



MALAYSIA BUILDING SOCIETY BERHAD  
Registration No. 197001000172 (9417-K)  
A Subsidiary of the EPF

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 50<sup>th</sup> ANNUAL GENERAL MEETING ("AGM") of the Company will be held at Penthouse, 12<sup>th</sup> Floor, Wisma MBSB, No. 48, Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur ("Broadcast Venue") on Tuesday, 30 June 2020 at 10.00 a.m. for the following purposes:

## ORDINARY BUSINESS:

1. To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2019 and Reports of the Directors and Auditors thereon.
2. To declare a Single-Tier Final Dividend of 3.0 sen per ordinary share for the financial year ended 31 December 2019.
3. To approve payment of Directors' Fees amounting to RM1,815,000.00 (MBSB : RM 660,000.00 and MBSB Bank : RM 1,155,000.00) for the financial year ended 31 December 2019.
4. To approve the payment of Directors' Fees payable to Directors for the period from January 2020 until the next AGM of the Company in 2021.
5. To approve payment of benefits (excluding Directors' Fees) payable to Directors from the date of this AGM until the next AGM of the Company in 2021.
6. To re-elect Tan Sri Abdul Halim bin Ali, who retire in accordance with Clause 100 of the Company's Constitution, and who being eligible offer himself for re-election.
7. To re-elect Encik Lim Tian Huat, who retire in accordance with Clause 100 of the Company's Constitution, and who being eligible offer himself for re-election.
8. To re-elect Puan Lynette Yeow Su-Yin, who retire in accordance with Clause 100 of the Company's Constitution, and who being eligible offer herself for re-election.
9. To re-elect Puan Zaidatul Mazwin binti Idrus who retire in accordance with Clause 90 of the Company's Constitution, and who being eligible offer herself for re-election.
10. To re-elect Encik Mohamad Abdul Halim bin Ahmad who retire in accordance with Clause 90 of the Company's Constitution, and who being eligible offer himself for re-election.
11. To re-appoint Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2020 and to authorise the Directors to fix their remuneration.

## SPECIAL BUSINESS:

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

12. Pursuant to Recommendation 4.2 of the Malaysian Code on Corporate Governance 2017 to retain the following director, who has served the Company as board member for a cumulative term of more than nine (9) years, in the capacity as independent director:-

### **Continuing in Office as Senior Independent Non-Executive Director**

"THAT approval be and is hereby given for Encik Lim Tian Huat to continue to act as a Senior Independent Non-Executive Director of the Company until the conclusion of the next AGM."

**(Please refer to  
Explanatory Note 1)**

**Ordinary  
Resolution 1**

**Ordinary  
Resolution 2**

**Ordinary  
Resolution 3**

**Ordinary  
Resolution 4**

**Ordinary  
Resolution 5**

**Ordinary  
Resolution 6**

**Ordinary  
Resolution 7**

**Ordinary  
Resolution 8**

**Ordinary  
Resolution 9**

**Ordinary  
Resolution 10**

**Ordinary  
Resolution 11**

### 13. Authority to allot and issue shares

“THAT subject always to the Companies Act, 2016 (“the Act”), the Constitution 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 allot and issue 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 from 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”.

Ordinary  
Resolution 12

### 14. 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:-

- i. 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.”

Ordinary  
Resolution 13

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

### BY ORDER OF THE BOARD

**KOH AI HOON** (MAICSA 7006997)

*Practicing Certificate No.: 201908003748*

**TONG LEE MEE** (MAICSA 7053445)

*Practicing Certificate No.: 201908001316*

*Company Secretaries*

Kuala Lumpur

29 May 2020

### EXPLANATORY NOTES:

#### 1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2019

This Agenda is meant for discussion only, as the provision of Section 340(1)(a) 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.

**2. Item 3 of the Agenda (Ordinary Resolution 2 – Directors Fees for financial year ended 31 December 2019)**

The details of the Directors fees for financial year ended 31 December 2019 are as follows:-

BOARD MEMBERS	MBSB	MBSB BANK
	Total (RM)	Total (RM)
Tan Sri Abdul Halim bin Ali	140,000	140,000
Encik Lim Tian Huat	175,000	-
Ir. Moslim bin Othman	165,000	-
Puan Lynette Yeow Su-Yin	155,000	135,000
Puan Zaidatul Mazwin binti Idrus <i>(50% Directors' Fees to be paid to EPF) (Appointed in MBSB on 14 October 2019)</i>	25,000	-
Encik Aw Hong Boo	-	165,000
Encik Szalizi Zainuddin <i>(50% Directors' Fees to be paid to EPF)</i>	-	120,000
Datuk Johar bin Che Mat	-	155,000
Tunku Alina Binti Raja Muhd Alias	-	140,000
Datuk Azrulnizam bin Abdul Aziz	-	120,000
Dr. Loh Leong Hua	-	150,000
Encik Kamarulzaman bin Ahmad <i>(Appointed in MBSB Bank on 1 October 2019)</i>	-	30,000
<b>TOTAL</b>	<b>660,000</b>	<b>1,155,000</b>

**3. Item 4 of the Agenda – (Ordinary Resolution 3 - Directors Fees payable to Directors)**

The proposed fees to be paid to Directors for the period from January 2020 until the next AGM of the Company in 2021 is based on the following fee structure:-

**MBSB**

FEES PER ANNUM	(RM)	
	CHAIRMAN	MEMBER
Directors	140,000	100,000
Audit Committee	30,000	20,000
Risk Management Committee	30,000	20,000
Nominating & Remuneration Committee	25,000	15,000

**MBSB BANK**

FEES PER ANNUM	(RM)	
	CHAIRMAN	MEMBER
Directors	140,000	100,000
Board Audit Committee	30,000	20,000
Board Risk Management & Compliance Committee	30,000	20,000
Board Nominating & Remuneration Committee	25,000	15,000
Board Investment & Credit Committee	30,000	20,000
Board Information Technology Oversight Committee	25,000	15,000

#### 4. Item 5 of the Agenda – (Ordinary Resolution 4 – Benefits payable to Directors)

The details of the benefits payable to Directors are as follows:-

Board Meeting Allowance	RM3,000.00 per meeting
General 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
Other benefits	Medical coverage, travel, communication and other claimable benefits

**Note:**

- a. The benefits payable to the Directors comprise allowances and other emoluments payable to the Chairman and member of the Board, Board of subsidiaries and Board Committees
- b. The total amount of benefits payable to the Directors is estimated up to RM2,800,000 from date of this AGM until the next AGM in 2021 based on the estimated number of 238 meetings.

#### 5. Item 12 of the Agenda – (Ordinary Resolution 11 – Approval for Encik Lim Tian Huat to continue to act as a Senior Independent Non-Executive Director)

The Nominating & Remuneration Committee has assessed the independence of Encik Lim Tian Huat, who served as an Senior Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to act as a Senior Independent Non-Executive Director of the Company until the conclusion of the next AGM, based on the following justifications:-

- i. 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;
- ii. He has vast experience in accounting, finance and insolvency fields and was able to provide constructive and independent judgment for the benefits of the business;
- iii. He constantly challenges the Management in an effective and constructive manner; and
- iv. He actively participated in board discussions and provided an independent voice on the Board.

#### 6. Item 13 of the Agenda – (Ordinary Resolution 12 – Authority to allot and issue shares)

The proposed Ordinary Resolution 12, 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 total number of issued shares 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.

#### 7. Item 14 of the Agenda – (Ordinary Resolution 13 – To allot and issue shares in relation to the Dividend Reinvestment Plan)

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 13, 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.

#### **IMPORTANT NOTICE**

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 50<sup>th</sup> AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at <https://tiih.online>. Please follow the procedures in the Administrative Guide in order to participate remotely via RPV.

#### **NOTES:**

1. 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 Clause 61(2) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, to issue a General Meeting Record of Depositors as at 23 June 2020. Only a depositor whose name appears on the Record of Depositors as at 23 June 2020 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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 or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to submit your electronic Proxy Form via TIIH Online at <https://tiih.online> not less than 48 hours before the time fixed for holding the meeting. Please refer to the Annexure of the Proxy Form in the Administrative Guide for submission of electronic Proxy Form.
7. As no shareholders should be physically present at the Broadcast Venue, we urge all shareholders to attend the 50<sup>th</sup> AGM remotely using the Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd ("Tricor")'s TIIH Online website. Please follow the link at <https://tiih.online> and select "e-Services" to login. Please submit your request for remote participation in accordance with procedures as set out in the Administrative Guide, latest by 10.00 a.m. on Sunday, 28 June 2020.

**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**

1. The details of the Directors who are standing for re-election at the at the 50<sup>th</sup> Annual General Meeting of the Company are disclosed under the Directors' Profile of the Annual Report. The details of their interest in securities of MBSB are set out in page 323 of the Annual Report.
2. The Proposed Ordinary Resolution 12 is a renewal mandate for issue of securities. As at the date of this Notice, no new shares were issued pursuant to the general mandate granted to the Directors at the last AGM held on 11 June 2019.

