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Glass Lewis Korea Stewardship Code Statement

Korea's Stewardship Code ("Code"), published by the Korea Stewardship Code Council on December 16, 2016, is an effort to promote greater transparency among investor groups with respect to their responsible investment activities, with the aim of pursuing the mid- to long-term interests of investors and beneficiaries. Glass Lewis welcomes the opportunity to participate in the Code. Glass Lewis researches and analyzes public companies in a manner consistent with the main principles of the Code, including public disclosure of our voting principles, avoidance and management of conflicts, and undertaking engagement with companies. Furthermore, Glass Lewis is uniquely qualified to assist investors with meeting the requirements of the Code, as described in more detail below.

1. Institutional investors, as a steward of assets entrusted by their clients, beneficiaries, etc, to take care of and manage, should formulate and publicly disclose a clear policy to faithfully implement their responsibilities.

Glass Lewis takes a case-by-case approach in analyzing companies and any applicable issues to apply a well-balanced combination of global corporate governance standards (such as enhancing board accountability and independence), local market practices, regulations and codes in order to most effectively promote shareholder rights.

We begin our analysis by reviewing issues in the context of a set of guidelines designed for the applicable market. We have a different set of guidelines for each market and conduct formal reviews of these guidelines yearly. This review process involves consultations with our clients as well as with our independent Research Advisory Council. Our market-specific guidelines, including a summary of the relevant annual updates, are available for public review at <http://www.glasslewis.com/guidelines/>.

It should be noted, however, that the majority of Glass Lewis' clients vote according to their own custom policies, which may or may not align with Glass Lewis' guidelines. As part of our annual review process, we assist clients with the drafting, refining and updating of their custom voting policies, which are often displayed on our clients' websites.

2. Institutional investors should formulate and publicly disclose an effective and clear policy as to how to resolve actual or potential problems arising from conflicts of interest in the course of their stewardship activities.

Glass Lewis is committed to eliminating, avoiding and disclosing conflicts of interest to the maximum extent possible at all times. Glass Lewis does not enter into business relationships that may conflict with its mission to serve institutional participants in the capital markets with objective advice and services. Glass Lewis does not offer consulting services to corporate issuers or directors, or to proponents of shareholder proposals or dissident shareholders in control contests.

Glass Lewis is co-owned by the Ontario Teachers' Pension Plan Board ("OTPP") and Alberta Investment Management Corp ("AIMCo"). While both OTPP and AIMCo are clients of Glass Lewis, neither OTPP nor AIMCo is involved in the day-to-day management of Glass Lewis' business; Glass Lewis operates as an independent company separate from OTPP and AIMCo. Moreover, Glass Lewis excludes OTPP and AIMCo from any involvement in the formulation and implementation of its proxy voting policies and guidelines. OTPP and AIMCo are also not involved in the determination of voting recommendations for specific shareholder meetings. When either OTPP or AIMCo has a reportable stake in a corporate issuer, Glass Lewis discloses the conflict on the cover of the relevant research report.

Glass Lewis has a Research Advisory Council ("RAC"), an independent external group of prominent industry experts, to ensure that Glass Lewis' proxy voting policies are comprehensive, well-reasoned and reflective of current global governance and regulatory practices and developments. The RAC also helps Glass Lewis to ensure that its research is independent and is consistently of high quality. The RAC, chaired by David Nierenberg, Founder of The D3 Family Funds, and supported by Aaron Bertinetti, Senior Vice President of Research and Engagement, includes the following experts in the fields of corporate governance, finance, law, management, investments and accounting: Charles A. Bowsher, former Comptroller General of the U.S. and RAC Chair Emeritus; Kevin J. Cameron, co-founder and former President of Glass Lewis; Jesse Fried, Professor of Law at Harvard Law School; Bonnie Hill, President of B. Hill Enterprises and co-founder of Icon Blue, Stéphanie Lachance, Vice President, Responsible Investment, and Corporate Secretary of PSP Investments; and Carla Topino, former Associate Vice President, European and Emerging Markets Policy of Glass Lewis. Neither OTPP nor AIMCO is represented on the RAC, nor do they play any part in nominating or appointing RAC members.

Glass Lewis believes the onus should be on the conflicted party to disclose any and all potential conflicts. Therefore, Glass Lewis provides specific, prominent disclosure describing the nature of any conflict in each Proxy Paper research report, allowing clients and any other party that accesses the report (e.g. the media) to review potential conflicts at the same time they review Glass Lewis' research, analysis and voting recommendations.

In addition to disclosing any potential conflicts relating to Glass Lewis' ownership, Glass Lewis maintains conflict management procedures to mitigate potential conflicts when: (i) an issuer contacts Glass Lewis directly with a request to purchase a copy of its report; (ii) an employee or a relative of an employee of Glass Lewis or any of its subsidiaries, a member of the RAC, or a member of Glass Lewis' Strategic Committee, whose members include Glass Lewis owner representatives and former employees, serves as an executive or director of a public company; (iii) an institutional investor client of Glass Lewis is a public company or is affiliated in some way to an issuer (e.g. division, branch, subsidiary, etc.); (iv) a Glass Lewis client submits a shareholder proposal, is a dissident shareholder in a proxy contest, or is otherwise publicly soliciting shareholder support for or against a director or proposal. In each of the instances described above, Glass Lewis discloses the existence of a potential conflict to its clients on the

cover of the relevant research report and describes the exact nature of the conflict in the appendix to the report.

While we normally welcome engagement opportunities with issuers to foster mutual understanding of general governance trends, we refrain from holding closed-door meetings during the solicitation period, which is from the date the notice of meeting is released until the date of the meeting. This policy is strictly enforced to ensure the independence of our research and to avoid any possible perception we have been empowered to negotiate corporate governance changes on behalf of our clients. We emphasize that our research and advice can only be based on information made publicly available at all times to the issuers to avoid possible misunderstanding. We also include the meeting history in our research paper of each company we engaged with for clients' awareness.

For more detailed information on specific procedures, please refer to Glass Lewis' Statement of Compliance to the Best Practice Principles for Providers of Governance Research & Analysis, available at Glass Lewis' website, and Glass Lewis' Conflict Management Procedures, available upon request.

We recognize that our clients themselves may face their own conflicts in managing their proxy voting responsibilities. The Glass Lewis vote management system, Viewpoint, is among the solutions we offer investors that can help them effectively manage those conflicts of interest.

3. Institutional investors should regularly monitor investee companies in order to enhance investee companies' mid- to long-term value and thereby protect and raise their investment value.

Glass Lewis supports our clients' effort to monitor their investee companies by providing accurate and up to date information and analysis.

The Glass Lewis research team — which consists of professionals with degrees in disciplines including investment analysis, law, and finance, accounting and international affairs — continuously monitor broad market and regulatory trends as well as developments both industry-wide and at individual public companies.

We incorporate and address such trends and developments in our guidelines and reports to ensure our research reflects pertinent items not consistently disclosed in shareholder meeting filings.

In addition, during our engagements with issuers in our coverage scope, we emphasize the importance of comprehensive disclosures being made publicly available in a timely manner to enhance the effectiveness of regular monitoring.

4. While institutional investors should aim to form a consensus with investee companies, where necessary, they should formulate internal guidelines on the timeline, procedures, and methods for stewardship activities.

Glass Lewis believes that mutual understanding between investors and companies is necessary to form consensus between the parties. In cases where a consensus cannot be reached between the parties, Glass Lewis supports the efforts of the investors to formulate internal guidelines from an informed standpoint to address such issues. To that end, Glass Lewis believes that active engagement is an effective tool for creating constructive dialogue that leads to a foundation of common understanding.

Glass Lewis maintains a robust engagement program. We recognize the benefit of regular engagements with companies to learn about both general governance trends and issues unique to those companies. We welcome company engagement requests, which may be submitted through Glass Lewis' Issuer Portal at www.glasslewis.com/issuer-overview/. Additionally, we actively seek opportunities to engage with issuers in our coverage universe. Our dedicated engagement team facilitates meetings with companies and resolves inbound company requests for information or engagement. We engage with companies in several ways including, of course, individual meetings and discussions.

We believe that as a proxy advisor, it is not our role to advocate for our own approach to various governance structures and practices of companies. During our dialogue with companies, we do not prescribe certain practices or standards, but encourage comprehensive disclosure that is made available to all shareholders. Our discussions generally center on board structure, leadership, diversity and competency; shareholder rights; executive compensation especially as it relates to company performance; and risk monitoring and oversight particularly concerning environmental, social and governance (ESG) practices.

To eliminate the receipt of non-public information and avoid any perception we have been empowered to negotiate corporate governance changes on behalf of clients, we do not engage in closed-door meetings with companies during the proxy solicitation period, unless the discussion takes place in a public forum, is recorded for public access and/or is disclosed in the report.

In addition, Glass Lewis supports engagement efforts of institutional investors with a suite of web-based products allowing clients to manage and track meetings with corporations. Glass Lewis' Viewpoint voting platform provides investors with the means to receive, vote, reconcile and report on proxy ballots as well as to memorialize engagement efforts on an individual company basis. Investor clients refer to Glass Lewis' research reports not only to help them make informed voting decisions but also to provide information for discussion in engagement meetings with public companies. Our reports provide extensive, detailed information on companies' performance, remuneration and environmental, social, governance (ESG) practices, among other issues. Glass Lewis' subsidiary Meetyl is a web-based platform that provides a

means for both institutions and companies to identify, prioritize, schedule and report on engagements.

Since we do not believe it is our role to seek specific changes in company practices, we do not attempt to measure the effectiveness of our engaging or monitoring of the companies we follow. However, investor clients can use our Viewpoint platform to help them track and monitor developments at their investee companies.

5. Institutional investors should formulate and publicly disclose a voting policy that includes guidelines, procedures, and detailed standards for exercising votes in a faithful manner, and publicly disclose voting records and the reasons for each vote so as to allow the verification of the appropriateness of their voting activities.

Glass Lewis believes that having a detailed voting policy that is subject to reviews and revisions helps institutional investors to exercise voting rights in a consistent and strategic manner, and public disclosure of voting records provides an opportunity for various parties, including investors, to evaluate their voting policies.

Glass Lewis maintains detailed proxy voting policies outlining its approach to analyzing companies and making voting recommendations, and publicly posts its policies along with significant information about the firm's approach and methodologies on its website. These policies, updated annually in response to corporate governance developments and in consultation with the Glass Lewis Research Advisory Council, are tailored to the unique characteristics of each country. The Research Advisory Council is comprised of prominent practitioners in finance, investments, accounting and law and the members are otherwise unrelated to Glass Lewis.

Because Glass Lewis is neither an investor nor does it have the fiduciary responsibility for the votes being cast by its institutional investor clients, Glass Lewis does not report on voting activity. However, Glass Lewis helps institutional investor clients disclose their voting activity before and/or after shareholder meetings. We create and host websites in accordance with investor client specifications that enable these clients to display their voting activity. While each client's vote disclosure site is hosted and maintained by Glass Lewis, it is not available via Glass Lewis; these vote disclosure sites are embedded within investors' own websites.

6. Institutional investors should regularly report their voting and stewardship activities to their clients or beneficiaries.

Glass Lewis believes that disclosure of voting activities and sharing approaches to stewardship activities help investors to maintain the ability to be consistent, strategic and evaluative of their voting policies and practices.

Glass Lewis helps institutional investor clients disclose their voting activity before and/or after shareholder meetings. The Glass Lewis voting platform, Viewpoint, offers a wide range of

reporting options that can be customized according to a client's particular specifications, ranging from very broad, annual vote summary reports to tailored reports on specific voting items in a single country. Glass Lewis helps investor clients inform their clients (in the case of asset managers) and beneficiaries (in the case of asset owners) regarding the investor's proxy voting activities by providing client-specific reports formatted for public display and by hosting web-based vote disclosure on behalf of clients. Glass Lewis clients can also use reports on historical vote activity for a variety of internal uses, such as annual policy reviews in advance of the next proxy season. Further, Glass Lewis assists clients with vote disclosure mandated by regulators or required for compliance with stewardship codes.

Further, we draft several specialized reports and reviews of our efforts annually, including reviews and previews of various countries' proxy seasons, shareholder proposals, remuneration practices and board diversity. To assist investors in meeting their obligations, Glass Lewis can support reporting on voting activities via the Viewpoint platform.

Glass Lewis conducts periodic audits of its voting systems to ensure the accuracy and reliability of the voting information received and sent on behalf of clients. Additionally, Glass Lewis employs an external auditor to evaluate the controls in place for its proxy research and voting services as part of its annual SSAE 18 SOC 1 audit.

7. Institutional investors should have the capabilities and expertise required to implement stewardship responsibilities in an active and effective manner.

Glass Lewis recognizes that most of its investor clients, both asset managers and asset owners, employ trained and experienced analysts who evaluate investee companies and their industries as well as macroeconomic and regulatory trends.

On our part, Glass Lewis' multi-disciplinary team of experienced analysts helps our clients evaluate companies, their governance and relevant risk factors associated with owning shares in a public company.

Glass Lewis employs approximately 200 individuals on its research team worldwide. This research team is primarily comprised of professionals with accounting, legal, finance and public policy backgrounds. The majority of the research team holds advanced degrees in areas relevant to the research Glass Lewis conducts, and includes accountants, lawyers, and former investment bank professionals, as well as others with experience in corporate governance and economic and financial matters.

As such, we believe the Glass Lewis research team is uniquely qualified to evaluate complex proxy issues, including mergers and acquisitions, equity-based compensation programs, the activities of the board of directors, pay-for-performance and auditor issues, among others. Furthermore, to ensure the timeliness and accuracy of its products and services Glass Lewis augments this research staff with its Research Associate program.



Researching staffing varies from market to market, depending on the number of companies in the research universe, the breadth and complexity of governance issues and resolution types typically found on ballot at shareholder meetings, the disclosure practices at listed companies, and the length of the market's proxy season. The Korean team has approximately 12 team members working out of two offices in San Francisco and Sydney, consisting of permanent employees and seasonal research associates, to produce research on a nearly 24-hour cycle during its proxy season. We continually evaluate the resourcing demands of each market based on the evolving trends and expectations in the market. We expect the staffing levels for the Korean team to increase as our research universe and engagement demands evolve over time.

Moreover, Glass Lewis believes that company engagement is a key component of our research process. Glass Lewis analysts conduct extensive engagements with companies in the offseason. In 2017, the research team held over 1,000 formal engagement meetings.

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