

MALAYSIA AIRPORTS HOLDINGS BERHAD

NOTICE OF 18TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 18th Annual General Meeting (AGM) of Malaysia Airports Holdings Berhad (MAHB or the Company) will be held at Gateway Ballroom, Level 1, Sama-Sama Hotel, KL International Airport, Jalan CTA 4B, 64000 KLIA, Sepang, Selangor Darul Ehsan on Thursday, 25 May 2017 at 11.00 a.m. for the following purposes: AGENDA

AS ORDINARY BUSINESS

3.

6.

- To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Directors and Auditors Reports thereon. Please refer to Explanatory Note A
- To declare and approve the payment of a final single-tier dividend of 6 sen per ordinary share in respect of the financial year ended 31 December 2016 as recommended by the Directors. Please refer to Explanatory Note B 2.
 - To approve the payment of Directors' fees totalling RM1,037,835.48 to the Non-Executive Directors of MAHB for the financial year ended 31 December 2016. Please refer to Explanatory Note C
 - - To approve the payment of Directors' fees up to an amount of RM2,400,000.00 to the Non-Executive Directors of MAHB, as follows:

 - (i) MAHB amounting to RM1,740,000.00 with effect from 1 January 2017 until the next AGM of the Company; and
 (ii) MAHB Subsidiaries amounting to RM660,000.00 with effect from 1 June 2017 until the next AGM of the Company.

 Please refer to Explanatory Note D

 To approve the payment of Directors' benefits payable up to an amount of RM2,169,020.00 to the Non-Executive Directors of MAHB with effect from 1 January 2017 until the next AGM of the Company, as follows:
 - MAHB amounting to RM1,697,210.00; and MAHB Subsidiaries amounting to RM471,810.00. ease refer to Explanatory Note E
 - To re-elect Datuk Ruhaizah binti Mohamed Rashid who shall retire in accordance with Article 129 of the Company's Constitution and who being eligible, offers herself for re-election.
- Please refer to Explanatory Note F
 To re-elect Dato' Ir. Mohamad bin Husin who shall retire in accordance with Article 129 of the Company's Constitution and who being eligible, offers himself for re-election.

 Please refer to Explanatory Note G
- To re-elect Datuk Azailiza binti Mohd Ahad who shall retire in accordance with Article 129 of the Company's Constitution and who being eligible, offers herself for re-election. Please refer to Explanatory Note H
 To re-elect Datuk Mohd Badlisham bin Ghazali who shall retire in accordance with Article 131 of the Company's Constitution and who being eligible, offers himself for re-election. 8.
- 9. Please refer to Explanatory Note I
- To re-elect Dato' Mohd Izani bin Ghani who shall retire in accordance with Article 131 of the Company's Constitution and who being eligible, offers himself for re-election. Please refer to Explanatory Note J
- 11. To re-appoint Messrs. Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. Please refer to Explanatory Note K
- To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.
- By Order of the Board

SABARINA LAILA BINTI DATO' MOHD HASHIM LS 0004324 Company Secretary Sepang, Selangor Darul Ehsan 28 April 2017

Notes to the Notice of Annual General Meeting

- Section 334 of the Companies Act 2016 (CA 2016) provides that a member of a company shall be entitled to appoint another person or persons as his/her proxy or proxies to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the company. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation. Where a member appoints more than one proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
- A corporation which is a Member, may by resolution of its Directors or other governing body authorises such person as it thinks fit to act as its representative at the Meeting, in accordance with Article 104 of the Company's Constitution.
- The instrument appointing a proxy/representative shall be in print or writing under the hand of the appointer or his/her duly constituted attorney, or if such appointer is a corporation, under its common seal or the hand seal of its attorney.

 The instrument appointing a proxy/representative must be deposited at the Registered Office of the Company at Malaysia Airports Corporate Office, Persiaran Korporat KLIA, 64000 KLIA, Sepang, Selangor Darul Ehsan not less than 24 hours before the time appointed for the taking of the poll, in accordance with Section 334 (3) of the CA 2016.

Voting by Poll

Paragraph 8.29A (1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in this notice to be voted by poll.

Members Entitled to Attend

- For the purpose of determining a member who shall be entitled to attend the 18th AGM, the Company shall request Bursa Malaysia Depository Sdn Bhd in accordance with Article 48(2) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a Record of Depositors as at 18 May 2017. Only a depositor whose name appears on the Record of Depositors as at 18 May 2017 shall be entitled to attend the said meeting or appoint proxies to attend, participate, speak and/or vote on his/her behalf.

 Please be reminded that the AGM is a private meeting between the directors, shareholders, proxies duly authorized representatives and the auditors. As such pos-shareholders are
- proxies, duly authorised representatives and the auditors. As such, non-shareholders are barred from entering the Meeting. However, any disabled shareholder may be allowed to enter the Meeting accompanied by a person who is not a shareholder.
- enter the Meeting accompanied by a person who is not a shareholder.

 Shareholder's 'attention is hereby drawn to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which allows a member of the Company which is an exempt authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) to appoint multiple proxies in respect of each omnibus account

Explanatory Note A:

The Audited Financial Statements is laid in accordance with Section 340(1) (a) of the CA 2016 and meant for discussion only as the Audited Financial Statements do not require shareholders' approval under the provision of Section 251(1) of the CA 2016. As such, this Agenda item is not to be put forward for voting.

Explanatory Note B:

In accordance with Article 154 of the Company's Constitution, the Board is recommending that the shareholders approve the payment of the final dividend.

With reference to Section 131 of the CA 2016, a company may only make a distribution to the shareholders out of available profits of the company if the company is solvent. On 28 February 2017, the Board of Directors' of MAHB (the Board) had considered the amount of dividend and decided to recommend the same for the shareholders' approval.

The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within 12 months immediately after the distribution date which would be announced by the Company after the AGM in accordance with Sections 132(2) and (3) of the CA 2016.

Explanatory Note C:

The Board is recommending that the shareholders approve the payment of Directors' fees totalling RM1,037,835.48 to the Non-Executive Directors of MAHB (NEDs) for the financial year ended 31 December 2016 based on the following fee structure approved by shareholders at the 14th AGM held on 28 March 2013:

MAHB Directors' Fee	RM15,000 per month	RM9,000 per month			
The details of the Directors' fees totalling RM1,037,835.48 to the NEDs for MAHB for the					
financial year ended 31 December 2016 is provided on page 148 of the Statement of Corpo					
Governance in the 2016 Annual Report.					

Explanatory Notes D and E for Resolutions 3 and 4:

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Section 230(1) of the CA 2016 provides amongst others, that "the fees" of the directors, and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 18th AGM on the Directors' fees and benefits payable with effect from 1 January 2017 until the next AGM in 2018 (Relevant Period).

A review of the Directors' remuneration package comprising of Directors' fees and Meeting Allowances, for the external Directors and NEDs on the Board of MAHB's subsidiaries (MAHB Allowances, for the external Directors and NEDs on the Board of MAHB's subsidiaries (MAHB Subsidiaries) was conducted internally by the Board via its Board Nomination & Remuneration Committee (BNRC) in order to be competitive with the other Government-Linked Companies (GLCs) to entice professionals and experts in specialised fields to be on the Boards of MAHB Subsidiaries and to acknowledge the accountability and responsibility of external Directors and NEDs as Directors. The BNRC was of the view that the external Directors and NEDs on the Boards of MAHB Subsidiaries should be accorded with monthly Directors' fees over and above the Meet Allowances that are currently paid to the respective external Directors and NEDs of MAHB The Board has recommended that the effective date of the revised Directors' remuneration

package for the external Directors and NEDs on the Boards of MAHB Subsidiaries is to be effective on 1 June 2017.

- (i) Resolution 3: Shareholders' approval is to be sought on the payment of Directors' fees up to an amount of RM2,400,000.00 to NEDs, as follows:
 - (a) MAHB amounting to RM1,740,000.00 with effect from 1 January 2017 until the next AGM in 2018; and
 - MAHB Subsidiaries amounting to RM660,000.00 with effect from 1 June 2017 until the next AGM in 2018.

The estimated amount of RM2,400,000.00 for the Directors' fees is derived from a total of RM480,000.00 for the period of 1 January 2017 until 31 May 2017 (five months period for MAHB) and a total of RM1,920,000.00 for the period from 1 June 2017 until the next AGM in 2018 (12 months period for both MAHB and MAHB Subsidiaries), based on the following fee structure

No.	Description	Chairman	NEDs
1.	MAHB Directors' Fee	RM15,000 per month	RM9,000 per month
2.	Directors' fees for MAHB Subsidiaries: (The payment of the Directors' fees for MAHB Subsidiaries will only be effective from 1 June 2017)		
	2.1. First Tier Companies	RM4,000 per month	RM3,000 per month
	2.2. Second Tier Companies	RM3,000 per month	RM2,000 per month

- (ii) Resolution 4: Shareholders' approval is to be sought on the payment of Directors' benefits payable up to an amount of RM2,169,020.00 to the NEDs with effect from 1 January 2017 until the next AGM in 2018, as follows:
 - (a) MAHB amounting to RM1,697,210.00; and
 - (b) MAHB Subsidiaries amounting to RM471,810.00.

The Directors' benefits payable comprises the allowances, other emoluments and other claimable benefits payable to the Chairman and NEDs of MAHB.

claimable benefits payable to the Chairman and NEDs of MAHB.

The estimated amount of RM2,169,020.00 for the Directors' benefits payable is derived from a total of RM595,200.00 for the period from 1 January 2017 to 31 May 2017 (five months period based on the current rate) and a total of RM1,573,820.00 for the period from 1 June 2017 until the next AGM in 2018 (12 months period based on the revised rate). The benefits payable for NEDs are as set out below:

No.	Description		Chairman	NEDs
1.	Senior Independent Director's Allowance of MAHB (per month)			RM1,000
2.	Meeting Allowance (per meeting) A. MAHB (i) Board (ii) Board Committees		RM5,000 RM4,000	RM3,000 RM2,000
	B. <u>Boa</u> (i)	ard of MAHB Subsidiaries The following rate of meeting allowance is from 1 January 2017 until 31 May 2017: (a) First Tier Companies (b) Second Tier Companies	RM3,500 RM3,000	RM3,000 RM2,000
	(ii)	The following rate of meeting allowance rate will be effective from 1 June 2017 onwards: (a) First Tier Companies (b) Second Tier Companies	RM1,500 RM1,200	RM1,200 RM1,000
	C. <u>Cor</u> (i)	mmittee of MAHB Subsidiaries The following rate of meeting allowance is from 1 January 2017 until 31 May 2017: (a) Istanbul Sabiha Gokcen International Airport Investment Development and Operation Inc. (ISG)	RM2,500	RM2,000
		(b) LGM Airport Operations Trade and Tourism Inc. (LGM)	RM2,500	RM2,000
	(ii)	The following rate of meeting allowance rate will be effective from 1 June 2017 onwards: (a) ISG and LGM#	RM2.500	RM2.000

No.	Description			Chairman	NEDs
	D.	Ма	nagement Committee of MAHB		
		(i)	Land Development Advisory Committee	RM3,500	RM3,000
		(ii)	Whistleblowing Independent Committee	RM1,500	RM1,000
		(iii)	Other new Corporate Committee	RM1,500	RM1,000
3.	Other Claimable Benefits		Directors' appreciation gift, out of pocket expenses, retirement benefits, car allowance*, entertainment allowance* petrol*, toll, telecommunication devices, club and professional membership.		

Resolution 1

Resolution 2

Resolution 3

Resolution 4

Resolution 5 Resolution 6

Resolution 7

Resolution 8

Resolution 9

Resolution 10

*Chairman Only

Deemed as one meeting due to the fact that the contents of the meetings are similar in nature and meetings are held on the same day.

Note: The Managing Director does not receive any Directors' fees.

In determining the estimated total amount of Directors' fees and benefits payable for the NEDs of the Board of MAHB, the Board considered various factors including the number of scheduled meetings for the Board, Board Committees, Board of Subsidiaries and Management Committees as well as the number of NEDs involved in these meetings. Payment of the NEDs' fees and benefits payable will be made by the Company on a

monthly basis and/or as and when incurred should the proposed Resolution 3 and **Resolution 4** have been passed at the 18th AGM. The Board is of the view that it is just and equitable for the NEDs to be paid the Directors'

fees and benefits payable on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the Relevant Period.

In the event where the payment of Directors' fees and benefits payable during the Relevant Period exceed the estimated amount sought in the 18th AGM, a shareholders' approval is to be sought in the next AGM in 2018 on the payment of the exceeded

Explanatory Notes F. G and H for Resolutions 5 to 7:

13. Article 129 of the Company's Constitution stipulates that any newly appointed Director shall hold office only until the next following AGM of the Company at which the Director is due to retire under this Article, when he shall retire but shall then be eligible for

The profiles of the Directors standing for re-election are provided on pages 80 to 95 of the Board of Directors' Profile in the 2016 Annual Report.

Explanatory Notes I and J for Resolutions 8 and 9:

14. Article 131 of the Company's Constitution expressly states that in every subsequent AGM, at least one-third of the Directors for the time being shall retire from office and the retiring Directors shall be eligible to seek for re-election thereof.

Datuk Ruhaizah binti Mohamed Rashid, Dato' Ir. Mohamad bin Husin, Datuk Azailiza binti Mohd Ahad, Datuk Mohd Badlisham bin Ghazali and Dato' Mohd Izani bin Ghani are standing for re-election at this 18th AGM.

Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin, a Non-Independent Non-Executive Director, who also retires by rotation pursuant to Article 131 of the Company's Constitution does not offer himself for re-election. Hence, he will retire at the conclusion of the 18th AGM.

The Board has conducted an assessment on the independence of the NEDs who are seeking re-election at this 18th AGM inclusive of their skills, experience, character, integrity, competency and contribution.

The profiles of the Directors standing for re-election are provided on pages 80 to 95 of the Board of Directors' Profile in the 2016 Annual Report.

Explanatory Note K:

15. The Board Audit Committee (BAC) and the Board of MAHB have considered the re-appointment of Messrs. Ernst & Young (EY) as Auditors of the Company and collectively agreed that EY has met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.