



MALAYSIAN AIRLINE SYSTEM BERHAD

(Company No. 10601-W)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 43rd Annual General Meeting of Malaysian Airline System Berhad will be held at the Auditorium, 1st Floor, South Wing, MAS Academy, No. 2 Jalan SS7/13, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 25 June 2014 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2013 and the Reports of the Directors and Auditors thereon. **Resolution 1**

2. To re-elect the following Director who shall retire pursuant to Article 137 of the Company's Articles of Association, and who, being eligible, offer himself for re-election:-
 - (i) Mohd Shahazwan bin Mohd Harris **Resolution 2**

3. To re-elect the following Directors who shall retire pursuant to Article 139 of the Company's Articles of Association, and who, being eligible, offer themselves for re-election:-
 - (i) Tan Sri Krishnan Tan Boon Seng **Resolution 3**
 - (ii) David Lau Nai Pek **Resolution 4**
 - (iii) Ahmad Jauhari bin Yahya **Resolution 5**

4. To approve the payment of Directors' fees amounting to RM396,000 per annum in respect of the financial year ended 31 December 2013. **Resolution 6**

5. To re-appoint Messrs. Ernst & Young as Auditors of the Company for the financial year ending 31 December 2014 and authorise the Directors to fix their remuneration. **Resolution 7**

SPECIAL BUSINESS

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

6. **Authority to Allot and Issue Shares** **Resolution 8**

"THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued."

7. To transact any other ordinary business for which due notice has been given.

Resolution 9

By Order of the Board

Rizani bin Hassan
(LS 0009520)
Company Secretary

Selangor Darul Ehsan
3 June 2014

Explanatory Notes on Ordinary Business

Resolutions 3 and 4 – Assessment of Independence of Independent Directors

The independence of Tan Sri Krishnan Tan Boon Seng and David Lau Nai Pek who have served as Independent Non-Executive Directors have been assessed.

Explanatory Notes on Special Business

Resolution 8 - Authority to Allot and Issue Shares

This is a renewal of the general mandate sought to grant authority to Directors to issue and allot shares in the Company under Section 132D of the Companies Act, 1965 that was approved by the shareholders at the 42nd Annual General Meeting held on 14 May 2013. The general mandate will provide flexibility to the Company to undertake any possible fund raising exercises, including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time, as the Directors may deem fit, without the need to convene a separate general meeting.

Up to the date of this Notice, the Company did not utilize the mandate granted at the 42nd Annual General Meeting and thus no proceeds were raised from the previous mandate.

The Ordinary Resolution 8 above, if passed, will empower the Directors to issue and allot shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued capital of the Company, subject to compliance with the relevant regulatory requirements. The approval is sought to avoid any delay and additional cost in convening a separate general meeting for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

Notes:

1. In respect of deposited securities, only members whose names appear on the Record of Depositors as at 18 June 2014 shall be entitled to attend and vote at the Meeting.
2. A member entitled to attend and vote at the Meeting is entitled to appoint more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company.
3. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one security accounts ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
6. The right of foreigners to vote in respect of their deposited securities is subject to Section 41(1)(e) and Section 41(2) of the Securities Industry (Central Depositories) Act 1991 and the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996. The position of such Depositors in this regard will be determined based on the General Meeting Record of Depositors. Such Depositors whose shares exceed the Company's foreign shareholding limit of 45% as at the date of the General Meeting Record of Depositors may attend the above Meeting but are not entitled to vote. Consequently, a proxy appointed by such Depositor who is not entitled to vote will also not be entitled to vote at the above Meeting.
7. The instrument appointing a proxy must be deposited at **Symphony Share Registrars Sdn. Bhd., Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia**, not less than 48 hours before the time for holding the Meeting or at any adjournment thereof.