or qualification of any member or the constitution of a Board Committee;
 - (c) any omission, defect or irregularity in the convening or conduct of a meeting; or
 - (d) the presence or participation of a person who is not a member of a Board Committee.
32. A Board Committee may determine for any particular reason or on a particular occasion that the decisions of a Board Committee would be put to a vote.

33. The deliberations and decisions of the meetings of a Board Committee including any advice given by any member, any dissenting views of members or any result of any vote under paragraph 31 shall be recorded in the minutes of the meetings. The deliberations, proceedings and the decisions of a Board Committee shall be confidential and shall not be disclosed to any person outside a Board Committee, except for the purpose of the performance of duties or the carrying out of functions under the Agreement or any other rules or by-laws.

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