

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting ("EGM") of Malaysian Airline System Berhad ("Company") 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 Thursday, 6 November 2014 at 10.00 a.m. (or at any adjournment thereof) for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution:

SPECIAL RESOLUTION

PROPOSED SELECTIVE CAPITAL REDUCTION AND REPAYMENT EXERCISE PURSUANT TO SECTIONS 60 AND 64 OF THE COMPANIES ACT, 1965

(To be approved by at least 50% in number of members voting, and 75% in value of the disinterested voting shares that are cast, either in person or by proxy at the EGM, and the value of the votes cast against must not be more than 10% of the votes attaching to all disinterested voting shares, pursuant to the Malaysian Code on Take-Overs and Mergers 2010)

"That, subject to the confirmation by the High Court of Malaya and to the requisite approvals (if any) of any relevant regulatory authority or person, and pursuant to Article 71 of the Company's Articles of Association and Sections 60 and 64 of the Companies Act, 1965:

- (a) approval be and is given for the Company to reduce its issued and paid-up ordinary share capital and share premium account in the following manner:
 - (i) all of the 5,118,392,000 issued and paid-up ordinary shares of nominal value RM0.10 each in the Company ("**Ordinary Shares**") which are not held by Khazanah Nasional Berhad as of a date to be determined and announced later by the Directors of the Company ("**Entitlement Date**") shall be cancelled, resulting in the issued and paid-up ordinary share capital of the Company being reduced from RM1,671,078,120.00 comprising 16,710,781,200 Ordinary Shares to RM1,159,238,920.00 comprising 11,592,389,200 Ordinary Shares; and
 - (ii) an amount of RM870,126,640.00 standing to the credit of the balance of the Company's share premium account shall be cancelled, resulting in the balance of the Company's share premium account being reduced from RM1,735,716,000.00 to RM865,589,360.00;
- (b) approval be and is given for the entire credit arising from the said reduction of the Company's share capital and share premium of RM1,381,965,840.00 to be utilised, forthwith after the said reduction, to pay each member of the Company as of the Entitlement Date (other than Khazanah Nasional Berhad) a cash sum of RM0.27 per Ordinary Share held by such member of the Company as of the Entitlement Date; and
- (c) approval and authority be and are given to the Directors of the Company, with full power to take all such steps and exercise all such discretion as they may deem necessary or desirable:
 - (i) to determine the Entitlement Date;
 - (ii) to assent to any condition, stipulation, modification, variation or amendment imposed by any relevant regulatory authority and/or by the High Court of Malaya;
 - (iii) to lodge an office copy of the order of the High Court of Malaya referred to in this resolution with the Companies Commission of Malaysia on such date as the Directors may determine in their sole discretion (subject to the terms of the said order of the High Court of Malaya); and
 - (iv) to do all such acts, deeds and/or things, and execute and deliver on behalf of the Company all such instruments and documents, as are necessary, appropriate, expedient or incidental to give full effect to and complete the matters described in this resolution."

By order of the Board.

Rizani bin Hassan
(LS 0009520)
Company Secretary

Selangor Darul Ehsan
15 October 2014

Notes:

1. In respect of deposited securities, only members whose names appear on the Record of Depositors as of 30 October 2014 ("EGM Record of Depositors") shall be entitled to attend and vote at the EGM.
2. A member entitled to attend and vote at the EGM is entitled to appoint more than two 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 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 Sections 41(1)(e) and 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 EGM Record of Depositors. Such depositors whose shareholdings fall in excess of the Company's foreign shareholding limit of 45% as of the date of the EGM Record of Depositors may attend the EGM 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 EGM.
7. The instrument appointing a proxy must be deposited at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan P/JU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time for holding the EGM or at any adjournment thereof.