



MALAYSIA BUILDING SOCIETY BERHAD
(Incorporated in Malaysia)
(Company No. 9417-K)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 47th ANNUAL GENERAL MEETING ("AGM") of the Company will be held at Grand Nexus, Level 3A, Connexion@Nexus, No. 7 Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur on Friday, 12 May 2017 at 3.30 p.m. for the following purposes:

Ordinary Business:

- To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2016 and Reports of the Directors and Auditors thereon.
- To declare a Single-Tier Final Dividend of 3.0 sen per ordinary share for the financial year ended 31 December 2016.
- To approve payment of Directors' Fees amounting to RM1,110,000 for the financial year ended 31 December 2016.
- To approve to the payment of Directors' Allowances from January 2017 until the next AGM of the company.
- To re-elect the following Directors who retire in accordance with Article 86 of the Company's Articles of Association and who being eligible offer themselves for re-election:-

- Encik Lim Tian Huat
- Tan Sri Abdul Halim bin Ali

- To re-elect the following Directors who retire in accordance with Article 78 of the Company's Articles of Association and who being eligible offer themselves for re-election:-

- Encik Sazaliza bin Zainuddin
- Datuk Johar bin Che Mat
- Puan Lynette Yeow Su-Yin

- To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to determine their remuneration.

Special Business:

To consider and if thought fit, to pass the following resolutions:-

- Pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 to retain the following director, who has served the Company as board member for a cumulative term of more than nine years, in the capacity as independent director:-

Continuing in Office as Independent Non-Executive Director

- That approval be and is hereby given for Encik Aw Hong Boo to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM.

Authority to issue and allot shares

"THAT subject always to the Companies Act, 2016 ("the Act"), the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant government/regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 75 of the Act, to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.

10. Allotment and issuance of new Ordinary Shares in MBSB ("MBSB Shares") in relation to the Dividend Reinvestment Plan that allows shareholders of MBSB ("Shareholders") to reinvest their dividend to which the dividend reinvestment plan applies, in new MBSB Shares ("Dividend Reinvestment Plan").

"THAT pursuant to the Dividend Reinvestment Plan as approved by the Shareholders at the Extraordinary General Meeting held on 10 December 2013, approval be and is hereby given to the Company to allot and issue such number of new MBSB Shares from time to time as may be required to be allotted and issued pursuant to the Dividend Reinvestment Plan until the conclusion of the next Annual General Meeting upon such terms and conditions and to such persons as the Directors, may in their absolute discretion, deem fit and in the interest of the Company PROVIDED:-

- THAT the issue price of the said new MBSB Shares shall be fixed by the Directors at a discount of not more than ten percent (10%) to the five (5)-day volume weighted average price ("VWAP") of MBSB Shares immediately prior to the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price.

AND THAT the Directors of the Company be and are hereby authorized to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give effect to the Dividend Reinvestment Plan with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the Dividend Reinvestment Plan as the Directors may deem fit, necessary and/or expedient in the best interest of the Company or as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments and to take all steps as it considers necessary in connection with the Dividend Reinvestment Plan."

11. Proposed Amendment to the Articles of Association ("Proposed Amendments")

"THAT approval be and is hereby given for the Articles of Association of the Company to be altered, modified, varied and deleted as set out in Appendix I attached with the Annual Report 2016 and that any Director be and is hereby authorised to give effect to the Proposed Amendments and to take all steps and do all acts and things in any manner as they may deem necessary to complete, finalise, implement and give full effect to the Proposed Amendments."

- To transact any other ordinary business of which due notice shall have been given.

BY ORDER OF THE BOARD

KOH AI HOON (MAICSA 7006997)
TONG LEE MEE (MAICSA 7053445)
COMPANY SECRETARIES

Kuala Lumpur
20 April 2017

Explanatory Notes:-

- Item 1 of the Agenda

This Agenda is meant for discussion only, as the provision of Section 340 (1) of the Companies Act, 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

- Item 3 of the Agenda

The details of the Directors' fees for financial year ended 31 December 2016 are as follows:-

Board members	Total
Tan Sri Abdul Halim bin Ali	170,000
Datuk Syed Zaid bin Syed Jaffar Albar	130,000
Encik Aw Hong Boo	155,000
Dato' Jasmy bin Ismail	130,000
Encik Lim Tian Huat	150,000
Datuk Shahril Ridza bin Ridzuan	135,000*
Cik Ravinder Kaur a/p Mahan Singh	120,000
Ir Moslim bin Othman	120,000
	1,110,000

* 50% of the directors' fees is paid to the organisation to whom the director represents.

The proposed Directors' fees is determined based on the Directors' role and contributions. The Chairman and Members of different Board Committees will receive additional fees in recognition at their additional role and responsibilities.

- Item 4 of the Agenda

The details of the Directors' Allowances are as follows:-

Board Meeting Allowance	RM3,000.00 per meeting
Board Committee Meeting Allowance	RM2,000.00 per meeting
Any other meeting allowances (where the Directors are invited to attend)	RM2,000.00 per meeting
Chairman's Car allowance	RM10,000.00 per month

Note : The meeting allowances will be paid to the Directors after the conclusion of each meeting. If approved by Shareholders, the total payment of Directors' Allowances is estimated at RM2,706,000 based on the estimated number of 160 meetings for the period from January 2017 to June 2018.

- Item 8 of the Agenda

The Nominating & Remuneration Committee has assessed the independence of Encik Aw Hong Boo, who served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended him to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM, based on the following justifications:-

- He has fulfilled the criteria under definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and therefore would be able to function as a check and balance and bring an element of objectivity to the Board of Directors;
- He has vast experience in accounting and finance fields and was able to provide constructive and independent judgment for the benefits of the business;
- He constantly challenges the Management in an effective and constructive manner; and
- He actively participated in board discussions and provided an independent voice on the Board.

- Item 9 of the Agenda

The proposed Ordinary Resolution 11, if passed, will give powers to the Directors to issue new ordinary shares in the capital of the Company up to an aggregate amount not exceeding 10% of the paid-up share capital of the Company for the time being without having to convene a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the next AGM.

The purpose of the proposed mandate from shareholders is to provide MBSB the flexibility to undertake any share issuance during the financial year that is not material in nature under exceptional circumstances i.e. in the event that any capital management requirement to meet the prudential compliance capital leverage ratio or strategic opportunities involving equity deals which may require the Company to allot and issue new shares on urgent basis and which is only to be undertaken if the Board considers it to be in the best interest of the Company.

- Item 10 of the Agenda

Dividend Reinvestment Plan ("DRP") is a capital management tool that would strengthen the Company's capital position. The reinvestment of dividend entitlements by shareholders for new Company shares will enlarge the Company's share capital and strengthen its capital position for future growth. Under the DRP, the cash that would otherwise be paid out by way of dividend will be preserved to fund the working capital and/or capital funding requirements of the Group and the Company.

The proposed Ordinary Resolution 12, if passed, will empower the Directors of the Company to issue new ordinary shares pursuant to the terms and conditions of the Company's DRP which are contained in the DRP Statement set out in Appendix I to the Circular to Shareholder dated 25 November 2013 (as may be amended in accordance with the provisions of the said DRP).

The authority conferred by such renewed mandate/authority will be effective from the date of the forthcoming AGM and unless revoked or varied at a general meeting, will expire at the next AGM.

- Item 11 of the Agenda

The proposed amendment to Article 77 of the Company's Articles of Association is to enable the Company to increase the number of Directors up to 12 and to allow the Company to have Board and Board Committees of a size that promote effective deliberation.

The proposed amendment to Article 65 of the Company's Articles of Association to update the Articles of Association of the Company to be consistent with the prevailing laws, guidelines and requirements of the relevant authorities.

Notes:-

- For the purpose of determining a member who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 58A(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 4 May 2017. Only a depositor whose name appears on the Record of Depositors as at 4 May 2017 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.
- A member shall be entitled to appoint another person as his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to attend, participate, speak and vote at the meeting.
- In the case of a corporate body, the proxy appointed must be in accordance with its constitution, if any, and the instrument appointing a proxy shall be given under the company's common seal or under the hand of an officer or attorney duly authorised.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- Where a member of the company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- To be valid, the duly completed instrument appointing a proxy must be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than twenty-four (24) hours before the time for holding the meeting or any adjournment thereof.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

- Directors who are standing for re-election at the 47th AGM of the Company to be held at Grand Nexus, Level 3A, Connexion@ Nexus, No. 7 Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur on Friday, 12 May 2017 at 3.30 p.m. are as follows:-
 - Encik Lim Tian Huat
 - Tan Sri Abdul Halim bin Ali
 - Encik Sazaliza bin Zainuddin
 - Datuk Johar bin Che Mat
 - Puan Lynette Yeow Su-Yin
- The details of the above Directors who are standing for re-election at the 47th AGM are disclosed under the Directors' Profile on pages 20 to 29 of this Annual Report.

Appendix I

Proposed amendments to the Articles of Association of the Company

The Articles of Association of the Company are proposed to be amended in the following manner:-

Article No.	Existing Articles	Amended Articles
Article 77	Unless otherwise determined by a general meeting the number of Directors shall not be less than two or more than ten . The first Directors of the Company shall be Yap Pheng Geck, Chong Hon Nyan and G.H.N. Horsfield.	Unless otherwise determined by a general meeting the number of Directors shall not be less than two or more than twelve . The first Directors of the Company shall be Yap Pheng Geck, Chong Hon Nyan and G.H.N. Horsfield.
Article 65	At any general meeting (unless a poll is demanded by a person or persons present, holding or representing as proxy more than one-half of the nominal amount of the capital represented at the meeting) a declaration by the Chairman that a resolution has been carried, or carried by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.	At any general meeting (unless a poll is demanded by the chairman; or by at least three members present in person or by proxy; or by any member present in person or by proxy and representing not less than ten per centum of the total voting rights of all the members having the right to vote at the meeting; or by a member holding shares in the company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than ten per centum of the total paid up shares conferring that right) a declaration by the Chairman that a resolution has been carried, or carried by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.