

**COUNTRY VIEW BERHAD**  
Registration No. 198101012190 (78320-K)  
Incorporated In Malaysia

**BOARD CHARTER**

**Introduction**

- I. Country View Berhad ('CVB') was incorporated on 23<sup>rd</sup> November 1981 and listed on the Main Board of Bursa Malaysia Securities Berhad ('Bursa Malaysia') on 29 May 2002.

CVB's vision and mission are as follows:

**Vision**

We, the Country View Group aspire to be a premier property developer, ensuring high customer satisfaction by providing quality residences and properties, built in a safe and healthy environment.

**Mission**

- Providing quality housing and commercial properties that meet the evolving needs of our customers, and thereby contribute towards the development of Malaysia.
- Creating strong returns for our shareholders.
- Keeping a healthy and conducive working environment for our employees to best exert their individual potential and ability.
- Ensuring a safe, healthy and harmonious environment for communities within our developments, where people can feel "at home".
- Supporting social-economic development, by building and developing more affordable homes so that more people are able to purchase their own property.
- Committing to an environmentally friendly approach, we aim to develop our properties in the greenest way possible.

**1. Purpose of this Board Charter**

- 1.1. This Charter sets out the functions, roles and responsibilities of the Board of Directors ('Board') of Country View Berhad ('CVB or the Company') within the Governance Structure of CVB and its subsidiaries ('CVB Group') to serve as a guide and reflect the Board's commitment to best practices as prescribed in the Malaysian Code of Corporate Governance 2017 ('MCCG').
- 1.2. The Board of CVB has primary responsibilities for the governance and Management of the Company and Group including the financial and organisational wellbeing of the Company and Group.
- 1.3. The Charter set out the appropriate corporate governance structures aimed at creating and protecting shareholders' value and that all Board members are aware of their duties and responsibilities as Board members.

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- 1.4. This Board Charter serves as a reference source and primary induction literature to assist existing members and new members of the Board in the performance of their duties as Directors. It also serves as a reference in the annual assessment of the Board's performance, the performance of its committees and of its Individual Directors.
- 1.5 This Charter was approved by the Board of CVB on 21 October 2014 and is reviewed on an Annual Basis or as and when the need arises, to see that it remains consistent with the Board's objectives and responsibilities.
- 1.6 This 4<sup>th</sup> Edition of the Board Charter was reviewed and adopted on 23 October 2020.

## 2. **Composition, Roles and Functions of the Board**

### 2.1. Composition

#### 2.1.1. Size of the Board

In accordance with Article 83, until otherwise determined by General Meeting, the number of Directors shall be not less than two (2) nor more than fifteen (15).

In accordance with Paragraph 3.04 of Bursa Malaysia Listing Requirements, at least two (2) directors or one-third of the Board of Directors, whichever is higher, shall be Independent Directors. If the number of directors is not 3 or multiple of 3, then the number nearest one-third shall be used for purposes of determining the requisite number of Independent Directors.

- 2.1.2. The size and balance of the Board is determined by the Board with the assistance of a Nomination Committee ('NC') during its review and evaluation carried out annually. The Board of CVB is currently comprised of Seven Directors with an appropriate balance of:

- Four Executive Directors;
- Two Independent Non-Executive Directors; and
- One Non-Independent Non-Executive Director.

The Independent Non-Executive Directors are persons of calibre, credibility and have the necessary skills, competencies, commitment and experience to bring independent judgement to bear on issues of strategy, performance and resources including key appointments and standards of conduct.

### 2.2 New Appointment

- ~~2.2.1~~ New appointments to the Board are only made after consultation with the NC. The Board has adopted appropriate procedures and protocols for the appointment of Directors which is overseen by the NC.

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#### 2.3 Separation of Position of Chairman and CEO

~~2.3.1~~—In line with Practice 1.3 of MCCG, it is the Board's policy to keep the positions of Chairman and Chief Executive Officer distinct and held by separate individuals to ensure a balance of power and authority in the Board.

CVB's Board is led by an Executive Chairman and supported by three (3) Executive Directors, One (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors.

The roles of the Executive Chairman and Executive Directors are clearly defined and set out in this Board Charter. The Executive Chairman's role includes leading the Board in the oversight of management and is not involved in the day to day management of the Group.

Under CVB's organisation and management structure the roles and functions of a Chief Executive Officer is carried out and performed by the Executive Directors jointly and collectively.

Practice 4.1 of MCCG recommends that at least half the Board comprises independent directors.

The Board is of the opinion that the current size, scope and extent of business and its current dynamics does not require an overly large Board.

The Board is of the opinion that there is no issue with regards to the balance of power and authority on the Board as the roles of Executive Chairman and the Executive Directors are clearly set out and established while the decision making process of the Board is based on collective decisions without any individual exercising any considerable concentration of power or influence and well balanced by the presence of strong elements of independence in the Board.

All the Independent Directors are independent of Management and have no family or business relationships with the Executive Directors and major shareholders, which would interfere with the execution of their independent judgement.

The Executive Directors are overall responsible for implementing the strategies and decisions of the Board, overseeing the Group's day-to-day operations and businesses, whilst the Independent Non-Executive Directors provide their independent view, unbiased judgement and knowledge to the management as well as safeguarding the interests of the shareholders. Non-Executive Directors do not participate in the day-to-day management of the Group.

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#### 2.4 Diversity

The Board views diversity in the boardroom as an essential factor in ensuring an effective and well functioning Board.

The NC as part of its objectives, will review and oversee that the diversity needs of the Board is sought as part of the Board's selection and recruitment exercise when considering the appointment of new directors taking into consideration the diversity of the Board in terms of gender, nationality, age, ethnicity, culture and socio-economic background of its directors.

The Board firmly believes that its composition:

- is currently comprised of Directors from a diverse background;
- age ranges from 49 years to 63 years;
- one board member is of the female gender; and
- drawn from different ethnic, cultural and socio-economic background and is sufficiently diverse to ensure that different view point is considered in the decision making process.

#### 2.5 Management

The Management and day-to-day management responsibilities is delegated to the Executive Directors of the Company who acts collectively assisted by Senior Management. The roles and responsibilities of the Executive Chairman and Executive Directors are set out under Section 3 and 4 of this Charter.

#### 2.6 Roles and Responsibilities

2.6.1 The powers and duties of the Directors are as set out in the Constitution of the Company and as prescribed at law.

2.6.2 At law, the Board of Directors under *Section 211* of the Companies Act, 2016, has all the powers necessary for managing and for directing and supervising the management of the business and affairs of CVB subject to any modification, exception or limitation set out under the Companies Act, 2016, or in the Constitution of the CVB Group.

2.6.3 At law, the Directors are required at all times to exercise their powers for a proper purpose and in good faith, in the best interest of CVB to see that the business and affairs of CVB is properly managed under the direction of the Board of Directors.

2.6.4 The Board assumes accountability and responsibility for the stewardship of CVB including those set out under MCCG as follows:

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- Reviewing and approving of corporate strategies and plans, monitoring their implementations through the annual budget and financial plans.
- Overseeing and monitoring the conduct and performance of the Company's/Group's business.
- Overseeing the process for identifying principal risks and putting in place appropriate control systems, monitoring and reporting mechanism to effectively monitor and manage these risks.
- Appointing and assessing the performance of the Executive Directors and overseeing succession plans for the senior management team.
- Overseeing the development and implementation of a Stakeholders Communication Policy for enhancing and protection of the reputation of the CVB Group.
- Reviewing and overseeing the adequacy and the integrity of the management information and control systems of the CVB Group.
- Establish a corporate culture which engenders ethical conduct and behaviour.

#### **2.6.5 Matters reserved for the Board**

The Board has reserved the following matters for decision by the Board:

- Acquisitions of Business/Investments.
- Divestments and Disposals of Business/Investments.
- Overseas Equity Venture.
- Corporate Finance and Proposals.
- Terms of key/main agreements not within the ordinary course of business.
- Acquisition and Disposal of Properties.
- Acquisition and Disposal of Fixed assets, other than Properties, for amounts RM200,000 and above.
- Award of Contracts for RM2.0 million and above.
- Bank borrowings and finance arrangements.

### **3. Executive Chairman of the Board**

The Executive Chairman is primarily responsible for :

- The leadership of the board and facilitating the effective contribution of all directors at Board meetings, ensuring that no member dominates discussions and that appropriate discussions and opinions amongst members are forthcoming.
- Representing the Board in meeting shareholders, chairing General Meeting of shareholders and representing the Board in public relations exercise, etc.
- The efficient organisation and conduct of the Board's functioning, including establishing the agenda for Board meetings in consultation with the Executive Directors, chairing Board meetings and overseeing that the Board acts in accordance with the Code of Conduct for Directors and key management personnel.

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- Overseeing that the directors receive accurate, timely and clear information in a form and of a quality appropriate to enable it to discharge their duties. All directors are entitled to request additional information where they consider such information necessary to make informed decisions.
- Overseeing that adequate time is available for through deliberation of key matters and that decisions are taken on a sound and well informed basis, including the consideration of all strategic and critical issues.
- Overseeing that new directors receive a full, formal and tailored induction on joining the Board. The letter of appointment should set out the director's expected time commitment.
- Overseeing that the directors continually update their skills, knowledge and familiarity with the Company required to fulfill their role both on the Board and on Board Committees.
- The promotion of constructive and respectful relations between directors, and between the board and management including promoting a culture of openness and debate without any one director dominating the discussion.
- Overseeing that the views of shareholders are communicated to the Board as a whole, and that governance and strategy issues are discussed with major shareholders.

#### **4. Executive Directors**

4.1 The Executive Directors are appointed by the Board of Directors and is subject to the control of the Board. The Executive Directors are responsible for the day to day management of the CVB Group with all powers, discretions and delegations authorised from time to time by the Board.

4.2 The Executive Director's primary responsibilities include :

- Overall responsibility over the business units and day to day management of the Group, organisational effectiveness and implementation of Board policies, strategies and decisions.
- The development (in conjunction with the Board) and implementation of short, medium and long-term corporate strategies for the Group, preparing business plans and reports with senior management and reporting/presenting to the Board on current and future initiatives.
- Providing leadership, supervision and control in managing a team of senior management executives responsible for all functions contributing to the success of the Group.
- Overseeing that the Group has the appropriate risk management practices and policies in place.
- The assessment of business opportunities which are of potential benefits to the Group.
  
- Bringing material and other relevant matters to the attention of the Board in a timely manner.
- Overseeing shareholders' communications.

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- Appointing and, where appropriate, removing senior executives, including the Chief Financial Officer and the Company Secretary, with the approval of the Board.
- Evaluating the performance of senior management executives.
- Oversee that the objectives and standards of performance of the Company are understood by the Management and employees.
- Oversee that the operational planning and control systems are in place.
- Monitoring performance results against plan/budgets.
- Taking remedial actions, where necessary.
- Oversee that the Group's Financial Reports are drawn up in accordance with the relevant accounting standards and complies with all requirements of Bursa Malaysia Main Market Listing Requirements.
- Directing and monitoring all aspects of the business operations in a cost effective manner.
- Effectively oversees the human resource needs of the Group and key positions in the Group's management structures, including succession planning and talent retention are adequately addressed.
- Oversee the Group's corporate identity, products and services are of acceptable standards and reflective of the market environment in which the Group operates in.
- Assists the Executive Chairman in providing quality and timely information flows to the Board for establishing the agenda for Board and Committee meetings.

In discharging their responsibilities, the Executive Directors can delegate and assign appropriate functions and responsibilities to the senior management personnel while retaining overall control and responsibility.

#### **5. Individual Board Members**

The roles and responsibilities of Individual Board Members include:

- To observe the provisions, regulations, guidelines and other relevant requirements under the Company's Constitution, the Companies Act, 2016, the Main Market Listing Requirements, the Securities Commission and Capital Market Services Act, 2007 and such other applicable statutes, and to maintain confidentiality on the use of the Company's information.
- Responsibility to inform the Board of any other directorships in listed Company/subsidiaries of listed issuers.
- Attendance of Continuing Education Programme which are relevant to the Company's operations and business.
- Review, adoption and monitoring of strategic plans/directions for the Company.
- Review and adoption of Corporate objectives of Company.
- Oversee the resources and operational conduct of the Company's businesses.
- Identify principal risks of the Company and the implementation of appropriate internal controls and mitigation measures.
- Oversee succession planning for Senior Management.

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- Oversee the development and implementation of a shareholders' communication policy for the Company.
- Review the adequacy and integrity of the Group's internal control systems and information management systems.

#### **6. Senior Independent Non-Executive Director ('SINED')**

The Board will identify an Independent Non-Executive Director to be the SINED and the SINED is expected to carry out the following roles and responsibilities:

- Lead the non-executive directors.
- Act as a point of contact for shareholders and other stakeholders to address concerns which have failed to be resolved or would not be appropriate through normal channels of the Chairman or Executive Directors.
- Meet or speak to the Chairman regularly or act as a sounding board for the Chairman (e.g. offer counsel to the chairman on matters such as board dynamics and concerns of stakeholders).
- Serve as an intermediary for other directors when necessary (e.g. facilitate confidential discussions with directors who may have concerns which they believe have not been properly considered by the board or which they feel may not be appropriate to raise in open forum or with the chairman directly).
- Provide leadership support and advice to the board in the event that the board is undergoing a period of stress (e.g. conflict between the chairman and executive directors or the strategy being followed by the Chairman and/or Executive Directors is not supported by the board).

#### **7. Company Secretary**

The Board is currently supported by an External Company Secretary and an in-house Company Secretary, both qualified to act as Company Secretary under Section 235 of the Companies Act 2016. The External Secretary is a Fellow Member while the in-house Secretary is an Associate Member of the Malaysian Institute of Chartered Secretaries & Administrators.

The Company Secretaries provide the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regards to the Company's constitution, Board's policies and procedures as well as compliance with all regulatory requirements, codes, guidance and legislation.

The Company Secretaries assist the Board to:

- Comply with the statutory requirements of the Companies Act, 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Capital Market Services Act 2007, and such other relevant legislation within their agreed scope of responsibilities.
- Prepare for meetings of the Board, shareholders and other stakeholders and advise on matters relating to company secretarial matters relating thereto as and when required.



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- Updating and maintaining all statutory registers and books and maintaining record keeping of all important company documents such as the certificate of incorporation, share certificates, meeting minutes, constitutions, etc.

## 8. Board Committees

The Board delegates certain responsibilities to the various Board Committees with clearly defined terms of reference to assist the Board in discharging its responsibilities.

### 8.1 Audit and Risk Management Committee (“ARMC”)

The ARMC was established to provide assistance to the Board in relation to fulfillment of the Board’s statutory as well as fiduciary responsibilities and oversee that the group’s risk management framework and internal control system, as well as internal and external audit of the CVB Group are being carried out adequately and effectively. The functions and responsibilities of the ARMC are set out in its Terms of Reference.

### 8.2 Nomination Committee (“NC”)

The Board Nomination Committee was established to provide assistance to the Board to oversee matters relating to the nomination of new Directors, annually review the required mix of skills, experience and other requisite qualities of Directors as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the contribution of each individual Director, the Independence of the Independent Directors as well as identify candidates to fill board vacancies, and nominating them for approval by the Board.

### 8.3 Remuneration Committee

The Board Remuneration Committee was established to provide assistance to the Board to oversee its responsibilities in respect of reviewing and establishing a policy framework and to make recommendations to the Board on all elements of remuneration, terms of employment, reward structure and benefits with the aim to attract, retain and motivate its Directors and senior management.

### 8.4 Sustainability & Risk Management Working Committee (“SRMWC”)

CVB had on 22 January 2019 combined the functions of a Sustainability Committee with its existing Risk Management Working Committee (‘RMWC’) which was established on 16 July 2004 and re-named the committee as the SRMWC.

The SRMWC is chaired and led by the Group General Manager and in his absence the Chief Financial Officer, with members comprised of all heads of department of the Group which reports to the ARMC before matters are brought to the Board’s attention and approval as and when the need arises.

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The SRMWC has overall responsibility for overseeing the sustainability and risk management activities of CVB and recommending appropriate risk management policies and procedures to the ARMC and ultimately the Board.

The SRMWC has the mandate to oversee the effective implementation of the objectives to be outlined in a Sustainability Risk Management Policy to be adopted by the Board and its compliance. The SRMWC is responsible for ensuring regular monitoring and reporting of risk exposures to the ARMC and ultimately the Board.

The Board is ultimately responsible for approving and monitoring the sustainability and risk management framework and the Sustainability Risk Management Policy which reflects the Board's tolerance and appetite for risk.

#### **9. Independence of Directors**

The definition of an Independent Director is as set out in Para. 1-1 of Chapter 1 of the Main Market Listing Requirements and further clarified and discussed under Practice Note 13 issued by Bursa.

CVB's Board does not believe that it is practically possible to list down all the criteria which are appropriate to characterise in all circumstances, the independence of a Director. It is the approach of the Board when considering a Director's Independence to critically assess their independence taking into consideration all relevant factors, including the abovesaid definition and explanations under this Section and that such assessment must be applied with common sense and the Directors themselves are best able to determine if they have an interest or relationship which is likely to impact on their independence.

Each Director is expected to advise the Board immediately if he/she believes they may no longer be independent. Should the Chairman or any other Director have any concern about the Independence of a Director, he/she must immediately raise the issue with that Director during a Board Meeting.

Where the independent status of a Director is lost, this is to be disclosed immediately by way of an announcement to Bursa Malaysia.

#### **10. Access to Information, Independent Advice and Continuing Development**

10.1 The Board and Committees have access to all information pertaining to the Company.

All Board members have direct access to the advices and services of the Company Secretary.

Board and Committee papers providing relevant information, review and analysis of matters and issues to be considered and deliberated are furnished to all Board/Committee members at the earliest practicable time prior to meetings.

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The Executive Directors, senior management personnel and appropriate external advisers/consultants are available to brief, report and advise in meetings of the Board and Board Committees.

- 10.2 Board members are entitled to request and receive any such additional information as they consider necessary to support informed decision making. Any Board member has the authority to seek any information he/she requires from any employee of the CVB Group and all employees must comply with such requests.

Any significant issues raised by a Director can be communicated to the Executive Chairman, Audit and Risk Management Committee Chairman or the Senior Independent Director.

- 10.3 Any Board member may take such independent legal, financial or other advice as they may consider necessary, at CVB's cost and expense.

Any Director seeking such independent advice must first discuss the request with the Executive Chairman, who must then agree and approve of this course of action and will facilitate obtaining such advice and, where appropriate, disseminate the advice to all Directors.

- 10.4 The Board has the authority to conduct or direct any investigation required to fulfill its responsibilities and has the authority to retain at the Company's expense, such legal, accounting or other services, consultants, advisers or experts as it considers necessary from time to time in the performance of its duties.

- 10.5 The Board has adopted a Continuing Education Policy for the Board members to maintain and update their skills and knowledge necessary to meet their obligations as Directors.

## **11. Procedures for Appointment of Directors**

The Board's procedures for appointments to the Board are viewed as a vital component of the governance process in determining the composition, size, balance competencies and ultimately the quality of the Board.

CVB has a formal and transparent procedure established for the appointment of new Directors to the Board.

The NC is responsible for reviewing, proposing and recommending potential new Directors taking into consideration the current and future needs of the Company.

## **12. Quorum at Board Meetings**

In accordance with *Article 108*, the quorum necessary for the transaction of the business of the Directors shall be two (2).

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#### **13. Induction**

13.1 The objective of the induction process is to provide new Directors with a rapid and clear insight into the Group as well as keeping them abreast with development in the market place pertaining to the oversight function of Directors. This will enable the Directors to discharge their duties and responsibilities effectively.

13.2 Induction of Directors may include, but not limited to, the following:

- Furnishing of a copy of the previous board minutes for at least the past six (6) months; the business/strategic plan, pertinent Management reports; profile of key competitors and significant reports by management consultants on areas of board responsibilities;
- Visits to key sites; and
- A formal one (1) to two (2) day induction programme, including the elements above, and also presentations from various divisions on their strengths, weaknesses and ambitions.

#### **14. Evaluation of Board Performance**

The Board through the NC evaluates the performance of the Board as a whole, the Board Committees, the Individual Directors and the Independence of the Independent Directors on an annual basis.

The performance and effectiveness of the Chairman of the Board, the Chairman of the respective Board Committees and the Senior Independent Non-Executive Director are also assessed on an annual basis.

The evaluation criteria and process is in accordance with the procedure that has been established, endorsed and approved by the Board following the recommendation made by the NC.

The Board evaluation process in respect of the performance of individual Directors is carried out by way of self assessment questionnaires completed, reviewed and deliberated by the NC before its findings and recommendations tabled to the Board.

The Evaluation process in respect of the Independence of the Independent Directors is carried out by way of peer assessment in the form of evaluation questionnaires and supported by an annual declaration by the respective Independent Director on his/her independence.

The completed evaluation questionnaires are then reviewed and deliberated by the NC before its findings and recommendations tabled to the Board for decision.

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The evaluation criteria and process shall be reviewed at least once every three (3) years or as and when there are new regulatory provisions in place so that those criteria remain relevant and appropriate.

#### **15. Corporate Disclosure Policy**

The Board has adopted a Corporate Disclosure Policy which takes into consideration the Guidance set out under Bursa Malaysia Securities Berhad's Corporate Disclosure Guide issued in September 2011.

The Corporate Disclosure Policy aims to strengthen the Board's commitments to good corporate governance and see that all stakeholders are provided with comprehensive and quality information on a timely and even basis.

#### **16. Stakeholders Communication Policy**

The Board has adopted a Stakeholders Communication Policy in respect of communicating with its shareholders.

#### **17. Policy on Code of Business Conduct & Ethics**

The Board has adopted a Code of Business Conduct & Ethics for Company Directors to enhance the standards of Corporate Governance and Behavior as a guide for the Directors and key Management.

#### **18. Adequate Procedures Against Corrupt Practices (Section 17A of Malaysian Anti-Corruption Commission Act 2009 (Amendment))**

The Board has adopted an Anti-Corruption and Bribery Policy as part of the Adequate Procedures pursuant to subsection 5 of Section 17A, under the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009) and in line with the Guideline on Adequate Procedures issued by the Prime Minister Department on 4 December 2018.

#### **19. Review**

19.1 The Board will review this Charter as and when the need arises to keep it current and relevant at all times.

19.2 This 4<sup>th</sup> Edition of the Board Charter was last reviewed and revised on 23 October 2020.

#### **20. Publication/Availability**

A copy of this Charter is available from the Company's website: <http://www.countryview.com.my>