

MTCS GD 3003:2026

Guidance Document



Complaints Handling and Dispute Resolution Mechanism

Guide for Stakeholders



Malaysian Timber Certification Council

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The official version of this document is in English. While translations may be provided to ensure inclusivity within the Malaysian context, the English version shall remain the sole authoritative reference in the event of any inconsistency or doubt over language interpretation.

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Foreword

The Malaysian Timber Certification Scheme (MTCS) is developed and maintained by the Malaysian Timber Certification Council (MTCC). The MTCS is endorsed by the Programme for the Endorsement of Forest Certification (PEFC), and MTCC serves as Malaysia's PEFC-endorsed National Governing Body (NGB).

The forest is of public and national importance and concern, and is therefore subject to Malaysia's laws, regulations, policies, national standards, and forest management plans. It is expected that stakeholders may have differences about how it is managed, which may lead to complaints and disputes and which, in turn, are opportunities to improve the management of Malaysia's forests, its services, and produce. As an NGB, MTCC is required under *PEFC GD 1004:2009 – Administration of PEFC Scheme* to establish written procedures for handling complaints and disputes.

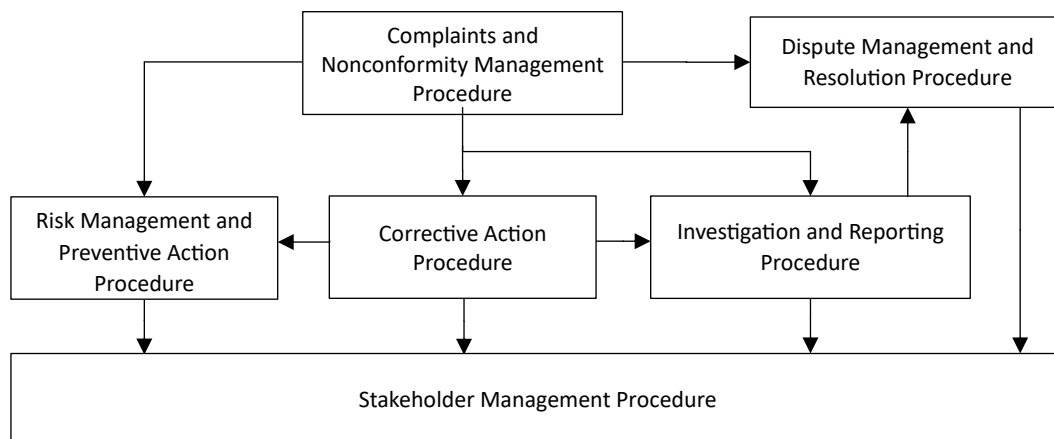
MTCC appreciates that complaints and disputes provide opportunities for improving its services and invites stakeholders to raise issues of suspect activities, nonconformities and noncompliances. Just as MTCC facilitates its stakeholders to develop the MTCS, it shall also facilitate the resolution of complaints and disputes with and among them. Stakeholders who wish to raise a complaint may do so by emailing complaints@mtcc.com.my or by visiting the Complaints Page on the MTCC website at www.mtcc.com.my/complaints/.

This document supersedes *MTCS GD 3003:2023 – Complaint Handling and Dispute Resolution Procedure* in its entirety. It takes effect on 1 May 2026.

1. Introduction

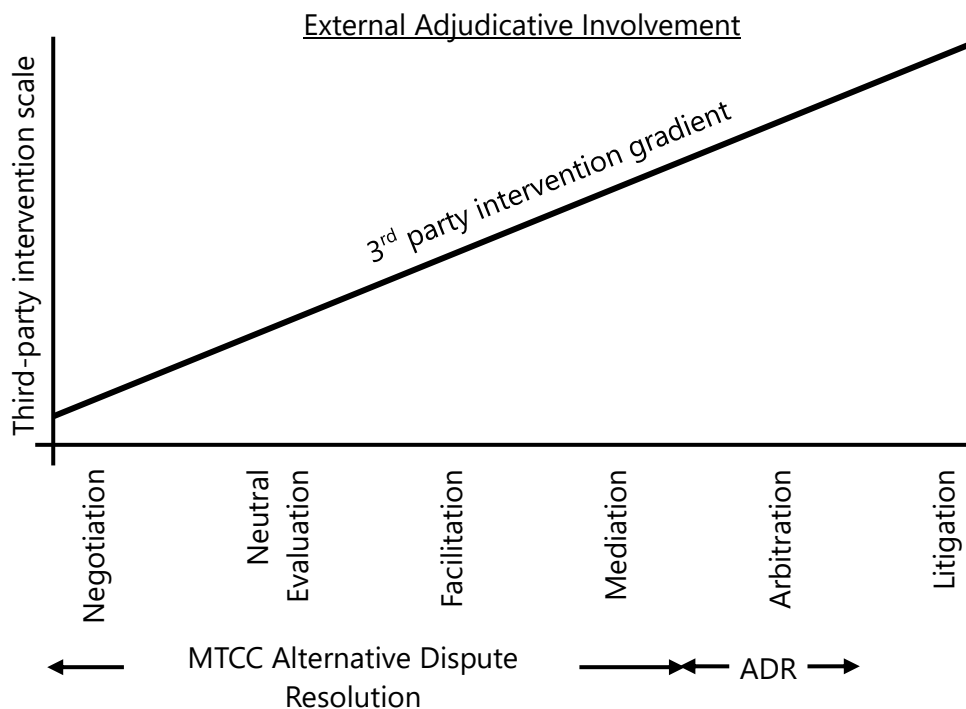
- 1.1. The objective of this document is to guide stakeholders through MTCC's Complaints Handling and Dispute Resolution Mechanism, informing them of how complaints and disputes are received, managed, escalated, and resolved, and assuring them of its impartiality, thoroughness, and fairness in the pursuit of sustainable forest management.
- 1.2. The Mechanism comprises six interrelated procedures:
 - 1.2.1. Stakeholder Management Procedure.
 - 1.2.2. Complaints and Nonconformity Management Procedure.
 - 1.2.3. Corrective Action Procedure.
 - 1.2.4. Risk Management and Preventive Action Procedure.
 - 1.2.5. Investigation and Reporting Procedure.
 - 1.2.6. Dispute Management and Resolution Procedure.
- 1.3. Diagram 1 illustrates the six procedures of the Mechanism and how they are interconnected.

Diagram 1: Complaints Handling and Dispute Resolution Mechanism Schematic



- 1.4. Collectively, these procedures form a structured Mechanism with increasing levels of MTCC involvement, comprising three functional stages: prevention, resolution, and escalation. While presented as distinct procedures for operational clarity, these processes are interrelated and applied across different stages of the Mechanism.
- 1.4.1. Prevention: The Mechanism begins with preventive measures through the Stakeholder Management Procedure and Risk Management and Preventive Action Procedure, which aim to identify and address concerns early before they develop into formal complaints.
- 1.4.2. Resolution: Where complaints arise, the Complaints and Nonconformity Management Procedure, together with the Corrective Action Procedure and Investigation and Reporting Procedure, govern how issues are received, assessed, and resolved.
- 1.4.3. Escalation: Where resolution at the complaint stage is not possible, the Dispute Management and Resolution Procedure provides a tiered pathway for escalation, offering Alternative Dispute Resolution (ADR) options from negotiation and neutral evaluation to facilitation and mediation.
- 1.5. Diagram 2 illustrates the Dispute Management and Resolution Procedure has an increasing involvement of MTCC, from organising negotiations to mediation, giving disputants opportunities to resolve issues with minimal 3rd party intervention.

Diagram 2: Dispute Resolution Model



2. Scope

- 2.1. This mechanism explains how MTCC
 - 2.1.1. Identifies, assesses, and manages stakeholders and their interests, expectations, and impact on MTCC.
 - 2.1.2. Receives, classifies, and processes complaints and nonconformity reports, and provides feedback to complainants and relevant parties on the outcome.
 - 2.1.3. Conducts corrective actions for issues over which it has control and authority.
 - 2.1.4. Identifies, assesses, and manages risks relevant to MTCC's operations and objectives.
 - 2.1.5. Investigates and reports on complaints and issues brought to its attention by internal and external stakeholders.
 - 2.1.6. Investigates and reports on complaints and issues brought to its attention by internal and external stakeholders.

3. Normative References

- 3.1. The following referenced document is indispensable for the application of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

PEFC GD 1004:2009 – Administration of PEFC Scheme

4. Terms and Definitions

Alternative Dispute Resolution (ADR)	Methods or processes used to resolve disputes outside of traditional courtroom litigation.
Arbitration	An independent arbitrator makes a binding decision on how to resolve the dispute, conducted according to the Malaysian Arbitration Act (2005).
Board of Trustees (BOT)	<p>The MTCC Board of Trustees is appointed by the Malaysian Ministry of Plantations and Commodities and acts as the guardian of MTCC, ensuring MTCC remains true to its mission and operates sustainably and ethically, contributing with:</p> <ol style="list-style-type: none">1. Governance and Oversight: Ensuring MTCC adheres to its mission, values, and legal obligations.2. Strategic Planning: Setting the long-term goals and strategic direction of MTCC.3. Financial Stewardship: Overseeing the financial health of MTCC, including budgeting, fundraising, and investment management.4. Policy Development: Establishing policies and procedures to guide MTCC's operations.5. Executive Management: Hiring, supporting, and evaluating the performance of MTCC's chief executive officer.6. Resource Mobilisation: Helping to secure resources, including cultivating relationships with stakeholders.7. Risk Management: Identifying and mitigating potential risks to MTCC.8. Accountability: Ensuring transparency and accountability to stakeholders.
Claimant	The claimant (or plaintiff) is the party that initiates the claim and disputation against the respondent (or defendant), seeking a remedy to alleged harm, loss or wrong.
Complainant	The person, entity or organisation making a complaint.

Complaint	A statement of dissatisfaction made to MTCC, related, directly or indirectly, to the services that MTCC provides, where a response is expected.
Complaints and Nonconformity Secretariat (CNS)	An MTCC function, designated as CNS, of one or more persons responsible for the management and resolution of complaints and nonconformities.
Complaints via Instant Messaging App	These are complaints or issues brought to the attention of MTCC via instant messaging applications, usually by non-institutional persons, such as lay persons; often such messages do not have sufficient details for MTCC to act upon.
Contend (Contention)	Contention refers to a point or an argument that someone makes in a dispute. It's more about the subject of the disagreement. For example, in a debate about climate change, one person's contention might be that human activities are the primary cause. Contention is the "what" is being disputed about.
Corroborator	A corroborator is someone who provides additional evidence or testimony to support a claim or statement made by one of the disputants, helping to verify and strengthen the credibility of the information presented.
Disputant	Disputant is the common term used to refer to the claimant or respondent.
Dispute (Disputation)	Disputation refers to the act of arguing or debating itself; it is the process of discussing and contesting different views. So, in the dispute about climate change, the disputation would be the back-and-forth arguments and discussions between the parties involved. Disputation is the "how" of the disputation process.

Dispute Resolution
Committee (DRC)

The BOT establishes the DRC and appoints its members based on their:

1. Competency: Their knowledge and experience in sustainable forest management, ecology, forestry, sociology and the industries related to the forest and forest products.
2. Impartiality: The ability to remain neutral and unbiased.
3. Strong Communication Skills: The ability to articulate, write, record and communicate effectively with all parties in a dispute.
4. Empathy: The ability to understand and relate to the emotions and needs of the disputing parties involved and foster trust and cooperation.
5. Problem-Solving Skills: The ability to find mutually acceptable solutions.
6. Patience and Composure: The ability to stay calm and composed, especially in heated situations, to guide the process smoothly.
7. Attention to Detail: The ability to carefully consider all facts and evidence before deciding.
8. Negotiation Skills: The ability to negotiate and facilitate discussions to reach a resolution.
9. Ethical Integrity: The ability to adhere to ethical principles and maintain confidentiality.

The DRC is mandated to consider and resolve disputes referred to it by CNS via the BOT. The current members of the DRC listed on the [MTCC website](#).

Dispute Resolution
Secretariat (DRS)

An internal administrative function within MTCC Management responsible for facilitating liaison between MTCC operations and the independent Dispute Resolution Committee (DRC). The DRS performs administrative functions including documentation management, logistics, and the transfer of dispute information to the DRC, and acts strictly in an administrative capacity to ensure institutional continuity and efficiency. The DRS is not involved in dispute resolution decision-making.

Facilitation	Facilitated dispute resolution is a process where an impartial third party, the facilitator, helps the disputing parties communicate more effectively and work towards a mutually acceptable resolution, by guiding the discussion, keeping it constructive, and ensuring that all parties have an opportunity to express their views and concerns, without proposing solutions.
Litigation	Litigation is the process of resolving disputes through the court system, where the disputants present their case to a judge who then makes a binding decision based on the evidence and arguments presented.
Malaysian Timber Certification Scheme (MTCS)	The Malaysian Timber Certification Scheme (MTCS) is a voluntary national certification program of Malaysia, operated by the Malaysian Timber Certification Council (MTCC), as its National Governing Body, and designed to ensure that timber products from Malaysia are sourced from sustainably managed forests.
Mediation	Mediation is where a neutral third party, called a mediator, helps disputing parties communicate and negotiate to reach a voluntary, mutually acceptable resolution, proposing solutions when appropriate, facilitating and helping the disputants identify and explore potential solutions.
Negotiation	Negotiation in dispute resolution is a process in which the involved parties communicate directly with each other to reach a mutually acceptable agreement without the need for a third party or formal legal proceedings.
Neutral Evaluation	Neutral evaluation is where an impartial third party, known as the evaluator, typically knowledgeable in the related field, assesses the strengths and weaknesses of each party's case, helping both parties gain a realistic understanding of the merits of their positions, which can facilitate dispute resolution.

Noise	Noise are factors, distractions, or disturbances that interfere with clear communication and effective resolution of the dispute and can significantly impact the dispute resolution process and can come from various sources.
Nonconformity	Non-fulfilment of an established requirement of MTCC including procedures, processes and instructions. Established will mean defining clearly without ambiguity.
Procedural Issues	Procedural issues refer to the rules, methods and processes used to manage and resolve the dispute while ensuring a fair, efficient and orderly resolution, protecting the rights of all parties involved and upholding the integrity of the methods used.
Reporter of Nonconformity	The person, entity or organisation that reports on the part of MTCC Management System that has been breached.
Respondent	The respondent (or defendant) is the party against whom a claim or complaint is made and is required to respond to the allegations or demands set forth by the claimant.
Risk and Opportunity Groups	These are the different types of risks and opportunities, such as politics, economic, social, operational, resources and reputation.
Risk Appetite	The amount and type of risk that MTCC is wanting to take on or accept, if conditions permit, in pursuit of its goals and objectives – a strategic decision made by MTCC's leadership and reflects how far they are willing to go in risk-taking based on MTCC's capacity to manage and mitigate those risks.
Risk Context	The circumstances that form the setting for a risk event, and in terms of which the risk can be fully understood.

Risk Criteria	The standards or benchmarks used to evaluate and prioritise risks, determine which risks are acceptable and which need to be managed or mitigated.
Risk Likelihood	The probability or chance of a particular risk event occurring.
Risk Register	A record of information about identified risks.
Risk Score	This is the product of risk severity and risk likelihood (Risk Severity x Risk Likelihood).
Risk Severity	The potential impact or seriousness of a risk if it were to occur; assesses the extent of the consequences and the damage that the risk could cause to MTCC's operations, assets, reputation, or overall objectives.
Risk Tolerance	The amount and type of risk that MTCC is willing to accept in pursuit of its goals and objectives for the time being. It is a strategic decision made by MTCC's leadership to tolerate a certain level of risk that is higher than the risk criteria.
Risk Treatment	The process of selecting and implementing measures to manage and mitigate risks. Risk treatment is to prevent the risk event from happening or reducing its impact if it should happen. Whereas corrective action is done after the damage from the event has occurred.
Social Media	These are online platforms and tools, such as Facebook, Twitter, Instagram, LinkedIn, TikTok, that enable users to create, share, and interact with content and connect with MTCC. These platforms facilitate communication, collaboration, and content sharing through various formats, such as text, images, videos, and audio.

Stakeholder Expectations Refers to the beliefs, needs, and desires that stakeholders have regarding MTCC, that can vary widely depending on the stakeholder's role, interests, and level of involvement. Key components of stakeholder expectations are:

1. Requirements: Specific needs or conditions that stakeholders expect to be fulfilled.
2. Performance: Standards or benchmarks that stakeholders expect the organisation to fulfil.
3. Communication: The frequency, transparency, and quality of information that stakeholders expect to receive.
4. Engagement: The degree of involvement and participation stakeholders expect in decision-making processes.
5. Outcomes: The results or benefits that stakeholders anticipate from engaging with MTCC.

Stakeholder Impact The degree of effect that stakeholders can have on MTCC, or its decision-making process, and helps to determine which stakeholders should be prioritised and how they should be engaged, that can be influenced by:

1. Power: The ability of stakeholders to affect the outcome of MTCC operations or decision that can be through financial resources, political influence, or control over critical information.
2. Interest: The extent to which stakeholders are affected by MTCCs performance or have a vested interest in MTCCs success.
3. Control: How much control or decision-making authority the stakeholders have over MTCC resources.
4. Support: Stakeholders who are supportive or opposed to MTCCs objectives can impact its progress and success.
5. Communication Channels: Stakeholders with access to broad communication networks can influence public opinion and perceptions about MTCC.

Stakeholder Interest Refers to the concerns, priorities, and motivations that stakeholders have regarding MTCC that can influence their level of support, engagement, and expectations, which could involve understanding the stakeholder. Key components of stakeholder interest are:

1. Objectives: What stakeholders hope to achieve or gain from their involvement.
2. Concerns: Specific issues or areas of importance that stakeholders want to see addressed.
3. Motivations: The underlying reasons driving stakeholders' involvement, such as financial gain, social impact, or personal satisfaction.
4. Influence: The degree of power or influence stakeholders have over decisions and outcomes.
5. Commitment: The level of commitment stakeholders are willing to invest in terms of time, resources, and effort.

Substantive Issues Substantive issues refer to the core matters or essential points of a dispute that need to be resolved – that are concerned with the actual rights, obligations, and interests of the parties involved.

5. Abbreviations

ADR	Alternative Dispute Resolution
BOT	Board of Trustees of the MTCC
CAR	Corrective Action Report
CEO	Chief Executive Officer
CNIDR	Complaint, Nonconformity, Investigation and Dispute Register
CNR	Complaint and Nonconformity Report
CNS	Complaints and Nonconformity Secretariat
COC	A function in MTCC primarily responsible for the Chain of Custody
COMM	A function in MTCC primarily responsible for Communication
COMREP	Complaints and Nonconformity Reports
DCR	Disputant Consent and Responsibilities Form
DMR	Dispute Management and Resolution Form
DRC	Dispute Resolution Committee
DRS	Dispute Resolution Secretariat
IEI	Stakeholder Interest, Expectations and Impact

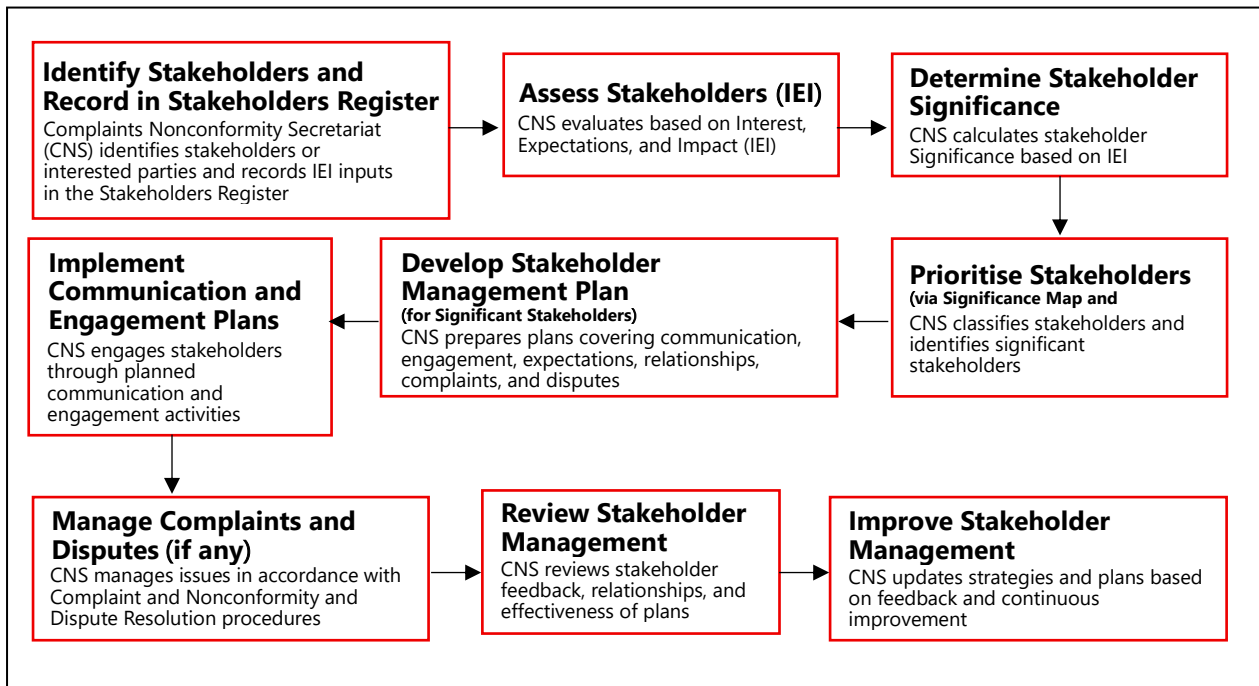
L	Likelihood of a risk event occurring
MTCC	Malaysian Timber Certification Council
MTCS	Malaysian Timber Certification Scheme
NGB	National Governing Body
PEFC	Programme for the Endorsement of Forest Certification
RCA	The person or function responsible for the resolution of a specific nonconformity
RIN	Request for Investigation form
RL	Risk level – grouping of a range of Risk Scores into a single group
ROG	A class or group of risks and opportunities, like economical risks and opportunities, technological risks and opportunities
RS	Risk score – product of S and L (SxL) to reflect the risk involved
S	Severity – seriousness, impact, damage resulting from a risk happening
TAR	Treatment Action Report
TCMR	Treatment and Controls Monitoring Record
TP	Treatment Priority – which risks are to be treated before other risks

6. Procedure 1: Stakeholder Management

- 6.1. MTCC maintains the MTCC Stakeholders Register with details of the stakeholders and ratings of their interest in, expectations from and impact on MTCC.
 - 6.1.1. Interests are classified and rated as (1) Unaware, (2) Passive, (3) Concerned, (4) Supportive, and (5) Actively engaged.
 - 6.1.2. Expectations are classified and rated as (1) Easy to fulfil, (2) Slightly complex, (3) Somewhat complex, (4) Complex, and (5) More complex.
 - 6.1.3. Impacts are classified and rated as (1) Low impact, (2) Some impact, (3) Reputational impact, (4) Financial impact, and (5) Existential threat.
 - 6.1.4. Stakeholder Significance which is (Interest) x (Expectations) x (Impact).
- 6.2. MTCC also maintains, for significant stakeholders, the:
 - 6.2.1. Stakeholder Significance Threshold table that identifies the significance level when action must be taken to prevent issues and improve stakeholder management.
 - 6.2.2. Stakeholder Significance Map showing the relative importance of the stakeholders in terms of interests, expectations and impact.
 - 6.2.3. Stakeholder Management Plan made up of:
 - 6.2.3.1. Expectations Management Plan that details how expectations are determined and managed.
 - 6.2.3.2. Communication Plan that details how communications with stakeholders are managed.
 - 6.2.3.3. Engagement Plan that details the engagement objectives, strategies, resources, monitoring and contingency plans to ensure effective stakeholder relationships.
 - 6.2.3.4. Relationship Development Plan that describes the desired and current levels of relationship and actions taken to close the gap.
 - 6.2.3.5. Complaints and Nonconformity Management Plan that contains the references to any complaints and nonconformity reports.
 - 6.2.3.6. Dispute Management and Resolution Plan that contains the references to any dispute management and resolution process.
- 6.3. With these controls, MTCC intends to maintain positive and productive relationships with stakeholders to enhance its vision and goals for sustainability.

6.4. The flowchart below illustrates the overall workflow of this procedure, showing the sequence of stakeholder identification, assessment, classification, and subsequent management actions through the Stakeholder Management Plan and related control mechanisms.

Flowchart 1: Stakeholder Management Procedure Workflow



7. Procedure 2: Complaints and Nonconformities Management

- 7.1. MTCC receives complaints regarding current or potential nonconformities or other issues from:
 - 7.1.1. Internal stakeholders, such as MTCC personnel, members of the Board of Trustees (BOT), who will submit on the MTCC Complaints and Nonconformity Report (CNR).
 - 7.1.2. External stakeholders, such as the public and organisations would submit Complaints and Nonconformity Reports (COMREP) via:
 - 7.1.2.1. [MTCC website](#)
 - 7.1.2.2. Email to complaints@mtcc.com.my, or hardcopy to MTCC - contact details are available on the MTCC website.
 - 7.1.3. Nonconformities or noncompliances could also be raised during meetings, detected from analysis of records, errors, confusion or misunderstandings when performing tasks, detected when solving problems, or from other sources.
 - 7.1.4. Instructions on information required for complaints is available on the [Complaints Page on MTCC website](#).
 - 7.1.5. The complaint should be:
 - 7.1.5.1. Relevant – the issue is relevant to MTCC, its operations, vision and mission.
 - 7.1.5.2. Specific – the complaint is specific to that matter – avoid making general references that may cause confusion or misunderstanding.
 - 7.1.5.3. Clear – make clear statements for MTCC to understand the issues without confusion.
 - 7.1.5.4. Evidential – there must be evidence of the issue being complained about.
 - 7.1.5.5. Verifiable – it should be possible to verify the complaint and evidence.
 - 7.1.5.6. Actionable – it should be possible for MTCC to act on the complaint – avoid matters from the distant past or that cannot be acted upon because of legal limitations, government policies, social sensitivity or other valid reasons.
 - 7.1.6. If the matter is not related to MTCC, the complainant will be informed and, if possible, advised on what actions to pursue.

- 7.1.7. If it is not possible to verify the complaint and the Risk Score is low (refer below to Risk Management and Preventive Action Procedure), the complaint will be discarded and the complainant informed.
 - 7.1.7.1. For complaints that cannot be verified, but has High Risk Score, MTCC will initiate investigations according to its Investigations and Reporting Procedures.
- 7.1.8. Complaints via social media or Instant Messaging applications (e.g. SMS, WhatsApp, Telegram) without sufficient details will be verified and validated by MTCC after obtaining further details from complainant.
- 7.2. A COMREP for all valid complaints will be raised, either by the complainant or MTCC. COMREPs are rated according to their value or importance and Risk Score or urgency.
- 7.3. MTCC will register the COMREP in the Complaint, Nonconformity, Investigation and Dispute Register (CNIDR) and classify it according to:
 - 7.3.1. Issues over which MTCC has authority and control, which are of two types:
 - 7.3.1.1. Noncompliance to established policies, guidelines, procedures or instructions.
 - 7.3.1.2. Issues for which there are no policies, procedures, instructions or guidelines, and it will be beneficial to establish them.
 - 7.3.2. Issues over which MTCC has no authority or control, which can be of two types:
 - 7.3.2.1. MTCC has oversight, such as matters related to certificate holders, or coding errors in the issuance of removal pass.
 - 7.3.2.2. Stakeholder interest in the complaint or nonconformity Issue, such as investigating uncertified forest areas.
- 7.4. MTCC will process the COMREP according to its classification, as follows:
 - 7.4.1. Noncompliance issues – initiate Corrective Action Procedure, monitor using the CNIDR and inform or update the complainant of the actions taken and the outcomes.
 - 7.4.2. No Policies or Guidelines – initiate Business Processes and Management Procedure to develop the required policies, procedures or guidelines, perform corrective action if necessary and keep the complainant informed.

- 7.4.3. MTCC has Oversight – such as matters relating to certificate holders, certification, accreditation of certification bodies or issues of concern to MTCC – determine if MTCC needs to act by its importance and urgency as follows:
 - 7.4.3.1. There are five levels of importance or value that MTCC will assign to the complaint.
 - 7.4.3.2. Urgency depends on the Risk Score of the issue, which in turn is determined from the issue severity and how widespread it is (its distribution). There are five levels of severity and distribution.
 - 7.4.3.2.1. Details of evaluating value and importance, Risk Score and urgency, severity and distribution are in the Risk Management and Preventive Action Procedure.
 - 7.4.3.3. The issues will be prioritised according to their importance and urgency and acted upon according to the Investigation and Reporting Procedure.
 - 7.4.3.4. MTCC will issue the Investigation Report and update the complainant and other relevant parties.
- 7.4.4. Stakeholder Interest – stakeholders want MTCC to resolve matters over which MTCC has no oversight or control:
 - 7.4.4.1. MTCC will determine, from the Stakeholder Significance, the Stakeholder Significance Threshold, the importance and urgency, if it will proceed with the resolution of the COMREP and inform the stakeholder if it is decided not to act on the COMREP.
 - 7.4.4.2. MTCC will seek to obtain any additional budget or obtain the support of government agencies, GLCs, NGOs, or other organisations to minimise budget needs.
 - 7.4.4.2.1. If such resources cannot be obtained, MTCC will inform the stakeholder that MTCC is not able to pursue the resolution of the issue.
 - 7.4.4.3. MTCC will investigate according to the Investigation and Reporting Procedure and update the stakeholder and other relevant parties.
- 7.4.5. To continually improve the Complaints and Nonconformity Management Procedure, MTCC will rate the complainants for the following benchmarks:
 - 7.4.5.1. Stakeholder Significance rating according to the Stakeholder Management procedure.
 - 7.4.5.2. Value and Timeliness of the COMREP.
 - 7.4.5.3. Complaint Requirements – whether complaint is relevant, specific, clear, evidential, verifiable and actionable.

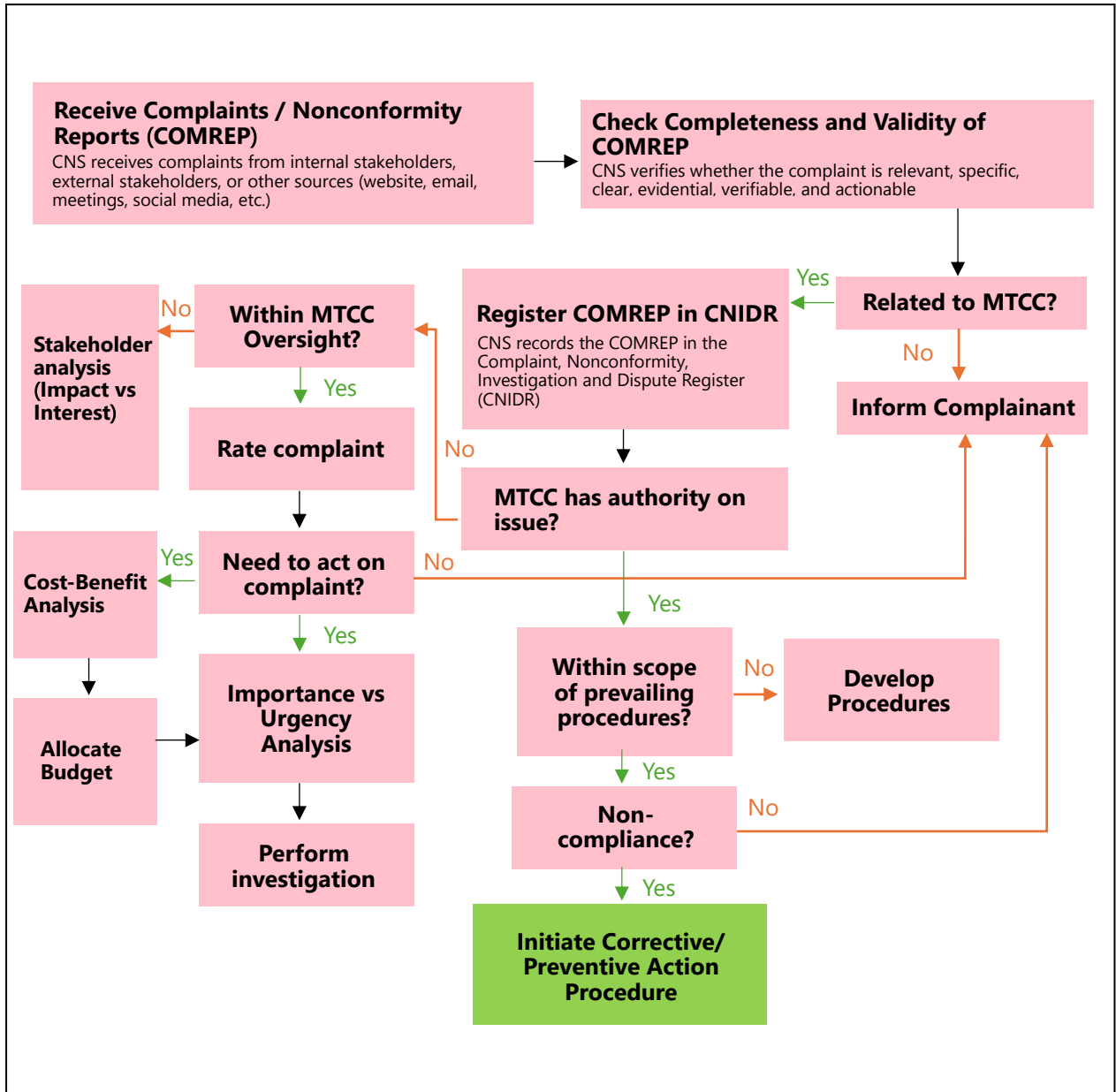
- 7.4.5.4. Reliability of Information provided – rated at five criteria levels.
- 7.4.5.5. Noise vs Value Rating to rank the value of the complaint against 'noise' made to get attention.
- 7.4.6. Each of the five benchmarks has a weight, and a single overall rating of the complainants then ranks them for their effectiveness and contribution to improving sustainability and MTCC's work.
 - 7.4.6.1. With this overall rating, it is expected that stakeholders and MTCC will work towards improving the quality and effectiveness of the complaints handling mechanism.
- 7.4.7. MTCC analyses the data from the complaints mechanism to detect any trends to identify more holistic improvements.

7.5. Disagreement, Contention and Disputation

- 7.5.1. MTCC will repeat this procedure should the complainant reject the findings of the investigations, and requests for further investigations, and provides reliable information to justify further investigations, and can satisfy MTCC why this information was not provided during the early stages of this procedure.
- 7.5.2. MTCC will initiate the Dispute Management and Resolution Procedure should the complainant not be satisfied with the outcome of the complaint or rejects the findings of the investigations, requests for resolving the rejection through the Dispute Management and Resolution Procedure, and can demonstrate that the Dispute Management and Resolution Procedure is a better way to resolve the issue.

7.5.3. Flowchart 2 illustrates the process for receiving, classifying, and managing complaints and nonconformity reports, including their investigation, resolution, and continuous improvement actions.

Flowchart 2: Complaints and Nonconformities Management Procedure Workflow



8. Procedure 3: Corrective Action

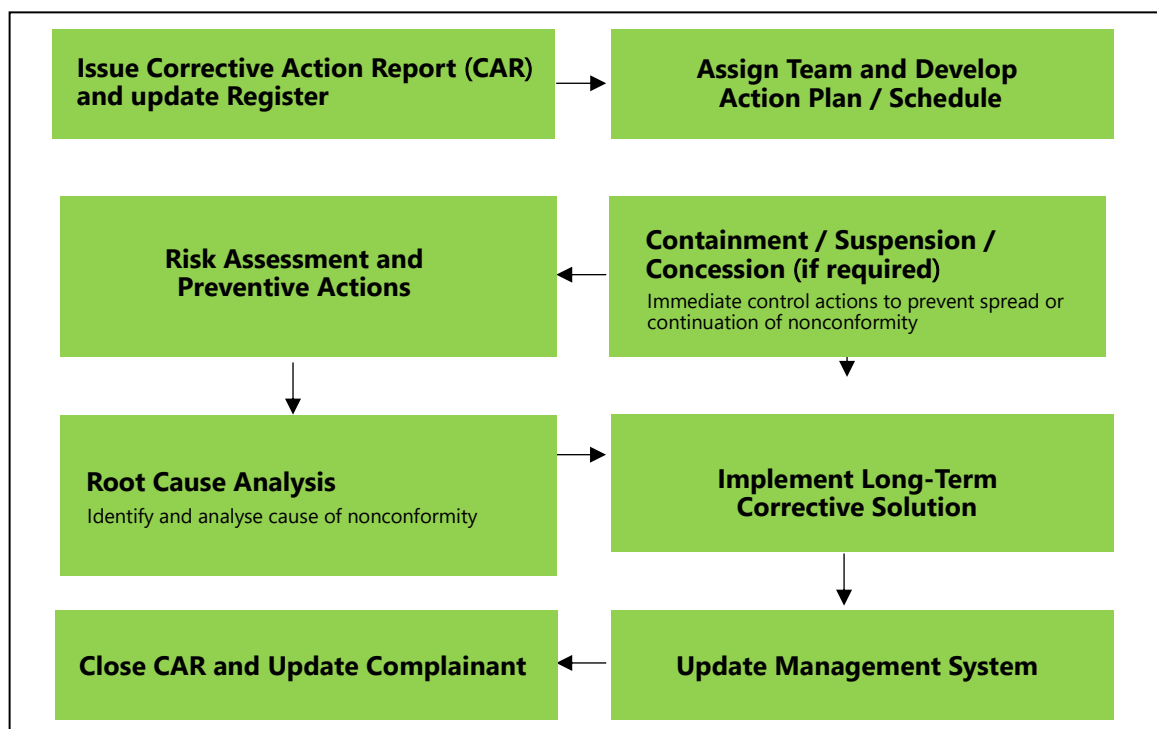
- 8.1. Corrective Action is typically for issues over which MTCC has authority and control.
- 8.2. Where the actions to correct require complex investigations and/or making formal reports to stakeholders, then the Investigation and Reporting Procedure, and not this Corrective Action Procedure applies.
- 8.3. MTCC will open a Corrective Action Report (CAR) form that will detail:
 - 8.3.1. A unique CAR identification number and the persons responsible for the correction.
 - 8.3.2. References to the COMREP, any Job Sheet, Gantt Chart and Risk Assessment.
 - 8.3.3. Actions taken regarding the nonconformity, the outcomes, any progressive feedback and resolution of the complaint/nonconformity.
 - 8.3.4. References to any containment, suspension, concession and preventive actions.
- 8.4. MTCC will, as applicable:
 - 8.4.1. Perform immediate action to contain and control the nonconformity from spreading to other areas.
 - 8.4.2. Suspend relevant parts of MTCC operations until nonconformities are resolved.
 - 8.4.3. Obtain consent (concession) from authorised parties to continue operations despite the nonconformity and identify any work continued as temporary concessions.
- 8.5. MTCC will:
 - 8.5.1. Develop the work schedule for the resolution of the CAR if required.
 - 8.5.2. Perform risk assessment and preventive actions (treatment) for nonconformities that carry significant risks, according to the Risk Management Procedure.
 - 8.5.3. Investigate and analyse the causes of non-conformities and record the results of investigations.
 - 8.5.4. Carry out actions to implement a long-term solution to permanently eliminate the nonconformity and confirm the success of this solution after a length of time (review period) reflecting its effectiveness.
 - 8.5.5. Record the actions taken in the relevant sections of the CAR.

8.6. MTCC will:

- 8.6.1. Update the MTCC Management System when the corrective actions require such updates to ensure the overall integrity of the management system.
- 8.6.2. Review and close the CAR.
- 8.6.3. Update complainant and any other relevant stakeholder.

8.7. Flowchart 3 illustrates the process for managing complaints and nonconformity reports, including corrective actions, resolution, system updates, and continuous improvement.

Flowchart 3: Corrective Action Procedure Workflow



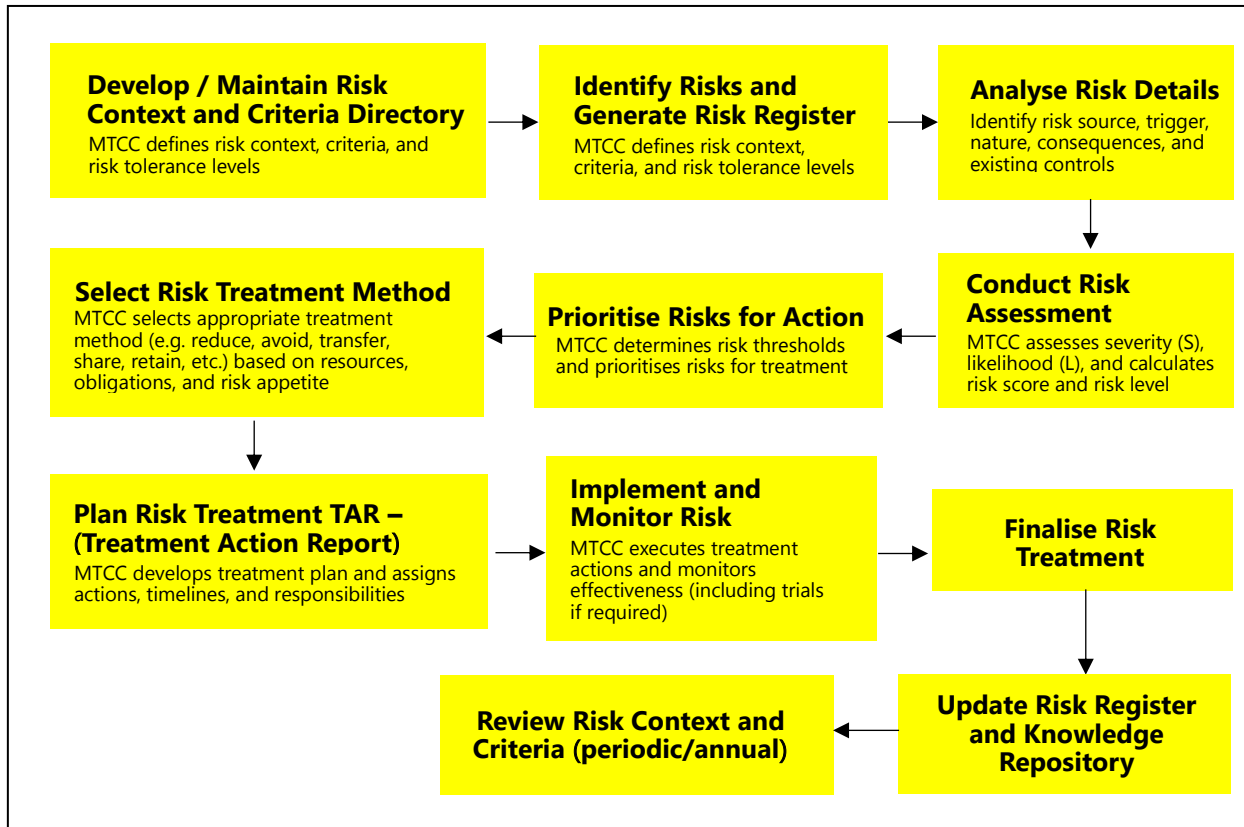
9. Procedure 4: Risk Management and Preventive Action

- 9.1. ALL FUNCTIONS in MTCC are required to observe processes, situations and data, and think of the risks and opportunities, including those from this Complaints Handling and Dispute Resolution Mechanism.
 - 9.1.1. Risks must be relevant, specific, clear, rateable and actionable.
- 9.2. MTCC continues to develop and update its Directory of Risk Context and Criteria containing:
 - 9.2.1. Strategic and operational risk contexts to achieving MTCC goals.
 - 9.2.2. Risk criteria for a matter to be considered a risk and its identifier to trace all registered risks in the processes.
 - 9.2.3. Risk tolerance if a higher risk than the criteria is being temporarily tolerated.
- 9.3. MTCC continues to:
 - 9.3.1. Identify the risks to act on from evidence, deductive reasoning, expert determination or inductive reasoning.
- 9.4. Generate the Risk Register and conduct risk assessment, record the risk and its assessment details, including:
 - 9.4.1. Event/Process – the process or activity from which the risk can take place.
 - 9.4.2. Risk Source – where in the process or activity the risk can happen.
 - 9.4.3. Trigger – the event that can initiate the risk to occur.
 - 9.4.4. Risk Nature – what can happen from event/process and trigger.
 - 9.4.5. Consequence – what can happen if the risk takes place.
 - 9.4.6. Controls – in the process that prevents the risk from happening.
 - 9.4.7. Mitigation – reducing or preventing the risks before risk treatment is completed.
 - 9.4.8. Pre-Decision – a rule of thumb decision on insignificant risks or high risks.
 - 9.4.9. S (severity) – how impactful will the consequence be if the risk event occurs.
 - 9.4.10. L (likelihood) – the probability of the risk event occurring.
 - 9.4.11. RS (risk score) – is the product of the severity rating and the likelihood rating (S x L).
 - 9.4.12. RL (risk level) – risk scores are grouped into different levels for analysis.
 - 9.4.13. Risk Thresholds – the risk level when action must be taken.

- 9.5. MTCC would decide the risks for treatment either from pre-decision (for obvious urgency) or after the rating, score and analysis, and select the most appropriate treatment method from among more than 12 clearly defined methods, such as comply, avoid, prevent, reduce, separate, spread, diversify, duplicate, alternative, retain-monitor, share, transfer, remove risk source and others. Treatment method selection is affected by factors such as:
 - 9.5.1. Resource availability, time needed, financial requirements, legal requirements, social responsibilities, environmental protection and cross-treatment impacts.
 - 9.5.2. Balancing the pressure for immediate results versus long-term benefits.
 - 9.5.3. Obligations or commitments to parties involved, evolving strategies and policies, stakeholder needs and views, and risk appetite and tolerance at that time.
 - 9.5.3.1. Most importantly MTCC's decision on the treatment methods is determined by its values, integrity and transparency.
- 9.6. MTCC will then, from the rating and analysis, prioritise the treatment based on the risk score, risk level, treatment method, ease of treatment and cross-treatment, and then initiate the risk treatment.
 - 9.6.1. The Treatment Action Report is used for managing the treatment – for complex treatments, project plans, Gantt charts, job sheets or other control methods are available. Methods to plan for and manage contingencies, constraints and reversions (partially or fully to earlier situation) are available.
 - 9.6.2. Treatment trials may be done if required – not all treatments have trials. Methods to monitor and assess the treatment and trials are defined.
 - 9.6.2.1. If the treatment is effective, the Treatment Priority will become low, and this risk may never be reviewed again.
- 9.7. MTCC will then update the Risk Register, Risk Record and any other risk information to reflect the new risk status when the treatment is completed.
 - 9.7.1. Lessons learned will be updated in the MTCC Knowledge Repository and other processes that may benefit and be used to narrow the risk propensity gaps between different persons in MTCC.
- 9.8. MTCC reviews its Risk Register, Context and Criteria annually to maintain their relevance.

9.9. Flowchart 4 illustrates the process for identifying, assessing, and managing risks within MTCC, including the development of risk controls, selection and implementation of risk treatment methods, and continuous monitoring and improvement of the risk management system.

Flowchart 4: Risk Management and Preventive Action Workflow



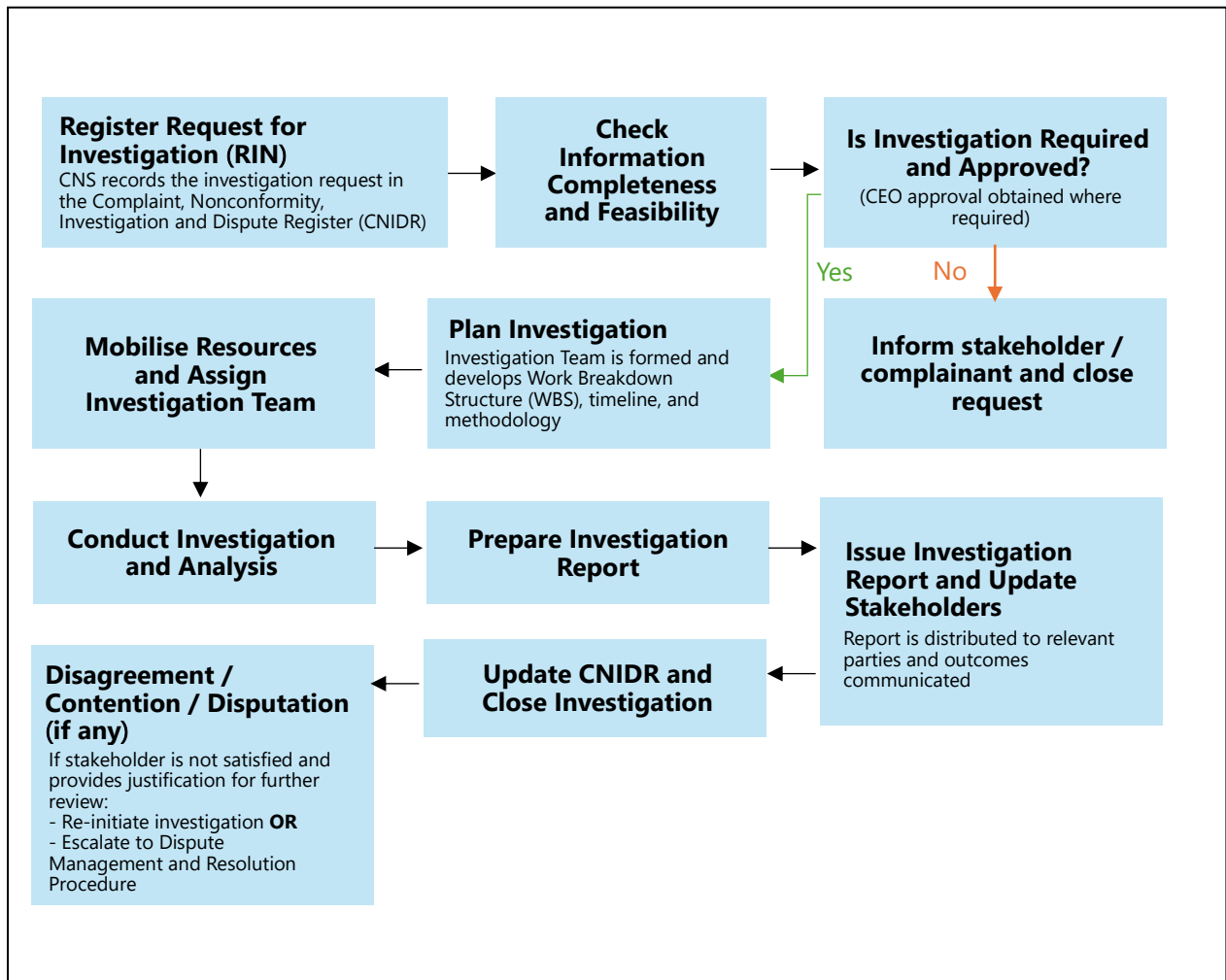
10. Procedure 5: Investigation and Reporting

- 10.1. Issues that are not resolved by the Corrective Action Procedure or issues over which MTCC does not have authority and control but requires MTCC investigations or when stakeholders request for investigations, are processed by the Investigation and Reporting Procedure; MTCC will determine when this procedure is initiated.
- 10.2. MTCC will:
 - 10.2.1. Generate the Request for Investigation (RIN) form that will contain the available information from the earlier procedures, and register it in the CNIDR (Complaints, Nonconformity, Investigation, Dispute Register) for tracking and traceability to other procedures.
 - 10.2.1.1. All RINs must be approved by the MTCC CEO for further processing.
 - 10.2.1.2. Information in the RIN must be Relevant, Specific, Clear, Evidential, Verifiable and Actionable. MTCC will obtain any further information required for the investigation.
 - 10.2.2. Evaluate the feasibility of conducting the investigation by considering the objectives, resources, expertise and skills, time-frame available, budget, data availability, stakeholders support, legal and regulatory requirements, risk assessment, potential impacts and any other necessary matter.
 - 10.2.2.1. These feasibility evaluation factors will influence the investigation priority.
- 10.3. An Investigation Team will plan the investigation and develop the Work Breakdown Structure (WBS) with timelines.
 - 10.3.1. When sequencing the WBS work packages and tasks, the Startup Team would consider what needs to be studied, the methods and resources used, the data to collect and analysis.
 - 10.3.2. The Investigation Team could comprise, in addition to MTCC personnel, external experts and other organisations who could contribute further resources needed.
- 10.4. MTCC will then initiate the investigation and compile the Investigation Report, the contents of which would be:
 - 10.4.1. Title page with the report number, titles, investigation team members, investigation sponsors and authorisation, issue date, intended audience and confidentiality statement.

- 10.4.2. Main message of the report, if the report is extensive with a wide range of issues.
 - 10.4.3. Contents list, definitions, abbreviations and acronyms, references, acknowledgements and appendices.
 - 10.4.4. Executive summary for decision makers.
 - 10.4.5. Purpose and scope statements, background and introduction.
 - 10.4.6. Investigation methods used, data collected, analysis and results.
 - 10.4.7. Conclusions, recommendations and other sections as required by the Investigation Team.
- 10.5. MTCC will:
- 10.5.1. Ensure the stakeholder concerns are addressed and investigation objectives achieved;
 - 10.5.2. Initiate any necessary activities, including the issue of a CAR;
 - 10.5.3. Distribute the Investigation Report to the appropriate stakeholders;
 - 10.5.4. Update the CNIDR and close the investigation.
- 10.6. Disagreement, Contention and Disputation
- 10.6.1. MTCC will repeat this procedure should the stakeholder reject the findings of the investigations, requests for further investigations, provides reliable information to justify further investigations, and can satisfy MTCC why this information was not provided during the early stages of this procedure.
 - 10.6.2. In cases of complaints, MTCC will initiate the Dispute Management and Resolution Procedure below should the complainant not be satisfied with the findings of the investigations, requests for resolving the issue through the Dispute Management and Resolution Procedure and can demonstrate that the Dispute Management and Resolution Procedure is a better way to resolve the issue.

10.7. Flowchart 5 illustrates the process for reviewing and investigating complaints or nonconformities, from the registration of an investigation request through to reporting, closure, and escalation where necessary.

Flowchart 5: Investigation and Reporting Procedure Workflow



11. Procedure 6: Dispute Management and Resolution

- 11.1. As stated above in the Complaints and Nonconformity Management Procedure, there are multiple avenues via which stakeholders can bring complaints and other issues to MTCC.
- 11.2. This Dispute Management and Resolution Procedure contains critical information for stakeholders to participate in a balanced, objective, productive and fair dispute resolution process.
- 11.3. Issues for dispute resolution:
 - 11.3.1. Will initially be processed according to the Complaints and Nonconformity Management Procedure or Corrective Actions Procedure or Investigation and Reporting Procedure;
 - 11.3.2. Could also be initiated by MTCC when disputes between stakeholders are referred to MTCC for resolution or a stakeholder, disputing with MTCC, requests for MTCC to resolve the dispute according to this procedure;
 - 11.3.3. For those disputes outside of MTCC's ambit, MTCC will point the referents to the appropriate institutions, when possible.
- 11.4. MTCC will open the Dispute Management and Resolution (DMR) form after being satisfied that the issue requires this dispute management and resolution procedure.
 - 11.4.1. The complainant or stakeholder referred in the earlier procedures is now referred as claimant and the counter party as respondent and collectively as disputants.
 - 11.4.2. The DMR will include details of the disputant stakeholder number from the MTCC stakeholder register, type of dispute, dispute sequence number when there are subsequent disputes between the same parties, other dispute details available, and will be registered in the CNIDR for tracking and traceability.
- 11.5. MTCC will obtain the consent of the disputants to be subjected to this procedure in the Disputant Consent and Responsibilities (DCR) form.
 - 11.5.1. Should one or more disputing parties insist to go immediately to mediation, without going through this procedure of negotiation, neutral evaluation, and facilitation, despite being informed of their benefits, MTCC could record their responses in the DMR, terminate this procedure and advise disputants to seek other resolution processes.

- 11.6. MTCC will inform disputing parties of its confidentiality classifications and agree on how information from this procedure should be classified, which are:
 - 11.6.1. No Confidentiality: Information that does not require confidentiality treatment that will typically apply to information of:
 - 11.6.1.1. Public Proceedings: The dispute resolution process is conducted publicly.
 - 11.6.1.2. Transparency Requirements: Transparency is required for accountability or regulatory purposes.
 - 11.6.1.3. Lack of Agreement: Parties have not agreed to confidentiality provisions.
 - 11.6.2. Confidentiality with Exceptions (CE): This information, marked as CE, while being confidential, are exempted due to:
 - 11.6.2.1. Legal Exceptions: Disclosure is required by law or other legal obligations.
 - 11.6.2.2. Agreed Exceptions: Parties have agreed to specific scenarios where confidentiality can be waived.
 - 11.6.3. Limited Confidentiality (CL): Certain information, marked as CL, may be shared with specific individuals or entities, but is protected from public disclosure, typically applying to:
 - 11.6.3.1. Necessary Disclosure: Certain information needs to be shared with specific individuals for the resolution process (e.g., mediators, corroborators, expert witnesses, legal representatives).
 - 11.6.3.2. Consent: Parties have consented to limited sharing of information.
 - 11.6.3.3. Operational Needs: Information is shared with MTCC Trustees, CEO, DRC and DRMs and other authorised personnel involved in the dispute resolution process.
 - 11.6.4. Full Confidentiality (CF): All communications, documents, and information, marked as CF, shared during the dispute resolution process are kept completely confidential and cannot be disclosed to anyone outside the process, including in court proceedings, unless ordered by the court. CF will typically apply to information of:
 - 11.6.4.1. Private Nature: The dispute involves highly sensitive corporate and/or personal matters.
 - 11.6.4.2. Legal Requirements: The law mandates that the information must remain confidential, including the requirements of the Personal Data Protection Act (PDPA) and privileged information provided to the MTCC Trustees, CEO, DRC and DRMs.

- 11.6.4.3. Agreements: Parties have agreed to keep communications and documents confidential.
- 11.6.4.4. Protection of Reputations: The information could harm the reputations of the parties involved if disclosed.
- 11.6.5. Waiving of Confidentiality Rights:
 - 11.6.5.1. Parties may waive their confidentiality rights at their discretion to pursue the dispute resolution.
 - 11.6.5.2. When parties to the dispute go public with press releases, social media, etc., they have waived their rights to confidentiality and breached the confidentiality agreement with the other party.
- 11.6.6. Disputant Consent and Responsibilities form includes responsibilities for confidentiality, breaching which could lead to legal actions.

- 11.7. MTCC will compile all information available, including information from:
 - 11.7.1. Complaints and Nonconformity Reports, Corrective Action Reports, Request for Investigation forms and Investigation Reports.
 - 11.7.2. Correspondences, privately provided and publicly available information, and other sources.

- 11.8. MTCC will also ensure information usefulness as:
 - 11.8.1. Specific – about the issues being disputed, while taking note of general information being provided by the disputants to better understand the intangible causes of the dispute.
 - 11.8.2. Clear – the flow of thoughts leading to the dispute must be clearly articulated and correctly sequenced for MTCC to have a clear understanding of the issues without confusion.
 - 11.8.3. Actionable – the disputants should avoid bringing up issues that cannot be acted upon because of legal limitations, the environment and nature, social sensitivity, government policies or other valid reasons.
 - 11.8.4. Verifiable – it should be possible to verify the information and evidence being provided.
 - 11.8.5. Evidential – there must be evidence of the issue being disputed about.
 - 11.8.6. Relevant – to the issues being disputed about.

- 11.9. MTCC will then interview the disputing parties and corroborators to learn and understand more about the contentions and surrounding issues – there is a Disputant and Corroborator Interview Guide to facilitate this.

11.10. MTCC will separate the contending issues into:

- 11.10.1. Substantive issues, where the parties address the core issues involved, such as:
 - 11.10.1.1. Legal rights and obligations of the parties based on applicable laws, contracts, or agreements.
 - 11.10.1.2. Material facts of the matter that directly affect the outcome of the dispute.
 - 11.10.1.3. Claims and defences made by the parties.
 - 11.10.1.4. Merits of the dispute – the actual substance and evidence presented by the parties to support their positions.
 - 11.10.1.5. Outcome determination – such as conclusions, recommendations and decisions to arrive at a settlement.
- 11.10.2. Procedural issues, where the parties are dissatisfied with the methods of resolution used thus far, such as:
 - 11.10.2.1. Authority – the issues were heard and decided by unauthorised persons or authorities.
 - 11.10.2.2. Correspondence and communication – the correspondences and communications were not clear, the methods were incorrect, caused misunderstandings and misinterpretations.
 - 11.10.2.3. Timelines – too little time was given for preparations. Parties took too long, frequent postponements, issues got muddled up, witnesses were confused after a long time.
 - 11.10.2.4. Evidence and discovery – irrelevant evidence was given weight, insufficient evidence for fair decisions, information about evidence was not shared prior to hearings, evidence was shared very late in the process, hearsay evidence was not substantiated but given weight.
 - 11.10.2.5. Hearings and interactions – hearings were conducted in a disorderly manner, insufficient time given to present the case, persons hearing the issue were not competent, there was evident bias during the hearings, witnesses took over the hearings, witnesses were uncooperative.

- 11.10.3. Reputational issues, where the parties were more interested in using the dispute resolution platform to boost their reputations, such as publicity stunts, and pressured the other party:
 - 11.10.3.1. Media coverage – parties did not have equal access to media coverage of the issues, damaging the reputation of one party, who now wants to be heard again.
 - 11.10.3.2. Public demonstrations – parties had used public demonstrations to pressure the facilitators or mediators for a favourable decision.
 - 11.10.3.3. Reports and publications – releasing biased, white-washed reports, white papers, videos, podcasts, damaging the reputation of one of the parties, and forcing a retreat by that party.
 - 11.10.3.4. Community engagement – running workshops, town hall meetings and other events with disinformation to swing public opinions and pressuring a biased decision.
 - 11.10.4. Emotional issues, where the dispute was significantly influenced by emotions, such as:
 - 11.10.4.1. Hurt and betrayal – where parties feel that their trust and cooperation have been betrayed by the other party:
 - 11.10.4.2. Anger and frustration – where parties feel wronged and misunderstood, evoking strong feelings of anger and frustration.
 - 11.10.4.3. Sadness and grief – where parties' experience or perceive loss of their cause or interests, leading to sadness, grief and pursuit of the dispute.
 - 11.10.4.4. Resentment – where parties resent one another, especially in prolonged conflicts or opposing causes, affecting the ability to resolve the dispute objectively and amicably.
 - 11.10.4.5. Isolation – where parties feel isolated by other stakeholders and seek dispute resolution to absolve themselves.
 - 11.10.4.6. Stress and anxiety – disputes cause significant stress and anxiety for those involved, impacting their objectivity and approach to the dispute.
 - 11.10.5. Other issues that may not fit into the above groupings.
- 11.11. MTCC will then update the Stakeholder Management Plan for the disputing parties and continue to update it as the dispute resolution progresses.

11.12. MTCC will continuously rate the dispute and disputing parties, throughout the disputation process, according to the following criteria:

11.12.1. Severity – how severe is the disputed issue and its level of impact on a scale of 1 - 5.

11.12.2. Distribution – if the issue is widely spread across different areas, persons and processes on a scale of 1 – 5.

11.12.3. Quality of information – how thorough, complete and accurate is the information – its breadth and depth, rated on a scale of 1 – 5.

11.12.4. Reliability of information – how reliable is the information provided by the disputants and corroborators, rated on a scale of 1 – 5.

11.12.5. Noise – distractions, disturbances and other factors that interfere with clear communication and effective resolution of the dispute, that can significantly impact the dispute resolution process, and can come from various sources, such as:

11.12.5.1. Emotional noise – strong emotions such as anger, frustration, or fear can cloud judgment and hinder productive communication between parties.

11.12.5.2. Communication noise – misunderstandings, misinterpretations, and lack of clarity in communication can create confusion and impede resolution efforts.

11.12.5.3. Cultural noise – differences in cultural backgrounds, values, and communication styles can lead to misunderstandings and conflict.

11.12.5.4. Biased and prejudicial noise – preconceived notions, biases, and stereotypes can create barriers to fair and impartial resolution.

11.12.5.5. Legal and procedural noise – complex legal jargon, procedural requirements, and formalities can sometimes overwhelm the parties and detract from the core issues of the dispute.

11.12.5.6. Other sources

11.12.5.7. MTCC will indicate in the Stakeholder Management Plan when any of these noises can impact the resolution process.

11.13. MTCC will:

11.13.1. Irrespective of the disputant styles of interaction, establish itself as a fair and neutral party, have collaborative communication channels with the disputants, and seek to eliminate those issues that prevent objective attention to the substantive matters.

- 11.13.2. Will facilitate open communication and dialogue between parties and attempt to resolve disputes in an environment of cooperation and collaboration to objectively solve problems, and avoid confrontation, arbitration and litigation.

- 11.14. MTCC will, with the assistance of experts, if necessary, evaluate the merits and demerits (strengths and weaknesses) of the issues presented by the claimants and respondents.

- 11.15. MTCC, together with the disputants, will minimise the factors influencing the substantive issues being resolved, by developing strategies to manage:
 - 11.15.1. Procedural Issues:
 - 11.15.1.1. Determine who will represent the disputants, a mutually agreed limit to the number of representatives, how they can be better prepared to represent their claims and responses, what MTCC can do to ensure a fair resolution of the dispute.
 - 11.15.1.2. Determine the channels of communication between disputants and MTCC.
 - 11.15.1.3. Establish the standards, quality, and reliability of information and evidence that would be necessary not to jeopardise the disputant presentations and case.
 - 11.15.1.4. Establish timeliness of information exchange and its confidentiality to ensure efficient dispute resolution.
 - 11.15.1.5. Determine where and how meetings will be conducted.
 - 11.15.1.6. Establish rules for conducting orderly meetings, and recording (audio and video) during meetings and inviting the press and other groups or persons to the meetings.
 - 11.15.1.7. Help disadvantaged disputants to be better prepared and guided through the dispute resolution process.
 - 11.15.1.7.1. Disputants could be disadvantaged from problem solving, critical thinking, communication, negotiation, advocacy and other competencies.
 - 11.15.1.8. Any other procedural matters.

- 11.15.2. Reputational Issues:
 - 11.15.2.1. Establish guidelines with the disputants on how both parties can get fair media coverage to prevent resentment and future disputes.
 - 11.15.2.2. Find out how demonstrations, community engagement, reports, publications, press releases, pressuring one another for a favourable outcome can be avoided. While demonstrations could be beneficial for some disputants, avoid resorting to it when a dispute has been referred to MTCC for resolution.
- 11.15.3. Emotional Issues: MTCC will seek to understand if there are significant emotional issues, and how they can be reduced or eliminated. If parties:
 - 11.15.3.1. Who had tried to cooperate had been betrayed by the other party. Or had been ignored or slighted – made to seem unimportant.
 - 11.15.3.2. Had been misunderstood and wronged.
 - 11.15.3.3. Feel there is injustice, inconsideration, unfairness.
 - 11.15.3.4. Have preconceived ideas of one another that prevent amicable and collaborative settlement of disputes.
 - 11.15.3.5. Feel that other stakeholders have taken an opposing position to their concerns and issues.
 - 11.15.3.6. Are anxious and stressed by the dispute, making settlement more difficult.
- 11.16. MTCC, during this interaction process with the disputants, will document the responsibilities of the disputants on:
 - 11.16.1. Preparation and presentation
 - 11.16.1.1. Gathering evidence – collecting all relevant documents, records, and evidence that support their claim.
 - 11.16.1.2. Detailing the claim – clearly articulating the facts, issues, and desired outcomes in a written statement and/or.
 - 11.16.1.3. Providing witnesses (corroborators) – identifying and presenting corroborators who can provide relevant testimony to support their case.
 - 11.16.2. Compliance and cooperation
 - 11.16.2.1. Adhering to procedures – following the rules, guidelines and timelines of this procedure and any agreement with MTCC and among parties.
 - 11.16.2.2. Cooperating with the other party – engaging in good faith negotiations and being open to settlement discussions.

- 11.16.3. Communication and representation
 - 11.16.3.1. Maintaining communication – keeping open lines of communication with all parties involved, including legal representatives, if applicable.
 - 11.16.3.2. Being present – attending all required hearings, meetings, and mediation sessions.
 - 11.16.4. Ethics and integrity
 - 11.16.4.1. Acting with honesty – providing truthful and complete information at all times.
 - 11.16.4.2. Avoiding retaliation – refraining from any retaliatory actions against the other party.
 - 11.16.4.3. Engaging in the dispute resolution process with integrity and transparency.
 - 11.16.5. Follow-up and resolution
 - 11.16.5.1. Implementing agreements – complying with the terms of any settlement or decision and taking appropriate actions to close the dispute.
- 11.17. MTCC will then take the disputants through the following stages of dispute resolution, seeking for a collaborative process, that will beneficially close the dispute at the earliest possible. This procedure outlines a continuum of third-party determinacy, beginning with party-driven negotiations and culminating in full external adjudication through litigation:
- 11.17.1. Negotiation:
 - 11.17.1.1. MTCC, with the available information and the removal of non-substantive issues, will present its analysis to the disputants and propose for the disputants to resolve the matter by direct negotiations, without the involvement of MTCC or any third parties. The goal here is for the disputants to feel their needs and interests have been adequately addressed and reach a compromise, in a collaborative and less adversarial environment, maintaining or even improving their relationships.
 - 11.17.1.2. Should the negotiations successfully conclude the dispute, MTCC will run a risk assessment according to Risk Management and Preventive Action Procedure and eliminate or minimise risks that could undermine the negotiation outcome.

- 11.17.1.3. MTCC will complete the Dispute Decision Template containing all pertinent agreed information that the parties shall sign on, prepare a formal agreement (contract) of settlement to be signed by the parties and stamped, and inform all other concerned parties of the settlement.
- 11.17.2. Neutral evaluation – when direct negotiation is not pursued or has failed:
 - 11.17.2.1. MTCC will, from any new information available from the negotiation, improve and present to the disputants, the evaluation of the merits and demerits of their claims and responses, highlighting the potential outcome if it goes for mediation, arbitration or litigation.
 - 11.17.2.2. MTCC, in an environment of mutual respect, will help the parties to arrive at an amicable resolution, given the merits of each case.
 - 11.17.2.3. Should the neutral evaluation be successful, MTCC will run and act on a risk assessment, complete the Dispute Decision Template containing all pertinent agreed information that the parties shall sign on, have parties sign and stamp a formal agreement, and inform all other concerned parties of the settlement.
- 11.17.3. Facilitation – when direct negotiation and/or neutral evaluation is not successful:
 - 11.17.3.1. MTCC will offer itself as a neutral facilitator, or disputants may mutually agree to appoint another facilitator. The facilitator will guide and help the disputants through discussions to resolve the issues. The MTCC Facilitation Guidelines provide the basic structure and methods of doing this.
 - 11.17.3.2. Facilitators are not involved in the decision-making process, do not take sides and will:
 - 11.17.3.2.1. Guide the disputants through an interactive, collaborative process, ensuring everyone has a voice and that discussions are productive.
 - 11.17.3.2.2. Help disputants communicate more openly and effectively, reducing misunderstandings and tension, identify their underlying interests and priorities, which can lead to more creative and sustainable solutions, achieve a mutually agreeable resolution, bringing the dispute to an amicable close.

- 11.17.3.3. MTCC and the disputants would establish a structured approach to the facilitated discussion, setting agendas, ground rules, time management, with the aim of creating a collaborative environment where parties feel safe to share their perspectives and work towards a common goal.
- 11.17.3.4. Should the facilitation be successful, MTCC will conduct and act on a risk assessment, complete the Dispute Decision Template containing all pertinent agreed information that the parties shall sign on, have parties sign and stamp a formal agreement, and inform all other concerned parties of the settlement.
- 11.17.4. Mediation – when the above methods have not been successful, MTCC would initiate mediation procedures to help parties in conflict resolve their disputes, by creating a safe, independent, unbiased, equitable space for communication, and understand each other's perspectives, and facilitate a mutually agreeable solution.
 - 11.17.4.1. MTCC will refer the dispute to the MTCC Dispute Resolution Committee (DRC) via the MTCC Dispute Resolution Secretariat (DRS) which is the internal administrative body within MTCC Management that facilitates liaison between MTCC operations and the independent DRC.
 - 11.17.4.2. The DRS function is performed by MTCC Management. MTCC Management shall assign relevant staff members to perform the administrative functions of liaison, documentation management, and logistics. These staff members act solely in an administrative capacity to ensure institutional continuity and efficiency.
 - 11.17.4.3. The DRC remains independent of MTCC. To ensure a fair process, the DRC is kept at arm's length from MTCC's executive decision-making. The DRS acts strictly as the intermediary to provide administrative support for Dispute Resolution after the issues have been investigated and processed through negotiations, neutral evaluation, and facilitation.
 - 11.17.4.4. MTCC will provide all information obtained thus far to DRC via DRS in an itemised manner (Dispute Information Cover Page) to make it easier for all parties to know what has been handed over. While the DRS facilitates the transfer of data, the DRC remains autonomous and may request further information or obtain it by other means.

- 11.17.4.5. DRC would appoint one or more Dispute Resolution Mediators (DRM), who could be from the DRC members or other suitably qualified persons who are impartial with no vested interest in the mediation outcome, be subject experts in the issues being disputed about, be experienced in similar dispute management and resolution. If there are more than one mediator, one among them would be appointed as the Mediation Head.
- 11.17.4.6. The disputants will be informed by the DRS about the DRMs, their identities, expertise and experience and may request for change of mediators, that the DRC will consider and oblige when possible. However, the disputants must be satisfied with the DRMs.
- 11.17.4.7. DRS will obtain the voluntary consent of the disputants for DRMs to mediate the dispute; there are 2 types of consent:
 - 11.17.4.7.1. Mediation Consent: the disputants agree to a non-binding mediation, where the disputants are free not to resolve the dispute during the mediation; they may choose to go for litigation.
 - 11.17.4.7.2. Binding Consent: the disputants agree that when the disputants cannot resolve the dispute during mediation, the DRC could decide, and they agree to be bound by such decisions.
 - 11.17.4.7.3. Should the disputants choose the Binding Consent, they must be clearly informed that by this consent they may not be entertained by the legal system should they not agree to the DRC verdict, since they had earlier agreed to this.
 - 11.17.4.7.4. Both disputants must choose the same type of consent – otherwise it shall only be the mediation consent.
- 11.17.4.8. DRC, via the DRMs, will conduct the mediation, ensuring that the mediation process:
 - 11.17.4.8.1. Is a Confidential Process, allowing parties to discuss issues openly without fear of their statements being used against them by others, or influencing their decisions because of the publicity.
 - 11.17.4.8.2. Is a Structured Discussion with the mediators guiding the conversation, ensuring that each party has an opportunity to express their views and concerns.

- 11.17.4.8.3. Focuses on Interests, emphasising the understanding of the underlying interests and needs of the parties, rather than just their positions or demands.
- 11.17.4.8.4. Seeks Flexible Solutions with mediators helping the parties craft creative and customised solutions that may not be available through litigation or arbitration.
- 11.17.4.9. DRMs will continuously update the DRC on details of the mediation process.
- 11.17.4.10. The DRC and DRMs will ensure fair and impartial decision-making – some of the things they would do are:
 - 11.17.4.10.1. Evidence: The DRC would confirm the MTCC evidence, investigation and observations; the disputants can provide further evidence supporting their claims.
 - 11.17.4.10.2. Fairness: The DRC would ensure that all parties have a fair chance to present their case and that decisions are made without bias or favouritism.
 - 11.17.4.10.3. Legal Compliance: DRC decisions should be in accordance with applicable laws and regulations.
 - 11.17.4.10.4. Ethics: The DRC should consider ethical guidelines and principles to ensure that the resolution is just and moral.
 - 11.17.4.10.5. Precedents: The DRC may consider previous similar cases, and their resolutions might be taken into account to maintain consistency in decision-making.
 - 11.17.4.10.6. Impact: The potential impact of the decision on all parties involved should be considered to ensure that the resolution is balanced and reasonable.
 - 11.17.4.10.7. Risk: The DRC will consider the different types of risks involved because of its decision.
 - 11.17.4.10.8. Negotiation and Mediation: Before making a final decision, the DRC might encourage negotiation and further mediation between the parties to reach an amicable resolution.
 - 11.17.4.10.9. Documentation: All proceedings, evidence, and decisions would be thoroughly documented for transparency and future reference.

- 11.17.4.10.10. Credibility: DRC will assess the reliability and credibility of the various parties, corroborators and witnesses involved, such as the consistency of their testimonies, their demeanour, and any potential biases.
- 11.17.4.11. DRS will record the mediation and its outcome in the Dispute Decision Template. All pertinent agreed information shall be signed by the parties and provided to MTCC for further processing and formal risk assessment.
- 11.17.4.11.1. MTCC will conduct a risk assessment to determine potential threats from the mediation outcome and do the necessary treatment to eliminate or reduce such risks.
- 11.17.4.12. For unsuccessful mediation under Mediation Consent, parties are free to pursue the matter at their own discretion.
- 11.17.4.13. For unsuccessful mediation under Binding Consent, the DRC:
- 11.17.4.13.1. May decide on the issue and impose its decision on the disputants, by issuing the Dispute Decision Template, with their decision, without the disputants' signatures if necessary. Since both disputing parties had agreed to be bound by the decision of the DRC, they may not be entertained should they seek arbitration or litigation.
- 11.17.4.13.2. May decide for the participants to pursue the matter at their own discretion.
- 11.17.4.13.3. When making these decisions for Binding Consent, any DRC member who may be considered having a direct or indirect interest in the issues being mediated or prejudiced because of their beliefs and past activities, shall recuse themselves to prevent any challenge to the DRC decisions. Remaining DRC members will strive towards making a consensual decision, discussing among themselves the merits of each disputant's contentions – this extensive consideration to the issue should thus produce a better and fairer decision.

- 11.17.4.13.5. When a consensual decision seems impossible, the DRC Head will call for a vote by the participating DRC members – the decision will be based on a simple majority. In case of a tie in the votes, the DRC Head will have the casting vote to decide the outcome.
- 11.17.5. MTCC will receive all records and decisions (except for confidential information to which only the DRC is privy) and prepare a formal agreement (contract), according to the decisions made by the DRC, to be signed by the parties and stamped. Should the parties not sign the agreement (contract), MTCC will issue a stamped Mediation Decision Notice, attached with the Disputant Consent and Responsibilities form and the Dispute Decision Template, to the disputants stating the decisions of the DRC, and notify all other concerned parties the outcome of the mediation, bringing the mediation to a closure.
- 11.17.6. Appeal: A disputant who had agreed and been subjected to the Binding Consent may appeal to the BOT as the appointing body of the DRC, stating the merits of the appeal to be relieved from the obligations of the Disputant Consent and Responsibilities to pursue arbitration and litigation or for the DRC decisions to be reconsidered.
- 11.17.7. The BOT would confirm the merits of the appeal with DRS and MTCC, obtain any further information, require the non-appealing disputant to give reasons why the appeal should or should not be entertained, review the submissions by both disputants and decide on the appeal.
 - 11.17.7.1. Should the appeal not be successful all earlier decisions and outcomes stay.
 - 11.17.7.2. Should the appeal be successful, the appealing disputant will be relieved of the binding consent and MTCC will reclassify the Disputant Consent and Responsibilities form, produce a revised formal agreement (contract), according to the new decisions made by BOT, to be signed by the disputants and stamped, and both parties are free to pursue the matter at their discretion.
 - 11.17.7.3. The BOT could decide, upon requests by the disputants, for the mediation to be repeated with different DRMs.

11.17.8. Compliance:

11.17.8.1. MTCC will monitor compliance to the agreements or decisions between the parties for a satisfactory period as decided by MTCC and thereafter close the dispute.

11.17.8.2. Should the agreements or decisions not be complied with in a reasonable time, a period that MTCC will determine, MTCC will initiate punitive actions against the party that has failed to implement the agreements or decisions that could be:

11.17.8.2.1. Inform the certification body and its accreditation body of failure to comply, including recommendations to suspend or terminate certification.

11.17.8.2.2. Referral to Department of Standards Malaysia or accredited certification bodies and PEFC with recommended actions.

11.17.9. Arbitration:

11.17.9.1. Though arbitration is outside of MTCC responsibility to seek an amicable resolution to the dispute, MTCC may, where the mediation process allows the disputants to pursue arbitration, share any information that MTCC may have, in the spirit of a fair outcome, for disputants to appoint a suitably qualified subject expert and accredited arbitrator, to arbitrate, according to the Malaysian Arbitration Act 2005 and its prevailing amendments.

11.17.9.2. In the meantime, MTCC would ensure all records it has of the mediation are vetted by a legal professional to confirm that they can satisfy legal scrutiny and be prepared to make witness statements at the arbitration.

11.17.10. Litigation:

11.17.10.1. Should parties go for litigation, MTCC will prepare itself to make witness statement in court when required.

11.18. Costs: The costs of this Dispute Management and Resolution procedure will be classified and charged as follows:

11.18.1. Internal Costs – MTCC operational costs for dispute resolution.

11.18.1.1. MTCC will bear its operational costs of service for Malaysian organisations.

11.18.1.2. MTCC will charge foreign disputants RM300.00 per man-Hour for operational costs, including DRC, DRS and DRM costs – Malaysian taxpayers should not bear such costs.

11.18.2. External Costs, such as the following, will be charged at cost plus ten percent:

11.18.2.1. Dispute Settlement Agreement preparations.

11.18.2.2. Document stamping.

11.18.2.3. Expert or legal consultations and participation.

11.18.2.4. Any other external costs.

11.18.2.5. If more than one party benefits, the costs will be proportionately shared between them.

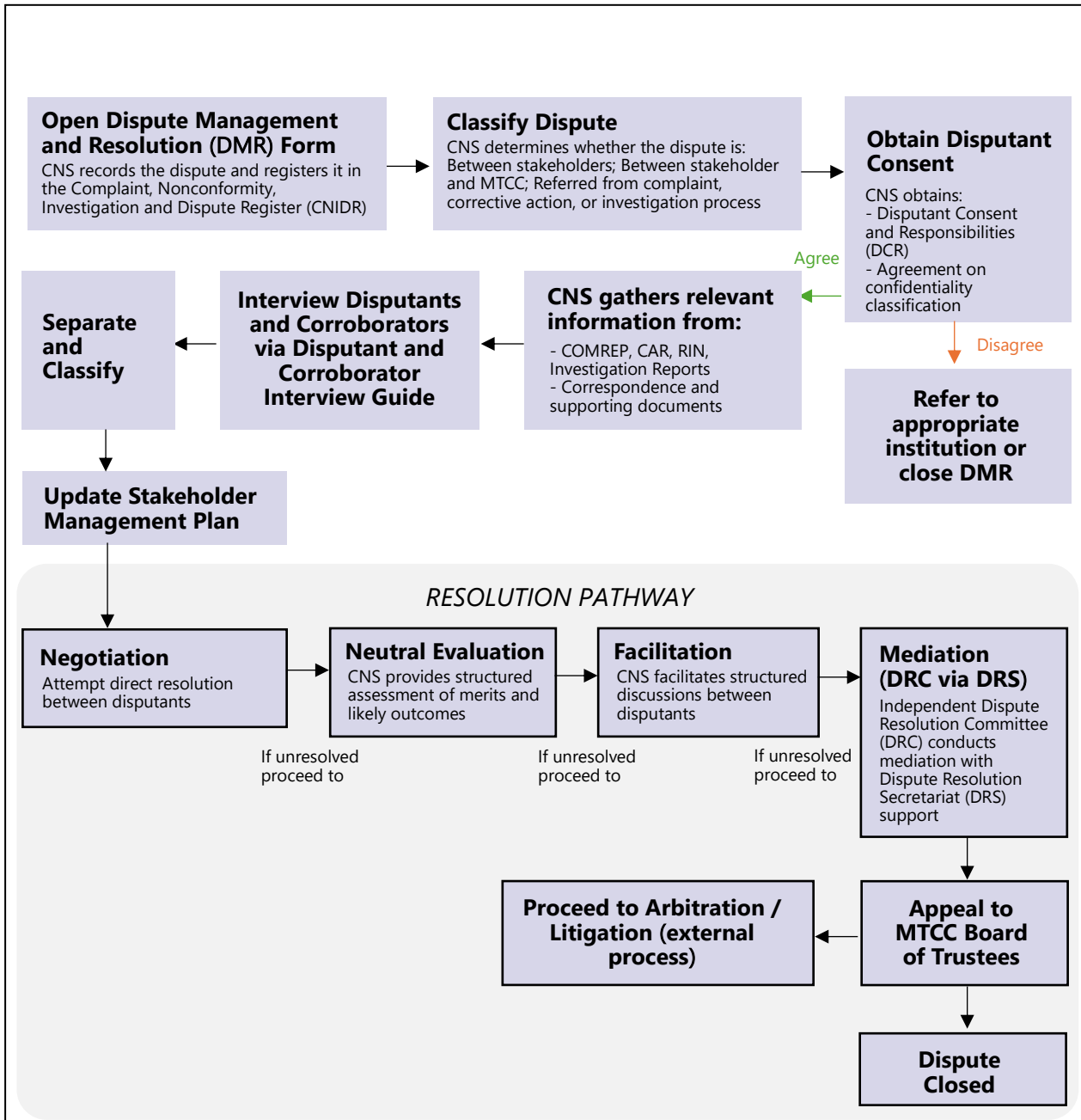
11.19. The following timeline for this procedure indicates the maximum time to complete that stage, unless there are unavoidable circumstances or events:

No	Process	Duration
1.	Receiving notice requesting for dispute resolution or CEO request to open DMR.	0 week
2.	Confirming further investigation will not resolve the issue.	1 week
3.	Obtain signed Disputant Consent and Responsibilities form.	2 weeks
4.	Compile all currently available information.	2 weeks
5.	Interview disputing parties and corroborators.	3 weeks
6.	Open or update Stakeholder Management Plan.	1 week
7.	Disputant rating start.	1 week
8.	Establish collaborative communication channels to minimise non substantive issues.	1 week
9.	List merits and demerits of disputant cases.	2 weeks
10.	Strategies to minimise factors that influence the substantive issues being resolved.	2 weeks

No	Process	Duration
11.	Document disputant responsibilities.	1 week
12.	Initiate Negotiation.	1 week
13.	Initiate Neutral Evaluation.	1 week
14.	Initiate Facilitation.	2 weeks
15.	Initiate Mediation – Refer to DRC via DRS – provide all information.	2 weeks
16.	Selection and recruitment of DRMs	2 weeks
17.	Voluntary consent of disputants for DRMs to mediate.	2 weeks
18.	Conduct mediation.	1 week
19.	Inform stakeholders of outcome.	2 weeks
20.	Confirm compliance to dispute settlement and agreement.	2 weeks
21.	Initiate punitive actions for non-compliance	1 week
22.	Monitor compliance.	1 week
23.	Appeal against decision	1 week
24.	Compliance monitoring	1 week

11.20. Flowchart 6 illustrates the structured dispute resolution process, from dispute registration through progressive resolution stages including negotiation, facilitation, mediation, and appeal, until closure or external legal resolution.

Flowchart 6: Dispute Management and Resolution Procedure Workflow



APPENDIX 1 – Dispute Resolution Committee (DRC)

The DRC is the independent committee established by the Board of Trustees of the MTCC.

The members are appointed every two years.

The list of the DRC members is available on the [MTCC website](#).

APPENDIX 2 – Table 1: List of Instructions / Guidelines / Forms / Records Under the Complaints Handling and Dispute Resolution Mechanism

No.	Procedure	Instructions / Guidelines	Forms / Records
1.	Stakeholder Management	<ol style="list-style-type: none"> 1. Stakeholder Significance Threshold 2. Stakeholder Interview Guide 3. Stakeholder Survey Questionnaire 4. MTCC Brainstorming Guide 	<ol style="list-style-type: none"> 1. MTCC Stakeholder Register 2. Stakeholder Significance Map 3. Stakeholder Management Plan 4. Stakeholder Interview Guide 5. Stakeholder Observation and Analysis 6. MTCC Suggestion Form 7. MTCC Meeting Record
2.	Complaints and Nonconformity Management	<ol style="list-style-type: none"> 5. Rating Complainant 	<ol style="list-style-type: none"> 8. Complaints and Nonconformity Report (CNR) 9. Complaints-Nonconformity Register (CNIDR)
3.	Corrective Action	N/A	<ol style="list-style-type: none"> 10. Corrective Action Report (CAR) 11. Job Sheet 12. CAR Gantt Chart
4.	Risk Management and Preventive Action	N/A	<ol style="list-style-type: none"> 13. MTCC Directory of Risk Context and Criteria 14. Risk Register 15. Risk Record 16. Treatment Action Report (TAR) 17. Treatment and Controls Monitoring Record (TCMR)
5.	Investigation and Reporting	N/A	<ol style="list-style-type: none"> 18. Request for Investigation (RIN) 19. Work Breakdown and Gantt Chart 20. Investigation Report
6.	Dispute Management and Resolution	<ol style="list-style-type: none"> 6. Disputant and Corroborator Interview Guide 	<ol style="list-style-type: none"> 21. Dispute Management and Resolution (DMR) Form 22. Disputant Consent and Responsibilities (DCR) 23. Dispute Decision (DDT) 24. Dispute Settlement Notification (DSN) 25. Mediation Decision Notice (MDN) 26. DRC Appeal Form (DAF) 27. Dispute Information Cover Page (DIC)

APPENDIX 3: Complaints Handling and Dispute Resolution Mechanism Interface

