

## **1) Formation**

The Risk Management and Sustainability Committee (the “Committee”), renamed from the Risk Management Committee with effect from 15 May 2013, was formed on 27 March 2002 pursuant to a resolution passed by the board of directors of the Company (the “Board”) on the same date.

## **2) Purpose**

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing, monitoring and advising on:

- (a) The risk appetite and profile of the Company and its subsidiaries (the “Group”)
- (b) Current and emerging material risk exposures relating to the Group
- (c) the Group’s risk management and internal control systems and monitoring its effectiveness
- (d) The Group’s corporate responsibility, sustainability strategy, policies and reputation matters considering the Group’s purpose, strategy and culture.

## **3) Composition**

The Committee shall consist of Independent Non-executive Directors, Executive Directors and members of management. The Board shall appoint Committee members and shall designate one of the members as the Chairman of the Committee.

## **4) Frequency of meeting**

The Committee shall meet at least twice 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 telephonic or videoconferencing.

## **5) Meeting procedures**

- (a) Proceedings of meetings of the Committee shall be governed by the provisions of the By-laws of the Company. Quorum of meeting shall not be less than two committee members. Each Committee member in the meeting shall carry one vote.

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**RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE CHARTER**

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- (b) The Head of Internal Audit, or his or her delegate, shall act as the secretary to the Committee.
- (c) The Committee shall invite other members of management and external auditors or professionals to attend meetings and provide pertinent information, as necessary.
- (d) The secretary to the Committee is responsible for preparation of meeting agenda and minutes.

**6) Responsibilities**

The Committee shall carry out the following responsibilities:

**Risk management and internal control systems**

- (a) To advise the Board on the Group's risk profile and tolerance, and satisfy itself that the Company's strategy reflects an appropriate consideration of risk appetite;
- (b) To advise the Board on the likelihood and the impact of major risks (including Environmental, Social and Governance ("ESG") and emerging risks) materialising and risk management strategies;
- (c) To review the adequacy and effectiveness of the Group's risk management and control procedures in identifying, assessing, monitoring and reporting all risks (including ESG risks) and responding to changes in the Group's business and the external environment;
- (d) To consider the adequacy and effectiveness of any remedial actions taken or will be taken by management in mitigating all significant risks;
- (e) To consider major investigation findings on risk management matters as delegated by the Board or on its own initiative and management's response to these findings; and
- (f) To review the disclosures of its work updates in a Risk Management and Sustainability Committee Report for inclusion in the Annual Report.

**Corporate responsibility, sustainability strategy, policies and reputation matters**

- (g) To review the sustainability strategy and improvement activities and assess how policies are implemented in achieving the sustainability goals and targets;
- (h) To monitor the sustainability targets and key performance indicators as determined by the Committee from time to time; and

- (i) To review and recommend to the Board for approval of the sustainability-related disclosures in the Annual Report and the Sustainability Report.

**Review of Committee Charter**

- (j) To review and assess the adequacy of the Committee Charter annually, requesting Board approval for proposed changes.

**7) Authority**

- (a) The Committee has authority to access to all information and advice, from within the Group or externally, as the situation requires.
- (b) The Committee shall have rights to obtain legal and other professional opinions, as it considers necessary.

**8) Reporting requirements**

- (a) All Committee minutes including recommendations are submitted to the full board for approval.
- (b) The Committee's composition, responsibilities and how they were discharged, and any other information required by the Listing Rules of The Stock Exchange of Hong Kong Limited are described in the annual report.

May 2025