

# CORPORATE GOVERNANCE REPORT

The Company is committed to high standard corporate governance to enhance shareholders' interests and promote sustainable development. A quality board of directors (the "Board" or "Directors") with balanced skills, experience and diversity of perspectives is vital to the Company for effective risk management, internal controls and leadership, as well as transparency and accountability to all shareholders. The Board reviews codes of conducts, policies and practices, corporate governance framework and disclosure of this Corporate Governance Report from time to time to improve the Company's corporate governance practices in respect of the latest developments on all applicable laws, rules and regulations. A description of the share schemes of the Company can be found in the "Report of the Directors" section of this Annual Report. The above sections form part of this report.

## Compliance with the Corporate Governance Code

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with all the code provisions of the Corporate Governance Code set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") (the "Corporate Governance Code") throughout the year ended December 31, 2025, save that none of the Directors are appointed for a specific term since they are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company (the "Articles"). Under Article 107(A) of the Articles, one-third of the Board must retire by rotation at each annual general meeting of the Company, and if eligible, offer themselves for re-election.

## Corporate Governance Policy

Corporate governance is essential in maintaining sustainability. The Board continuously reviews, monitors and develops the policies and practices of corporate governance to ensure the compliance of the laws, rules and regulatory requirements governing the Group as well as the Articles. The Board performs the corporate governance function through, but not limited to, the following:

- review the disclosure set out in this Corporate Governance Report;
- monitor and review the Directors' and the senior management's training, continuous professional development and succession plans;
- review and monitor the compliance of the Model Code for Securities Transactions by Directors, the Code for Securities Transactions by Relevant Employees and other codes of conduct of the Company; and
- monitor and review compliance with the Corporate Governance Code.

## Board of Directors

### Roles and Responsibilities

The Board is collectively responsible for leading, supervising and creating directions and strategies for the affairs of the Group with an effective corporate governance framework to strive for long term success of the Company. The Board is also responsible for ensuring ongoing effective communication with shareholders and engagement with key stakeholders. The principal responsibilities of the Board include, but are not limited to, the following:

- develop and monitor the overall mid-term and long-term directions, objectives and strategies of the Company;
- supervise and evaluate financial performance and operations of the Company by determining the annual budget and continuous review of performance results;
- monitor and review risks and changes in local and international business communities to enhance shareholders' value;
- set, monitor and oversee the policies and practices on corporate governance of the Company; and
- consider matters covering appointment of Directors, senior management and external auditors, major acquisitions and disposals, as well as other significant operational matters.

Delegation to Board committees and senior management of the Group with specific functions is continuously monitored by the Board with clear instructions as well as reservation for the Board's decision and consideration of specifically identified matters. The Board reviews regularly the formal written procedures adopted by the Company for the governance of delegation and reservation of responsibilities of the Board.

The Board considers that Board evaluation is essential to assess its performance, effectiveness and efficiency. An internal Board evaluation was conducted during the year with each Director completing a Board evaluation questionnaire providing comments on aspects including, but not limited to, Board performance, Board diversity, information flow, Board proceedings and ethics and conducts. The objective of the evaluation is to confirm that the Board and Board committees continue to operate effectively in fulfilling their expected duties and responsibilities, and to identify action plans for further improvement. Positive feedback was received in recognition of the Company's continuous efforts in the improvement of communication and information flow. Effective communication and timely information flow are crucial for the Board to perform its duties and formulate appropriate long-term strategies. Directors also expressed their satisfaction on the Executive Chairman's leadership and the Directors' active participation in Board and Board committee meetings. The Board is satisfied that it has fulfilled its performance objectives, and that each Director has made positive and meaningful contributions to the overall effectiveness of the Board and Board committees.

## Board Composition

As at the date of this report, the Board consists of six Group Executive Directors and eight Independent Non-executive Directors. An analysis of the current composition of the Board of the Company is set out below:

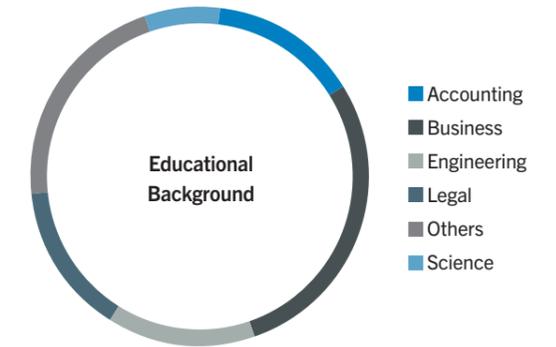
### Group Executive Directors

- Mr Horst Julius Pudwill (Executive Chairman)
- Mr Stephan Horst Pudwill (Executive Vice Chairman)
- Mr Steven Philip Richman (Chief Executive Officer)
- Mr Kin Wah Chan (Operations Director)
- Mr Chi Chung Chan (Group Chief Financial Officer)
- Mr Camille Jojo (Head of Group Legal, Compliance and Corporate Governance)

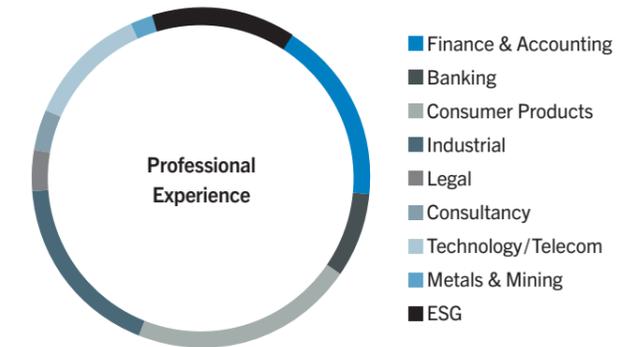
### Independent Non-executive Directors

- Mr Robert Hinman Getz (Lead Independent Non-executive Director)
- Mr Peter David Sullivan
- Mr Johannes-Gerhard Hesse
- Ms Virginia Davis Wilmerding
- Ms Caroline Christina Kracht
- Mr Andrew Philip Roberts
- Ms Karen Ka Fai Ng
- Mr Stephen Tsi Chuen Wong

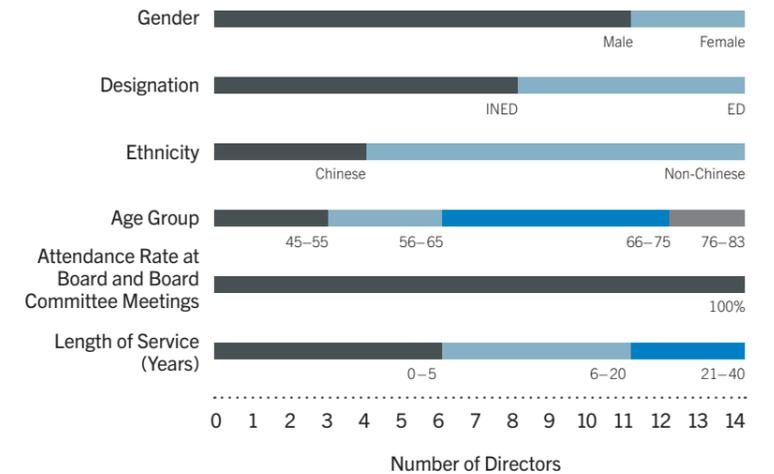
Biographical details and relevant relationships of the members of the Board are set out on pages 54 to 59 of this Annual Report. A list of Directors and their roles and functions are published on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)).



Remark: The above graph stated the information as at March 3, 2026 (i.e. the date of this report)



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	6 <sup>EDs</sup> + 8 <sup>INEDs</sup>	3 <sup>Female</sup> + 11 <sup>Male</sup>	7 <sup>INEDs</sup> ≤ 9 <sup>Years</sup>	100% INED	83% INED	100% INED
	Board Composition			Board Committees		
	Designation	Gender	Length of Service (Years)	Audit	Nomination	Remuneration
Mr Horst Julius Pudwill	ED	Male	39		C	
Mr Stephan Horst Pudwill	ED	Male	19			
Mr Steven Philip Richman	ED	Male	1			
Mr Kin Wah Chan	ED	Male	35			
Mr Chi Chung Chan	ED	Male	34			
Mr Camille Jojo	ED	Male	10			
Mr Peter David Sullivan	INED	Male	18	C		M
Mr Johannes-Gerhard Hesse	INED	Male	9	M	M	
Mr Robert Hinman Getz	INED	Male	6	M	M	C
Ms Virginia Davis Wilmerding	INED	Female	4		M	M
Ms Caroline Christina Kracht	INED	Female	3	M	M	
Mr Andrew Philip Roberts	INED	Male	2	M		M
Ms Karen Ka Fai Ng	INED	Female	1			M
Mr Stephen Tsi Chuen Wong	INED	Male	1		M	

ED: Group Executive Director INED: Independent Non-executive Director C: Chairman M: Member

Remark: The above graph stated the information as at March 3, 2026 (i.e. the date of this report)

## Board Composition Matrix

Skills / Experience	Executive Directors						Independent Non-executive Directors							
	Mr Horst Julius Pudwill	Mr Stephan Horst Pudwill	Mr Steven Philip Richman	Mr Kin Wah Chan	Mr Chi Chung Chan	Mr Camille Jojo	Mr Peter David Sullivan	Mr Johannes-Gerhard Hesse	Mr Robert Hinman Getz	Ms Virginia Davis Wilmerding	Ms Caroline Christina Kracht	Mr Andrew Philip Roberts	Ms Karen Ka Fai Ng	Mr Stephen Tsi Chuen Wong
C-suite equivalent experience	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Global operations experience	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Manufacturing experience	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Risk management and compliance	•	•	•	•	•	•	•	•	•	•	•	•	•	•
M&A and corporate strategy	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Finance experience	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Accounting experience				•	•	•	•	•	•	•	•	•	•	•
Technology / Engineering	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Marketing and branding	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Human capital	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Government, legal and regulatory	•	•	•	•	•	•	•	•	•	•	•	•	•	•
ESG / Sustainability		•	•	•	•	•	•	•	•	•	•	•	•	•

Remark: The above graph stated the information as at March 3, 2026 (i.e. the date of this report)

Both the management of the Board and the day-to-day management are essential to maintain the Company's sustainability and long-term success. The roles of Executive Chairman and Chief Executive Officer ("CEO") of the Company have been segregated and clearly distinguished in order to promote balance of power, authority and accountability.

The roles of Executive Chairman comprise, but are not limited to, the following:

- encourages all Directors to make full and active contributions to the Board's affairs to enhance the performance of the Board's responsibilities;
- ensures all Directors are properly briefed on issues arising at Board meetings and always receive clear, accurate and reliable information in a timely manner;
- oversees practices and procedures of the Group and ensures the Board works effectively;
- leads the Board to perform its responsibilities and acts in the best interests of the Company;
- provides guidance on the strategic plan and ensures alignment between the Board's vision and management's execution;
- oversees the performance of the CEO and senior management, and takes lead in planning CEO succession and management development; and
- enhances effective communication with shareholders and encourages that the views of shareholders are communicated to the Board as a whole.

The roles of CEO comprise, but are not limited to, the following:

- has direct responsibility for the day-to-day operations and overall performance of the Group's business;
- enhances the global sales potential of the Company's strong brand portfolio and facilitate the integration of acquisitions, if any;
- develops and implements the Company's strategic initiatives and management strategies, approved by the Board;
- ensures the effective implementation of Board decisions;
- manages the Company's resources, oversees its financial and operational performance, and drives profitability;
- builds and leads the executive team, communicating the Company's vision and ensuring a strong organizational culture; and
- maintains a regular dialogue with the Executive Chairman and the Executive Vice Chairman and ensures the Board receives timely and accurate information.

To ensure the Board performs effectively and enhances its diversity, appointment of directors is recommended by the Nomination Committee for approval by the Board. By considering the expertise, skills and experience of candidates for directorship, the Nomination Committee makes recommendations to the Board in order to achieve the effective balance and diversity of the Board. Directors are aware that they must be able to contribute sufficient time and attention to the affairs of the Company before accepting their appointment. A formal and detailed orientation is provided for each newly appointed Director to ensure proper understanding of duties and responsibilities of Directors under the Listing Rules, the Articles, and related ordinances and relevant regulatory requirements of Hong Kong. Every newly appointed Director must receive legal advice from the solicitors of the Company advising on Hong Kong law as regards the requirements under the Listing Rules that are applicable to directors. Newly appointed first-time Director must also complete no less than 24 hours of continuous professional development upon their appointment. Presentations by external professionals and senior executives of the Company are also provided to ensure a proper understanding of the Company's business and operations. In accordance with the Articles and the Listing Rules, Directors are subject to retirement by rotation at least once every three years. Any Directors appointed to fill a casual vacancy shall be subject to election by shareholders at the next annual general meeting after their appointment.

The Board treasures independent views and culture of openness as key elements to its effectiveness. As at the date of this report, Independent Non-executive Directors form a majority of the Board. The Company has complied with Rule 3.10 of the Listing Rules in relation to the requirement of Independent Non-executive Directors. All Independent Non-executive Directors meet the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules. The Company has received annual confirmations of independence from each of the Independent Non-executive Directors and are all still considered to be independent.

The Board has arranged appropriate Directors' and Officers' liability insurance to indemnify the Directors and Officers of the Group for liabilities arising out of corporate activities. The coverage and the sum insured under the policy are reviewed annually.

## Directors' Continuous Professional Development

In order to ensure all Directors are aware of the current trends in the commercial and regulatory environment in which the Company conducts its business, the Company provides regular updates, written materials and trainings to them on relevant laws, rules and regulations. To ensure that the Directors' contributions to the Board remains informed and relevant, the Directors are encouraged to participate in various professional development programs such as seminars, webcasts and relevant reading materials, especially in relation to compliance requirements to develop and refresh their knowledge and skills and the latest updates on the relevant rules and regulations.

All Directors participate in continuous professional development as set out in Rule 3.09F and 3.09G of the Listing Rules. During 2025, the Directors received at least 1.5 hours and up to 106.5 hours of training by way of, but not limited to, attending internal and external seminars and webinars, participating in panel discussion and in-person meetings, and self-studying reading materials on topics as set out in Rule 3.09G of the Listing Rules, representing an average of approximately 20.3 hours for each Director. According to the records of training provided by each Director to the Company, the training received by the Directors in 2025 is summarized in the following table:

	Topics of Continuous Professional Development						Approximate number of hours of training completed in 2025
	The Company's obligations and Directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments relevant to the discharge of such obligations and duties	The roles, functions and responsibilities of the Board, its committees and its Directors, and Board effectiveness	Corporate governance and ESG matters	Risk management and internal controls	Updates on industry-specific developments, business trends and strategies relevant to the Company		
<b>Group Executive Directors</b>							
Mr Horst Julius Pudwill	√	√	√	√	√	1.5 hours	
Mr Stephan Horst Pudwill	√	√	√	√	√	1.5 hours	
Mr Steven Philip Richman	√	√	√	√	√	1.5 hours	
Mr Kin Wah Chan	√	√	√	√	√	30.5 hours	
Mr Chi Chung Chan	√	√	√	√	√	42 hours	
Mr Camille Jojo	√	√	√	√	√	17 hours	
<b>Independent Non-executive Directors</b>							
Mr Peter David Sullivan	√	√	√	√	√	1.5 hours	
Mr Johannes-Gerhard Hesse	√	√	√	√	√	8.5 hours	
Mr Robert Hinman Getz	√	√	√	√	√	3.5 hours	
Ms Virginia Davis Wilmerding	√	√	√	√	√	46 hours	
Ms Caroline Christina Kracht	√	√	√	√	√	10.5 hours	
Mr Andrew Philip Roberts	√	√	√	√	√	106.5 hours	
Ms Karen Ka Fai Ng	√	√	√	√	√	4.5 hours	
Mr Stephen Tsi Chuen Wong	√	√	√	√	√	9 hours	

## Compliance with the Codes for Securities Transactions

The provisions of the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules (the "Model Code") has been adopted by the Board. In response to the specific enquiries made, all Directors have confirmed that they have fully complied with the required standards as set out in the Model Code during the year ended December 31, 2025.

The Company has also adopted another code of conduct on terms no less onerous than the Model Code that applies to securities transactions of all relevant employees who may be in possession of unpublished price sensitive information in relation to the Company (the "Code for Securities Transactions by Relevant Employees"). During the year, no incident of non-compliance was noted by the Company.

Both the Model Code and the Code for Securities Transactions by Relevant Employees have been published on the Company's website (www.ttigroup.com).

## Board Meetings

The Board focuses on the Company's strategies and values for on-going success and growth, sustainability of the Group and creating shareholder value. The Company held regular Board meetings, where at least four Board meetings are scheduled in a year with more frequent meetings as and when required. In 2025, a total of five Board meetings were held and the attendance records of each Director are set out in the section headed "Board, Board Committee and General Meetings in 2025" at the end of this report.

Board meeting, Board committee meeting and Annual General Meeting dates for 2026 were agreed upon at the Board meeting held in August 2025 with an aim to ensure maximum attendance of Directors and to facilitate the effectiveness of the Board. The meeting agendas are drawn up by the Executive Chairman in consultation with members of the Board to propose any other matters for inclusion in the agendas. Minutes of the Board and Board committee meetings with sufficient details of matters and concerns discussed are prepared and maintained by the Company Secretary of the Company (the "Company Secretary"), which are sent to the Directors for comments and records. The Company Secretary keeps Board records in safe custody and makes them available for inspection by the Directors.

All Directors are provided with accurate, reliable and clear information in a timely manner to facilitate informed decisions of the Board. Furthermore, all related materials with sufficient details in relation to the Board's issues are accessible to all Directors. To enhance understanding of the business of the Group and Directors' responsibilities under statute and at common law, all Directors are provided with briefings and professional development training as necessary. The Company Secretary provides full support to the Directors in order to ensure Board procedures and all applicable laws, rules and regulations are in compliance. Directors are also provided with access to senior management of the Group and independent professional advice upon request on performing their duties at the Company's expense.

## Board Committees

The Board has established three Board committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee, to delegate various responsibilities of the Board. Each of these Board committees has specific written terms of reference which deal clearly with their authority and duties and have been published on the Company's website (www.ttigroup.com) and the Stock Exchange's website (www.hkexnews.hk).

The Directors continuously review the diversity and effectiveness of the Board. To ensure independent views and inputs are available to the Board, Independent Non-executive Directors form the majority of all Board committees. With active participation and regular attendance of Independent Non-executive Directors, independent insights and opinions are encouraged to be contributed and expressed at the Board committee meetings. The Board oversees and monitors the delegated authorities and responsibilities through regular reporting by the Board committees in relation to their activities involved and recommendations and decisions made. The attendance records of each Board committee are set out in the section headed "Board, Board Committee and General Meetings in 2025" at the end of this report.

## Audit Committee

The Audit Committee is chaired by Mr Peter David Sullivan with other members being Mr Johannes-Gerhard Hesse, Mr Robert Hinman Getz, Ms Caroline Christina Kracht and Mr Andrew Philip Roberts. (Note: Mr Andrew Philip Roberts has been appointed as the chairman of the Audit Committee with effect from March 9, 2026 while Mr Peter David Sullivan remains as a member of the Audit Committee. Mr Stephen Tsi Chuen Wong has also been appointed as a member of the Audit Committee with effect from March 9, 2026.) As at the date of this report, all members of the Audit Committee are Independent Non-executive Directors. The Company has complied with Rule 3.21 of the Listing Rules in relation to the requirement of the Audit Committee.

The Audit Committee plays an important role in risk management, internal control and financial reporting control aspects. The Audit Committee aims to review and monitor the effectiveness of the risk management and internal control systems to ensure the compliance with the Group's obligations under the Listing Rules and other applicable laws and regulations. The Audit Committee oversees the completeness and integrity of the financial statements of the Company and takes ad hoc responsibilities which may be delegated by the Board from time to time. The Audit Committee is also directly responsible on behalf of the Board for the oversight of the performance of the Company's external auditors, the assessment of the independence and qualifications of the external auditors, the selection, oversight and remuneration of the Company's external auditors and the maintenance of an appropriate relationship with the external auditors.

The Audit Committee held four meetings in 2025 and performed duties summarized below:

- oversee the relationship between the Company and the external auditors, assess the performance of the external auditors and recommend the re-appointment of the external auditors;
- review and assist to maintain the effectiveness of risk management and internal control systems of the Group;
- monitor and review the scope, extent and effectiveness of the internal audit function of the Group;
- review the audit and non-audit services provided by the external auditors;
- review and make recommendations to the Board for the approval of the interim and annual financial statements of the Group;
- monitor and review the Group's accounting principles and practices, financial reporting matters and significant financial matters; and
- take up responsibilities delegated by the Board to handle ad hoc matters and to consider various matters to improve the Board's communication.

## Nomination Committee

The Nomination Committee is chaired by Mr Horst Julius Pudwill (Executive Chairman of the Board) with the other members being Mr Johannes-Gerhard Hesse, Mr Robert Hinman Getz, Ms Virginia Davis Wilmerding, Ms Caroline Christina Kracht (who has been appointed as a member of Nomination Committee with effect from March 31, 2025) and Mr Stephen Tsi Chuen Wong (who has been appointed as a member of Nomination Committee with effect from March 31, 2025). (Note: Ms Karen Ka Fai Ng has been appointed as a member of the Nomination Committee with effect from March 9, 2026.) All members of the Nomination Committee except Mr Horst Julius Pudwill are Independent Non-executive Directors.

The Board realizes increasing diversity is vital in maintaining an effective Board and recognizes the benefits of Board diversity. The Board should have a balance of skills, experience and diversity of perspectives appropriate for the requirements of the business of the Group in order to effectively discharge its function. The Nomination Committee aims to ensure a fair and transparent process of Board appointments, and in particular, to assist the Board to identify suitably qualified candidates and make recommendations for consideration of the Board and shareholders. When considering suitable Director candidates, the Nomination Committee considers factors including, but not limited to, age, gender, ethnicity, integrity, personal skills, professional knowledge and industry experience, as well as the ability to contribute sufficient time and attention to the Board in their recommendations.

The Nomination Committee held three meetings in 2025. The works performed by the Nomination Committee in 2025, with sufficient resources provided by the Company and/or independent professional advice when necessary, included:

- review the size, composition, gender ratio and other diversity measures, structure and succession planning of the Board regularly;
- assess the independence of the Independent Non-executive Directors;
- review the Nomination Policy and the Board Diversity Policy;
- make recommendations to the Board on relevant matters relating to the retirement and re-election of the Directors at the 2025 Annual General Meeting; and
- make recommendations to the Board on potential Director candidates based on various relevant factors.

The Group has taken, and continues to take, steps to promote diversity at all levels of its workforce. The Board currently has three female Directors out of the fourteen Directors with balanced skills, experience and diversity of perspectives to enhance the Company's business and values, representing over 21% of the Board as at the date of this Annual Report. Although no numerical targets have been specifically set as at the date of this Annual Report, the Board is committed to maintain the current gender ratio or as required under the Listing Rules and other diversity levels, with the ultimate goal of achieving gender parity. The Company has two Directors of a different gender in the Nomination Committee. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. Gender ratio of the Board of the Company can be found in the section headed "Board Composition" in this report. Gender ratio in the workforce of the Company can be found in the "Environmental, Social and Governance Report" ("ESG Report") which will be published separately. The ESG Report forms part of this report.

The Board has adopted the Board Diversity Policy in August 2013, which is published on the Company's website (www.ttigroup.com). Widening diversity at the Board level is essential for sustainable development of the Group and the Board considers that the current diversity in respect of the Board taking into account the Group's business model and industry-wide practice and specific needs of the Company is satisfactory. The Nomination Committee would consider various perspectives and measurable objectives, including, but not limited to, age, gender, professional experience, educational background, cultural and length of service while reviewing the composition of the Board with an aim to promote gender diversity culture and avoid a single gender Board. The ultimate decision will be based on merit, time commitment and contribution that the Directors and any selected candidates will bring to the Board. An analysis of the current Board composition based on these objective criteria is

set out on page 61 of this report. The Directors have demonstrated a strong commitment to the affairs of the Board and are fully aware of the expectation that they will devote sufficient time to the discharge of their Board responsibilities. In addition, Directors are required to disclose their other commitments, including directorships in other publicly listed companies and major appointments with the Company as well as keeping the Company informed of any subsequent changes.

Beyond dedication to employee well-being, the Company is firmly committed to actively advancing inclusive prosperity for the society as a whole. Our holistic approach to addressing all social dimensions of our business encompasses advocating for human and labor rights, diversity and inclusion, talent management and engagement, health, safety, and wellness, as well as community involvement and engagement. The Board's Sustainability Sub-Committee and ESG Working Committee, along with our Human Resource Teams are responsible for evaluating our policies and initiatives in all these areas and overseeing the effectiveness of our management approach, updating it as needed. The Company targets to maintain workforce gender composition with balance to the Group's operational needs and future development plans.

## Remuneration Committee

The Remuneration Committee is chaired by Mr Robert Hinman Getz with the other members of the Committee being Mr Peter David Sullivan, Ms Virginia Davis Wilmerding, Mr Andrew Philip Roberts (who has been appointed as a member of Remuneration Committee with effect from March 31, 2025) and Ms Karen Ka Fai Ng (who has been appointed as a member of Remuneration Committee with effect from March 31, 2025). As at the date of this report, all members of the Remuneration Committee are Independent Non-executive Directors.

The Remuneration Committee develops and administers fair and transparent procedures for setting policy on the overall human resources strategy of the Group, including those related to the remuneration of the Group's Directors and senior management. The Remuneration Committee is responsible for recommending the remuneration packages of Directors of the Group taking into account their merit, competence and qualifications, individual performance, the Company's operating results and return to shareholders, and considering relevant market practices. The Board ensures that the Remuneration Committee has access to sufficient internal and third-party resources, including professional advice, to fulfill its duties. The Group engages a global executive compensation firm, Willis Towers Watson, as an independent third-party to advise the Remuneration Committee on compensation matters, including providing assessments of the competitiveness of compensation of the executive directors and the non-executive directors of the Group.

The Remuneration Committee consults the Executive Chairman of the Board regarding the remuneration packages for the Chief Executive Officer (CEO) and other Executive Directors and makes recommendations to the Board on the remuneration packages of Executive Directors, including, without limitation, base salaries, incentive payments and grants of share awards and share options. The Remuneration Committee also makes recommendations to the Board on the remuneration of Independent Non-executive Directors. The Remuneration Committee reports directly to the Board on its decisions or recommendations.

The Remuneration Committee held four meetings in 2025 and performed, among other work, the following:

- recommend pay packages for Executive Directors and CEO to the full Board;
- review and make recommendations on the existing Remuneration Policy for Directors and senior management;
- review and update the peer group used to assess the competitiveness of Executive Director remuneration;
- assess the Executive Directors' performance and remuneration packages;
- review and approve material matters in relation to the share schemes adopted by the Company, including, without limitation, the approval of the grant of share awards under the 2018 Share Award Scheme and Employee Equity Incentive Plan; and
- the review of the rules and operation of the Company's share schemes against the backdrop of the latest amendments to Chapter 17 of the Listing Rules.

## GROUP INCENTIVE COMPENSATION

The Remuneration Committee reviewed and recommended to the Board for approval the 2025 incentive bonus payouts for the Executive Chairman of the Board, the CEO and other Executive Directors commensurate with the strong absolute and relative financial and operating performance delivered by the Group in 2025. In 2025 the Group achieved record revenue of US\$15.3 billion, growing 4.1% in local currency and 4.4% at reported rates and earnings per share growth of 6.8%. The Company reported nearly US\$1.4 billion in free cash flow in 2025, marking the third consecutive year of over US\$1.2 billion in free cash flow and ending the year in a net cash position of US\$700 million. This strong overall financial performance is a direct result of the Company's investment in its powerful brands and global manufacturing footprint which positions the Group well for future growth, market share gains and continued profitability improvements.

Compensation delivered to the Executive Directors, including the CEO, is conditional on the Company’s performance as assessed on a number of operational and financial metrics as well as progress against key strategic objectives. The Remuneration Committee believes it is extremely important to align executive compensation with both short-term and long-term results and in shareholder value creation. Executive compensation also takes into account the Company’s overall progress on key sustainability priorities. These include efforts to reduce environmental impact, enhance product safety, and promote employee health and well-being. The Board considers performance against these objectives as part of its holistic assessment when determining annual and long-term incentive outcomes.

As TTI competes primarily against large global organizations and sources proven executive talent from around the world, the Remuneration Committee benchmarks executive and director compensation pay levels against a group of global peer companies. TTI sets ambitious performance standards and when establishing executive and director pay levels, the Committee and the Board considers the pay levels and practices of these peer companies as well as TTI’s observed and sustained performance against these peers, considering a wide range of internal and external factors such as profitability, revenue growth, market share, capital efficiency, operational goals such as product innovation and manufacturing flexibility, and shareholder value creation.

The Committee works to ensure that executive compensation is competitive against key business and talent competitors, that the majority of compensation is performance-dependent, and that senior executives are held to rigorous performance standards.

#### GROUP CEO COMPENSATION

As announced on May 20, 2024 Mr Steven Philip Richman was appointed as the Chief Executive Officer of the Company. Mr Richman previously served as the Senior Group President of the flagship Milwaukee Tool business (“Milwaukee Tool”) for over 17 years. Mr Richman’s leadership of Milwaukee Tool drove the brand’s growth and innovation while maintaining operational discipline, resulting in unprecedented performance for the brand including double digit compounded annual growth in revenue and significant market share growth over the last decade. Mr Richman, who is a veteran of the power tool and outdoor power equipment industry, has a wealth of professional experience spanning 35 years in the management of industrial, electrical, plumbing, and retail distribution operations.

The Board subsequently appointed Mr Richman to the additional role of Executive Director of the Company with effect from August 6, 2024. In relation to his previous appointment as the Chief Executive Officer of the Company, Mr Richman entered into a service contract with the Company (the “Service Contract”) in respect of his capacity as the Chief Executive Officer of the Company. The Service Contract has an initial fixed term of three years from May 21, 2024 to May 20, 2027 or such longer period as the Company may determine (upon recommendation of the Executive Chairman of the Board and with Board approval), and which may thereafter be terminated by either Mr Richman or the Company by giving six months written notice.

The financial terms under the Service Contract were determined by the Remuneration Committee after reviewing peer group data and in consultation with the Company’s independent compensation consultant Willis Towers Watson and was subsequently approved by the Board. Under the Service Contract, Mr Richman receives a basic annual salary of US\$1,500,000, subject to review by the Company from time to time. Mr Richman is also eligible to receive short term incentive compensation in the form of annual bonus with a target bonus of US\$2,500,000, subject to adjustment to greater or lesser amounts based on Company and individual performance. In addition, Mr Richman is entitled to receive long term incentive compensation in the form of annual performance related restricted share awards (the ‘Restricted Shares’) and share options (“the Share Options”) up to a total of 800,000 Restricted Shares and up to a total of 400,000 Share Options if, in the Board’s determination, certain corporate and individual performance goals are achieved.

Mr Richman’s total compensation package is structured to recognize both short-term performance and sustained long-term results. It is intended to reward strong financial performance throughout his tenure as CEO of the Group while incentivizing him to:

- achieve the Board’s short-term and long-term financial and operational objectives;
- advance the Group’s strategic priorities and its continued profitable growth;
- align his compensation outcomes with the creation of long-term shareholder value; and
- encourage his ongoing leadership and service to the Company in his role as CEO.

#### Change in Information of Directors

Mr Robert Hinman Getz, an Independent Non-executive Director, was appointed as the lead Independent Non-executive Director of the Company with effect from March 31, 2025.

#### Change in Directors’ Emoluments

Ms Caroline Christina Kracht and Mr Stephen Tsi Chuen Wong, both being Independent Non-executive Directors, were appointed as members of the Nomination Committee of the Company with effect from March 31, 2025, and will be entitled to the Nomination Committee fee which has been fixed by the Board.

Mr Andrew Philip Roberts and Ms Karen Ka Fai Ng, both being Independent Non-executive Directors, were appointed as members of the Remuneration Committee of the Company with effect from March 31, 2025, and will be entitled to the Remuneration Committee fee which has been fixed by the Board.

Mr Robert Hinman Getz, an Independent Non-executive Director, was appointed as the lead Independent Non-executive Director of the Company with effect from March 31, 2025, and will be entitled to the annual lead Independent Non-executive Director fee of US\$45,000 which has been fixed by the Board.

#### Company Secretary

The Company Secretary is responsible for ensuring that Board procedures are in compliance and Board co-ordinates effectively and efficiently. All Directors have access to the advice and services of the Company Secretary. The Company Secretary is also responsible for facilitating information flow and communication among Directors as well as with shareholders and management of the Company. The Company Secretary is an employee of the Company and is appointed by the Board. The Company Secretary has complied with the professional training requirements under the Listing Rules to update her skills and knowledge.

#### Accountability and Audit

The Board acknowledges its responsibility for overseeing the preparation of the accounts of the Group which give a true and fair view of the Group’s state of affairs, results and cash flows for the year.

The Board will present a balanced, clear and understandable assessment of annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to the regulators as well as information required to be disclosed pursuant to statutory requirements.

#### Risk Management and Internal Controls

Effective risk management and internal control systems are vital to achieve long term goals of the Group through identifying and evaluating the Group’s risks and formulating appropriate mitigating controls. The Board is responsible for continuously monitoring and reviewing key internal control policies which include delegated authorities, non-audit services, treasury matters, policy on market disclosure and investor and media relations, as well as key risk management functions which include legal, insurance, human resources, capital management, treasury, IT, cyber security and Environmental, Health and Safety (EHS). The Board conducts an annual review of the effectiveness of the risk management and internal control systems of the Company, which is designed to manage and minimize risks of failure in operational systems, and to provide reasonable but not absolute assurance that material misstatement or loss can be avoided.

The Company has an internal audit function which is essential for providing an independent and objective assurance to the Audit Committee and the Board in controlling the internal business environment. The internal audit function continuously maintains an independent review on key business aspects in accordance with the annual audit plan, and reports the key findings to the Board through the Audit Committee. In addition, the internal auditor of the Company reports to the Audit Committee and communicates with the Chairman of the Audit Committee regularly so as to evaluate and manage significant risks that may be identified throughout. The internal audit function conducts an annual risk assessment, supplemented by ongoing risk monitoring, to develop and adjust, as needed, the Group’s audit plan.

The Board, together with the Audit Committee, focuses on strengthening the Group’s risk management culture, ensuring the whole risk management framework is adequate and effective and oversees the internal audit function. The Group continuously reviews its risk framework in light of substantial changes and pursues improvements of enterprise risk management. A whistle blowing policy (the “Complaint Resolution Policy and Procedure”) has been adopted in order to detect and identify improprieties and bring any issues to the attention of the management, the Audit Committee as well as the Board. Furthermore, the Group regularly conducts in-house anti-bribery training sessions to bolster the Group’s anti-corruption culture, awareness and knowledge.

The Board, and in particular the Audit Committee, conducts a continuous review of the effectiveness of the Group's risk management and internal control systems that have been put in place. The reviews covering financial, operational, and compliance controls and risk management performed in 2025 included:

- the adequacy and performance of accounting and financial reporting functions;
- the regular internal audit updates and the strategic and annual operating plan;
- the organization structure and delegated authorities;
- the scope and quality of the management's ongoing monitoring of risks and internal control system and the effectiveness of the Company's procedures relating to statutory and regulatory compliance; and
- the risk management process including formal risk assessment at the enterprise level upon discussions with senior management responsible for day-to-day management of significant risks.

The Company identifies, assesses and prioritizes the risks that are most relevant to the Company's success according to their likelihood and impact. Risk assessment is conducted with the objective to improve the design and effectiveness of the Company's internal controls. Mitigation plans or controls enhancements are developed and implemented by business units based on the risk assessment. The Company also reviews its risk framework on an ongoing basis considering substantial changes and pursues improvements of enterprise risk management.

The procedures and internal controls for handling and disseminating of inside information are governed by the Model Code, the Code for Securities Transactions by Relevant Employees, the Complaint Resolution Policy and Procedure, the Policy on Market Disclosure, Investor and Media Relations, with a view to ensuring compliance with the Articles and the statutory and regulatory requirements that the Group is subject to.

In light of the above reviews and policies, the Board confirms that the Group's risk management and internal controls systems are effective and adequate. The Board also confirms that the Group has adequate resources, qualified staff, appropriate experience, and sufficient budget for its accounting, financial reporting and internal audit functions.

## External Auditor

Deloitte Touche Tohmatsu, the external auditor of the Group, provided the following audit and non-audit services to the Group in 2025:

Nature of Services	Amount (US\$ million)
External Audit Services	3.17
Taxation Services	0.41
Other Services	0.58

The other services provided by Deloitte Touche Tohmatsu comprised professional services conducted under the terms of specified engagements.

The nature and ratio of annual fees to the external auditor for audit services and non-audit services are subject to scrutiny by the Audit Committee to ensure the independence of the external auditor. All non-audit services from the external auditor are regulated by the Policy on Non-Audit Services published on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)).

The Audit Committee and the external auditor of the Group meet at least twice a year without the presence of the management of the Group to enhance independent reporting by the external auditor of the Group. In order to maintain effective communication with shareholders, the external auditor attended the 2025 Annual General Meeting to answer questions about the accounting policies, the auditor's independence, the conduct of the audit and the preparation and content of the auditor's report.

## Investor Relations and Shareholder Communications

The Company aims to maintain an effective communication and on-going dialogue with its shareholders and investors particularly through the following major means:

### Shareholders Communication Policy

The Board has adopted the Shareholders Communication Policy on March 22, 2012, which primarily covers the current practices for communicating with shareholders and is published on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)). All the Company's circulars, announcements, notices and results of general meetings, annual and interim reports, and webcasts of results presentations conducted at press conferences, which are published on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)), provide timely, efficient and accurate information to shareholders and investors. Essential information is communicated to the shareholders mainly through the Company's financial reports, general meetings and the information published on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). In addition, the Company holds regular meetings with institutional shareholders and analysts and encourages shareholders to attend annual general meetings to communicate with Directors and management of the Company directly. In 2025, Directors and management of the Company conducted frequent meetings with investors and shareholders by means of roadshows, results announcements, conferences, private meetings and the Annual General Meeting. Such meetings offer shareholders an opportunity to express their views and engage with the Board and management of the Company, while the question-and-answer sessions at the Annual General Meeting promote constructive dialogue. Important shareholders' dates in the coming financial year are set out in the section headed "Corporate Information" of this Annual Report. The Board reviews the implementation of the Shareholders Communication Policy on a regular basis (including steps taken at the general meetings, the handling of queries received and the multiple channels of communication and engagement in place) and considered it has been properly and effectively implemented during the year.

A Policy on Market Disclosure, Investor and Media Relations, published on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)), ensures that the Company complies with its disclosure obligations under the Listing Rules and other applicable laws and regulations, and that all shareholders and investors have an equal opportunity to receive and obtain externally available information issued by the Company.

## Shareholders' Rights

### CONVENING OF EXTRAORDINARY GENERAL MEETING ON REQUISITION BY SHAREHOLDERS

Pursuant to Article 64 of the Articles and sections 566-568 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong), shareholders holding at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings of the Company (the "Requisitionists"), may request the Directors to convene an extraordinary general meeting ("EGM"). The written requisition must state the general nature of the business to be dealt with at the EGM and must be signed by the Requisitionists and sent to the registered office of the Company which is currently located at 29/F, Tower 2, Kowloon Commerce Centre, 51 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong for the attention of the Company Secretary. The requisition may consist of several documents in like form and may include the text of a resolution that may properly be moved and is intended to be moved at the EGM.

If the Directors do not, within 21 days after the date on which they become subject to the requirement, proceed duly to convene an EGM for a day not more than 28 days after the date of the notice convening the EGM, the Requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene an EGM. The EGM must be called for a date not more than three months after the date on which the Directors become subject to the requirement to call an EGM. Any reasonable expenses incurred by the Requisitionists by reason of the failure of the Directors duly to convene an EGM shall be repaid to the Requisitionists by the Company.

### PROCEDURE FOR NOMINATING A PERSON FOR ELECTION AS A DIRECTOR

For the detailed procedure for shareholders to nominate a person to stand for election as Director, please refer to the written procedure named "Nomination of Directors by Shareholders" which is published on the Company's website ([www.ttigroup.com](http://www.ttigroup.com)).

### PROCEDURE FOR DIRECTING SHAREHOLDERS' ENQUIRIES TO THE BOARD

The Company values feedback from shareholders on its efforts to promote transparency and foster investor relationships. Shareholders may address their comments, suggestions and/or enquires to the Board in writing through Investor Relations and Communication (contact details are set out in the section headed "Corporate Information" of this Annual Report).

### PROCEDURE FOR PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

Pursuant to Section 615 of the Companies Ordinance, shareholders may submit a written requisition to circulate a resolution at an annual general meeting (“AGM”) if they: (a) represent at least 2.5% of the total voting rights of all shareholders having a right to vote on the resolution at the AGM to which the request relates; or (b) are at least 50 shareholders having a right to vote on the resolution at the AGM to which the request relates.

The written requisition must: (a) identify the resolution of which notice is to be given; (b) be signed by the requisitionists; (c) be sent to the registered office of the Company for the attention of the Company Secretary; and (d) be received by the Company not later than six weeks before the AGM to which the request relates or if later, the time at which notice is given of that AGM. Shareholders are requested to refer to Section 580 and 615 of the Companies Ordinance for further details.

### Constitutional Document

The Board proposed amendments to the Articles and a special resolution was passed at the 2025 Annual General Meeting for the purpose of (i) bringing the Articles in line with the latest legal and regulatory requirements under the Companies Ordinance and the Listing Rules which enable the Company to hold shares bought back in the treasury for future resell or transfer under certain conditions; (ii) allowing (but not requiring) general meetings to be convened and held as hybrid or electronic meetings; (iii) setting out the related powers of the Board and the chairman of the general meetings to make arrangements for attendance and voting at general meetings and to maintain the proper and orderly conduct at general meetings; (iv) removing the age limit of the Directors; and (v) making consequential and other housekeeping amendments to the Articles. The constitutional document of the Company was published on the Company’s website (www.ttigroup.com) and the Stock Exchange’s website (www.hkexnews.hk).

### Dividend Policy

TTI may declare/propose dividends semi-annually when the Board approves the interim results and the annual results.

The Board endeavours to maintain a balance between meeting the Shareholders’ expectations and prudent capital management.

In determining the appropriate amount of dividend, the Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and shareholder returns by considering:

- the expected capital requirements and capital efficiency;
- regulatory capital requirements of its regulated entities;
- prevailing and projected profitability;
- projected operating cash flows;
- projected capital expenditures and strategic investment opportunities;
- the expected working capital requirements, capital expenditure requirements and future development and expansion plans of the Group;
- share buy-back programs and plans;
- general economic conditions, business cycle of the Group’s business and other internal and external factors that may have a material impact on the business, operation or financial performance and position of the Company; and
- any other factors that the Board may deem appropriate and relevant under the circumstances.

Any declaration and payment of future dividends under the dividend policy are subject to the Board’s consideration and determination that the same would be in best interests of the Group and the Shareholders as a whole. The Board will review the dividend policy from time to time and may exercise at its sole and absolute discretion to update, amend and/or modify the dividend policy at any time as it deems fit and necessary.

### Board, Board Committee and General Meetings in 2025

A summary of attendance of Board, Board committee and general meetings in 2025 are detailed in the following table:

	Meetings attended/Held in 2025				
	Board	Audit Committee	Nomination Committee	Remuneration Committee	General Meeting
Number of meeting(s) held during the year	5	4	3	4	1
<b>Group Executive Directors</b>					
Mr Horst Julius Pudwill	5/5		3/3		1/1
Mr Stephan Horst Pudwill	5/5				1/1
Mr Steven Philip Richman	5/5				1/1
Mr Kin Wah Chan	5/5				1/1
Mr Chi Chung Chan	5/5				1/1
Mr Camille Jojo	5/5				1/1
<b>Independent Non-executive Directors</b>					
Mr Peter David Sullivan	5/5	4/4		4/4	1/1
Mr Johannes-Gerhard Hesse	5/5	4/4	3/3		1/1
Mr Robert Hinman Getz	5/5	4/4	3/3	4/4	1/1
Ms Virginia Davis Wilmerding	5/5		3/3	4/4	1/1
Ms Caroline Christina Kracht <sup>(1)</sup>	5/5	4/4	2/2		1/1
Mr Andrew Philip Roberts <sup>(2)</sup>	5/5	4/4		3/3	1/1
Ms Karen Ka Fai Ng <sup>(3)</sup>	5/5			3/3	1/1
Mr Stephen Tsi Chuen Wong <sup>(4)</sup>	5/5		2/2		1/1
Date(s) of meeting(s)	16.1.2025 4.3.2025 8.5.2025 5.8.2025 6.11.2025	3.3.2025 8.5.2025 4.8.2025 6.11.2025	3.3.2025 4.8.2025 6.11.2025	3.3.2025 8.5.2025 4.8.2025 6.11.2025	9.5.2025

Notes:

- (1) Ms Caroline Christina Kracht was appointed as a member of the Nomination Committee with effect from March 31, 2025.
- (2) Mr Andrew Philip Roberts was appointed as a member of the Remuneration Committee with effect from March 31, 2025.
- (3) Ms Karen Ka Fai Ng was appointed as a member of the Remuneration Committee with effect from March 31, 2025.
- (4) Mr Stephen Tsi Chuen Wong was appointed as a member of the Nomination Committee with effect from March 31, 2025.