

MUSIC AUTHORS' COPYRIGHT PROTECTION (MACP) BHD.

("MACP" OR "the Association")

[Registration No. 198901009102 (186403-X)]

(Incorporated in Malaysia)

MINUTES OF THE THIRTY-FIRST ANNUAL GENERAL MEETING ("**AGM**") ("**31st AGM**" OR "**THE MEETING**") OF MACP HELD FULLY VIRTUAL VIA REMOTE PARTICIPATION AND VOTING THROUGH THE ONLINE MEETING PLATFORM HOSTED ON SECURITIES SERVICES E-PORTAL ("**SSeP**") AT [HTTPS://ONLINE.SSHSB.NET.MY/](https://online.sshsb.net.my/) PROVIDED BY SS E SOLUTIONS SDN. BHD. ON THURSDAY, 30 SEPTEMBER 2021 AT 2.40 P.M.

DIRECTORS PRESENT : Dato' Mohd Nasir bin Mohamed (*Chairman*)
Encik Raizan bin Zainal Abidin
Datuk Ahmad Izham bin Omar
Mr. Audi Mok Chuang Yew
Mr. Aubrey Naga Suwito
Mr. Roger Daniel Wong Voon
Mr. Jack Teo Chen Shin
Ms. Janice Foong Wai Heng
Mr. Eric Yeo Lik Koon
Puan Jennifah binti Johari
Ms. Ng Ayna
Ms. Jacqueline Chong Heong Kuan

MEMBERS : As per Attendance List

PROXYHOLDERS : As per Attendance List

BY INVITATION : Mr. Ng Kim Ling (*Messrs. Ernst & Young PLT*)
Puan Marina Ahmad (*Messrs. Ernst & Young PLT*)
Cik Nurul Ezatti Mohamad (*Messrs. Ernst & Young PLT*)
Ms. Heng Cheng Zin (*Messrs. Baker Tilly Monteiro Heng Governance Sdn. Bhd.*)
Ms. Cheong Jiunn Yan (*Messrs. Baker Tilly Monteiro Heng Governance Sdn. Bhd.*)
Encik Brian Law Yew Foo (*Messrs. LAW Partnership*)
Encik Raphael Tay Choon Tien (*Messrs. LAW Partnership*)

IN ATTENDANCE : Ms. Mary Yap Mie Ling (*General Manager*)
Mr. Lim Lih Chau (*Association Secretary*)
Ms. Katrina Lim Mae Lin (*Association Secretary*)
Ms. Vanesa Loh Jichin (*Association Secretary*)

CHAIRMAN

Dato' Mohd Nasir bin Mohamed ("**Dato' Chairman**") chaired the Meeting and welcomed all present at the Broadcast Venue and those participating in the Meeting remotely.

Dato' Chairman informed the Meeting that in view of the ongoing COVID-19 outbreak, restrictions imposed by the Government of Malaysia, and after considering the safety and well-being of the members, the Board of Directors ("**BOD**") had decided that the Meeting be held via live broadcast using remote participation and voting facilities without physical presence of the members and the proxies. This was to comply with the Standard Operating Procedures ("**SOP**") issued by the Government of Malaysia as part of the National Recovery Plan ("**NRP**"), which required all types of meetings to be held via video conference.

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Also, based on the Frequently Asked Questions on Virtual General Meetings issued by the Companies Commission of Malaysia ("**CCM**") on 8 June 2021, an online meeting platform shall be deemed to be in Malaysia under Section 327(2) of the Companies Act 2016 ("**CA 2016**") if the registered domain name was registered with MYNIC Berhad or hosted in Malaysia.

Dato' Chairman then introduced all the Directors, Association Secretary, and General Manager of MACP, as well as the invitees to the Meeting.

QUORUM

Dato' Chairman informed the Meeting that the quorum for this Meeting shall be twenty (20) Full Members present in person or by proxy, as prescribed by Article 22 of the Articles of Association ("**AA**") of MACP. Upon invitation by the Chairman, the Association Secretary, Mr. Lim Lih Chau ("**Mr. Lim**") confirmed that the requisite quorum was present for this Meeting.

There being requisite quorum pursuant to Article 22 of the AA of MACP, Dato' Chairman declared the Meeting duly convened.

NOTICE

The Notice convening the Meeting dated 9 September 2021 having been circulated within the prescribed period, was with the permission of the Meeting, taken as read.

PROCEDURES OF MEETING

Mr. Lim briefed that the Meeting would first be taken through each item of the Agenda, followed by the question-and-answer session ("**Q&A session**") to respond to the questions transmitted by members and proxies.

It was emphasised to the Meeting that according to the latest SOP issued by the National Security Council for the states under Phase 2 of the NRP, all meetings are encouraged to be conducted via video conference. Based on the Frequently Asked Questions on Virtual Public Meetings issued by CCM on 8 June 2021, an online meeting platform shall be deemed to be in Malaysia under Section 327(2) of the CA 2016 if the registered domain name was registered with MYNIC Berhad or hosted in Malaysia.

Members and proxies could rely on real-time submission of typed texts via the text box below the live broadcast video within the SSeP to exercise their rights to speak or communicate in this virtual Meeting. Enquiries/questions submitted via the SseP would be announced by Dato' Chairman via broadcast and the relevant Director(s), General Manager, Association Secretary or invitee(s) would answer them accordingly.

Members and proxies were requested to submit questions relevant to the Agenda items. If there was a time constraint, the Association would respond to questions that could not be addressed during this Meeting by emailing the members involved.

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VOTING PROCEDURES

Dato' Chairman informed the Meeting that the voting module has been opened to all Members and proxies since the commencement of this Meeting and would remain open until ten (10) minutes after the end of the Q&A session.

Pursuant to Article 26 of the Company's AA, a resolution put to vote shall be decided by show of hands by Full Members having the right to vote at the general meeting, unless a poll is demanded before or on the declaration of the result of the show of hands: -

- (a) by the Chairman; or
- (b) by at least five (5) members present in person or by proxy; or
- (c) by any Full Member or Members present in person or by proxy representing not less than one-tenth (1/10) of the total voting rights of all the members having the right to vote at the Meeting.

The Meeting was further informed that SS E Solutions Sdn. Bhd. was the appointed Poll Administrator, while Messrs. HMC Corporate Services Sdn. Bhd. was the appointed Independent Scrutineer to verify the voting results in this Meeting. A step-by-step guide together with a short audio clip on the online voting module within SSeP was then played.

1.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON

Dato' Chairman informed that the first item on the Agenda was to receive the Audited Financial Statements for the financial year ended 31 December 2020 ("FYE 2020") together with the Reports of the Directors and the Auditors thereon ("AFS 2020"). This Agenda item was meant only for the discussion purposes and hence would not be put forward for voting by the members.

Dato' Chairman proceeded to present an overview of the financial performance and position as well as the latest developments of MACP for FYE 2020, the salient points of which are as follows:-

Financial updates

- MACP's total revenue had declined by 5.6% year-on-year ("Y-o-Y") to RM54.2 million from RM57.3 million in the preceding financial year ended 31 December 2019 ("prior year").
- Digital revenue accounted for 50.6% of total revenue (Broadcasting: 20.4%; General Licensing: 15.7%; Overseas Royalties: 4.6%; Mechanical: 0.2%; Other Revenue: 8.5%).
- General Licensing royalty income had decreased by 67% year-on-year to RM8.4 million from RM25.5 million in the prior year. This sharp decline was due to the enforcement of the various forms of Movement Control Order ("MCO") since March 2020 which had resulted in operators and businesses halting their operations. Plus, the delay in the declaration of the Licensing Bodies* as Copyright Management Organisations ("CMO") by Intellectual

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Property Corporation of Malaysia ("**MyIPO**") upon commencing liquidation of Music Rights Malaysia Berhad ("**MRM**") at the end of March 2020 had caused licensing activities to begin only in August 2020.

** Licensing Bodies – MACP, Public Performance Malaysia (PPM) Berhad and Recording Performers Malaysia Berhad*

- However, broadcasting royalty income had increased by 362% Y-o-Y to RM10.95 million from RM2.37 million in the prior year. This was the result of the collection of outstanding licence fees in respect of years 2017 to 2020 from broadcasting stations that were not licensed by MRM.
- Meanwhile, digital royalty income had increased by 18% Y-o-Y to RM27.17 million from RM22.97 million in the prior year.
- Sectors that had experienced significant contractions in revenue Y-o-Y were the following:-
 - Concert and events by 84% to RM1.1 million from RM6.9 million in prior year;
 - Aviation by 99% to RM5,000/- from RM365,000/- in prior year;
 - Hotels by 80% to RM448,000/- from RM2.3 million in prior year;
 - Retail by 68% to RM2.2 million from RM6.9 million in prior year; and
 - Entertainment by 80% to RM946,000/- from RM4.6 million in prior year.
- All of the above were the impact of the complete or limited closure of economic and social sectors as well as the MCO which had severely affected businesses.
- On the other hand, the sectors that showed an increase in revenue were as follows:-
 - Performing only online by 112% to RM1.2 million from RM560,000/- in prior year; and
 - Television by 389% to RM10.9 million from RM2.2 million in prior year.
- The cost-income before tax ratio was 6.3%, representing a slight increase from the prior year. Surplus income after deducting costs was RM50.3 million for FYE 2020.

Membership

Membership recorded an increase of 6.2% since prior year, with 4,675 members as of 31 December 2020.

Welfare

Although MACP is not a charity body, MACP had always been sensitive towards the welfare of its members. Among the benefits made available to Writer Members were as follows:-

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1. Funding of hospitalisation fees of up to RM5,000/- per year for members suffering from any of the thirty-six (36) critical illnesses upon certification by a certified medical practitioner.
2. Contributions to the beneficiaries of deceased members.
3. Veteran allowance of RM500/- to members aged fifty-five (55) years and above who had met the criteria of fifty (50) works registered with MACP and were members for at least ten (10) years.
4. Advance royalty payments to members once a year.
5. Participation in activities organised by MACP such as MACP Awards Night, Cipta Ekspres, workshops, sports events, free-of-charge or at a minimal cost. However these activities had been temporarily put on hold due to the outbreak of COVID-19.
6. A COVID-19 courtesy contribution of RM500/- to the following categories of members that had been excluded from this programme in year 2020:-
 - Twenty-one (21) Malaysian members residing abroad; and
 - Twenty-one (21) non-Malaysian members residing in Malaysia and being full members for at least five (5) years.

Nevertheless, all of the abovementioned benefits were not fixed in nature and they would be reviewed by the BOD from time to time based on the Association's resources in view of the increase in the number of members from year to year.

Next, Dato' Chairman invited Ms. Mary Yap Mie Ling ("**Ms. Mary**"), General Manager to brief the Meeting on the following pertinent issues faced by MACP up to year 2021:-

(A) Objections to MRM's liquidation

Ms. Mary informed that MRM had formally commenced liquidation at the end of the first quarter of year 2020. As such, the general licensing and broadcasting licensing activities had been taken over by MACP.

Accordingly, MyIPO had issued a CMO declaration to the Licensing Bodies at the end of July 2020. Following the declaration, MACP's general licensing and broadcasting licensing activities resumed in August 2020.

In addition to the economic downturn and closure of business premises due to the outbreak of COVID-19, general licensing faced, among others, objections from several user groups such as the Malaysian Association of Hotels ("**MAH**"), Malaysian Budget Hotels Association, Malaysian Shopping Malls Association and Malaysia Retailers Association. The associations had submitted a resolution to the Ministry of Domestic Trade and Consumer Affairs ("**MDTCA**") to re-establish a 'one stop' centre such as MRM.

To avoid payments to the Licensing Bodies, the associations took steps to encourage their members to use royalty-free music on their premises.

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MACP took diplomatic steps in addressing this issue and managed to sign a bilateral agreement with the MAH, while the other three (3) associations had been refusing a compromise. MACP would continue to monitor the premises of defaulting members of the three (3) associations, so that the public performance rights of MACP members are protected.

(B) Establishment of licensing bodies for Sabah and Sarawak

Ms. Mary also reported that a group of music activists in Sabah and Sarawak had set up Music Rights Sabah Berhad ("**MRS**") and Music Rights Sarawak Sdn. Bhd. ("**MRSB**") and sought approval from the MyIPO and the MDTCA to establish separate licensing bodies for Sabah and Sarawak respectively.

The Licensing Bodies then met with the MDTCA to voice their concerns should MRS and MRSB are allowed to operate as separate licensing bodies, music users would have to apply for more than three (3) licences, including from the existing Licensing Bodies.

Besides that, the International Confederation of Societies of Authors and Composers (CISAC) had also voiced their views on this issue to the MDTCA in July 2021.

(C) Latest management developments in year 2021

Ms. Mary further informed the Meeting of her appointment as the General Manager of MACP, taking over from Encik Justin Johari bin Azman ("**Encik Justin**") who had served as the Acting General Manager for two (2) and a half years.

Following the feedback and recommendations of MACP's members at the Thirtieth AGM held on 28 September 2020, the BOD had directed the Management to conduct an audit on the following matters:-

- P191 Distribution process and procedures for year 2020; and
- Members' vote entitlement in respect of AGMs held in the past seven (7) years, i.e. from 2014 to 2020.

The Internal Auditors, namely Messrs. Baker Tilly Monteiro Heng Governance Sdn. Bhd. ("**Baker Tilly**") had been appointed by the Board for the audit of the aforesaid matters separately.

(i) Audit on P191 Distribution process and procedures for year 2020

The audit report on the P191 Distribution process and procedures by the appointed Internal Auditors confirmed that there were irregularities in the said distribution whereby there was a surplus of RM1.03 million distributed to MACP members in year 2020 due to errors in recognition of part of the digital royalty income by the previous Management.

Hence, in the P201 Distribution in year 2021, the member's royalty entitlement had been adjusted for the aforesaid distribution surplus of RM1.03 million.

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- (ii) Audit on members' vote entitlement in respect of AGMs held in the past seven (7) years

The audit conducted by Baker Tilly on this matter had concluded with findings of irregularities in the calculation of the members' vote entitlement for the AGMs held in years 2018, 2019 and 2020 due to misinterpretation by the previous Management.

In taking these irregularities and errors seriously, the BOD took immediate action to order a follow-up audit on the vote count and resolutions passed at the AGMs held in years 2018, 2019 and 2020. Once again, Baker Tilly was appointed by the BOD for this follow-up audit. Subsequently, Baker Tilly had confirmed that the inconsistencies in the vote count at the AGMs held in years 2018, 2019 and 2020 do not have any impact on the resolutions passed at the said AGMs.

Having learnt from the aforesaid irregularities and errors, the BOD then directed the establishment of effective corrective actions and mechanisms to prevent their re-occurrence. Among the actions and mechanisms taken were as follows:-

1. Improvement of the Distribution Policy on the advice of Baker Tilly for stricter regulation of distribution processes and procedures. The new Distribution Policy would be posted on MACP's website once it is approved.
2. An audit of the Distribution process and procedures would be conducted annually as part of the periodic monitoring of the annual distribution process.
3. An audit of the members' vote entitlement shall be conducted for each general meeting in accordance with Article 5(m) of the AA of MACP. Baker Tilly had been appointed to audit the members' vote entitlement for this Meeting.
4. Appointment of Independent Scrutineer to monitor and verify the voting results at each general meeting.

Ms. Mary concluded that despite challenges faced in years in 2020 and 2021, the BOD and Management remained committed to strengthening MACP's performance and upholding the principles of corporate governance and ethical practices based on the core values of transparency, integrity and fairness. The BOD was also grateful to members who had voiced their opinions and suggestions to improve the management of MACP.

Upon the conclusion of Ms. Mary's presentation, Dato' Chairman declared that the AFS 2020 be received.

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2.0 APPROVAL FOR THE PAYMENT OF DIRECTORS' BENEFITS PAYABLE TO THE DIRECTORS UP TO AN AMOUNT OF RM69,090/-, BEING MEETING ALLOWANCES FOR THE PERIOD FROM 1 OCTOBER 2021 UNTIL THE NEXT AGM OF THE ASSOCIATION

Dato' Chairman informed that the next item on the Agenda was to approve the payment of Directors' benefits payable to the Directors up to an amount of RM69,090/- (Ringgit Malaysia: Sixty-Nine Thousand and Ninety) only for the period from 1 October 2021 until the next AGM of the Association.

The Meeting was informed that pursuant to Article 49 of the AA of the Association, each Director of the Association (except the Alternate Director) is entitled to receive for each BOD meeting or any BOD committee or meeting called by the Association attended by such Director, an allowance of which the amount is specified by the Association in its AGM.

Based on the clarification from the CCM, the Registrar's approval is required only for fixed allowances, fees, salaries or any other benefits payable to the Directors on a regular basis (e.g. on a monthly or quarterly basis). Meeting allowances therefore is not a form of fixed allowance, as they would only be paid upon attendance by the Director in BOD meetings or BOD Committee meetings, and not on a regular basis. In addition, the payment of group personal accident insurance coverage premiums for Directors is an internal matter of the Association which would not be governed by the CCM.

The breakdown of the proposed payment of Directors' benefits, which comprised meeting allowances payable to the Directors as well as expenditure on group personal accident insurance coverage for the Directors, was presented to the Meeting.

Dato' Chairman then exercised his right as the Chairman of the Meeting and demanded for a poll to be conducted on the resolution tabled under this Agenda item.

3.0 RE-ELECTION OF THE FOLLOWING WRITER DIRECTORS, WHO WERE DUE TO RETIRE IN ACCORDANCE WITH ARTICLE 39(e) OF THE AA OF THE ASSOCIATION AND BEING ELIGIBLE, HAD OFFERED THEMSELVES FOR RE-ELECTION:-

- **DATUK MOHD NASIR BIN MOHAMED;**
 - **MR. RAIZAN BIN ZAINAL ABIDIN; AND**
 - **MR. AUDI MOK CHUANG YEW**
-

Dato' Chairman informed that the next item on the Agenda was to re-elect the following Writer Directors who were due to retire by rotation pursuant to Article 39(e) of the Association's AA:-

- (i) Dato' Chairman himself;
- (ii) Encik Raizan bin Zainal Abidin; and
- (iii) Mr. Audi Mok Chuang Yew.

The aforesaid retiring Directors, being eligible for re-election, had offered themselves for re-election.

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The Meeting was further informed that Mr. Aubrey Naga Suwito, a Writer Director who was due for retirement in accordance with Article 39(e) of the Articles of Association of MACP, had expressed his intention not to seek re-election. Hence, he would retain office until the close of the 31st AGM.

Accordingly, the BOD had also received one (1) Nomination Form from members nominating Mr. Tan Yen Hue for election as a Writer Director of the Association

As there were only four (4) Writer Director seats to be filled and the BOD had not received any additional nominations other than the aforementioned candidate within the prescribed timeframe, Dato' Chairman hereby announced that pursuant to Article 39(a) of the AA of the Association:-

- That the following persons would be re-appointed as Writer Directors of MACP for a further period of two (2) years without undergoing the voting process:-
 - (i) Dato' Chairman himself;
 - (ii) Encik Raizan bin Zainal Abidin; and
 - (iii) Mr. Audi Mok Chuang Yew.
- That Mr. Tan Yen Hue would be appointed as the new Writer Director of MACP for a period of two (2) years without undergoing the voting process.

4.0 RE-ELECTION OF THE FOLLOWING PUBLISHER DIRECTORS, WHO WERE DUE TO RETIRE IN ACCORDANCE WITH ARTICLE 39(e) OF THE AA OF THE ASSOCIATION AND BEING ELIGIBLE, HAD OFFERED THEMSELVES FOR RE-ELECTION:-

- **MR. TEO CHEN SHIN;**
 - **MS. FOONG WAI HENG;**
 - **MR. YEO LIK KOON; AND**
 - **PUAN JENNIFAH BINTI JOHARI**
-

Dato' Chairman informed that the next item on the Agenda was to re-elect the following Publisher Directors who were due to retire by rotation pursuant to Article 39(e) of the Association's AA:-

- (i) Mr. Teo Chen Shin (representing Universal Music Publishing Sdn. Bhd.);
- (ii) Ms. Foong Wai Heng (representing Sony Music Publishing Sdn. Bhd.);
- (iii) Mr. Yeo Lik Koon (representing Indie Works Sdn. Bhd.); and
- (iv) Puan Jennifah binti Johari (representing Luncai Emas Sdn. Bhd.).

The aforesaid retiring Directors, being eligible for re-election, had offered themselves for re-election.

The Meeting was informed that there was no nomination of candidates received by the BOD from the members for the election of Publisher Directors within the prescribed timeframe. Therefore, the aforesaid persons would be re-elected as Publisher Directors for a further period of two (2) years without undergoing the voting process, in accordance with Article 39(a) of the Association's AA.

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5.0 RE-APPOINTMENT OF MESSRS. ERNST & YOUNG PLT ("EY") AS AUDITORS OF THE ASSOCIATION UNTIL THE CONCLUSION OF THE NEXT AGM AND AUTHORISATION TO THE DIRECTORS TO FIX THEIR REMUNERATION

Dato' Chairman informed that the next item on the Agenda was to re-appoint Messrs. Ernst & Young PLT as the External Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.

EY had indicated their willingness to continue in office as External Auditors of the Association for the ensuing financial year.

Dato' Chairman then exercised his right as the Chairman of the Meeting and demanded for a poll to be conducted on the resolution tabled under this Agenda item.

ANY OTHER BUSINESS

Upon enquiry by Dato' Chairman, Mr. Lim informed that no notice was received to transact any other ordinary business.

Q&A SESSION

The questions and comments posed by members and the corresponding responses were set out in Appendix A of these Minutes.

POLLING PROCESS

At this juncture, the step-by-step guide together with a short audio clip on the SSeP online voting module within SSeP was played again. Shareholders and proxies were given another ten (10) minutes to cast and submit their votes.

Upon the closure of the voting session, the Independent Scrutineer proceeded to verify the poll results.

ANNOUNCEMENT OF THE RESULTS OF POLL VOTING

After the verification of poll results by the Scrutineer, the results of the poll were announced by the Association Secretary as follows:-

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Resolutions	Voted for		Voted Against	
	No. of Shares	%	No. of Shares	%
<u>Resolution 1</u> To approve the payment of Directors' benefits payable to the Directors up to an amount of RM69,090/-, being meeting allowances for the period from 1 October 2021 until the next AGM of the Association	8,070	94.95	429	5.05
<u>Resolution 2</u> To re-elect Dato' Mohd Nasir bin Mohamed, who is due for retirement in accordance with Article 39(e) of the Articles of Association of the Association and being eligible, had offered himself for re-election.	No voting required			
<u>Resolution 3</u> To re-elect Encik Raizan bin Zainal Abidin, who is due for retirement in accordance with Article 39(e) of the Articles of Association of the Association and being eligible, had offered himself for re-election	No voting required			
<u>Resolution 4</u> To re-elect Mr. Audi Mok Chuang Yew, who is due for retirement in accordance with Article 39(e) of the Articles of Association of the Association and being eligible, had offered himself for re-election	No voting required			
<u>Resolution 5</u> To elect Mr. Tan Yen Hue as a Writer Director of the Association	No voting required			

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Resolutions	Voted for		Voted Against	
	No. of Shares	%	No. of Shares	%
<u>Resolution 6</u> To re-elect Mr. Teo Chen Shin, who is due for retirement in accordance with Article 39(e) of the Articles of Association of the Association and being eligible, had offered herself for re-election	No voting required			
<u>Resolution 7</u> To re-elect Ms. Foong Wai Heng, who is due for retirement in accordance with Article 39(e) of the Articles of Association of the Association and being eligible, had offered herself for re-election	No voting required			
<u>Resolution 8</u> To re-elect Mr. Yeo Lik Koon, who is due for retirement in accordance with Article 39(e) of the Articles of Association of the Association and being eligible, had offered herself for re-election	No voting required			
<u>Resolution 9</u> To re-elect Puan Jennifah binti Johari, who is due for retirement in accordance with Article 39(e) of the Articles of Association of the Association and being eligible, had offered herself for re-election	No voting required			
<u>Resolution 10</u> To re-appoint Messrs. Ernst & Young PLT as Auditors of the Association until the conclusion of the next AGM and to authorise the Directors to fix their remuneration	8,106	97.45	212	2.55

Based on the results of the poll voting, Dato' Chairman declared that the Meeting **RESOLVED** that the following resolutions be **CARRIED**:-

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RESOLUTION 1

*"That the payment of Directors' benefits payable to the Directors up to an amount of RM69,090/-, being meeting allowances for the period from 1 October 2021 until the next AGM of the Association ("**payment of Directors' benefits**") be and is hereby approved, subject to the approval from the Registrar on the said payment of Directors' benefits.*

That the Secretaries of the Association are hereby authorised to make the application to the Companies Commission of Malaysia to seek the approval of the Registrar on the aforesaid payment of Directors' benefits.

That the members of the Association hereby confirm that the said payment of Directors' benefits is for the purpose of achieving the objects of the Association."

RESOLUTION 2

*"**THAT** the retiring Director, Dato' Mohd Nasir bin Mohamed, who retired in accordance with Article 39(e) of the Articles of Association of the Association, and being eligible for re-election, be re-elected as a Writer Director of the Association."*

RESOLUTION 3

*"**THAT** the retiring Director, Encik Raizan bin Zainal Abidin, who retired in accordance with Article 39(e) of the Articles of Association of the Association, and being eligible for re-election, be re-elected as a Writer Director of the Association."*

RESOLUTION 4

*"**THAT** the retiring Director, Mr. Audi Mok Chuang Yew, who retired in accordance with Article 39(e) of the Articles of Association of the Association, and being eligible for re-election, be re-elected as a Writer Director of the Association."*

RESOLUTION 8

*"**THAT** Mr. Tan Yen Hue be and is hereby elected as a Writer Director of the Association in compliance with Article 39(a) of the Articles of Association of the Association, subject to his proper execution of the Declaration by a Person before Appointment as Director, or by a Promoter before Incorporation of Corporation pursuant to Section 201 of the Companies Act 2016 and subject to the approval by the Registrar on the appointment of Mr. Tan Yen Hue as a Director of the Association.*

That the Secretaries of the Association be hereby authorised to make the application to the Companies Commission of Malaysia to seek the approval from the Registrar on the aforesaid appointment.

That subject to the approval from the Registrar on the aforesaid appointment, the Secretaries of the Association be hereby authorised to lodge the prescribed Notification of Change in the Register of Directors, Managers and Secretaries pursuant to Section 58 of the Companies Act 2016 with the Companies Commission of Malaysia notifying the aforesaid appointment accordingly."

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RESOLUTION 6

"THAT the retiring Director, Mr. Teo Chen Shin, who retired in accordance with Article 39(e) of the Articles of Association of the Association, and being eligible for re-election, be re-elected as a Publisher Director of the Association."

RESOLUTION 7

"THAT the retiring Director, Ms. Foong Wai Heng, who retired in accordance with Article 39(e) of the Articles of Association of the Association, and being eligible for re-election, be re-elected as a Publisher Director of the Association."

RESOLUTION 8

"THAT the retiring Director, Mr. Yeo Lik Koon, who retired in accordance with Article 39(e) of the Articles of Association of the Association, and being eligible for re-election, be re-elected as a Publisher Director of the Association."

RESOLUTION 9

"THAT the retiring Director, Puan Jennifah binti Johari, who retired in accordance with Article 39(e) of the Articles of Association of the Association, and being eligible for re-election, be re-elected as a Publisher Director of the Association."

RESOLUTION 10

"THAT the retiring Auditors, Messrs. Ernst & Young PLT be re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that authority be and is hereby given to the Directors to fix their remuneration."

Dato' Chairman congratulated the newly elected/re-elected Directors of the Association and informed the Meeting that the appointment of new Director is subject to the approval from the Registrar.

CONCLUSION

There being no other business to be transacted, Dato' Chairman concluded the Meeting at 5:48 p.m. and thanked all present for their attendance.

SIGNED AS A CORRECT RECORD

- Confirmed -

CHAIRMAN
DATO' MOHD NASIR BIN MOHAMED

Dated: 12 November 2021

MUSIC AUTHORS' COPYRIGHT PROTECTION (MACP) BHD.

("MACP" OR "the Association")

[Registration No. 198901009102 (186403-X)]

(Incorporated in Malaysia)

APPENDIX A

SUMMARY OF KEY MATTERS DISCUSSED AT THE THIRTY-FIRST ANNUAL GENERAL MEETING ("**AGM**") ("**31ST AGM**" OR "**THE MEETING**") OF MACP HELD FULLY VIRTUAL VIA REMOTE PARTICIPATION AND VOTING THROUGH THE ONLINE MEETING PLATFORM HOSTED ON SECURITIES SERVICES E-PORTAL AT [HTTPS://ONLINE.SSHSB.NET.MY/](https://online.sshsb.net.my/) PROVIDED BY SS E SOLUTIONS SDN. BHD. ON THURSDAY, 30 SEPTEMBER 2021 AT 2.40 P.M.

QUERIES FROM THE SHAREHOLDERS/PROXIES/CORPORATE REPRESENTATIVES

The Board of Directors ("**BOD**"), Management and invitees had answered some of the questions raised during the live streaming of the Meeting via the Securities Services e-Portal.

Encik Ahmad Shahadrian bin A. Samad, a Writer Full Member, submitted the following questions and comments:

- (1) What is the date of the Notice of 31st AGM?

Mr. Lim Lih Chau ("**Mr. Lim**"), the Association Secretary, advised that the date of the Notice of 31st AGM is 9 September 2021 and that copies of the said notice were sent to the members accordingly on 9 September 2021 as well.

- (2) This Meeting must stop and be postponed to a later date.

Mr. Lim informed that the initial due date to conduct the Meeting was by end of June 2021 and MACP had already applied for an extension of time with the Companies Commission of Malaysia ("**CCM**") to hold the Meeting by end of year 2021, due to the COVID-19 pandemic and other factors. Subsequently, the CCM had granted approval to extend the due date for holding this Meeting, but only until 30 September 2021. When the Association Secretary emailed to the CCM in early July to seek further extension of time to hold this Meeting, the CCM rejected the said request, mentioning that MACP may rely on technology to hold the 31st AGM in the midst of the COVID-19 pandemic.

- (3) This Meeting and the AGMs held last year and the year before that must be declared null and void.

Mr. Raphael Tay Choon Tien ("**Mr. Raphael**"), a representative of Messrs. LAW Partnership, the Association's lawyers, mentioned Articles 5(m) and (n) of the Articles of Association ("**AA**") of MACP which require the members' vote entitlement list to be audited and be certified as accurate, and that such vote entitlement shall remain in force until the date when the next vote entitlement list is certified.

Mr. Raphael clarified that Messrs. Ernst & Young PLT ("**EY**"), the Association's External Auditors, had been appointed for the purpose of financial statements audit only and not to verify the members' vote entitlement list as required by Articles 5(m) and (n) of the AA. Nevertheless, he explained that despite the previous Management's failure to comply with, the current Management had immediately taken steps to ensure compliance with the said Articles. The BOD and Management had also appointed Messrs. Baker Tilly Monteiro Heng

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Governance Sdn. Bhd. ("**Baker Tilly**") to audit and certify the accuracy of the members' vote entitlement for the Meeting.

Mr. Raphael assured the members that even though Baker Tilly had found inaccuracies in the calculation of members' vote entitlement in respect of AGMs held in years 2018, 2019 and 2020 respectively, the inaccuracies were not significant enough to affect the resolutions passed in those AGMs. In view thereof, the resolutions passed in the Twenty-Eighth, Twenty-Ninth and Thirtieth AGM held in years 2018, 2019 and 2020 respectively remain valid.

- (4) Please explain how the members' vote entitlement was calculated. Referring to the minutes of the Thirtieth AGM ("**30th AGM**") on the part concerning the voting results, have the members' vote entitlement been subjected to a 10% ceiling? Excluding the vote entitlement subjected to the 10% ceiling, what was the actual number of votes casted on the Special Resolution tabled at the 30th AGM?

In response, Mr. Lim quoted Article 31(c), (d) and (e) of the AA of the Association which had prescribed the formula to be applied in the calculation of the members' vote entitlement.

Mr. Lim also mentioned that the voting results at the 30th AGM already been audited by Baker Tilly as part of their special audit. The member could refer to the minutes of the 30th AGM to find out the number of votes casted and the approval rate.

- (5) How many attendees were present at this Meeting?

In response, Mr. Lim replied that there was forty-nine (49) attendees watching the live streaming of the 31st AGM as the time of reading of this question.

- (6) Is my vote entitlement for the prior year correct? Was the same members' vote entitlement for this year applied in the prior year?

Mr. Lim responded that based on the relevant Distribution List provided by the Management to the Association Secretary and upon the audit conducted by Baker Tilly on the vote entitlement, it had been confirmed that the vote entitlement had been calculated correctly.

- (7) Why were the Writer Members' works in the past registered as having a duration of five (5) minutes or more? Was that one (1) of the irregularities mentioned earlier?

As a response, Ms. Mary Yap Mie Ling ("**Ms. Mary**") explained that this decision was made by the BOD in the past to support the works of and improve the earnings of local Writer Members at that point in time. This was not one (1) of the irregularities mentioned earlier in the Meeting.

- (8) Why was a charge of RM500/- imposed on members who make counter claims? Was that a result of a counter claim made by the beneficiaries of A. R. Tompel?

Ms. Mary clarified that the RM500/- charge was not intended to penalise members submitting claims to MACP. Rather, it was a form of administrative fee to ensure that members submit only legitimate claims to MACP.

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Ms. Ng Ayna ("**Ms. Ayna**") added that the Counter Claims Committee merely wished to deter frivolous claims, i.e. claims without valid documents which would only waste the said Committee's time. The RM500/- charge was intended to cover the administrative costs involved in processing such claims.

- (9) A payment of RM500/- to make a counter claim was excessive. It is the responsibility of MACP to ensure that documentations submitted by members are accurate. How could major international publishers make arbitrary claims on works and MACP accepts such claims without ensuring the documentation is accurate?

Ms. Mary reiterated that the payment of RM500/- was not to punish the claimants but to ensure that members do not submit claims arbitrarily. She also assured that more stringent documentation requirements would be implemented to prevent arbitrary claims from publishers.

Ms. Ayna then clarified that initially both the original claimant and the counter claimant would pay RM500/- each as the administrative fee. Upon verification of their claims and release of the final results, MACP would refund the member making the rightful claim.

- (10) Kindly state the provision(s) in the relevant law(s) or in the AA of the Association that allows the Association to invite the representatives of Messrs. LAW Partnership ("**the Lawyers**") to this Meeting.

In response, Ms. Mary stated that there is no law or provision in the AA of MACP that disallows the BOD and Management to invite the Lawyers or the External and Internal Auditors to attend the general meetings of the Association to provide more detailed explanations to the members in areas related to their respective fields.

- (11) Please first table the minutes of the Thirtieth AGM for approval at this Meeting.

In response, Mr. Lim pointed out that the minutes of the Thirtieth AGM had been confirmed by the BOD on 26 November 2020, in view that there is no requirement for the minutes of AGMs to be tabled to the members for approval. The same applies for private limited companies as well as public listed companies. Dato' Chairman had also signed the minutes of the Thirtieth AGM as well.

Mr. Lim added that it is the duty of the BOD to ensure that the minutes of the Thirtieth AGM are filed into the Association's minutes book, which the Association Secretary had done. The same minutes had also been uploaded onto the Association's website and members may always request for a copy from the Association. In fact, the AA of MACP had granted members the right to request for a copy of the signed minutes of the Thirtieth AGM.

Encik Mohd Azhar bin Abu Bakar @ Azmeer, a Writer Full Member, posed the following question:-

- (1) Dato' Chairman's audio was intermittently cut off about 40%-60% of the time. Pls check cable/connections. Thank you.

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Ms. Mary assured that the technical support team was working to resolve the audio issues soonest possible. In view that this Meeting was the first virtual AGM held by the Association, Ms. Mary sought members' understanding on the technical issues.

Puan Nafisah binti Mohamat Yusof Khir, a Writer Full Member, thanked the BOD and Management for addressing her concerns on the COVID-19 contribution to non-Malaysian members residing in Malaysia. She raised the following questions:-

- (1) Were the funds for the COVID-19 contributions sourced from the special fund reserved for MACP's development? This information is important for the knowledge of all members.

Ms. Mary responded that the COVID-19 contributions were funded from licence fee collections and not from the special fund reserved for MACP's development.

- (2) The proposal on establishing a counter claims section in MACP had been raised two (2) years ago. Has the Counter Claims Committee been formed and what were the qualifications of its members?

In reply, Ms. Ayna confirmed that the Counter Claims Committee had been formed, comprising herself, Mr. Aubrey Naga Suwito, Mr. Audi Mok Chuang Yew, Encik Justin Johari bin Azman and Ms. Mary. The Counter Claims Committee does not perform legal work as it is merely an administrative committee to verify the claim documents submitted by the conflicting members. Any legal issues would be settled between the conflicting members without involving the Counter Claims Committee.

Mr. Tan Tiou Chong, a Writer Full Member, posed the following questions:-

- (1) What were the costs for conducting the special audits in year 2021?

Ms. Mary answered that the total cost for all three (3) special audits conducted by Baker Tilly in year 2021 was around RM150,000/-.

- (2) Any plan for MACP to collect overseas mechanical royalties (i.e. digital platforms) for members? Are the members given priority for the disbursement of the Digital Content Fund? Based on the comparison between years 2019 and 2020, the Management had done well in the Television sector, but what had happened to the Radio sector?

Ms. Mary replied that MACP would not be able to collect overseas mechanical royalties on behalf of the members unless the members give MACP the mandate to collect their overseas mechanical royalties on their behalf.

Next, Ms. Mary informed that MACP had no intention to setting up the Digital Content Fund for members for the time being; however, the BOD may discuss on the possibility of doing so in future.

Ms. Mary also reported that the Association had received the outstanding licence fees from radio stations in year 2021 and the same would be distributed to members as royalties in year 2022.

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Encik Zaim Mujahidin bin Ahmad Zaidee ("**Encik Zaim**"), a Writer Full Member, raised the following questions:-

- (1) The surplus of RM1.03 million that had been wrongly disbursed in year 2020, had already been adjusted for in the distribution made in year 2021. Is there still a balance of the wrongly distributed amount, or all of the wrongly distributed amount had been adjusted for?

Ms. Mary assured that all of the wrongly distributed amount of RM1.03 million had been adjusted for and there was no balance that had yet to be adjusted for.

- (2) How were the internal audit findings of the irregularities overlooked by both the previous Management and the appointed Auditors, EY? Please explain further what were the irregularities? What steps were taken to ensure the irregularities do not occur again?

In response, Ms. Heng Cheng Zin ("**Ms. Heng**"), a representative of Baker Tilly highlighted the salient points in regard to the following irregularities identified by Baker Tilly:-

Over-distribution of royalties in year 2020

- Baker Tilly had reviewed MACP's audited financial statements for the financial year ended 31 December 2019 and the P191 Distribution List prepared by the Management. It was found that the amount of Net Performing Rights Distributable Royalty reported in the audited financial statement for the financial year ended 31 December 2020 was higher than that reported in the P201 Distribution Report by more than RM1.5 million. This difference arose from the following circumstances:-
 - Difference in classification and interpretation of "Online (Performing Rights)", involving an amount of approximately RM550,000/-.
 - Inadvertent exclusion of RM1 million from the calculation of Digital Royalty due to oversight.
 - Inaccurate input of figures involving provision of taxes, resulting in a further difference of RM271/-.
- There were also exceptions identified in the calculation in the General pool proportion, whereby nearly RM24,000/- had been wrongly classified in the General pool.

Inaccuracies in members' vote entitlement calculation in past AGMs

- Baker Tilly had obtained the minutes of Twenty-Eighth, Twenty-Ninth and Thirtieth AGM held in years 2018, 2019 and 2020 respectively to identify the resolutions passed and the voting results in those AGMs.
- Baker Tilly then re-performed the calculation of members' vote entitlement in respect of the said AGMs in accordance with the formula prescribed in the AA of MACP. The said re-calculations performed by Baker Tilly were compared to the calculations performed by the appointed Association Secretaries of MACP during the affected years.

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- Next, the polling results as stated in the minutes of AGMs were compared with the polling results that would have been arrived at using Baker Tilly's recalculation of members' vote entitlement.
- In general, the inaccuracies in members' vote entitlement calculated in years 2018, 2019 and 2020 were largely due to the current year Distribution List being used instead of the preceding year, which was not consistent with the provisions of the AA. However, the inaccuracies had not affected the resolutions passed in the Twenty-Eighth, Twenty-Ninth and Thirtieth AGM held in years 2018, 2019 and 2020 respectively.

Ms. Mary further explained the following steps taken by the current Management to prevent the abovementioned irregularities moving forward:-

- Improvement of the Distribution Policy for tighter regulation of distribution processes and procedures;
- Annual audit on the distribution processes and procedures as part of the periodic monitoring of the annual distribution process;
- Audit of members' vote entitlement in respect of each AGM in accordance with the AA of MACP; and
- Appointment of independent scrutineers to monitor and verify the voting results at each AGM.

Mr. Raphael added that it would be beyond the scope of the BOD, Management and invitees at this Meeting to explain the reasons for the mistakes committed by the previous Management. As presented by Ms. Heng Cheng Zin earlier, the irregularities were more technical in nature than anything else.

- (3) With regards to the minutes of the Thirtieth AGM, there were still issues not addressed. Based on page 22 of the said minutes, Encik Justin had requested to be allowed some time to verify my claims regarding the attempt to withhold the Distribution List from the Auditors in the Third BOD Meeting for the year 2019 (BOD3/2021).

In response, Ms. Mary expressed that Encik Zaim may connect with the Management at MACP's office to address this matter.