

# **VTECH GROUP OF COMPANIES REMUNERATION COMMITTEE CHARTER**

---

## **1) Formation**

The Remuneration Committee was formed on 29 June 2004 pursuant to a Board of Directors' (the Board's) resolution passed on the same date.

## **2) Purpose**

The purpose of the Remuneration Committee is to set the remuneration policy of the executive directors and senior management.

## **3) Composition**

The Remuneration Committee shall comprise majority Independent Non-Executive Directors ("INED") of the Board. The Board shall nominate and appoint committee members and the Committee shall nominate one of the members as the Chairman of the Committee.

## **4) Frequency of meeting**

The Remuneration Committee shall meet at least once a year, with an authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via Tele- or videoconference.

## **5) Meeting procedures**

Quorum of meeting shall not be less than two committee members, and each committee member in the meeting shall carry one vote.

The committee members shall elect among themselves a Chairman at each meeting. The committee members shall also appoint a secretary to the Committee from time to time.

The committee shall invite any director, executive or other members of management to attend meetings as necessary. The Committee shall be supported by the Human Resources Manager and by the Committee Secretary who shall be responsible for preparation of meeting agenda and minutes. Meeting agenda shall be provided in advance to members, along with appropriate briefing materials. Minutes shall be prepared and endorsed by the Board.

## **6) Responsibilities**

The Committee shall carry out the following responsibilities for those executive directors and senior management:

- To make recommendations to the Board on the policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- To have the specific responsibilities for those executive directors and senior management for the total remuneration packages, including benefits in kind, pensions, and compensation payable for loss or termination of their appointment.

## **VTECH GROUP OF COMPANIES REMUNERATION COMMITTEE CHARTER**

---

- To review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board
- To make recommendations to the Board for the remuneration of non-executive Directors

### **7) Authority**

The Committee is authorised by the Board to obtain such legal, remuneration or other professional advice as it shall deem appropriate and shall be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference of remuneration consultants to advise it on all aspects of remuneration.