

Asset Value Investors Limited Korea Stewardship Code (January 2026)

The Korea Stewardship Code Council published the Korea Stewardship Code, *“Principles on the Stewardship Responsibilities of Institutional Investors”* (the “Korea Stewardship Code” or the “Code”) in December 2016. The Code seeks to promote the sustainable growth of Korean companies and the development of the Korean capital markets through responsible investment and constructive dialogue between institutional investors and investee companies.

The stewardship principles set out in the Code reflect the responsibility of institutional investors, as stewards of assets entrusted by their clients and beneficiaries, to enhance mid- to long-term corporate value and investment returns. This is achieved through active monitoring of investee companies and constructive engagement, or purposeful dialogue, based on an in-depth understanding of companies’ business models, governance structures, and operating environments, including consideration of material sustainability factors consistent with investors’ investment strategies.

The Code recognises the complementary roles of investee company boards and institutional investors in ensuring high standards of corporate governance. Stewardship activities of institutional investors include the appropriate monitoring of investee companies, constructive engagement to address governance and strategic issues, and the faithful exercise of voting rights, with the objective of fostering the sustainable growth of investee companies. The Code provides a principles-based framework for good stewardship practices, intended to support institutional investors in fulfilling their fiduciary responsibilities with due regard to the interests of both their clients and investee companies.

Asset Value Investors Limited (the “Firm”) is a London-based investment manager currently authorised and regulated by the UK Financial Conduct Authority (“FCA”). The Firm is also a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). The Firm currently manages approximately £2.1bn across several comingled investment funds and several managed accounts.

The Firm is predominantly an owner-managed business and employs a total of 22 staff and has 2 non-executive directors.

In accordance with the Korea Stewardship Code’s requirements, we hereby disclose how the Firm implements the principles contained therein.

Principle 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.

AVI’s primary stewardship objective is to enhance and protect long-term shareholder value for our clients. We seek to achieve this by encouraging investee companies to adopt robust governance practices, pursue value-enhancing strategies, and address material sustainability risks and opportunities that may affect long-term performance.

Stewardship is embedded throughout AVI's investment process and is delivered through:

- rigorous pre-investment due diligence, including assessment of governance structures, capital allocation discipline, and material ESG risks;
- ongoing monitoring of investee companies using proprietary research tools and in-house ESG assessments;
- sustained, constructive dialogue with boards and senior management where AVI has a material, long-term interest; and
- the considered exercise of voting rights in the best interests of clients.

AVI's Stewardship Policy & Voting Guidelines are publicly available and explain in detail how we discharge our stewardship responsibilities across markets, including Korea.

Principle 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.

AVI is predominantly owner-managed, which helps align the interests of senior management with those of the Firm and its clients. Nevertheless, AVI recognises that actual or potential conflicts of interest may arise in the course of stewardship and voting activities.

AVI maintains a comprehensive Conflicts of Interest Policy, supported by a Conflicts Register, which is overseen by senior management and Compliance. Where a material conflict is identified:

- voting and engagement decisions are made solely in the best interests of the relevant client;
- AVI will assess whether it is appropriate to follow its standard voting policy, abstain, or provide the affected client with the opportunity to direct the vote; and
- conflicts and their mitigation are documented in accordance with internal procedures.

A copy of AVI's Conflicts of Interest Policy is available to clients upon request.

Principle 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.

Ongoing monitoring of investee companies is a core component of AVI's stewardship approach. Given our concentrated portfolios, we maintain close and regular contact with portfolio company boards and management teams.

Monitoring activities include:

- continual review of financial performance, strategy, capital allocation, and governance developments;
- annual in-house ESG assessments supported by AVI's proprietary ESG monitoring system;
- ongoing controversy and norms-based monitoring using third-party data sources;
- documentation of meetings, engagement objectives, and outcomes within AVI's internal systems; and
- regular discussion of investee companies at investment team meetings.

Where concerns arise that may threaten long-term shareholder value, AVI will seek dialogue with the company to understand the issue and encourage remedial action. If concerns cannot be satisfactorily addressed, AVI will consider escalation or, where appropriate, reducing or exiting the investment.

Principle 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.

AVI's preferred approach is constructive, private engagement aimed at building mutual understanding and achieving consensus with investee companies. Engagements are tailored to the specific company, issue, and context, and are informed by deep fundamental and ESG analysis.

AVI follows an internal escalation framework which may include:

- private meetings with management and board members;
- written communications setting out concerns and proposed actions;
- engagement with independent or non-executive directors;
- collaboration with other shareholders where appropriate and lawful;
- exercising voting rights against management proposals or directors; and
- public engagement or campaigns, used selectively and only where private dialogue has been exhausted.

The timing and form of escalation are assessed on a case-by-case basis, with the overriding objective of achieving the best outcome for clients and minority shareholders.

Principle 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.

AVI considers proxy voting to be a fundamental component of its stewardship responsibilities and an important part of the investment process. Where proxy voting authority has been delegated, AVI seeks to vote all proxies on behalf of clients in a timely manner and in what it determines to be the best interests of clients as long-term shareholders.

AVI has established a Stewardship Policy & Voting Guidelines, which sets out our general approach to voting on key governance, capital structure, remuneration, and shareholder rights issues. These guidelines are applied consistently across clients, while retaining sufficient flexibility to allow case-by-case judgement where AVI believes deviation from general guidelines is in the best interests of clients.

AVI utilises proxy voting services provided by Institutional Shareholder Services (“ISS”). ISS provides information on upcoming shareholder meetings and independent voting recommendations informed by global best practice. While AVI considers ISS analysis as an input into the voting process, all voting decisions are made independently by AVI based on its own assessment of what best serves client interests. Voting authority and responsibility remain fully with AVI at all times.

Where a vote is not clearly addressed by existing guidelines, or where a proposal raises material or company-specific considerations, the matter is reviewed internally by relevant investment professionals, with input from Compliance where appropriate. Decisions are informed by company disclosures, direct engagement with management where relevant, internal research, and third-party analysis.

As part of AVI's active and constructive dialogue with investee companies, it is generally our policy, where practicable and appropriate, to inform companies in advance when we intend to vote against or abstain on resolutions proposed by the board, particularly where AVI holds a material ownership interest. AVI does not automatically support management or board proposals.

AVI may, where appropriate, collaborate with other shareholders as part of its engagement and voting activities, having due regard to applicable laws, regulations, and market rules, including market abuse and takeover regulations.

AVI votes at all shareholder meetings of Korea-listed companies where its clients hold shares and proxy voting authority has been granted. In other markets, there may be limited circumstances where AVI elects not to vote, for example where share-blocking restrictions could materially impair a client's ability to trade.

AVI is committed to transparency with respect to voting activity. On client request, AVI will provide detailed information on proxy votes cast, including:

- (i) the name of the issuer;
- (ii) the proposal voted upon; and
- (iii) how the vote was cast.

AVI does not generally disclose detailed proxy voting information publicly, taking into account considerations of confidentiality, data protection, and client privacy, although disclosure may be made where appropriate with client consent or where required by regulation.

AVI does not engage in stock lending activities.

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

AVI is committed to transparency with respect to stewardship activities. We report to clients through a combination of:

- periodic client reports and meetings;
- bespoke updates on significant engagements or campaigns where relevant;
- annual ESG and stewardship reporting, including case studies illustrating our approach; and
- disclosure of proxy voting information upon request.

This reporting is designed to provide clients with clear insight into how stewardship activities support long-term value creation.

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

AVI has dedicated resources and governance structures in place to support effective stewardship. Responsibility for stewardship and ESG integration sits within the investment team, supported by a dedicated ESG function and overseen by AVI's Stewardship and Sustainability Risk Committee.

Our capabilities include:

- extensive experience in active ownership and engagement across global markets, including Asia (particularly in Japan);
- deep fundamental research expertise complemented by in-house ESG analysis;
- proprietary systems to monitor governance, sustainability performance, and engagement outcomes; and
- a strong culture of collaboration, accountability, and long-term thinking.

AVI believes that these capabilities position the Firm to act as a responsible and effective steward of capital in the Korean market, consistent with both the spirit and the principles of the Korea Stewardship Code.

The Firm will perform a review on a periodic basis (no less than annually) of its implementation of its Stewardship responsibilities. The results of this review will be incorporated in a revised Korea Stewardship Code statement which will be published on the Firm's website: www.assetvalueinvestors.com

Name and contact details of person in charge of compliance with the Firm's Korea Stewardship Code obligations:

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