

GOVERNANCE

Corporate Governance

We continued to strengthen our governance practices as we have adopted codes and policies that reinforce accountability within our operations and across our supply chain.



Other corporate governance policies are available on [our website](#).

To hold TTI's governance practices to the highest standard, we ensure they are aligned with global sustainability goals and principles, including the UNSDGs, GRI Standards, SASB, TCFD and other key multi-stakeholder forums. In addition, we disclose with the CDP.

The TTI Board of Directors drives our governance practices to enhance shareholder interest and promote sustainability. Corporate governance is vital for maintaining sustainability.

The Company is committed to high standard corporate governance to enhance shareholders' interests and promote sustainable development. A quality board of directors (the "Board") 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 reviewed codes of conducts, policies and practices, corporate governance framework and disclosure of the Corporate Governance Report in our annual 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.

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 14 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, 2022, 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. Under Article 107(A) of the Articles of Association of the Company, 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 plays an important role in maintaining sustainability. The Board continuously monitors, reviews 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 Company's Articles of Association. The Board performs the corporate governance function through, but not limited to, the following:

- monitor and review 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.
- review and monitor compliance of the Corporate Governance Code.
- review and monitor the Directors' and the senior management's training and continuous professional development.
- review the disclosure set out in the Corporate Governance Report of our annual report.

Continued our partnership with Better Mining

Added an external management detection service

that internally and externally monitors cyber-attacks and indicators of compromise (IOC)

80%+

Relaunched our cybersecurity training program and achieved a completion rate of over 80%, exceeding the industry average

Two independent female directors

added to the board (2021-2022)

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

Delegation to Board Committees and senior management of the Group with specific functions is monitored continuously 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.

Board Composition

As of this report, the Board consists of five Group Executive Directors, two Non-executive Directors and five Independent Non-executive Directors. An analysis of composition of the Board of the Company is set out below:

Group Executive Directors

- Mr Horst Julius Pudwill (Chairman)
- Mr Stephan Horst Pudwill (Vice Chairman)
- Mr Joseph Galli Jr (Chief Executive Officer)
- Mr Kin Wah Chan (Operations Director)
- Mr Chi Chung Chan (Group Chief Financial Officer)

Non-executive Directors

- Prof Roy Chi Ping Chung GBS BBS JP
- Mr Camille Jojo

Independent Non-executive Directors

- Mr Peter David Sullivan
- Mr Johannes-Gerhard Hesse
- Mr Robert Hinman Getz
- Ms Virginia Davis Wilmerding
- Ms Caroline Christina Kracht

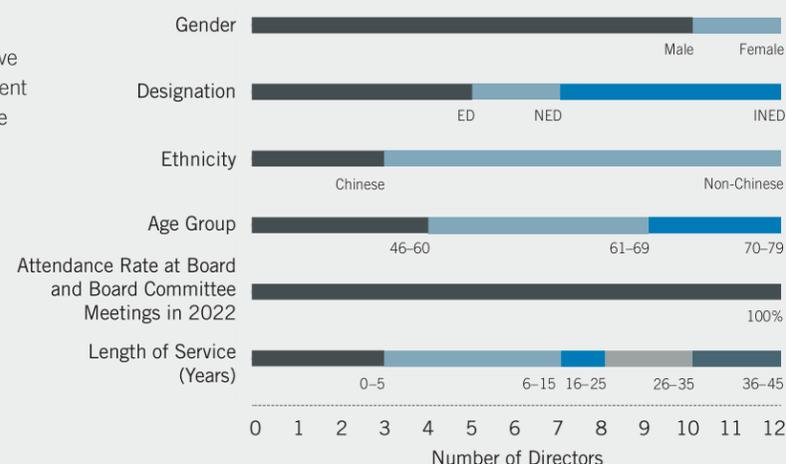
Biographical details and relevant relationships of the members of the Board are set out on pages 55 to 60 of the 2022 annual report. A list of Directors and their roles and functions are published on the Company's website (www.ttigroup.com) and the Stock Exchange's website (www.hkexnews.hk).

Both the management of the Board and the day-to-day management are essential to the Company's success and sustainability. In order to promote balance of power, authority and accountability, the roles of Chairman and Chief Executive Officer of the Company have been segregated and clearly distinguished.

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

- ensure all Directors are properly briefed on issues arising at Board meetings and always receive clear, accurate and reliable information in a timely manner.

Our Board of Directors



- lead the Board to perform its responsibilities and act in the best interests of the Company, and ensure the Board works effectively.
 - encourage all Directors to make full and active contributions to the Board's affairs to enhance the performance of the Board's responsibilities.
 - enhance effective communication with shareholders and encourage the views of shareholders are communicated to the Board as a whole.
 - ensure and oversee sound practices and procedures.
- The roles of Chief Executive Officer comprise, but are not limited to, the following:
- take the lead to oversee the global management team in the Group's daily operations.
 - perform the Company's strategic initiatives and management strategies.
 - enhance the global sales potential of the Company's strong brand portfolio and facilitate the integration of acquisitions, if any.

Appointment of directors is recommended by the Nomination Committee for approval of the Board to ensure the Board performs effectively and enhances its diversity. By considering the expertise, skills and experience of candidates of 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 Company's Articles of Association, and related ordinances and relevant regulatory requirements of Hong Kong. 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 Company's Articles of Association 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 would be subject to election by shareholders at the next annual general meeting after their appointment.

The Board treasures the culture of openness and independent views as key elements to effectiveness. Independent Non-executive Directors and Non-executive Directors form a majority of the Board, and the Independent Non-executive Directors represent over one-third of the Board as of this report. 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 confirmation of independence from each of the Independent Non-executive Directors and they are 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

The Company provides regular updates, training and written materials to all Directors on relevant laws, rules and regulations to make sure they are aware of the current trends in the commercial and regulatory environment in which the Company conducts its business. In order to ensure that the Directors' contribution 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 code provision C.1.4 of the Corporate Governance Code. According to the records of training provided by each Director to the Company, the training received by the Directors in 2022 is summarized in the following table:

	Type of Continuous Professional Development Programme		
	Updates on business operations, laws, rules and regulations or corporate governance matters	Updates on directors' roles, functions and duties	Updates on accounting, financial or other professional skills
Group Executive Directors			
Mr Horst Julius Pudwill	√	√	
Mr Stephan Horst Pudwill	√	√	
Mr Joseph Galli Jr	√	√	
Mr Kin Wah Chan	√	√	√
Mr Chi Chung Chan	√	√	√
Non-executive Directors			
Prof Roy Chi Ping Chung GBS BBS JP	√	√	√
Mr Camille Jojo	√	√	√
Independent Non-executive Directors			
Mr Peter David Sullivan	√	√	
Mr Johannes-Gerhard Hesse	√	√	√
Mr Robert Hinman Getz	√	√	
Ms Virginia Davis Wilmerding	√	√	√
Ms Caroline Christina Kracht	√	√	√

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 10 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, 2022.

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 sustainability, success and growth of the Group. 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 2022, 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 2022" on p.97 of this report.

Board meeting, Board Committee meeting and Annual General Meeting dates for 2023 were agreed upon at the Board meeting held in August 2022 in order to ensure maximum attendance of Directors and to facilitate the effectiveness of the Board. The meeting agenda is drawn up by the Chairman in consultation with members of the Board to propose any other matters for inclusion of the agenda. 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 of which are available for inspection by the Directors.

To facilitate informed decisions of the Board, clear, accurate and reliable information are provided to all Directors in a timely manner. 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 followed. Directors are also provided with access to senior management of the Group upon request, as well as to independent professional advice on performing their duties at the Company's expenses.

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 diversity and effectiveness of the Board are continuously reviewed by the Directors. 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 2022" on p.97 of this report.

Audit Committee

The Audit Committee is chaired by Mr Peter David Sullivan with other members being Mr Johannes-Gerhard Hesse, Mr Camille Jojo, Mr Robert Hinman Getz and Ms Caroline Christina Kracht (who has been appointed as a member of Audit Committee with effect from March 1, 2023). All members except Mr Camille Jojo 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 and internal 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 2022 and performed duties summarized below:

- 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.
- review and assist to maintain the effectiveness of risk management and internal controls systems of the Group.
- monitor and review the scope, extent and effectiveness of internal audit function of the Group.
- 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 the audit and non-audit services provided by the external auditors.

Nomination Committee

The Nomination Committee is chaired by Mr Horst Julius Pudwill (Chairman of the Board) with the other members being Mr Johannes-Gerhard Hesse, Mr Robert Hinman Getz and Ms Virginia Davis Wilmerding (who has been appointed as a member of the Nomination Committee with effect from August 10, 2022). All members except Mr Horst Julius Pudwill are Independent Non-executive Directors.

The Board recognizes the benefits of board diversity and realizes increasing diversity is vital in maintaining an effective board. 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 candidates of Directors, the Nomination Committee considers factors including, but not limited to, professional knowledge, industry experience, ethics, integrity, personal skills and as well as the ability to contribute sufficient time and attention to the Board in their recommendations.

The Nomination Committee held three meetings in 2022. The work performed by the Nomination Committee in 2022, with sufficient resources provided by the Company and/or independent professional advice when necessary, included:

- review of the size, composition and structure of the Board regularly.
- make recommendations to the Board on relevant matters relating to the retirement and re-election of the Directors at the 2022 Annual General Meeting.
- assess the independence of the Independent Non-executive Directors.
- review the Nomination Policy and the Board Diversity Policy.

The Board currently has two female Directors out of the twelve Directors with balanced skills, experience and diversity of perspectives to enhance the Company's business and values. The Group has also taken, and continues to take, steps to promote diversity at all levels of its workforce. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. Gender ratio in the workforce of the Company can be found on p.60 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 gender 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 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 p.84-85 of this report.

Remuneration Committee

The Remuneration Committee is composed of a majority of Independent Non-executive Directors and is chaired by Mr Robert Hinman Getz with the other members of the Committee being Mr Peter David Sullivan, Mr Camille Jojo and Ms Virginia Davis Wilmerding (who has

been appointed as a member of the Remuneration Committee with effect from March 1, 2023).

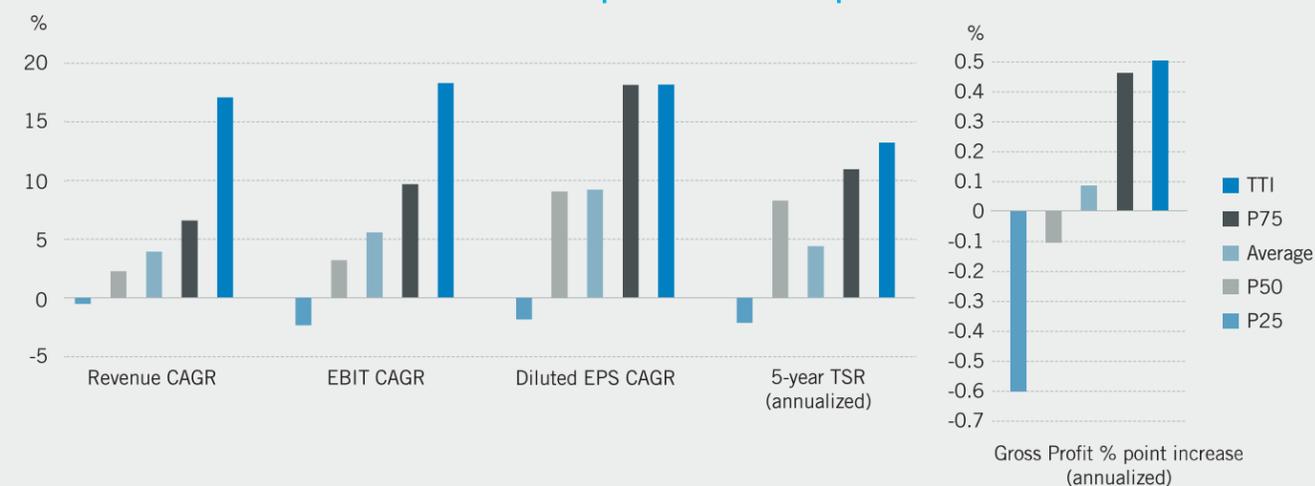
The Remuneration Committee develops and administers fair and transparent procedures for setting policy on the overall human resources strategy of the Group, including those related to the remuneration of the Group's Directors and senior management. The Remuneration Committee is responsible for recommending the remuneration packages of Directors and senior management 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 Remuneration Committee makes recommendations to the Board on the remuneration packages of the Executive Directors and members of senior management, including, without limitation, base salaries, benefits in kind, incentive payments and grants, and consults the Chairman and/or Chief Executive Officer (CEO) for the proposals of other Executive Directors' remuneration packages. The Remuneration Committee also makes recommendations to the Board on the remuneration of the Non-executive Directors and the Independent Non-executive Directors. The Remuneration Committee reports directly to the Board on its decisions or recommendations.

The Remuneration Committee held five meetings in 2022 and performed, among other work, the following:

- 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.
- recommend pay packages for Executive Directors and CEO to the full Board.

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 consulting firm as an independent third party to advise the Remuneration Committee, including providing assessments of the competitiveness of compensation of the Executive Directors, including the Chairman and the CEO. The compensation packages of the Group's Executive Directors were assessed relative to similar positions at 24 peer companies operating in the same or adjacent industries. The consultant's assessment took into account the Group's absolute shareholder returns, financial and operational performance, as well as performance relative to the peer companies.

Chart 1: TTI's Five Year Financial Performance as Compared to 24 Peer Companies¹



1. Five-year TTI performance through FY 2022 measured against most recently available five-year performance for each company in the peer group.

Group CEO Incentive Compensation

The Remuneration Committee reviewed and recommended to the Board for approval the 2022 incentive payouts for the Chairman, the CEO and other Executive Directors commensurate with the solid and resilient financial and operational performance delivered by the Group in 2022, and recognizing the deliberate investments made to position the Group for future growth and profitability improvements.

Compensation delivered to the Executive Directors, and in particular the CEO, is dependent on company 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 long-term shareholder outcomes. As shown in Chart 1 above, over the past five years the Group has exceeded or equalled the 75th percentile performance of the 24 peer companies in key financial and operational performance metrics including revenue growth, EBIT growth, diluted EPS growth, gross profit margin improvement, and working capital management. Importantly, the Company's stock price and TSR performance over the past five years remains exceptional in both relative and absolute terms. The Company's 5-year TSR exceeds the 75th percentile performance of the 24 companies included in the company's compensation peer group.

Annual Incentive Awards

As part of the Group's annual incentive plan, the Remuneration Committee in 2022 approved a share award to Mr Galli in connection with the Group's 2021 fiscal year performance ("2022 STI Share Grants"). This share award was made in addition to the cash payout made under the company's annual incentive plan. Specifically, the Remuneration Committee granted Mr Galli 1,000,000 shares in March 2022 following review and certification of the achievement of the Group 2021 fiscal year performance. As this grant is made as part of the annual incentive plan, these shares vested upon grant.

Over the past five years the Remuneration Committee has modified Mr Galli's compensation package so that it is significantly focused on performance-based share awards. The Remuneration Committee believes that rewarding the CEO for the achievement of sustained outstanding performance in the form of Group equity meaningfully aligns him with long-term shareholder outcomes and creates further incentives for improved future performance.

Long-Term Incentive Awards

In 2018 the Board approved multi-year performance-based share awards to Mr Galli ("2018 CEO Share Awards") with the granting of the awards conditional upon the Company's achievement of share

price, financial and operational performance criteria (“Performance Criteria”) over successive three-year performance periods ending each year from 2019 to 2024. For the three-year period ending in 2022, Mr Galli delivered exceptional financial and operational performance and strong relative share price performance, when measured against the performance of our key competitors. Additionally, a number of strategic objectives were achieved over the past three years, including diversification and expansion of the Group’s manufacturing footprint and achievement of good progress towards the Groups ESG goal of significantly reduced GHG emissions. As a result of this strong financial and operational performance, during a time of significant economic instability, Mr Galli was granted one million shares for the three-year period ending in 2022. These shares are scheduled to vest to Mr Galli on January 1, 2025, if he remains in his current role.

For the three-year period 2019 to 2022, the Group delivered 20.0% compound annual revenue growth and 21.3% compound annual EBIT growth. The Group’s revenue growth over this period equaled the 95th percentile of performance of the Primary Peer Group while EBIT growth equaled the 87th percentile of the Primary Peer Group. Additionally, the Company’s profit margin exceeds 65% of the peers and profit margin improvement was greater than 80% of the peer group over the past three years.

The remainder of the 2018 CEO Share Awards (up to one million shares) will be awarded to Mr Galli subject to the Company’s future performance and meeting of the financial and operational goals set out in the 2018 CEO Share Awards plan for the period 2023 to 2024.

Besides the 2018 CEO Share Awards, the Board approved another multi-year performance-based share awards to Mr Galli (“2020 CEO Share Awards”) with the granting of the awards conditional upon the Company’s achievement of financial and operational performance criteria (“Financial and Performance Criteria”) for the years between 2022 to 2026. Under the 2020 CEO Share Awards, 1,000,000 shares will be granted each year between 2022 and 2026 and vest the following year if the Financial and Performance Criteria have been achieved.

Mr Galli’s Performance History

The compensation package awarded to Mr Galli, including his annual cash incentive and his 2022 STI Share Grants, were awarded on the basis of the Group’s strong financial and operational performance in 2022 despite substantial economic disruptions and uncertainty which significantly and negatively impacted overall industry results and our key peers’ performance.

Mr Galli’s overall compensation package is designed and managed with a long-term focus, and rewards him for the Company’s very strong growth and performance over the entire period of his tenure as CEO of the Group and incentivizes him to:

- achieve the short-term and long-term financial and operational goals set by the Board,
- to meet the Group’s strategic goals in order to position the company for future profitable growth,
- to align his long-term remuneration outcomes with sustained shareholder value creation, and
- ensure his continued service to the Company in his current role.

Since his appointment in February 2008 to the CEO role, Techtronic’s stock price has increased from HK\$8.40 on 1 February 2008 to close at HK\$87.10 on 30 December 2022, an increase of about 937%, greatly exceeding both the Hang Seng Index (-18%) and the S&P500 Index (+175%) over the same time period. Since February 2008, the Group’s equity market capitalization has grown more than 12.5 times, from approximately HK\$12.6 billion to nearly HK\$160 billion at the end of December 2022.

Equity Plan Descriptions

The Board has adopted two share award schemes, namely the 2008 Share Award Scheme and the 2018 Share Award Scheme. The 2008 Share Award Scheme was adopted on January 9, 2008 (the “2008 Adoption Date”) and expired from January 9, 2018 and all awards granted thereunder have been duly vested. Following the expiry of the 2008 Share Award Scheme, the 2018 Share Award Scheme was adopted with effect from January 17, 2018 (the “2018 Adoption Date”) and shall be terminated on the earlier of the 10th anniversary of the 2018 Adoption Date or such date of early termination as determined by the Board.

The purpose of both the 2008 Share Award Scheme and the 2018 Share Award Scheme is to recognize the contributions by Eligible Persons as defined below and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The scheme rules of the schemes are substantially identical and a summary of the principal terms of both schemes is set out below:

Any employee or Director (including, without limitation, any Executive, Non-executive or Independent Non-executive Director) of any member of the Group (the “Eligible Person”) will be entitled to participate the schemes. Unless terminated earlier by the Board in accordance with the respective scheme rules, the effective term of each scheme is 10 years commencing on the adoption date of the relevant scheme provided that no contribution to the trust will be made by the Company on or after the 10th anniversary date of the adoption date of the relevant scheme. Details of both schemes were announced by the Company on the respective adoption date of the schemes.

The Board may, from time to time, at their absolute discretion select any Eligible Person for participation in any scheme as a selected grantee (the “Selected Grantee”) and determine the number of shares to be awarded or make reference to a nominal amount. The relevant number of shares awarded will be purchased by the trustee of the schemes from the market or new shares will be subscribed for by the trustee at the cost of the Company and be held in trust until they are vested. Upon acceptance of the share awards, no payment is required. When a Selected Grantee has satisfied all vesting conditions specified by the Board, the trustee will transfer the relevant vested shares together with the income derived therefrom (net of accrued interest) to such Selected Grantee.

The maximum number of shares which can be awarded under each scheme is 10% of the issued share capital of the Company as at the adoption date thereof, and the maximum number of shares which can be awarded under each scheme to a Selected Grantee, at any one time, shall not in aggregate exceed 1% of the issued share capital of the Company as at the adoption date thereof. The total issued share capital of the Company as at the 2008 Adoption Date and the 2018 Adoption Date were 1,501,252,152 shares and 1,835,021,941 shares, respectively.

Since the 2018 Adoption Date and up to December 31, 2022, a total of 12,658,500 shares had been awarded under the 2018 Share Award Scheme, representing 0.69% of the issued share capital of the Company as at the 2018 Adoption Date. Recognition of share-based payment expenses under the 2018 Share Award Scheme during the year was US\$31,980,000. During the year ended December 31, 2022, a total of 3,011,000 shares had been awarded under the 2018 Share Award Scheme to two Directors of the Company, representing 0.16% of the issued share capital of the Company as at the 2018 Adoption Date. The total payout, including related expenses, amounted to US\$52,112,000. In addition, during the year ended December 31, 2022, 1,784,500 shares were transferred to nine Directors and a Selected Grantee upon vesting under the 2018 Share Award Scheme. As at December 31, 2022, details of the awarded shares granted under the 2018 Share Award Scheme of the Company were as follows:

Share awards holders	Date of Award	Share award scheme category	Number of awarded shares	Number of awarded shares					Vesting Period	Closing price at the Date of Award HK\$	Purchase price HK\$
				As at January 1, 2022	Awarded during the year	Vested during the year	Lapsed during the year	As at December 31, 2022			
Directors											
Mr Horst Julius Pudwill	21.3.2018	2018	500,000	125,000	—	(125,000)	—	—	15.3.2019 – 15.3.2022	47.00	30.29
	20.5.2019	2018	300,000	100,000	—	(100,000)	—	—	20.5.2020 – 20.5.2022	50.20	28.15
	21.12.2020	2018	1,000,000	—	—	—	—	—	21.12.2020 – 21.12.2021	107.00	44.55
	30.12.2021	2018	300,000	300,000	—	—	—	300,000	3.4.2023 – 30.12.2023 ⁽⁴⁾	154.90	115.13
Mr Stephan Horst Pudwill	21.3.2018	2018	50,000	12,500	—	(12,500)	—	—	15.3.2019 – 15.3.2022	47.00	30.29
	21.12.2020	2018	100,000	—	—	—	—	—	21.12.2020 – 21.12.2021	107.00	44.55
	30.12.2021	2018	50,000	50,000	—	(25,000)	—	25,000	30.12.2022 – 30.12.2023	154.90	115.13

Share awards holders	Date of Award	Share award scheme category	Number of awarded shares	Number of awarded shares					Vesting Period	Closing price at the Date of Award HK\$	Purchase price HK\$
				As at January 1, 2022	Awarded during the year	Vested during the year	Lapsed during the year	As at December 31, 2022			
Directors (continued)											
Mr Joseph Galli Jr ⁽⁵⁾	21.3.2018	2018	514,000	128,500	—	(128,500)	—	—	15.3.2019 – 15.3.2022	47.00	30.29
	3.1.2020	2018	1,000,000	1,000,000	—	—	—	1,000,000	On or about 1.1.2025	64.70	44.38
	21.12.2020	2018	1,000,000	—	—	—	—	—	21.12.2020	107.00	44.55
	4.3.2021	2018	1,000,000	—	—	—	—	—	4.3.2021	121.40	80.25
	4.3.2021	2018	1,000,000	1,000,000	—	—	—	1,000,000	On or about 1.1.2025	121.40	80.25
	31.12.2021	2018	1,000,000	1,000,000	—	—	—	1,000,000	On or about 1.1.2025	155.20	121.14
	3.3.2022	2018	1,000,000	—	1,000,000	(1,000,000)	—	—	3.3.2022	136.10	130.19
	3.3.2022	2018	1,000,000	—	1,000,000	—	—	1,000,000	On or about 3.3.2023	136.10	130.19
	30.12.2022	2018	1,000,000	—	1,000,000	—	—	1,000,000	On or about 1.1.2025	87.10	142.95
Mr Kin Wah Chan	21.3.2018	2018	50,000	12,500	—	(12,500)	—	—	15.3.2019 – 15.3.2022	47.00	30.29
	21.12.2020	2018	100,000	—	—	—	—	—	21.12.2020 – 21.12.2021	107.00	44.55
	30.12.2021	2018	50,000	50,000	—	(25,000)	—	25,000	30.12.2022 – 30.12.2023	154.90	115.13
Mr Chi Chung Chan	21.3.2018	2018	50,000	12,500	—	(12,500)	—	—	15.3.2019 – 15.3.2022	47.00	30.29
	21.12.2020	2018	100,000	—	—	—	—	—	21.12.2020 – 21.12.2021	107.00	44.55
	30.12.2021	2018	50,000	50,000	—	(25,000)	—	25,000	30.12.2022 – 30.12.2023	154.90	115.13
Prof Roy Chi Ping Chung ⁽⁶⁾ BBS BBS JP	21.12.2020	2018	10,000	5,000	—	(5,000)	—	—	21.12.2021 – 21.12.2022	107.00	44.55
	30.12.2021	2018	12,500	12,500	—	(12,500)	—	—	30.12.2022	154.90	115.13
Mr Camille Jojo	2.1.2019	2018	10,000	—	—	—	—	—	2.1.2019	41.10	28.15
	20.5.2019	2018	150,000	50,000	—	(50,000)	—	—	20.5.2020 – 20.5.2022	50.20	38.30
	3.1.2020	2018	12,500	—	—	—	—	—	3.1.2020	64.70	44.62
	21.12.2020	2018	10,000	5,000	—	(5,000)	—	—	21.12.2021 – 21.12.2022	107.00	44.55
	31.12.2020	2018	10,500	—	—	—	—	—	31.12.2020	110.60	49.67
	30.12.2021	2018	18,000	12,500	—	(12,500)	—	—	30.12.2021 – 30.12.2022	154.90	115.13
Mr Peter David Sullivan	30.12.2022	2018	11,000	—	11,000	(11,000)	—	—	30.12.2022	87.10	142.95
	21.12.2020	2018	10,000	5,000	—	(5,000)	—	—	21.12.2021 – 21.12.2022	107.00	44.55
Mr Johannes-Gerhard Hesse	30.12.2021	2018	12,500	12,500	—	(12,500)	—	—	30.12.2022	154.90	115.13
	21.12.2020	2018	10,000	5,000	—	(5,000)	—	—	21.12.2021 – 21.12.2022	107.00	44.55
Mr Johannes-Gerhard Hesse	30.12.2021	2018	12,500	12,500	—	—	—	12,500	2.5.2024 ⁽⁶⁾	154.90	115.13

Share awards holders	Date of Award	Share award scheme category	Number of awarded shares	Number of awarded shares					Vesting Period	Closing price at the Date of Award HK\$	Purchase price HK\$
				As at January 1, 2022	Awarded during the year	Vested during the year	Lapsed during the year	As at December 31, 2022			
Directors (continued)											
Mr Robert Hinman Getz	21.12.2020	2018	10,000	5,000	—	—	—	5,000	N/A ⁽⁷⁾	107.00	44.55
	30.12.2021	2018	12,500	12,500	—	—	—	12,500	N/A ⁽⁸⁾	154.90	115.13
Ms Virginia Davis Wilmerding	30.12.2021	2018	12,500	12,500	—	—	—	12,500	N/A ⁽⁹⁾	154.90	115.13
Total for directors			11,538,500	3,991,000	3,011,000	(1,584,500)	—	5,417,500			
Employees	20.5.2019	2018	1,100,000	600,000	—	(200,000)	—	400,000	20.5.2020 – 20.5.2024	50.20	45.30
	21.12.2020	2018	10,000	—	—	—	—	—	20.5.2021	107.00	44.55
	21.12.2020	2018	10,000	—	—	—	—	—	30.7.2021	107.00	44.55
Total for employees			1,120,000	600,000	—	(200,000)	—	400,000			
Total for all categories			12,658,500	4,591,000	3,011,000	(1,784,500)	—	5,817,500			

Notes:

- All the awarded shares are purchased on the market. No share awards were cancelled during the year ended December 31, 2022.
 - At the end of the year, the average fair value per share is HK\$100.52. The average fair value of the awarded shares is based on the average purchase cost.
 - During the reporting year, a total of 800,000 shares were purchased at an aggregate consideration of US\$9,796,000 for satisfying the awards granted pursuant to the 2018 Share Award Scheme.
 - The Board has exercised its discretion under the scheme rules to amend the vesting date of the 150,000 shares which were awarded to Mr Horst Julius Pudwill from December 30, 2022 to April 3, 2023.
 - As to the agreement for the separate 5,000,000 awarded shares to be granted to Mr Joseph Galli Jr between 2020 to 2024 in five equal tranches (i.e. 1,000,000 awarded shares per year) provided the Company meets certain performance criteria each year, the first, second, third and fourth tranches of 1,000,000 shares were awarded to Mr Galli on January 3, 2020, March 4, 2021, December 31, 2021 and December 30, 2022 respectively. These shares are scheduled to vest to Mr Galli on or about January 1, 2025 if he remains in his current role. Details of remaining 1,000,000 awarded shares to be granted as disclosed above are not included. The above mentioned performance criteria are set out in the "Remuneration Committee" section on p.88 of this report.
As to the agreement for the 5,000,000 shares might be granted subject to, inter alia, the achievement of performance criteria (reaching specific EBIT target each year) for the years between 2022 to 2026 respectively, the 1,000,000 shares for 2022 were granted to Mr Galli on March 3, 2022 and will be vested on 1st anniversary of the date of award upon completion of certain performance criteria, otherwise, the grant for that year will lapse. Details of remaining 4,000,000 shares to be granted as disclosed above are not included. The above mentioned performance criteria are set out in the "Remuneration Committee" section on p.88 of this report.
 - The Board has exercised its discretion under the scheme rules to amend the vesting date of the 12,500 shares which were awarded to Mr Johannes-Gerhard Hesse from December 30, 2022 to May 2, 2024.
 - The Board has exercised its discretion under the scheme rules to amend the vesting date of the 5,000 shares which were awarded to Mr Robert Hinman Getz from December 21, 2022 to upon his cessation as a director of the Company.
 - The Board has exercised its discretion under the scheme rules to amend the vesting date of the 12,500 shares which were awarded to Mr Robert Hinman Getz from December 30, 2022 to upon his cessation as a director of the Company.
 - The Board has exercised its discretion under the scheme rules to amend the vesting date of the 12,500 shares which were awarded to Ms Virginia Davis Wilmerding from December 30, 2022 to upon her cessation as a director of the Company.
- The closing price of the Company's shares immediately before the various dates on which the share awards were granted ranged from HK\$87.45 to HK\$124.80 in 2022.
- The weighted average closing price of the Company's shares immediately before the various dates on which the share awards were vested during 2022 was HK\$116.07.
- The number of shares available for grant under 2018 Share Award Scheme at the beginning and the end of 2022 were 173,854,694 and 170,843,694 respectively.
- The number of shares that may be issued in respect of share awards granted under the 2018 Share Award Scheme during 2022 divided by the number of shares in issue for the year is 0.16%.
- The total number of shares available for issue under the 2018 Share Award Scheme is 170,843,694, which represents approximately 9.31% of the issued shares of the Company as at December 31, 2022.
- Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (employee share-based compensation reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee share-based compensation reserve.

When the trustee purchases the Company's shares on the open market, the consideration paid, including any directly attributable incremental costs, is presented as shares held for share award scheme and deducted from total equity. No gain or loss is recognized on the transactions of the Company's own shares.

When the trustee transfers the Company's shares to grantees upon vesting, the related costs of the granted shares vested are reversed from shares held under the share award scheme. Accordingly, the related expense of the granted shares vested is reversed from the employee share-based compensation reserve. The difference arising from this transfer is debited/credited to retained profits. At the end of the reporting period, the Group revises its estimate of the number of shares that are expected to ultimately vest. The impact of the revision of the estimate, if any, is recognized in profit or loss with a corresponding adjustment to the employee share-based compensation reserve.

The fair value of the share award is estimated based on the share price of the Company on date of purchase/grant.

During the year, (i) the vesting period of a total of 11,000 shares granted to Mr Camille Jojo was less than 12 months; and (ii) all share awards granted under the 2018 Share Award Scheme were not subject to any performance-based target or clawback mechanism except for those granted to Mr Joseph Galli Jr as detailed in Note (5) on p.93. The Remuneration Committee is of the view that these are justifiable as all such decisions were (i) made before the corresponding new requirements under Chapter 17 of the Listing Rules became effective on January 1, 2023 and within the authority and discretion of the Board as stipulated under the rules of the 2018 Share Award Scheme; and (ii) aligned with the purpose of the 2018 Share Award Scheme as a recognition and reward of the grantee's contributions to the Group's continuing operation and development and which in turn is beneficial to the shareholders and the Company as a whole from a business sustainability and stability perspective.

Save as disclosed above, no other person was granted share awards for the year ended December 31, 2022.

Change in Directors' Emoluments

Ms Caroline Christina Kracht, an Independent Non-executive Director, was appointed as member of the Audit Committee with effect from March 1, 2023 who will be entitled to the Audit Committee fee which has been fixed by the Board.

Ms Virginia Davis Wilmerding, an Independent Non-executive Director, was appointed as member of the Remuneration Committee with effect from March 1, 2023 who will be entitled to the Remuneration Committee fee which has been fixed by the Board.

Company Secretary

The Company Secretary is responsible for ensuring that Board procedures are followed. 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 undertook over 15 hours of professional training to update her skills and knowledge every year.

Accountability & 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 in order to achieve long term goals of the Group through identifying and evaluating the Group's risks and formulating appropriate mitigating controls. The Board continuously monitors and reviews key internal control policies which include delegated authorities, non-audit services, treasury management policy, policy on market disclosure and investor and media relations, as well as key risk management functions which include legal, insurance, human resources, capital management and treasury. 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 internal audit function 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 maintains independent review continuously on key business aspects in accordance with the annual audit plan, and report the key findings to the Board through the Audit Committee. In addition, the Internal Auditor of the Company reports periodically 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 also regularly reviews the adequacy of resources, the completeness and accuracy of risk assessments, risk reporting and adequacy of risk mitigation efforts.

The Board, together with the Audit Committee, focus on strengthening the Group's risk management culture, ensuring the whole risk management framework is adequate and effective and overseeing 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 "Whistle Blowing Policy") has been adopted in order to detect and identify improprieties and bring the 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 2022 included:

- 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.
- 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 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 Company identifies, assesses and prioritizes the risks that are most relevant to the Company's success according to their likelihood and impacts. Risk assessment is conducted with the objective to

improve the design and effectiveness of the Company's internal control. Mitigation plans or controls enhancement 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 Whistle Blowing Policy, the Policy on Market Disclosure, Investor and Media Relations with a view to ensure compliance with the Company's Articles of Association 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.

External Auditor

Deloitte Touche Tohmatsu, the external auditor of the Group, provided the following audit and non-audit services to the Group in 2022:

Nature of Services	Amount (US\$ million)
External Audit Services	2.65
Taxation Services	0.36
Other Services	0.38

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 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 external auditor are regulated by a Policy on Non-Audit Services published on the Company's website (www.ttigroup.com).

The Audit Committee and the external auditor of the Group meet twice a year without the presence of the management of the Group to enhance independent reporting by external auditor of the Group. In order to maintain effective communication with shareholders, the external auditor attended the 2022 Annual General Meeting to answer questions about the accounting policies, the auditor 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 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). 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), 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) and the Stock Exchange's website (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. Important shareholders' dates in the coming financial year are set out in the section headed "Corporate Information" of the 2022 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), ensures that the Company complies with its disclosure obligations under the Listing Rules and other applicable laws and regulations, and that all shareholders and potential 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 of Association of the Company 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 Shareholder" which is published on the Company's website (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 the 2022 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

No change has been made to the Company's constitutional document during 2022. 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).

Board, Board Committee and General Meetings in 2022

A summary of attendance of Board, Board Committee and general meetings in 2022 are detailed in the following table:

	Meetings attended/Held in 2022				
	Board	Audit Committee	Nomination Committee	Remuneration Committee	General Meeting
Number of meeting(s) held during the year	5	4	3	5	1
Group Executive Directors					
Mr Horst Julius Pudwill	5/5		3/3		1/1
Mr Stephan Horst Pudwill	5/5				1/1
Mr Joseph Galli Jr	5/5				1/1
Mr Kin Wah Chan	5/5				1/1
Mr Chi Chung Chan	5/5				1/1
Non-executive Directors					
Prof Roy Chi Ping Chung GBS BBS JP	5/5				1/1
Mr Camille Jojo	5/5	4/4		5/5	1/1
Independent Non-executive Directors					
Mr Peter David Sullivan	5/5	4/4		5/5	1/1
Mr Johannes-Gerhard Hesse	5/5	4/4	3/3		1/1
Mr Robert Hinman Getz	5/5	4/4	3/3	5/5	1/1
Ms Virginia Davis Wilmerding ⁽¹⁾	5/5		1/1		1/1
Ms Caroline Christina Kracht ⁽²⁾	3/3				1/1
Date(s) of meeting(s)	20.1.2022	1.3.2022	1.3.2022	1.3.2022	13.5.2022
	2.3.2022	12.5.2022	9.8.2022	9.8.2022	
	12.5.2022	10.8.2022	8.11.2022	23.8.2022	
	10.8.2022	8.11.2022		8.11.2022	
	9.11.2022			20.12.2022	

Notes:

- Ms Virginia Davis Wilmerding was appointed as a member of the Nomination Committee and the Remuneration Committee on August 10, 2022 and March 1, 2023 respectively.
- Ms Caroline Christina Kracht was appointed as Independent Non-executive Director and a member of the Audit Committee on March 7, 2022 and March 1, 2023 respectively.

Oversight of Sustainability

The ESG Executive Committee

TTI's board of directors oversees and approves strategies, targets, and goals related to sustainability through the ESG Executive committee. The Board reviews and approves the ESG Report before publication. The ESG Executive committee is led by the CEO and the Vice Chairman and is comprised of executives from various functions representing both the corporate and BU leadership. This committee helps drive the sustainability agenda for the company, oversees the ESG Working committee and updates the Board quarterly. This committee meets a minimum of once a quarter to discuss the short, medium, and long-term sustainability strategies.

The ESG Working Committee and Business Units

The ESG Working Committee is comprised of 20 members with at least one member from each of our BUs to ensure complete coverage. Each of the BUs operate independently and develop their own plan to mitigate and share best practices on climate related issues.

The committee meets monthly to implement strategies set by the Board and the executive committee. During the meetings they communicate and collaborate amongst each other, leverage knowledge, discuss performance monitoring, collect and report data, and set targets to meet objectives. The committee also discusses current goals, deadlines, metrics, risks, reporting concerns and opportunities for each BU and at the Group level.



Group Risk Mitigation Process

Providing independent assurance of the existence and effectiveness of risk management activities and controls in our operations worldwide.

Conducting various activities, including process, financial and compliance audits and investigations.

Maintaining a regular dialogue internally and with TTI's external auditor.



Developing an annual audit plan to identify the highest risks to our business.

Assessing TTI's risk management and internal control systems by formulating an impartial opinion and reporting findings to the Audit Committee and senior managers concerned.

In addition, our ESG Working Committee, global EHS teams and EMS committees oversee the development and implementation of raising awareness and training programs for employees. Training on EHS is delivered to all relevant employees through both e-learning and in-person sessions.

Each BU has a sustainability leader that includes at least one of the following: an environmental leader responsible for environmental Key Performance Indicators (KPIs) and decarbonization, and a social leader responsible for improving community relations as well as social KPIs, such as diversity, health & safety, and employee metrics. At the BU level, climate-related issues are assessed, reviewed, and monitored by the appointed BU sustainability leader who is also the representing member of the ESG Working Committee. At the Group level, the finance department manages the overall ESG reporting process, that includes, tracking all KPIs, managing company-wide

disclosures, such as CDP, working with Investor Relations to support shareholder inquiries, and any support the individual BUs require.

The CEO (Chief Executive Officer) is ultimately responsible for managing climate change issues at the Group executive level. The CEO follows health and safety as well as climate-related operations via business performance meetings where these aspects are included. Quarterly, each BU gives an update to the CEO and the global executive team.

The CEO updates the Board quarterly on business unit performance and sustainability. The Board assesses, reviews, and monitors any Health and Safety or climate-related issues brought to their attention. If any decisions are made by the Board on these issues, the decision is communicated to both the CEO and BUs for any necessary action to be taken.