

STIC Investments Inc. (“STIC”) hereby informs that STIC’s Stewardship Code has been established on December 17, 2021 as follows in accordance with the “Principles on Responsibility of Institutional Investors as Trustees,” which were established and promulgated by the Stewardship Code Establishment Committee of the Korea Corporate Governance Service.

Principle 1. Institutional investors shall prepare and disclose clear policies to fulfill their responsibilities in good faith as trustees who manage and operate the assets of other persons, such as customers and beneficiaries.

- STIC implements a policy of prioritizing investors’ interests. STIC prioritizes the interests of its investors over the interests of STIC or its shareholders and officers and employees, treats the interests of investors equally, and does not unreasonably give preferential or discriminatory treatments to certain investors without reasonable grounds in forming, operating and liquidating funds.
- STIC implements a policy of fulfilling its duty of care as a good manager in good faith. STIC and its officers and employees fulfil their duty of care as a good manager for the funds and the investors and perform their duties in good faith in accordance with the applicable laws and regulations, the articles of incorporation and rules of the funds, and the internal regulations and procedures of STIC.
- STIC has a policy to prevent conflicts of interest. If there is or is likely to be a conflict of interest between STIC and its investors, between STIC or the fund and its officers and employees, between certain investors and other investors, or between a fund and other funds, etc., the officers and employees of STIC are expected to consult with the compliance officer in advance and take actions so as to prevent any issues related to investor protection, etc. When it is found that a conflict of interest is likely to arise as a result of reviewing the possibility of a conflict of interest, the officers and employees of STIC inform the relevant investors of such fact through STIC, take actions so that investors’ interests are not hindered by reducing the possibility of such conflict of interest, and engage in investment, recovery and other transactions stipulated in the applicable laws and regulations.

Principle 2. Institutional investors shall devise and disclose effective and clear policies on how to resolve actual or potential conflicts of interest that they would face while performing their responsibilities as trustees.

- In order to prevent conflicts of interest between STIC and its investors or between certain investors and other investors, STIC reviews the risk of potential conflicts of interest and appropriate manages the risk in accordance with the methods and procedures stipulated by its internal control standards. STIC has a compliance officer who is responsible for inspecting compliance with the internal control standards and for investigating and supervising any violation of the internal control standards.
- STIC prohibits the acts that are likely to harm fair trading order, such as unfair solicitation of investors and abuse of superior bargaining power, etc., in inviting investors. STIC does not discriminate against investors in connection with its execution of business related to the fund without reasonable grounds.
- STIC complies with the applicable laws and regulations as well as the articles of incorporation and rules of the funds in selecting invested companies and making investments, and selects and invests in the optimal invested companies for the fund and the investors by exercising its duty of care as a good manager.
- STIC is committed to preventing conflicts of interest between the fund and STIC or the investors, and informs the investors of any potential conflicts of interest.
- STIC provides the investors with the necessary information on investment-related details, such as selection of invested companies, investment amount, and investment terms, etc., and if STIC has made separate investments in the invested companies through its own account, a specially-related person or other funds managed by STIC, STIC provides such information to the investors to a reasonable extent.

- When STIC intends to enter into a separate contract or agreement with the invested companies in addition to the investment agreement, it takes caution so that the fund or the investors are not harmed. If STIC determines that a conflict of interest may arise from such a separate agreement, it informs the investors of such potential conflict. If STIC discovers conflict of interest *ex post facto*, it notifies the investors of such conflict and obtains consent from the investors.
- In connection with the invested companies, STIC manages and supervises compliance with the various agreements, including the investment agreement, executed between the invested companies and the fund to a reasonable extent.
- When STIC withdraws investments from invested companies, it exercises a duty of care as a good manager in determining the timing and method, etc. of the withdrawal based on its reasonable judgment for the benefit of the fund and its investor.
- If STIC withdraws that investments from invested companies by using different timing, method or terms, etc. for multiple accounts, which were invested directly by STIC or through other funds managed by STIC, STIC provides the investors with information on such difference to a reasonable extent.
- In the course of liquidating and distributing the investments, STIC handles its business to maintain equity with other funds and has established reasonable grounds for such handling of business. STIC is also committed to preventing conflicts of interest with the fund and the investors.

Principle 3. Institutional investors shall regularly inspect the invested companies so as to enhance the mid- to long-term value of the invested companies and preserve and increase the value of the invested assets.

- STIC believes that 100 days immediately after investment is the opportune time to implement “changes” and will determine whether the investment is a success or a failure. Accordingly, it systemizes the establishment and implementation of the 100-day plan in consultation with the invested companies, focusing first on the implementable tasks during a 100-day period.
- STIC jointly establishes implementable mid- to long-term management strategies after investment (plans for business expansion and management efficiency) and shares such strategies with its officers and employees. STIC also prepares strategic roadmaps for value-added plans for the invested companies and countermeasures for potential crises in advance, and strives to build trusting relationship between the management of the invested companies and the fund managers.
- STIC’s Compliance and Risk Management Headquarters monitors investment targets on a real-time basis through its intranet (Lexpeed) and establishes a regular accounting audit/due diligence and fund management status reporting system and a periodic reporting system of quarterly, semi-annual and annual financial conditions.
- Through monthly or quarterly management council meetings, STIC discusses key agenda items with the management of the invested companies and registers its fund managers as directors of the invested companies to participate in key decision-making of the invested companies. STIC also recruited former senior management executive of large companies with extensive experience in management, technology and manufacturing to its OPG (Operating Partners Group) to participate in the key decision-making of the invested companies through on-site monitoring by OPG.
- STIC proposes so-called customized value-adding measures by establishing multi-aspect value-adding strategies, such as reinforcing management/key personnel, improvement of operation, sale of non-core assets and financial restructuring, based on the characteristics of each invested company.

Principle 4. Institutional investors shall seek to form a consensus with the invested companies, but if necessary, shall prepare internal guidelines on the timing, procedures and methods of conducting activities for the fulfillment of the institutional investors’ responsibilities as a trustee.

- STIC promotes a consensus or partnership awareness by presenting ways to compensate the management of the invested companies, such as stock options, or to maintain the shareholding ratio of a major shareholder. STIC also conducts a reference check of the major shareholders and the management of the invested companies at the stage of investment review to verify the ethics and transparency of the invested companies in advance. Further, STIC prevents moral hazard by indirectly demonstrating its commitment to the implementation of STIC's "Code of Ethics" through the Compliance and Risk Management Headquarters when preparing a contract.
- In principle, the agreements with the invested companies or major shareholders explicitly stipulate that the transaction with major shareholders and specially-related persons/affiliates as well as lending/providing collateral to a third party require prior consent from the investor. STIC also generally includes a provision in the investment agreement allowing it to make a buyback request or indemnify damages in the event of breach of contract by the major shareholders and management of the invested companies.
- STIC devises withdrawal strategy when it conducts an investment review and minimizes downside risks through reasonable/objective performance forecasts and conservative valuation. STIC also sets forth a withdrawal criteria, such as whether the target rate of return on investment is achieved (measures to minimize the gap in case the target rate is not achieved), whether investment points at the time of investment are achieved/maintained, whether the agreement has been breached, whether other investors' consent is required in the event of a joint investment, and other terms and conditions of the investment agreement, by comprehensively taking into account the characteristics of each country, industry, and growth stage, shareholding ratio, market conditions, etc.

Principle 5. Institutional investors shall prepare and disclose policies on voting rights, including guidelines, procedures and detailed standards for the faithful exercise of voting rights, and shall also disclose the details of the exercise of voting rights and the reasons therefor so as to ascertain the appropriateness of the exercise of voting rights.

- STIC institutes a general principle of exercising voting rights in a manner that prioritizes the interests of the funds and investors at the general meeting of shareholders and board of directors of the invested companies, and the direction of the exercise of voting rights is determined for each matter based on the perspective of interest relationships and necessity.

- The exercise of voting rights is proposed by the examiner in charge of the invested company, and is subject to an internal agreement of the fund management team and an agreement with the Compliance and Risk Management Headquarter, and is approved by fund manager and CIO. Through this process, the exercise of voting rights undergoes a verification process for its suitability in a more transparent manner, and the details of the exercise of voting rights and the related issues are reported to the funds and the investors in accordance with the prescribed procedures.

Principle 6. Institutional investors shall periodically report to customers and beneficiaries on the exercise of voting rights and the performance of trustee responsibilities.

- STIC publishes quarterly reports on the status and *ex-post* management status of its invested companies.
- In addition, the general principle is to hold a general meeting of fund investors on a semi-annual and annual bases to approve reports and fund management.

Principle 7. Institutional investors shall have the necessary competence and expertise to ensure the active and effective fulfillment of trustee responsibilities.

- STIC's investment part consists of personnel with investment expertise in each field. In order to strengthen expertise in the invested industries around key industry specialists and investment examiners with ample experience in the relevant industries and fulfill its trustee responsibilities, STIC actively supports training and development programs related to job skills, dispatches its personnel to related agencies, and provides support for personnel to obtain industry expert courses. In addition, STIC strives to enhance the value of the invested companies by having OPG, an expert in management, technology and manufacturing fields, provide consulting services to the invested companies.

- STIC operates a dedicated team of Compliance and Risk Management Headquarters, which is independent from the investment part, and has secured experience and expertise of the dedicated personnel. In order to standardize and computerize the risk management system, STIC operates its intranet (Lexpeed) and maintains records on invested companies (e.g., management indices, investment and withdrawal details, balance management, meeting minutes, and request for approval, etc.) and fund-related records (e.g., fund overview, investment details, distribution details, and management status, etc.). STIC also provides information necessary for the management, such as recent risk-related information on companies, integration information on companies, and deal flow management, etc., and provides access to its intranet (Lexpeed) internally and externally while being fully equipped with security devices at each state of information.