

# Corporate Governance Report 2022

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## ESR Kendall Square REIT Co., Ltd.

In accordance with Article 24-2 of KOSPI Market Disclosure Regulation, ESR Kendall Square REIT Co., Ltd.(hereinafter the Company) has published this report to foster investors' understanding of the Company's corporate governance. The corporate governance status disclosed in the report is as of December 31, 2022, with any changes occurring between aforementioned date and date of submission\* indicated accordingly. Moreover, corporate governance activities disclosed in the report are those occurring from January 1, 2022, to December 31, 2022, unless otherwise required by the guidelines.

\* This English language version is a translation of the original report in Korean that was disclosed on May 31, 2023. The Date of submission refers to the original report in Korean.

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## I. Outline

▶ Company Name: ESR Kendall Square REIT Co., Ltd.

▶ Prepared by:

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▶ Reference date: December 31, 2022

\*'Reporting period' is the period from the start date of the Calendar year to which the base date belongs to the end of the Calendar year (January 1, 2022 to December 31, 2022) unless otherwise indicated.

\*' Fiscal year of ESR Kendall Square REIT Co., Ltd. Consists of two periods which begins on June 1st and ends on November 30th of the same year. It starts on December 1 and ends on May 31 of the following year.

▶ Company Overview <sup>1)</sup>

Largest Shareholder	CPP Investment Board Real Estate Holdings Inc.	Equity ratio of the largest shareholder	24.85% <sup>2)</sup>
		Minority Shareholders' Equity	75.15% <sup>2)</sup>
Industry (Financial / Non-Financial)	Non-Financial	Featured Products	Real Estate Investment Company
Whether a business group is applicable under the Fair-Trade Act (Applicable / Not- Applicable)	Not Applicable	ACT ON THE MANAGEMENT OF PUBLIC INSTITUTIONS	Not Applicable

Business Group Name	-	(Applicable / Not applicable)	
Summary Financial Status (Unit: KRW 100 million)			
	6th period (November 2022) <sup>3)</sup>	5th period (May 2022) <sup>3)</sup>	4th period (November 2021) <sup>3)</sup>
Consolidated sales	490	467	301
Consolidated operating profit	225	238	147
Consolidated Continuing Business Profit	-	-	-
Consolidated Net Income	128	302	95
Consolidated Total Assets	22,539	22,680	14,431
Separate total assets	11,434	11,430	7,253

- 1) Prepared based on the 6th fiscal year business report
- 2) Notation to 2 decimal places (rounding up to 3 decimal places)
- 3) List the most recent point-in-time from the left side of the chart

## II. Corporate Governance Status

### 1. Corporate Governance Policy

#### ▶ Corporate Governance Principles and Policies

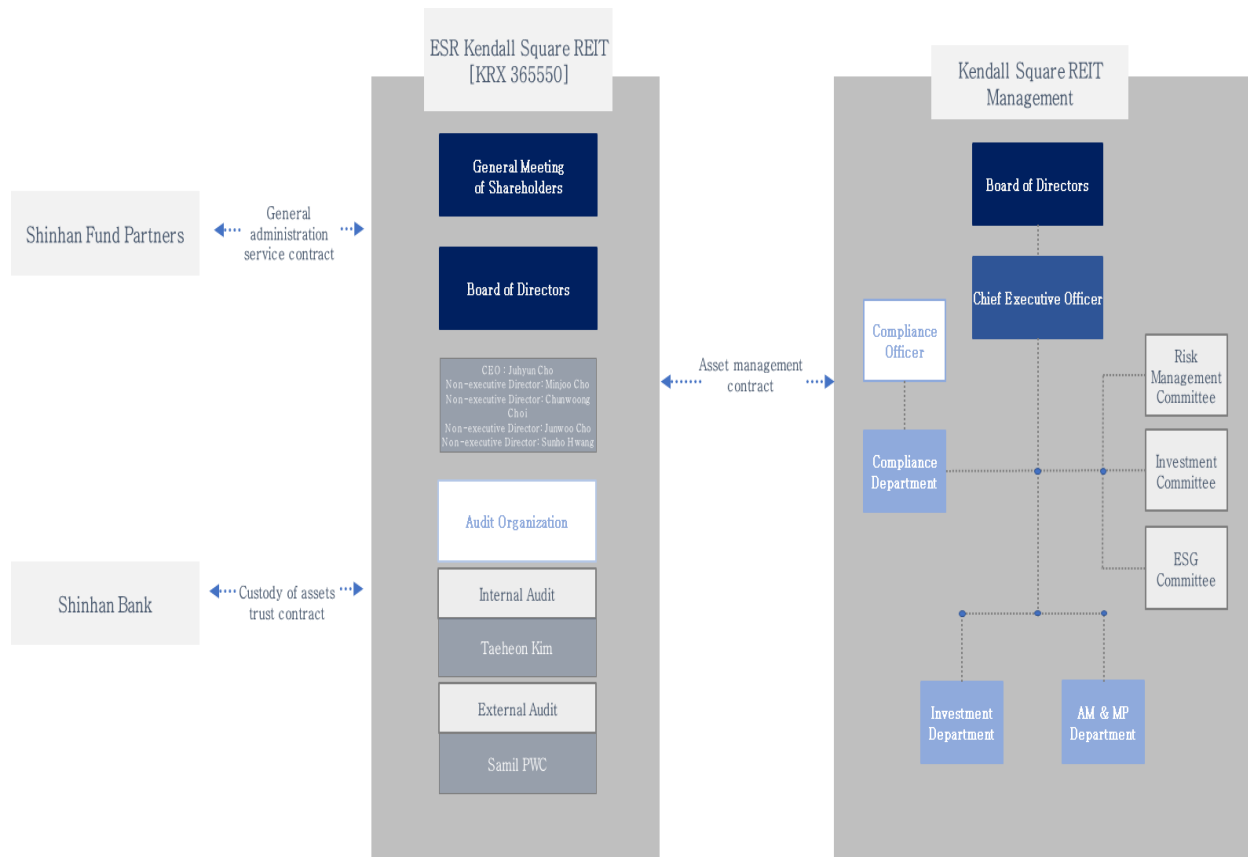
ESR Kendall Square REIT (the “Company”) is an entrusted management real estate investment trusts established on February 20, 2020, in accordance with Article 2, Item 1 of the Real Estate Investment Company Act of the Republic of Korea. Hence, The Company is a paper company which cannot have full-time executives and employees. Also, the Company operates as an indirect real estate investment vehicle, entrusting the investment and management of assets to an asset management company (the “Asset manager”). It is subject to the supervision of the Ministry of Land, Infrastructure, and Transport of the Republic of Korea, complying with the provisions of the Real Estate Investment Company Act and the Commercial Act, with the exception of the latter.

Article 22-2 of the Real Estate Investment Company Act, the company entrusts asset investment and operation of its assets to the Asset manager, and issuance of stocks and general clerical services to the institution entrusted with general clerical services (the “Fund administrator”). The duties and requirements for the Asset manager and the Fund administrator are stipulated in Article 19 of the Enforcement Decree of the Real Estate Investment Company Act. The Company is committed to establishing a corporate governance structure that is stable, rational, and transparent in accordance with an applicable regulation.

Kendall Square REIT Management Inc. is consigned as the Asset Manager in pursuit of stable, reasonable, and transparent corporate governance. The Asset Manager has established internal control standards and a code of conduct & business ethics, with the Compliance Department responsible for overseeing these matters. Additionally, separate risk management committee, investment committee, and ESG committee have been established to analyze and review relevant

issues for deliberation and resolution. The executives and employees of the Asset manager have been provided with clear guidelines and standards for performing their duties.

Detailed information regarding the corporate governance structure of the Company can be accessed through multiple reliable sources. The business report available at <https://dart.fss.or.kr> and the official Company website located at <https://www.esrks-reit.com/en> provide comprehensive insights into our corporate governance practices. Furthermore, stakeholders can find further details information on the status of shareholders and general meetings of shareholders by visiting the website of the Asset manager(<http://www.kendallsquarerm.com>).



► Corporate Governance Characteristics

The Company has a general meeting of shareholders and a board of directors as internal organizations in accordance with the Commercial Act and the Real Estate Investment Company Act. The roles and authorities of the general meeting of shareholders and the board of directors are specified in the Real Estate Investment Company Act and the Company's articles of incorporation. The Company continues to strengthen transparent management, improve investment returns, and protect investors through decision-making and oversight by the general meeting of shareholders and the board of directors. The Company has appointed three or more directors and at least one auditor in accordance with Article 31, Paragraph 1 of the articles of incorporation. However, the Company has not appointed corporation directors and supervisory directors under the Real Estate Investment Company Act.

Furthermore, the application of Article 542-8 of the Commercial Act, which stipulates the obligation to appoint outside directors for listed companies under Article 49, Paragraph 1 of the Real Estate Investment Company Act, is excluded. Therefore, the company does not appoint outside directors, and there are no separate committees within the board of directors. As of the current date, the board of directors of the company consists of a total of five non-full-time directors, including one representative director (internal director) and four other non-executive directors. According to the company's articles of incorporation, the chairman of the board of directors is the representative director. The representative director and the other four non-executive directors do not fall under any of the subparagraphs of Article 14, Paragraph 2 of the Real Estate Investment Company Act, and they do not have any disqualifications as executives. The company has one auditor who is a certified

public accountant under the Certified Public Accountant Act. The auditor does not fall under any of the subparagraphs of Article 14-2, Paragraph 2 of the Real Estate Investment Company Act, and does not have any disqualifications as an executive.

## 2. Shareholders

**Core Principle 1) Shareholders' Rights:**

**Shareholders shall be able to receive sufficient and timely information, which is necessary to exercise their rights, and to exercise their rights through appropriate procedures.**

**Sub-principle 1-①)**

**Companies must provide shareholders with sufficient information on the date, place, and agenda of the general meeting of shareholders in advance of a sufficient period of time.**

**a. Overall provision of information related to the general meeting of shareholders.**

The company is providing shareholders with sufficient information regarding the timing, venue, and agenda of the general meeting of shareholders well in advance. The regular general meetings of shareholders are held within three months from the end of each fiscal year, which are May 31st and November 30th. The company also convenes extraordinary general meetings of shareholders whenever necessary in accordance with board resolutions and relevant laws.

The company's overall general information provision related to the shareholders' meeting, such as the time, place, and agenda of the shareholders' meeting, is as follows.



(Table 1- ① -1) Details of shareholders' meetings from the start of the business year immediately preceding the disclosure period to the date of submission of disclosure documents (January 1 , 2022 to May 31 , 2023 )

Classification	The 6th period GM	The 5th period GM	The 4th period GM
Date of convocation resolution	January 26, 2023	July 28, 2022	January 26, 2022
Date of announcement of convocation	February 09, 2023	August 10, 2022	February 10, 2022
GM date	February 24, 2023	August 26, 2022	February 25, 2022
Term between convocation notice & GM	D-15 days	D-15 days	D-15 days
Venue / Area	Korea REITs Association, 12 <sup>th</sup> floor, Center building, Yeongdeungpo-gu, Seoul, Korea	Korea REITs Association, 12 <sup>th</sup> floor, Center building, Yeongdeungpo-gu, Seoul, Korea	Korea REITs Association, 12 <sup>th</sup> floor, Center building, Yeongdeungpo-gu, Seoul, Korea
Matters related to the general meeting of shareholders. Shareholder notification method	Financial Supervisory Service(FSS) and Exchange Electronic Disclosure System(KRX)	Sending notice of convocation letter, Financial Supervisory Service(FSS) and Exchange Electronic Disclosure System(KRX)	Sending notice of convocation letter, Financial Supervisory Service(FSS) and Exchange Electronic Disclosure System(KRX)
Whether and how to notify foreign shareholders of convocation at an	The convocation notice is not provided in a foreign language	The convocation notice is not provided in a foreign language	The convocation notice is not provided in a foreign language

understandable level				
Details matters	Board member attendance	CEO attendance	CEO attendance	CEO attendance
	Attendance of auditor or audit committee members	Auditor attendance	Auditor attendance	Auditor attendance
	Shareholder Remarks Main Content	1) No. of shareholder utterance: 1 person (One individual shareholder) 2) Key remarks: Request for explanation of the next business plan	1) No. of shareholder utterance: none 2) Key remarks: none	1) Speaking shareholder: 1 person (One individual shareholder) 2) Key remarks: Request for explanation of reasons for cost increase in the next business plan
<b>(Other notes)</b>				
* None				

**b. Explain whether sufficient information regarding the general meeting of shareholders has been provided to shareholders in advance of a sufficient period.**

In accordance with Article 542-4 of the Commercial Act (Public Notification of Convocation of General Meetings of Shareholders) and Article 20 of the Articles of Incorporation (Personal and Public Notification of Convocation of General Meetings of Shareholders), the company informs shareholders of the date, venue, and the list of agenda to be dealt with at the shareholders' meeting through the electronic disclosure system approximately two weeks prior to the meeting date.

However, the Company falls short of the recommended standard set by the Code of Best Practices

for Corporate Governance in Korea, which suggests providing the notice four weeks in advance of the shareholders' meeting. To comply with the recommended standard and enhance transparency, the company will review its procedures and make efforts to provide shareholders with the relevant information well in advance of the meeting, aiming for a more sufficient period than the current practice.

The company currently does not provide convocation notices at a level understandable to foreign shareholders. In the future, to ensure that foreign shareholders receive convocation notices at a comprehensible level, the company plans to utilize the existing English company website disclosures or English disclosures in the securities market to implement more effective methods of providing convocation notices that foreign shareholders can understand.

**(Sub-principle 1-②)**

**The general shareholders' meeting shall enable shareholders to participate and voice his or her opinions to the fullest extent.**

**a. Status of Adopting Written and Electronic Voting and Recommendations for Proxy Voters.**

The Company's fiscal year begins on June 1st and ends on November 30th each year. Subsequently, the fiscal year begins on December 1st and ends on May 31st of the following year. Therefore, the regular general meetings of shareholders are held twice a year, within three months after the end of each fiscal year, specifically by February 28th and August 31st.

Considering the company's fiscal year, the regular general meeting of shareholders held after the fiscal year ending on June 1st - November 30th is held by February 28th, and the regular general meeting held after the fiscal year ending on December 1st - May 31st is held by August 31st. These meeting dates comply with the Code of Best Practices for Corporate Governance's requirement to

hold general meetings outside of concentrated dates.

(i) (Table 1-②-1) Disclosure starting from the beginning of the fiscal year immediately preceding the disclosure period.

Classification	The 6 <sup>th</sup> period GM	The 5 <sup>th</sup> period GM	The 4 <sup>th</sup> period GM
GM peak clustered days <sup>(1)</sup>	March 24, 30, 31, 2023	March 25, 30, 31, 2022	March 25, 30, 31, 2022
Date of GM	February 24, 2023	August 26, 2022	February 25, 2022
GM held on unclustered day	Yes	Yes	Yes
Use of Paper voting	No	Yes	Yes
Use of Electronic voting	Yes	Yes	Yes
Proxy solicitation	Yes	Yes	Yes

1) The concentration (expected) date of the general meeting of shareholders in the current year announced by the Korea Listed Companies Association

(ii) Whether paper voting or electronic voting has been implemented and the status of encouraging proxy voting

The Company had previously implemented paper voting in accordance with Article 368-3 of the Commercial Act and Article 27 of the Articles of Incorporation. However, following the amendment of the Articles of Incorporation on August 26, 2022, the paper voting is not currently in effect as of the document preparation date. Instead, starting from the 2021 3rd Regular Shareholders' Meeting (held on August 31, 2021), the company introduced electronic voting in accordance with Article 368-4 of the Commercial Act, as resolved in the 7th Board of Directors' Meeting in 2021.

Furthermore, the company has supported the exercise of shareholders' voting rights by encouraging proxy voting in accordance with Article 152 of the Financial Investment Services and Capital Market Act and Article 29 of the Articles of Incorporation.

As stated above, the company actively supports shareholders' exercise of voting rights through the introduction of electronic voting and electronic proxy forms. Reference documents regarding proxy voting are disclosed on the Financial Supervisory Service's electronic disclosure system to encourage all shareholders to exercise their voting rights.

(iii) Agenda-specific approval rates and detailed voting results for shareholder meetings held from January 1, 2022, to the reference date of document submission within the reporting period of the business year.

Regular			The 6th General Meeting of Shareholders		24/Feb/2022 (Fri)	
Agenda #	Type of resolution	Agenda details	Result	Total Shares with voting rights (①)	(①)Number of Shares that Executed Right(A)	Number of shares in favor (B)
						(Ratio, %)
						Opposition/abstention, Number of Shares (C)
						(Ratio, %)

Agenda No. 1	Ordinary	Approval of the 6th financial statements	approved	213,089,000	169,278,658	163,109,378
						(96.36%)
						6,169,280
						(3.64%)
Agenda No. 2	Ordinary	Approval of remuneration for the 7th directors	approved	213,089,000	169,278,658	169,274,414
						(99.99%)
						4,244
						(0.01%)
Agenda No. 3	Ordinary	Approval of the 7th auditor remuneration	approved	213,089,000	169,278,658	169,274,414
						(99.99%)
						4,244
						(0.01%)
Agenda No. 4	Ordinary	Resolution of the 6th cash dividend	approved	213,089,000	169,278,658	169,274,414
						(99.99%)
						4,244
						(0.01%)
Agenda No. 5	Ordinary	Approval of the 7th business plan	approved	213,089,000	169,278,658	169,274,414
						(99.99%)
						4,244
						(0.01%)

Regular			The 5th General Meeting of Shareholders		26/Aug/2022 (Fri)	
Agenda #	Type of resolution	Agenda details	Result	Total Shares with voting	(①)Number of Shares that	Number of shares in favor (B) (Ratio, %)

				rights (①)	Executed Right(A)	Opposition/abstention, Number of Shares (C)
						(Ratio, %)
Agenda No. 1	Ordinary	Approval of the 5th financial statements	approved	213,089,000	159,747,829	159,711,415
						(99.98%)
						36,414
						(0.02%)
Agenda No. 2	Special	Amendment of Articles of Incorporation	approved	213,089,000	159,747,829	138,419,913
						(86.65%)
						21,327,916
						(13.35%)
Agenda No. 3	Ordinary	Appointment of Director				
3-1	Ordinary	Candidate Joo-hyun Cho	approved	213,089,000	159,747,829	153,145,828
						(95.87%)
						6,602,001
						(4.13%)
3-2	Ordinary	Candidate Minjoo Cho	approved	213,089,000	159,747,829	153,133,341
						(95.86%)
						6,614,488
						(4.14%)
3-3	Ordinary	Hwang Seon-ho	approved	213,089,000	159,747,829	153,134,031
						(95.86%)
						6,613,798
						(4.14%)
Agenda	Ordinary	Approval of	approved	213,089,000	159,747,829	159,730,922

No. 4		remuneration for the 6th directors				(99.99%)
						16,907
						(0.01%)
Agenda No. 5	Ordinary	Approval of the 6th auditor remuneration	approved	213,089000	159,747,829	159,731,356
						(99.99%)
						16,473
						(0.01%)
Agenda No. 6	Ordinary	Resolution of the 5th cash dividend	approved	213,089000	159,747,829	159,726,895
						(99.99%)
						20,934
						(0.01%)
Agenda No. 7	Ordinary	Approval of the 6th business plan	approved	213,089000	159,747,829	159,732,797
						(99.99%)
						15,032
						(0.01%)

Regular		The 4th General Meeting of Shareholders			25/Feb/2022 (Fri)	
Agenda #	Type of resolution	Agenda details	Result	Total Shares with voting rights (①)	(①)Number of Shares that Executed Right(A)	Number of shares in favor (B) (Ratio, %) Opposition/abstention, Number of Shares (C) (Ratio, %)
Agenda No. 1	Ordinary	Approval of the 4th period	approved	143,259,000	116,795,233	112,718,806 (76.09%) 4,076,427



		financial statements				(0.01%)
Agenda No. 2	Ordinary	Resolution of the 4th cash dividend	approved	143,259,000	116,795,233	116,786,569
						(76.08%)
						8,664
						(0.02%)
Agenda No. 3	Ordinary	Appointment of Director	approved	143,259,000	116,795,233	116,530,102
						(76.06%)
						265,131
						(0.06%)
Agenda No. 4	commonly	Approval of the 5th business plan	approved	143,259,000	116,795,233	116,794,649
						(76.09%)
						584
						(0.01%)
Agenda No. 5	commonly	Resolution on capital reserve reduction	approved	143,259,000	116,795,233	116,790,887
						(76.09%)
						4,346
						(0.01%)
Agenda No. 6	commonly	Approval of the 5th director 's remuneration	approved	143,259,000	116,795,233	116,789,026
						(76.09%)
						6,207
						(0.01%)
Agenda No. 7	commonly	Approval of the 5th auditor	approved	143,259,000	116,795,233	116,790,626
						(76.09%)
						4,607

		remuneration				(0.01%)
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**b. Explain whether sufficient measures have been taken to ensure maximum shareholder participation in the general meeting of shareholders.**

The Company has taken measures to protect the rights of minority shareholders and enhance their participation in the general meetings. To maximize shareholder engagement, an electronic voting was introduced from the 3rd regular general meeting of shareholders in 2021 (held on August 31, 2021). Reference documents are disclosed through the Electronic Disclosure System of the Financial Supervisory Service, and shareholders are encouraged to exercise their voting rights through proxy voting for convenience. The company values shareholder opinions and remains committed to ensuring proper procedures for exercising their rights. Shareholders participate in the general meeting of shareholders through direct and indirect exercise of voting rights, and the company believes that various measures are being faithfully implemented. The company will continue to respect the opinions of shareholders and strive to ensure that shareholders exercise their rights through appropriate procedures.

**(Sub-principle 1-③)**

**The Company shall facilitate shareholders to easily propose agendas for the general shareholders' meeting, and freely inquire and demand explanations regarding the shareholders' proposals at the general shareholders' meeting.**

**a. General matters related to shareholder proposal rights.**

( i ) The company informs shareholders in advance of the schedule for the general meetings through the disclosure of convocation resolutions/notices and the dispatch of convocation notices. According to Article 363-2 (Shareholders' Rights to Make Proposals), Paragraph 1 of the Commercial Act, shareholders who hold shares of a certain scale and for a certain period of time have the right to

make proposals (hereinafter referred to as "shareholders' proposal rights"). However, the company does not provide separate guidance on this matter through its website.

(ii) The shareholders' proposal rights are an inherent right of shareholders, allowing them to propose certain matters as agenda items for the general meetings to the company's directors. In order to protect shareholder rights, the company enables shareholders to freely raise questions and request explanations regarding all agenda items during the general meetings.

(iii) Based on the disclosure period, there have been no exercises of shareholders' proposal rights in the past three years during the general meetings. In the future, we plan to provide guidance to shareholders, enabling them to freely raise questions and request explanations regarding the exercise of shareholders' proposal rights.

▷ (Table 1-③-1) Shareholders' proposal rights details (January 1, 2022 ~ May 31, 2023)

Proposal date	Proposal subject	Main Content	Processing and fulfillment status	Approval	approval rate (%)	opposite rate (%)
As of the disclosure period, there has been no exercise of shareholders' proposal rights in the past year.						

▷ (Table 1-③-2) Main contents of the open letter and processing status (January 1, 2022 ~ May 31, 2023)

Date of Mailing	Subject	Main Content	reply date	The main content of the reply
As of the disclosure target period, no open letter was submitted in the recent 3 years.				

#### **b. Explanation of whether the shareholders' proposal rights can be easily exercised.**

The company informs shareholders in advance of the general meeting schedule through the disclosure of convocation resolutions and notices. During the general meeting, shareholders are

allowed to freely raise questions and request explanations regarding all agenda items. However, internal guidelines and procedures for handling shareholders' proposals have not been established. Therefore, we plan to review the related matters and establish internal policies to facilitate the exercise of shareholders' proposal rights by shareholders.

**(Principle 1- ④)**

**The Company shall establish a medium to long-term shareholder return policy, including dividends, and communicate it to shareholders, along with future plans.**

► **Shareholder return policy and method of informing shareholders**

( i ) The main business purpose of the company is to acquire, manage, improve, and dispose of real estate, develop real estate, and invest and manage assets through real estate leasing, etc., and distribute profits to shareholders.

In accordance with Article 28 (Dividends) of the Real Estate Investment Company Act, a real estate investment company must distribute 90/100 or more portion of the profit dividend limit for the year in accordance with Article 462, Paragraph 1 of the Commercial Act to shareholders, and at the time of dividend, the profit reserve Since Article 458 (Earned Surplus Reserves) of the Commercial Act, which stipulates the accumulation obligation, is excluded, the Company do not accumulate earned surplus reserves . In addition, pursuant to the same law, Entrusted management real estate investment trusts are exempted from Article 462, Paragraph 1 of the Commercial Act, and can distribute dividends more than profits within 100% of the depreciation cost for the relevant year.

The dividend policy described above is specified in Article 54 ( Profit Dividend ) of the company's Articles of Incorporation , and cash dividends are approved for each business year by a resolution of the board of directors and a resolution of the shareholders' meeting in accordance with the company 's Articles of Incorporation, and the dividends shall be paid to the shareholders or pledgees whose names appear or are dully registered in the list of shareholders as of the end of each business year.

(ii) The Company provides information on its dividend distribution policy, including dividend settlement dates and related dividend payment schedules, on the IR schedule menu within the company's website, so that all shareholders can access the information.

**(Sub-principle 1- ⑤)**

**Shareholders' rights to receive an appropriate level of dividends based on the shareholder return policy and future plans must be respected.**

**a. General matters related to shareholder return.**

( i ) the Company has been consistently conducting dividend payments to enhance shareholder value. The determination of dividend amounts takes into consideration various factors such as investments for the company's continuous growth and overall business performance. The recent shareholder return status for the past two fiscal years is as follows.

▷ (Table 1- ⑤ -1)

(Unit: KRW won, %)

Fiscal Year	Settlement month	Stock type	Stock allocation	Cash dividend				
				Dividend per share	Total Dividends <sup>1)</sup>	Market price dividend rate <sup>2)</sup>	Dividend payout ratio <sup>3)</sup>	
							connection standard	Individual standard

The 6th period in 2022	November	ordinary	-	136	28,980,104,000	3.3	227.08	100.02
The 5th period in 2022	May	ordinary	-	134	28,553,926,000	2.0	94.63	150.82

1) Total amount paid by business year

2) The ratio of dividends per share to the arithmetic average price of the final price formed in the KOSPI market for the past one week from two trading days before the shareholder register closure date

3) Total amount of dividends / Consolidated or individual Net Income

(i) The company has not paid differential dividends, quarterly dividends, or interim dividends for the past two business years.

**b. Explain whether shareholders' rights to receive an appropriate level of shareholder return is being respected.**

The company is actively making efforts to ensure that shareholders have the rights to receive dividends at an appropriate level. As mentioned above, the company distributed dividends of over 90% of the distributable profits for the 5th and 6th fiscal years to shareholders. The company will continue to strive to provide shareholders with dividends at an appropriate level in the future.

**(Core principle 2) Equitable Treatment of Shareholders**

**Shareholders shall hold fair voting rights according to the class and number of shares owned; and the corporation shall make efforts to be equipped with a system that provides corporate information to the shareholders in a fair manner.**

**(Sub-principle 2- ①)**

**The Company shall make sure not to violate a shareholders' voting rights and provide information regarding the corporation to shareholders in a timely, sufficient, and fair manner.**

### a. Current Status of Stock Issuance

( i ) The Company specifies the shareholders' voting rights in Article 24 of the Articles of Incorporation and is committed to enhancing shareholder value based on these rights. The company recognizes one vote per share for all shareholders and makes efforts to ensure the fair exercise of shareholders' voting rights as stipulated by the Commercial Act and relevant laws to prevent any infringement on the inherent right of shareholders, the voting rights.

The company issues common shares in registered form as the type of shares, and the total number of shares issuable is 2,000,000,000 shares (with a par value of 1,000 KRW per share). As of December 31, 2022, the total issued shares of the company amount to 213,089,000 shares.

▷ (Table 2- ① -1) Current status of stock issuance

(Unit: share , %)

Classification	Number of shares available for issue (shares) <sup>1)</sup>	Issued shares (shares) <sup>2)</sup>	Issuance rate <sup>3)</sup>	note
Ordinary	2,000,000,000	213,089,000	10.65	

1) Number of authorized shares as of the base date (number of shares according to the articles of incorporation)

2) Total number of stocks issued as of the base date - Total number of stocks that have decreased (reduction, profit retirement, etc.) as of the base date

3) Number of shares issued / Number of shares available for issue \* 100 (decimal point round to 3 digits)

(ii) The company currently does not issue preferred shares.

### b. Explain whether equal voting rights are granted according to the type and number of stocks held.

The Company currently only issues common shares in registered form and does not issue any other types of shares. In accordance with Article 24 of the Articles of Incorporation, the company specifies that each share grants one voting right, ensuring that fair voting rights are granted based on the type and quantity of shares held.

### c. Communication channels with Shareholders

The Company is making efforts to enhance shareholder trust by ensuring that all shareholders receive timely and fair access to sufficient information through various channels. These channels include the Company's website (<http://www.esrks-reit.com>), the website of its asset manager Kendall Square REIT Management Inc. (<http://www.kendallsquarerm.com>), the Financial Supervisory Service's Electronic Disclosure System (DART) (<http://dart.fss.or.kr>), the Korea Exchange Information Disclosure System (KIND) (<http://kind.krx.co.kr>), and the Real Estate Investment Trust Information System (<http://reits.molit.go.kr>). Additionally, the company engages in Investor Relations (IR) activities such as meetings with securities analysts and investors on an ongoing basis.

( i ) (Table 2- ① -2) Summary of major Investor Relations (IR) activities, conference calls, and dialogue with shareholders from the beginning of the fiscal year to the current date of document submission within the reporting period (January 1, 2022, to May 31, 2023).

Date	Target	Meeting type	Main Content	Note
2022.04.04	domestic and foreign institutional investors, Individual Investor and Analyst	Non-face-to-face video conference	Acquisition of tangible assets and enhancement of investors' understanding of our company	Conference call hosted by Samsung Securities
2022.06.08	Major Overseas Institutional Investors	face-to-face meeting	Increase understanding of our company and explain key points of interest	Singapore Visit NDR
2022.07.05	Listed REIT manager, Retirement Pension Management	Non-face-to-face video conference	Description of our main business status	REITs Association Weekly 2022 Listed REITs Investment Conference



	Investor, Analysts and Media			
2022.10.18	Listed REIT manager, Domestic and foreign institutional investors	Non-face-to-face video conference	Improvement of our major business status and investors' understanding of our company	'2022 REITs Corporate Day' organized by Samsung Securities
2023.03.07	Domestic and foreign institutional investors	Non-face-to-face video conference	Improvement of our major business status and investors' understanding of our company	Korea Investor Conference 2023 hosted by CITI Securities
2023.03.22	Listed REIT manager, Domestic and foreign institutional investors	Non-face-to-face video conference	Improvement of our major business status and investors' understanding of our company	' REITs Corporate Day in the first half of 2023' hosted by Samsung Securities

**(Other information)**

\* None

(ii) The company provides various IR materials, including investment-related information, through its corporate website. The IR team operates a customer inquiry page on the website to promptly respond to investor inquiries.

(iii) The company operates an English website specifically for foreign investors and publicly discloses the contact information of the IR team to address any inquiries from foreign shareholders.

▷ (Table 2- ① -3) Summary of English disclosures submitted by the company directly through the Korea Exchange Information Disclosure System (KIND) from the beginning of the fiscal year to the current date of document submission within the reporting period.

Publication date	Disclosure title (English)	Main contents (Korean)
-	-	-
<b>(Other entries)</b>		
* None		

(iv) The company has not made any fair disclosure from the start of the business year during the period subject to disclosure to the date of submission of disclosure documents.

(Table 2- ① -4) Summary of Fair Disclosure (FD) filings submitted through the Korea Exchange Information Disclosure System (KIND) from the beginning of the fiscal year to the current date of document submission within the reporting period

Publication date	Disclosure title	Main Content
-	-	-
<b>(Other information)</b>		
* None		

(iv) The company has not been designated as an unfaithful disclosure corporation from the start of the business year during the disclosure period to the date of submission of disclosure documents.

▷ (Table 2- ① -5) Designation of Unfaithful Disclosure Corporations and details of such designations from the beginning of the fiscal year to the current date of document submission within the reporting period

Insincerity Disclosure type	Designated date	Reason for designation	Penalty points	Sanctions	Improvement efforts after designation
-	-	-	-	-	-
<b>(Other information)</b>					
* None					

**e. Explain whether corporate information is provided to shareholders in a timely, sufficient, and impartial manner.**

The company provides fair and timely information to shareholders through board of directors' meetings and general shareholders' meetings regarding major corporate management matters. When conducting Investor Relations (IR) activities targeting major institutional investors and analysts, the company disseminates information through the Financial Supervisory Service's Electronic Disclosure System and discloses key presentation materials on its website. As stated above, the company is committed to providing shareholders with corporate information promptly, sufficiently, and fairly, and it plans to continue these efforts in the future.

**(Sub- principle 2- ②)**  
**The Company shall equip and operate protective measures that can protect the shareholders from unfair internal transactions and self-dealing of other shareholders such as the controlling shareholder.**

**a. Control Measures (Policy) of the Company regarding Internal Transactions with Affiliated Companies, Management, and Controlling Shareholders:**

(i) Internal Transaction and Self-Dealing Control (Policy) The company has explicitly stated in its articles of incorporation that it will not engage in transactions with its employees, related parties, or shareholders who own 10% or more of the company's shares and their related parties. However, in cases where transactions with these parties are allowed, the company follows the provisions stated in Article 46 (Limitations on Transactions) of the articles of incorporation, which require approval from the Board of Directors and the approval of the General Shareholders' Meeting based on special resolutions in accordance with Article 434 of the Commercial Act. This provision is also regulated under Article 30 (Limitations on Transactions) of the Real Estate Investment Company Act. The company complies with relevant laws and regulations and only makes decisions based on the approval of the Board of Directors for matters specified in the laws and the articles of incorporation. The company diligently adheres to internal transaction and self-dealing controls, including reviewing transactions under reasonable conditions through the Risk Management Committee of the asset management company. The company will continue to maintain and strengthen internal transaction and self-dealing controls, making its best efforts to comply with relevant laws and regulations.

(ii) Comprehensive Board of Directors' Resolutions regarding Internal Transactions with Affiliated Companies and Self-Dealing with Management or Controlling Shareholders (January 1, 2022, to May 31, 2023): Not applicable.

(iii) Details of transactions with stakeholders such as controlling shareholders (January 1, 2022 ~ May 31, 2023 )

: Not applicable.

## **1. Transaction with major shareholders (Credit offering)**

### **a. Debt guarantee details**

: None

**b. Provisional payment, loan, provision of collateral details**

: None

**2. Transfer of assets with major shareholders**

**a. Asset transaction history**

: None

**b. Details of Acquisition or Disposal of Securities**

: None

**3. Details of major transactions with stakeholders such as major shareholders**

**a. Business transactions with major shareholders**

(Unit: KRW million won)

Corporate name	Relationship	Transaction type	Transaction amount
-	-	-	-

**b. Details of transactions with stakeholders other than major shareholders**

: None

**(Sub-principle 2-③)**

The Company should seek measures to protect shareholders, such as soliciting the opinions of minority shareholders and safeguarding the rights of dissenting shareholders, in relation to changes in corporate ownership structure or key business area, including mergers, business transfer, division and comprehensive stock exchange and transfer.

**a. Explanation of the company's policies for shareholder protection, including soliciting the**

**opinions of minority shareholders and safeguarding the rights of dissenting shareholders, regarding significant changes in the company's ownership structure or major business transactions such as mergers, business transfer, divestitures (including split offs), comprehensive stock exchange and transfer.**

Since its establishment, the Company has not experienced any significant changes in its ownership structure or major business transactions such as mergers, business transfer, division and comprehensive stock exchange and transfer. Therefore, the company has not established specific policies for soliciting the opinions of minority shareholders or protecting the rights of dissenting shareholders. However, we plan to develop relevant policies in the future to actively seek shareholder protection measures.

**b. During the reporting period, If there have been any significant changes in the company's ownership structure or key business area, such as mergers, business transfer, divestitures (including split-offs), comprehensive stock exchange and transfer or if there are specific plans in place, please provide an explanation of the measures that have been implemented to solicit the opinions of minority shareholders and protect the rights of dissenting shareholders, as well as any future plans in this regard**

The company does not have any specific plans regarding significant changes in the ownership structure or key business area, such as mergers, business transfer, division (including split offs), comprehensive stock exchange and transfer, during the reporting period. If any specific plans arise in the future, appropriate authorization procedures will be followed, and the information will be disclosed to inform stakeholders. The company also intends to develop shareholder protection policies related to such matters.

### 3. Board of Directors (“the Board”)

**(Core principle 3) Functions of the board:**

**The Board shall establish the business objectives and strategies in the best interests of the corporation and its shareholders, and effectively supervise the activities of the management.**

**(Sub-principle 3- ①)**

**The board shall effectively execute its decision-making and supervisory function in business administration.**

#### **a. Board of Directors**

( i ) The matters subject to resolution by the board, as stipulated in Article 39 of the company's articles of incorporation, are as follows:

1. Matters related to the acquisition or disposition of real estate and its operation.
2. Matters related to the acquisition or disposal of securities amounting to 10% or more of the company's total assets.
3. Matters related to borrowing and issuance of bonds.
4. Matters related to the convening of the general meeting of shareholders.
5. Establishment or amendment of asset management guidelines for asset management companies.
6. Investment decisions and approval of business plans for real estate development projects.
7. Matters related to the conclusion, amendment, and termination of general administration outsourcing contracts with institution entrusted with general clerical services.
8. Matters related to the conclusion, amendment, and termination of sales consignment contracts with sales companies.
9. Matters related to the issuance of new shares in accordance with Article 12.
10. Matters related to the treatment of cases where shareholders waive or lose subscription rights or where fractional shares occur in the allotment of new shares.
11. Matters related to the appointment and dismissal of the representative director of the company.
12. Matters related to the appointment and dismissal of the chairman of the board of directors.
13. Matters related to the approval of financial statements and other documents in accordance with Article 51, Paragraph 5.
14. Matters requiring board resolutions under applicable laws.
15. Other important matters related to the company's management.

(ii) The company has not added any autonomous matters beyond the statutory obligations to the items for board of directors' deliberation and resolution.

(iii) There are no matters delegated to committees within the board or to the CEO among the authorities of the board.

**b. Explanation of whether the board effectively performs its functions of management decision-making and management oversight:**

According to Article 40 of the company's articles of incorporation (Method of Adopting Resolutions), board resolutions are made with the attendance of a majority of the directors and the approval of a majority of the directors present. The articles of incorporation also provide for the use of communication methods, such as simultaneous audio transmission and reception, for directors who are unable to attend the meeting in person, allowing them to participate in the resolution process. Additionally, the board of directors prepares minutes that document the agenda and resolution results, and these minutes are kept at the company's headquarters to ensure transparency in the performance of management decision-making and management oversight functions. The company strives to facilitate effective governance by adhering to these practices.

**(Sub-principle 3- ②)**

**The Board should prepare, operate, and consistently improve and complement a succession policy for the Chief Executive Officer (including contingency appointment plan)**

The company adopts individuals who are not disqualified under Article 14, Paragraph 2 of the Real Estate Investment Company Act as directors, and in the event of a vacancy among the directors or auditors, the appointment is made by the general meeting of shareholders as stipulated. The term



of office for directors is three years, and if the term expires before the regular general meeting of shareholders for the fiscal year in which the final settlement of accounts occurs, the term is extended until the end of that meeting. As stated in Article 35 (Duties of Representative Director and Directors) of the company's articles of incorporation, the representative director represents the company, oversees its operations, and in the event of the absence of the representative director, the duties are performed by a person designated by the board. While there are currently no specific provisions in place regarding the documentation of succession policies related to the appointment, selection, and training of the CEO, the company will strive to establish and implement a succession policy for CEO, including contingency appointment plans, in the future and continuously carry it out.

**(Sub-principle 3- ③)**

**The board of directors shall prepare and operate internal control policies (risk management, compliance with the relevant rules and regulations, internal accounting management, disclosure information management, etc.), and continuously improve and supplement said policies.**

**► The overall internal control policy**

( i ) The Company, as a paper company without full-time employees, complies with the provisions of Article 47, Paragraph 1 of the Real Estate Investment Company Act, which requires the establishment of internal control standards. In accordance with this, Kendall Square REIT Management Inc., the Asset manager, has appointed a compliance officer and established internal control standards and a code of conduct and business ethics. The Company operates with a compliance and risk management system, including the Risk Management Committee and the Investment Committee, which analyze and review relevant matters. These measures ensure compliance with laws and regulations and maintain an effective risk management framework.

(ii)

The Company has established internal control standards by entrusting the task to the compliance officer affiliated with Kendall Square REIT Management Inc. The compliance officer oversees and monitors the overall internal control system, including compliance with laws and regulations, and provides guidance on the basic procedures and criteria that must be followed by employees of the asset management company.

The company does not operate a separate internal accounting management system.

**Pursuant to Article 9, Paragraph 2 of the Enforcement Decree of the Act on External Audit of Stock Companies, the company is a company falling under Article 51-2, Paragraph 1 (4) of the Corporate Tax Act. Therefore, it falls under Article 8 of the Act on External Audit of Stock Companies and is not required to establish an internal accounting management system.**

Additionally, the company is classified as an entrusted management real estate investment trust under Article 22-2 of the Real Estate Investment Company Act. Therefore, the collection of disclosure information, preparation of disclosure documents, and execution of disclosures are carried out by Alternative Investment Division, Shinhan Fund Partners Co., Ltd., the Fund administrator. The company's Asset manager is responsible for formulating and monitoring the annual disclosure work plan, reviewing relevant laws and regulations on disclosure, checking, and managing disclosure risks, and overseeing the activities of the disclosure agency. The Company operates with a collaborative system between the Fund administrator and the Asset manager.

**(Core principle 4) Composition of the board of directors:**

**The Board shall be composed so as to facilitate effective decision-making and supervision of management; and the directors shall be appointed through a transparent process, which reflects the diverse opinions of shareholders.**

**(Sub-principle 4- ①)**

**The board should be composed to enable effective and careful deliberation and decision-making, and an adequate number of outside directors should be appointed to perform their functions independently from the management team and controlling shareholders.**

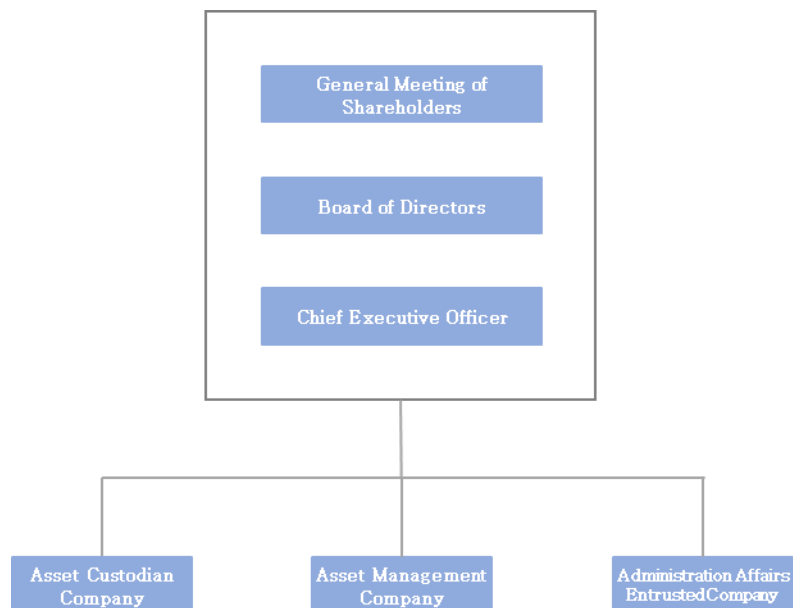
**► Composition of the Board**

According to Article 542-8(Appointment of Outside Directors) of the Commercial Act, listed companies with total assets of 2 trillion won or more are generally required to appoint three or more outside directors, and such outside directors should constitute a majority of the total number of directors, including the CEO.

However, Article 49-1 of the Real Estate Investment Company Act (Exclusion of the application of Articles 415-2 and 542-8 to 542-12 of the Commercial Act) explicitly excludes the application of Article 542-8 of the Commercial Act, which stipulates the obligation to appoint outside directors, to real estate investment trusts. Therefore, the Company (ESR Kendall Square REIT Co., Ltd.) is not obligated to appoint outside directors.

Furthermore, while the Commercial Act stipulates that any stock company forming an audit committee should have at least two-thirds of the committee members as outside directors (Article 415-2, Paragraph 2, Provision), the Real Estate Investment Company Act also excludes the application of Article 415-2 of the Commercial Act in the Republic of Korea.

( i ) (Table 4- ① -1) Organization chart related to the board of directors as of the report submission date



(Other notes)

\* The Company facilitates the shareholders' meeting and the board of directors as the highest decision-making bodies in accordance with the Real Estate Investment Company Act and the Commercial Act. The asset management company, asset custody company, institution entrusted with general clerical services strive to ensure transparent corporate governance in accordance with the roles and authorities defined by the relevant laws.

(ii) (Table 4- ① -2) Current composition of the board as of the report submission date

Classification <sup>(2)</sup>	Name	Gender	Position	Appointment Date <sup>(1)</sup>	Termination Date	Specialties	Major Career
Representative Director	Juhyun Cho	Male	CEO (Inside Director)	2022.08.26	2025.08.26	Real Estate	Present) Konkuk University Real Estate Professor Emeritus
Non-executive Director	Minjoo Cho	Female	Non-executive Director	2022.08.26	2025.08.26	Architectural Engineering	Present) NIS Tech Co.,Ltd. Building Structural Engineering Group CEO
Non-executive Director	Chunwoong Choi	Male	Non-executive Director	2022.02.25	2025.02.24	Architectural Engineering	Present) Seoul National University, College of Engineering, Department of Architecture, Professor
Non-executive Director	Junwoo Cho	Male	Non-executive Director	2020.11.05	2023.11.05	Law	Current) Attorney at Law Firm Lee & Ko
Non-executive Director	Sunho Hwang	Male	Non-executive Director	2022.08.26	2023.11.05	Investment	Current) Korea Teachers' Credit Union Investment Team Leader
Internal Audit	Taeheon Kim	Male	Auditor	2020.08.27	2023.08.27	Accounting	Current) Certified Public Accountant at Daekyo Accounting Corporation

1) In case of re-appointment, write the date of first appointment

2) Directors refer to "non-executive directors" [Under the Commercial Act (Article 317, Paragraph 2, Item 8), directors are categorized and registered as inside directors, outside directors, other directors who are not engaged in regular business. The same categorization is indicated in the table below for directors.

(Other information)

※The composition of the board of directors of the company consists of 1 representative director (inside director), 4 non-executive directors, and 1 auditor.

※ The term of office for directors is 3 years. However, if the term expires before the regular general meeting of shareholders for the fiscal year following the final accounting period, it may be extended until the end of that meeting.

※ The term of office for the auditor is until the conclusion of the regular general meeting of shareholders for the final accounting period within 3 years of assuming the position.

(iii) (Table 4- ① -3) Composition of committees within the board as of the report submission date

: Not Applicable

(Other notes)

※ The company is not obligated to appoint outside directors in accordance with Article 49, Paragraph 1 of the Real Estate Investment Company Act (excluding the provisions from Article 415-2 to Article 542-12 of the Commercial Act). Therefore, the company does not appoint outside directors or establish committees within the board.

(iv) Regarding outside directors, number of outside directors, ratio, status of consecutive appointments, etc.

: Not Applicable

(v) According to Article 38, Paragraph 3 of the company's Articles of Incorporation, the chairman of the board is the representative director. In the event that the representative director is absent or unable to perform the duties of the chairman, the majority of the attending directors at that board meeting will vote to appoint another director to fulfill the role of the chairman. However, in accordance with Article 49, Paragraph 1 of the Real Estate Investment Company Act (**Exclusion of the application of Articles 415-2 and 542-8 to 542-12 of the Commercial Act**), which explicitly excludes the application of Article 542-8 regarding the obligation to appoint outside directors for real estate investment companies, the company does not appoint outside directors separately.

**b. Explanation of whether the board is structured to facilitate effective and prudent discussions and decision-making and includes a sufficient number of outside directors who can perform**

**their functions independently from the management and controlling shareholders.**

The auditor of the Company oversees the execution of the directors' duties and attend each board meetings to express opinion. The auditor reviews the financial statements and investment reports for the fiscal year prepared by the Fund administrator, ensuring the preparation and disclosure of reliable accounting information. The auditor receives reports from the Asset manager and the Fund administrator, and conduct reviews. This enables the board to facilitate effective and prudent discussions and decision-making

**(Sub-principle 4-②)**

**The board shall be comprised of responsible and highly-skilled individuals with expertise in various fields with regards to knowledge and career in order to make practical contributions to the corporate management.**

► **Board of Directors**

(i) As of the current date of document submission, the Company's board of directors consists of a total of 5 directors, including 1 representative director (an inside director) and 4 non-executive directors. The auditor is appointed to enhance transparency and accountability by being independent of significant conflicts of interest with the company and performing oversight and monitoring functions. The background of the Company's directors is as follows:

<b>Classification</b>	<b>Name</b>	<b>Background</b>
CEO (Inside Director)	Juhyun Cho	- Appointed as a director in accordance with Article 14 of the Real Estate Investment Company Act. - Appointed based on their distinguished career as a professor at Konkuk University Graduate School of Real Estate, where he has demonstrated exceptional expertise

		in the field of real estate. His extensive knowledge and experience make them well-suited to contribute to the Company's stable and transparent operations, as well as its long-term growth.
Non-executive director	Minjoo Cho	<ul style="list-style-type: none"> <li>- Appointed as a director in accordance with Article 14 of the Real Estate Investment Company Act.</li> <li>- Appointed based on her profound expertise in real estate, she is expected to contribute to the Company's stable and transparent operations and its long-term growth.</li> </ul>
Non-executive director	Chunwoong Choi	<ul style="list-style-type: none"> <li>- Appointed as a director in accordance with Article 14 of the Real Estate Investment Company Act.</li> <li>- Currently holding the position of Professor in the Department of Architecture at Seoul National University, he possesses a wealth of academic and practical expertise. His extensive experience qualifies him to effectively fulfill the role of a director and contribute to the successful execution of their responsibilities.</li> </ul>
Non-executive director	Junwoo Cho	<ul style="list-style-type: none"> <li>- Appointed as a director in accordance with Article 14 of the Real Estate Investment Company Act.</li> <li>- Appointed based on (pre-IPO) major shareholder agreement and recommended by the major shareholder, CPP Investment Board Real Estate Holdings Inc.</li> </ul>
Non-executive director	Sunho Hwang	<ul style="list-style-type: none"> <li>- Appointed as a director in accordance with Article 14 of the Real Estate Investment Company Act.</li> <li>-Appointed based on (pre-IPO) shareholder agreement and recommended by the shareholder, Shinhan Bank Co.,</li> </ul>



		Ltd. (Egis REITs Portfolio No.1).
Auditor	Taeheon Kim	<p>- Appointed as a director in accordance with Article 14-2 of the Real Estate Investment Company Act.</p> <p>- Appointed based on possessing financial expertise as a certified public accountant in Korea and currently serving as the Deputy Head of Daekyo Accounting Firm, his profound understanding of the company and strong financial acumen make them a valuable addition to the Company.</p>

(ii) Appointment and Changes of Directors from the Beginning of the Previous Fiscal Year until the Current Disclosure Date (January 1, 2022, to May 31, 2023).

Classification	Name	The first appointment date	Term of office Expiration (scheduled) date	Date of alteration	Reason for change <sup>1)</sup>	Current employment status
CEO (Inside Director)	Juhyun Cho	2022.08.26	2025.08.26	-	new appointment	tenure
	Park Rae-ik	2020.08.27	2022.08.26	2022.08.26	resignation	retirement
Non-executive director	Shin Yoochul	2020.08.27	2023.08.27	2022.02.25	resignation	retirement
	Chunwoong Choi	2022.02.25	2025.02.25	-	new appointment	tenure
	Juhyun Cho	2020.08.27	2022.08.26	2022.08.26	resignation	retirement
	Jaechang Ha	2020.11.05	2022.08.26	2022.08.26	resignation	retirement
	Minjoo Cho	2022.08.26	2025.08.26	-	new appointment	tenure

	Junwoo Cho	2020.11.05	2023.11.05	-	new appointment	tenure
	Sunho Hwang	2022.08.26	2023.11.05	-	new appointment	tenure

1) In the reason for change, write resignation, dismissal, expiration of term, new appointment, re-appointment, etc.

**b. Explain how the board is competitive with talented directors from diverse backgrounds, expertise and responsibilities.**

The CEO and directors are comprised of experienced professionals with diverse backgrounds, including lawyers and individuals from the real estate industry, who possess the necessary qualities and capabilities expected of directors. Their contributions to the company's growth and their high level of competitiveness are evident.

**(Sub-principle 4-③)**

**Fairness and independence shall be guaranteed during the process of recommending directorial candidates.**

**a.** The company does not have a nomination committee for recommending candidates for the appointment of executive and non-executive directors.

**b. Whether the company provides sufficient information about director candidates to shareholders in a timely manner.**

( i ) (Table 4- ③ -1) Information provided to shareholders regarding director candidates during the reporting period from the start of the fiscal year to the date of document submission (January 1, 2022, to May 31, 2023) at the general meetings of shareholders.

Information provision date	Shareholders' meeting date	director candidate		Details of information provision	Note
		Division	Name		
2022.8.10	2022.8.26	CEO (Inside)	Juhyun Cho	- Name, date of birth,	

		Director)		recommender, relationship with the largest shareholder, and whether the candidate is an outside director candidate.	
2022.08.10	2022.8.26	Non-executive director	Minjoo Cho		
2022.08.10	2022.8.26	Non-executive director	Sunho Hwang	- Candidate's main occupation, career history, and transaction history with the corporation in the past 3 years.	
2022.1.26	2022.2.25	Non-executive director	Chunwoong Choi	- Whether the candidate has any tax delinquency, involvement in management of financially distressed companies, and presence of disqualifications under applicable laws.	

(ii) The company had no director candidates (including inside directors) to be reappointed.

c. The Company has not yet adopted the cumulative voting. Nonetheless, the company is continually reviewing ways to acquire the varied opinions of its several shareholders.

**d. Explain whether sufficient measures are being taken to ensure fairness and independence in the process of recommending and appointing director candidates.**

The company complies with the Real Estate Investment Company Act and appoints directors in a fair and independent manner. In accordance with Article 14 of the Real Estate Investment Company Act, individuals who do not meet the disqualification criteria for executives under the Act have

been appointed as directors. Furthermore, the appointment of directors is carried out in accordance with the provisions stated in Articles 31 (Number of Directors and Auditors) and 32 (Appointment of Directors and Auditors) of the Articles of Incorporation.

**(Sub-principle 4- ④)**

**Any person responsible for causing harm to the Company's value or the shareholder's equity interests shall not be appointed as an executive.**

**a. Executive Status**

▷ (Table 4- ④ -1) Current Executive Status (Including Undisclosed Executives) as of the Reporting Date: May 31, 2023.

Name	Gender	Title	Registered executive status	Whether full-time or not	Responsibilities
Juhyun Cho	Male	CEO	Registered Executive	Part-time	board resolution
Minjoo Cho	Female	Non-executive director	Registered Executive	Part-time	board resolution
Chunwoong Choi	Male	Non-executive director	Registered Executive	Part-time	board resolution
Junwoo Cho	Male	Non-executive director	Registered Executive	Part-time	board resolution
Sunho Hwang	Male	Non-executive director	Registered Executive	Part-time	board resolution
Taeheon Kim	Male	Auditor	Registered Executive	Part-time	Internal audit

**b. Policy to Prevent the Appointment of Executives Responsible for Damaging Company's Value or Infringing Shareholder Rights.**

The directors of the company must not have any disqualifications as stipulated in Article 14 of the Real Estate Investment Company Act, which is also specified in Article 32 of the Articles of Incorporation regarding the appointment of directors and auditors.

**c.** The company has not appointed any executives who have been convicted of embezzlement, breach of trust, or unfair trading practices under the Financial Investment Services and Capital Market Act, or who are currently under suspicion of such acts.

**d.** The company does not adopt an executive officer system and carries out decision-making and supervision regarding the company's operations through the board and the CEO.

**(Core principle 5) Responsibilities of outside directors:**

**Outsider directors shall be able to independently participate in important corporate management decision-making, and to supervise and support the management as board members.**

\* The Company is not subject to the obligation to appoint outside directors as stipulated in Article 542-8(1) of the Commercial Act, pursuant to Article 49(1) of the Real Estate Investment Company Act, which excludes the application of provisions from Article 415-2 to Article 542-8 to Article 542-12 of the Commercial Act.

**(Sub-principle 5- ①)**

**An outside director shall not have a significant relationship of interest with the company in question and the company shall inspect whether there exists any such relationship during the appointment procedure.**

: Not Applicable

**(Sub-principle 5-②)**

**The outside director shall contribute an appropriate amount of time and effort to faithfully carry out his or her duties.**

: Not Applicable

**(Sub-principle 5- ③)**

**The company shall provide sufficient information, assets, and other elements necessary to the execution of duties of an outside director.**

: Not Applicable

**(Core principle 6) Evaluation of outside directors' activities:**

**To promote active performance of duties by the outside directors, their activities shall undergo fair evaluation; and the decisions on their remuneration and reappointment shall be made on the basis of the outcomes of such evaluation.**

\* The Company is not subject to the obligation to appoint outside directors as stipulated in Article 542-8(1) of the Commercial Act, pursuant to Article 49(1) of the Real Estate Investment Company Act, which excludes the application of provisions from Article 415-2 to Article 542-8 to Article 542-12 of the Commercial Act.

**(Sub-principle 6-①)**

**Evaluations of outside directors shall be based on the individual 's own performance, and**

evaluation results shall be reflected in the decision for re-appointment.

: Not Applicable

**(Sub-principle 6-②)**

The outside director's remuneration shall be decided at an appropriate level and in consideration of his or her evaluation results, responsibilities, and risks of his or her job duties.

: Not Applicable

**(Core principle 7) Operation of the Board:**

The Board shall be operated efficiently and rationally to ensure that the management decisions are made in the best interests of the corporation and shareholders.

**(Sub-principle 7-①)**

The board of directors' meetings shall be held regularly and there must be a regulation of the Board of Directors that practically regulates the rights and responsibilities of the board of directors as well as their operation procedures and other related matters.

► **Overall board operation**

(i) Current status of regulations related to regular board meetings (Articles of Incorporation or Board of Directors' Regulations)

The Company holds regular board meetings every 6 months, corresponding to each fiscal period, to approve financial statements, convene regular general meetings of shareholders, and make resolutions regarding cash dividends. Additionally, in accordance with the Articles of Incorporation and the Real Estate Investment Company Act, the company also holds special board meetings to

decide on matters that require board resolutions.

(ii)(Table 7-①-1) Records of board meetings held from the beginning of the fiscal year to the date of document submission during the reporting period (January 1, 2022, to May 31, 2023)

Number of Meeting	Agenda		Approval	Regular / Ad-hoc	Hold Date	Agenda Notice date	Attendance /out of total number of directors
	Category	Detail					
2022.1 <sup>st</sup>	BoD resolution required	-Approval of the 4th period financial statements and business report -Payment of the 5th entrusted management company's remuneration	Approved	Regular	2022.01.12	2022.01.04	5/5
2022.2 <sup>nd</sup>	BoD resolution required	-Resolution of the 4th cash dividend - Convocation of regular general meeting of shareholders	Approved	Regular	2022.01.26	2022.01.18	5/5



		and decision on agenda for discussion					
2022.3 <sup>rd</sup>	BoD resolution required	-Approval of the resolution of the 4th regular general meeting of shareholders of ESR Kendall Square Asset No.1 -Approval of the resolution of the 1st regular general meeting of shareholders of ESR Kendall Square Asset No.2	Approved	Regular	2022.02.17	2022.02.09	5/5
2022.4 <sup>th</sup>	BoD resolution required	- Approval of dual employment of directors' position	Approved	Ad-hoc	2022.02.28	2022.02.22	5/5
2022.5 <sup>th</sup>	BoD resolution required	-Acquisition of new shares issued by ESR Kendall	Approved	Ad-hoc	2022.05.27	2022.05.19	5/5

		<p>Square Asset No. 2</p> <p>- Approval of the 2022 1st Extraordinary General Meeting of Shareholders Agenda</p> <p>Resolution of ESR Kendall Square Asset No. 2</p>					
2022.6 <sup>th</sup>	BoD resolution required	<p>- Approval of the 5th financial statement and business report</p> <p>- Payment of the 6th entrusted management company's remuneration</p>	Approved	Regular	2022.07.13	2022.07.05	4/5
2022.7 <sup>th</sup>	BoD resolution required	<p>-Resolution of the 5th cash dividend</p> <p>-Agenda for Regular Shareholders Meeting and resolution matters for decision</p>	Approved	Regular	2022.07.28	2022.07.20	4/5

2022.8 <sup>th</sup>	BoD resolution required	-Approval of agenda resolution for the 5th regular general shareholders' meeting of ESR Kendall Square Asset No. 1 -Approval of agenda resolution of 2nd regular general meeting of shareholders of ESR Kendall Square Asset No. 2	Approved	Regular	2022.08.18	2022.08.10	4/5
2022.9 <sup>th</sup>	BoD resolution required	Appointment of CEO	Approved	Ad-hoc	2022.08.26	2022.08.18	5/5
2023.1 <sup>st</sup>	BoD resolution required	-Approval of the 6th financial statement and business report -Payment of remuneration to the 7th entrusted management company	Approved	Regular	2023.01.12	2023.01.04	5/5
2023.	BoD	-Resolution	Approved	Regular	2023.01.26	2023.01.18	5/5

2 <sup>nd</sup>	resolution required	of the 6th cash dividend -Agenda for Regular Shareholders Meeting and resolutions matters for decision					
2023. 3 <sup>rd</sup>	BoD resolution required	-Withdrawal of some agenda items of the 6th regular general meeting of shareholders (Amendment to articles of incorporation)	Approved	Ad-hoc	2023.02.16	2023.01.15	4/5
2023. 4 <sup>th</sup>	BoD resolution required	-Approval of agenda resolution at the 6th regular general meeting of shareholders of ESR Kendall Square Asset No. 1 entrusted management Real Estate	Approved	Regular	2023.02.21	2023.02.13	5/5

		Investment Company. - Approval of the resolution of the 3rd regular general meeting of shareholders of ESR Kendall Square Asset No. 1					
2023. 5 <sup>th</sup>	BoD resolution required	- Approval of equity investment in an investment company - Approval of agenda resolution at ESR Kendall Square Asset No. 2 entrusted management real estate investment company general meeting of shareholders	Approved	Ad-hoc	202.05.02	2023.04.24	5/5

(iii) According to Article 38 of the Articles of Incorporation (Composition of Board of Directors and Convening of Meetings), the Chairman of the Board shall be the Chief Executive Officer. When

convening a board meeting, the date, time, venue, and purpose of the meeting shall be determined, and written notices shall be sent to each director and auditor at least seven days before the meeting. However, this period may be shortened or waived with the unanimous consent of all directors and auditors prior to the meeting.

**(Sub-principle 7-②)**

**The Board should record minutes in detail for every meeting and disclose the attendance rate of each director at the board meeting and the activities such as the approval and disapproval on the agenda.**

**a. Whether the Minutes and Audio Recordings of All Board of Directors' Meetings and Archive Status is maintained.**

The Company complies Article 40 of the Articles of Incorporation (Method of Adopting Resolutions) by preparing and keeping minutes of the board meetings. The minutes include the agenda, proceedings, outcomes, and reasons for any opposition, and all attending directors are required to sign or affix their seal. The original minutes of each board meeting are preserved, but the audio recording of the meetings is not retained. Individual records of each director's stance on specific agenda items are kept separately, and the business report also includes individual directors' voting records on each agenda item.

**b. Board attendance details of individual directors who served (currently in office), and board attendance rates and approval rates for agenda items by individual directors who served for the last 3 business years.**

▷(Table 7- ② -1) Disclosure period From the start of the business year to the date of submission of disclosure documents, attendance details of individual directors (January 1 , 2022 to May 31 ,

2023)

Classification	No. of Meeting	'22.1 <sup>st</sup>	'22.2 <sup>nd</sup>	'22.3 <sup>rd</sup>	'22.4 <sup>th</sup>	'22.5 <sup>th</sup>	Note	
	Meeting Date	2022.01.12	2022.01.26	2022.02.17	2022.02.28	2022.05.27		
CEO (Inside Director)	Park Rae-ik	Attended	Attended	Attended	Attended	Attended		
Non-executive director	Juhyun Cho	Attended	Attended	Attended	Attended	Attended		
	Shin Yoochul	Attended	Attended	Attended	-	-	2022.02.25. resignation	
	Chunwoong Choi	-	-	-	Attended	Attended	2022.02.25. Appointment	
	Junwoo Cho	Attended	Attended	Attended	Attended	Attended		
	Jaechang Ha	Attended	Attended	Attended	Attended	Attended		
Classification	No. of Meeting	'22.6 <sup>th</sup>	'22.7 <sup>th</sup>	'22.8 <sup>th</sup>	'22.9 <sup>th</sup>	'23.1 <sup>st</sup>	'23.2 <sup>nd</sup>	Note
	Meeting Date	2022.07.13	2022.07.28	2022.08.18	2022.08.26	2023.01.12	2023.01.26	
CEO (Inside Director)	Park Rae-ik	Attended	Attended	Attended	-	-	-	2022.08.26 Resignation
	Juhyun Cho	-	-	-	Attended	Attended	Attended	2022.08.26 Appointment
Other non-executive director	Juhyun Cho	Attended	Attended	Attended	-	-	-	2022.08.26 Resignation
	Minjoo Cho	-	-	-	Attended	Attended	Attended	2022.08.26 Appointment

	Chunwoong Choi	Attended	Attended	Attended	Attended	Attended	Attended	
	Junwoo Cho	Attended	Attended	Attended	Attended	Attended	Attended	
	Jaechang Ha	-	-	-	-	-	-	2022.08.26 Resignation
	Sunho Hwang	-	-	-	Attended	Attended	Attended	2022.08.26 Appointment
<b>Classification</b>	<b>No. of Meeting Meeting Date</b>	<b>'23.3<sup>rd</sup> 2023. 02.16</b>	<b>'23.4<sup>th</sup> 2023. 02.21</b>	<b>'23.5<sup>th</sup> 2023. 05.02</b>	<b>Note</b>			
CEO (Inside Director)	Juhyun Cho	Attended	Attended	Attended				
Other non-executive director	Minjoo Cho	Attended	Attended	Attended				
	Chunwoong Choi	Attended	Attended	Attended				
	Junwoo Cho	Attended	Attended	Attended				
	Sunho Hwang	-	Attended	Attended				



▷ (Table 7- ② -2) Attendance rate and agenda approval rate of individual directors for the last 3 business years

Name	Division	Board of Directors tenure period	Attendance (%)				Approval rate (%)			
			average of the last 3 years	Last 3 business years <sup>1)</sup>			Average of the last 3 years	Last 3 Business Years		
				2023. 05.	2022. 11.	2022. 05.		2023. 05.	2022. 11.	2022. 05.
Park Rae-ik	Representative Director (Inside Director)	2020.08.27 ~ 2022.08.26	100	-	100	100	100	-	100	80
Juhyun Cho	Representative Director (Inside Director)	2022.08.26 ~ today	100	100	100	-	100	100	100	-
Juhyun Cho	Non-executive director	2020.08.27 ~ 2022.08.26	100	-	100	100	100	-	100	100
Minjoo Cho	Non-executive director	2022.08.26 ~ today	100	100	100	-	100	100	100	-
Shin Yoochul	Non-executive director	2020.08.27 ~ 2022.02.25	100	-	-	100	100	-	-	100
Chunwoong Choi	Non-executive director	2022.02.25 ~ today	100	100	100	100	100	100	100	100
Junwoo Cho	Non-executive director	2020.11.05 ~ today	100	100	100	100	100	100	100	100
Sunho Hwang	Non-executive director	2022.08.26 ~ today	100	100	100	-	90	80	100	-
Jaechang Ha	Non-executive director	2020.11.05 ~ 2022.08.26	50	-	0	100	50	-	0	100

1) For the years not included in the director's tenure within the past three years, it is indicated as "-" in the records.

**(Core Principle 8) Committees of the Board**

**For an efficient operation, the Board shall establish internal committees which are responsible for the performance of specific functions and roles.**

The Company, as an Entrusted management real estate investment trusts subject to the Real Estate Investment Company Act, is not subject to the provisions of Article 415-2 and Articles 542-8 to 542-12 of the Commercial Act, as stipulated in Article 49, Paragraph 1 of the Real Estate Investment Company Act.

The internal committees within the board are specialized committees composed of directors with expertise in specific fields. These committees allow directors with specialized knowledge and experience in their respective fields to review and make decisions on relevant matters. The company believes that the directors and auditors, with their extensive practical experience and knowledge, are capable of reviewing and making decisions on various matters. Therefore, separate board committees such as the audit committee, director nomination committee, compensation committee, internal transaction committee, and risk management committee have not been established. However, if the need arises in the future to establish board committees, the company will follow the applicable regulations and procedures to do so.

**(Sub-principle 8-①)**

**The majority of the committee within the board must be outside directors; however, in the case for the Audit Committee and the Remuneration (Wages) Committee, all members must be outside directors.**

: Not Applicable

**(Sub-principle 8-②)**

**Organization, operation, and the authority of all the committees should be stipulated in the express provision, and the committee shall report the decisions made to the board.**

: Not Applicable

#### 4. Audit Systems

**(Core Principle 9) Internal Auditing Bodies:**

**Internal auditing bodies, such as the audit committee and auditors, shall perform their auditing duties faithfully by maintaining independence from the management and controlling shareholders, and the details of key activities of internal auditing bodies shall be disclosed**

**(Sub-principle 9-①)**

**Internal auditing bodies such as the Audit Committee and auditors shall secure independence and expertise.**

##### a. The status of the Audit Committee's structure

According to Article 31 of the Articles of Incorporation, the company must appoint one or more auditors, and the appointed auditor(s) must meet the qualifications specified in Article 14-2 of the Real Estate Investment Company Act, which includes being a certified public accountant under the Certified Public Accountants Act. As of the report submission date, the company has one auditor who is a certified public accountant, thereby fulfilling the qualification requirements for auditors as stated in the Real Estate Investment Company Act. The auditor possesses the expertise to effectively supervise the company's directors and ensure that they perform their duties properly.

( i ) (Table 9- ① -1) Composition of Internal Audit Body

Structure			Experience and qualifications related to audit work	Note
Position	Classification	Name		

Auditor	Auditor	Taeheon Kim	<ul style="list-style-type: none"> <li>- Graduated from the Department of Business Administration, Kyung Hee University (2011)</li> <li>- Acquisition of certified public accountant license (2012)</li> <li>- Served as an accountant at Samjeong KPMG Accounting Firm (2011.09 ~ 2018.08)</li> <li>- Currently working as an accountant at Daekyo Accounting Corporation (2018.08 ~ present)</li> </ul>	Part-time
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(ii) Policies to secure the independence and expertise of the internal audit body

The company's auditor is a non-full-time auditor who carries out independent audits. The criteria for selecting an auditor candidate are determined by the company's Articles of Incorporation, specifically Article 32 (Appointment of Directors and Auditors), and the duties of the auditor are specified in Article 36 (Auditor(s)' Duties and Obligations). Accordingly, the auditor performs auditing tasks and possesses the necessary expertise to fulfill their responsibilities.

**b. Regarding the operation of the internal audit body**

(i) Regulations governing the objectives, organization, authorities, and responsibilities of the internal audit function.

The Company has appointed an auditor in accordance with Article 14-2 (Qualifications for Auditors) of the Real Estate Investment Company Act. The role of the auditor is to audit the company's accounting and operations in accordance with Article 36 (Auditor(s)' Duties and Obligations). They have the authority to demand reports on the company's business and accounting from asset management company, asset custody company, or fund administrator. They also receive reports on accounting audits from certified public accountants, thereby supervising the execution of duties by the CEO.

Furthermore, in accordance with Article 47 of the Real Estate Investment Company Act, Kendall Square REIT Management Co., Ltd., as an asset management company, has appointed a compliance officer who reports directly to the CEO and has established internal control standards. The compliance officer ensures that the company's employees comply with the Real Estate Investment Company Act, other laws and regulations, and the company's bylaws in managing and conducting business related to the assets. They regularly review whether the basic procedures and standards necessary to soundly invest and manage assets are being followed to protect the interests of investors.

**Article 36 of the Articles of Incorporation (Auditor(s)' Duties and Obligations)**

- ① Auditor(s) shall audit the Company's accounting and general operations.
- ② Auditor(s) may attend the Board of Director's meeting to represent his/her opinion.
- ③ Auditor(s) may request the Board of Directors to convene a meeting of shareholders by submitting a written request stating the business to be dealt with at the proposed meeting and the reason for convening such a meeting.
- ④ Auditor(s) may request the Company's subsidiary(s) to make a report on its (their) operations, if auditor(s) deem it necessary to perform his/her duties.
- ⑤ When Auditor(s) discovers any violation of laws or regulations or any significant risk of damage to the company in relation to the performance of their duties by the directors (or liquidators), they must promptly report it to the board of directors (or liquidator's assembly).

(ii) The Company does not provide training or external expert advisory support specifically for the performance of auditing duties. However, in accordance with Article 43 of the Internal Control Standards for Asset Management Companies, the Compliance Officer of the asset management company conducts regular training for employees to ensure their understanding of prohibited actions, obligations, and other requirements stipulated by relevant laws, internal control standards, and internal regulations.

(iii) In accordance with Article 20 of the Internal Control Standards for Asset Management

Companies, the company has established reporting obligations. Employees are required to report any fraudulent, dishonest, or suspicious activities in relation to their transactions with counterparties or the company to their superiors and the Compliance Officer. If detailed information or cooperation is requested by the company or regulatory authorities regarding such matters, employees are obliged to respond truthfully and cooperate.

Information regarding the auditor and the asset management company is clearly stated in all relevant reports and on the company's website, accessible to anyone and transparently disclosed. Additionally, there are no separate costs allocated for supporting auditor beyond their compensation.

(iv) The Company's auditor is conducted by a non-full-time auditor, and the company is a real estate investment trusts that does not have full-time employees. The company does not have an audit committee or resident auditors.

(v) The single auditor in the company is a non-resident auditor who independently performs auditing tasks and receives reports related to the company's business, financial situation, and accounting audits. Therefore, access to information related to the company's management and matters that may have a significant impact on its management by the internal auditing organization is not possible without the company's authorization.

**c. Explain whether the Company provides remuneration at a level that corresponds to the legal responsibilities of the auditor and supports diligent performance of their duties.**

The company sets remuneration at an appropriate level, taking into consideration the importance of job performance and the average remuneration in the industry.

**d. (If there is no audit committee) Please provide information on whether there are plans to establish an audit committee in the future and explain the reasons for not having an audit**

**committee.**

The company has not established an audit committee as it is not required to do so under Article 49, Paragraph 1 of the Real Estate Investment Company Act, which excludes the application of Article 542-11 of the Commercial Act. However, if there are any reasons in the future, such as amendments to relevant laws and regulations, that require the establishment of an audit committee, the company has plans to establish one.

**e. Explain whether the independence and expertise of the internal audit function have been adequately ensured.**

The audit function examines the company's accounting and operational activities and oversees the performance of duties by the directors and management (outsourced companies) to enable them to make sound management judgments. The company ensures that the audit function maintains independence and objectivity from the board and management by operating from an independent position. The audit function carries out its duties in an objective manner while maintaining independence from the executing entities such as the board and management.

**(Sub-principle 9- ②)**

**Internal audit bodies such as the audit committee shall faithfully carry out auditing duties, such as holding regular meetings, and shall disclose their history of activities transparently.**

**► Activities of the Internal Body**

(i) The internal audit function activities during the disclosure period from the beginning of the fiscal year to the date of document submission (January 1, 2022, to May 31, 2023)

The company conducted regular audits, interim audits, and year-end audits as part of internal monitoring activities. Any findings or recommendations from the audits were promptly reported to the CEO and the Board, and appropriate follow-up actions were taken at the relevant times.

In accordance with Article 51 of the Articles of Incorporation, the auditor performs audit activities on

the company's financial statements and operations for each fiscal year and prepares an "Internal Audit Report" to report the results. For the current disclosure period, the 5th fiscal year (December 1, 2021, to May 31, 2022) was conducted, and the Internal Audit Report was submitted to the CEO on July 19, 2022. Similarly, for the 6th fiscal year (June 1, 2022, to November 30, 2022), the Internal Audit Report was submitted to the CEO on January 13, 2023.

(ii) The Company has not established an audit committee.

(iii) The Company's auditor operates in accordance with Article 51 (Approval and Disclosure of Financial Statements) of the Articles of Incorporation. After receiving reports on the company's financial statements and business operations from the CEO, the auditor attends the Board of Directors' meetings to obtain approval. They review the accounting books and related documents, conduct financial statement audits, and submit the results in the form of an Internal Audit Report to the CEO.

<p><b>(Core principle 10) External auditors:</b></p> <p><b>In order to make certain that the shareholders and other users have confidence in the corporate financial information, an external auditor must perform his/her auditing tasks fairly and independently from the corporation audited, including its management and controlling shareholders.</b></p>
<p><b>(Sub-principle 10- ①)</b></p> <p><b>The internal audit body shall set up a policy to guarantee independence and expertise when appointing an external auditor.</b></p>

► **Policy on appointment and operation of external auditors**

( i ) According to the approved regulations at the second Audit Appointment Committee held on July 8, 2022, the company has strengthened the fairness of the criteria and procedures for appointing external auditors. The company has received proposals from accounting firms and each member of



the Audit Appointment Committee evaluates them according to the evaluation criteria. Based on the aggregated evaluation results, the company selects the external auditors.

(ii) Based on Article 10, Paragraphs 3 and 4 of the Act on External Audit of Stock Companies, the Company operates by establishing a separate Audit Appointment Committee instead of an Audit Committee. Furthermore, according to Article 12, Paragraph 2 of the Enforcement Decree of the External Audit of Stock Companies Act (Audit Appointment Committee), the committee consists of at least five members, including one chairman. The committee members are individuals who meet the qualifications specified in each subparagraph of Article 12, Paragraph 1 of the same decree, which include expertise in management, accounting, law, or external auditing. However, in cases where there is no individual who meets the qualifications of each subparagraph, the company appointing the auditor independently forms the members of the Audit Appointment Committee, consisting of individuals who can conduct fair deliberations and possess expertise in management, accounting, law, or external auditing. Additionally, according to Article 12, Paragraph 4 of the Enforcement Decree of the External Audit of Stock Companies Act, the committee meetings are convened with the attendance of at least two-thirds of the members and the resolutions are passed with the approval of the majority of the attending members.

In accordance with the regulations for the appointment of external auditors, the company convened the second Audit Appointment Committee on July 8, 2022, for the 6th to 8th fiscal years. The committee consisted of a total of five members. Based on the approved evaluation criteria at the second Audit Appointment Committee, the proposal from Samil Accounting Firm was evaluated, and it was approved as the external auditor with the support of all five attending members. The composition of the second Audit Appointment Committee is as follows.

Composition			Personal information and relationships	Note
Position	Name	Affiliation		

Chairman	Sangoh Han	Kim & Chang	A member with independence and expertise separates from the company, as stipulated in Article 8, Paragraph 2, Clause 5 of the regulations for the appointment of external auditors.	Certified public accountant
Committee Member	Younggu Kang	IGIS Asset Management	An employee of institutional investors, as stipulated in Article 8, Paragraph 2, Clause 3 of the regulations for the appointment of external auditors.	Institutional investors executives
Committee Member	Chaejoong Lim	Lee Jung Accounting Firm	A member with independence and expertise separates from the company, as stipulated in Article 8, Paragraph 2, Clause 5 of the regulations for the appointment of external auditors.	Certified public accountant
Committee Member	Taeheon Kim	Daehyeon Accounting Firm	An auditor of the company, as stipulated in Article 8, Paragraph 2, Clause 1 of the regulations for the appointment of external auditors.	Certified public accountant
Committee Member	Heejae Kim	Woori Accounting Firm	A member with independence and expertise separates from the company, as stipulated in Article 8, Paragraph 2, Clause 5 of the regulations for the appointment	Certified public accountant

			of external auditors.	
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(iii) Regarding the appointment of external auditors, the Company held its second meeting on July 8, 2022, during its 6th fiscal year. The Audit Appointment Committee approved the regulations related to the appointment of auditors (Operating Rules of the Audit Appointment Committee) and evaluated whether these regulations were appropriately formulated in accordance with relevant laws and regulations. They also assessed whether the audit plan and timeline were adequate, if the auditor candidates had previous experience in REIT audits, if the compensation was at a reasonable level, and if the external auditors were independent without any relationship to the company. With the support of all five attending members, Samil PWC Accounting Firm was appointed as the external auditor.

(iv) As the current external auditor's term of audit has not yet expired, an evaluation of the external auditor was not conducted. In the future, once the external audit period concludes, the company will make efforts to review and conduct evaluations on whether the external auditor has faithfully executed the audit plan, if the involvement of the external audit responsible director is high, and whether unnecessary documentation requests are made.

(v) The company does not receive any non-audit services such as management consulting through subsidiaries of the external auditors.

**(Sub-principle 10-②)**  
**The internal audit body shall regularly communicate with the external auditor at all stages, such as the stage of implementing said external audit and report of the audit results.**

► **The state of communication between the internal audit function and the external auditors**

(i) The company's internal audit body and external auditors have discussed significant matters

related to external audit on April 12, 2022, August 7, 2022, October 11, 2022, and February 10, 2023, without the presence of management (including unregistered executives). These discussions have been documented in the external audit implementation section of the audit report.

(ii) The external auditors have assessed the company and its industry, developed an overall audit plan, and then held discussions with the auditor of the company to address the auditors' independence, audit plan, and key audit matters during the final stages of the audit.

(iii) The external auditors are required to report key audit matters discovered during the audit. If necessary, the auditors may seek assistance or advice from employees of the asset management company or external experts.

(iv) The company's external auditors are Samil PWC Accounting Firm. They submitted separate financial statements and consolidated financial statements prior to the audit, through the Korea Exchange's disclosure system KIND (<http://filing.krx.co.kr>), on December 23, 2022, six weeks before the 6th regular shareholders' meeting scheduled for February 24, 2023.

## 5. Others

### [Attachment] Compliance with Corporate Governance Key Indicators

Classification	Key indicators	Compliant		Detailed explanation of compliance mark
		○	X	
Shareholder	① Public notice of convocation 4 weeks prior to the general meeting of shareholders *		V	15 days prior to meeting
	② Conduct electronic voting *	V		Started from the 3rd regular general meeting of shareholders

	③ Held outside of the concentration day of the general meeting of shareholders *	V		The date of the previous year's shareholders' meeting immediately prior to the report submission date, February 24, 2023, which avoided AGM concentration days
	④ Notification of dividend policy and dividend implementation plan to shareholders at least once a year **	V		90% or more of profit available for dividend in each business year is distributed to shareholders, Noticed at shareholders' meeting, IR meeting and website.
<b>Board of Directors</b>	⑤ Preparation and operation of CEO succession policy (including emergency appointment policy)	V		Acts as a proxy as determined by the board of directors (refer to detailed principle 3- ②)
	⑥ Establishment and operation of internal control standards	V		Observed compliance with Kendall Square Management Inc. Existence of recognition and internal control standards. (Refer to detailed principle 3-③)
	⑦ Separation of the chairman of the board of directors and the representative director		V	In accordance with laws and the articles of incorporation, the representative director is the board of directors Chairperson (Refer to Detailed Principle 4- ①)
	⑧ Adoption of the concentrated voting system		V	(Refer to detailed principle 4- ③)
	⑨ Establishing a policy to prevent the appointment of executives responsible for undermining corporate value or violating shareholder rights and interests	V		(Refer to detailed principle 4- ④)
	⑩ No outside directors who have served for more than 6 years	V		The company is not obligated to appoint outside directors as stipulated in Article 49, Paragraph 1 of the Real Estate Investment Company Act, and Article 542-8, Paragraph 1 of the Commercial Act.

<b>Audit Bodies</b>	⑪ Providing training for the internal audit body at least once a year **		V	(Refer to Detailed Principle 9- ① )
	⑫ Establishment of an independent internal audit department (internal audit support organization )	V		Appointment of Auditor (Refer to Detailed Principle 9- ①)
	⑬ Accounting or finance to the internal audit body presence of experts	V		1 auditor is a certified public accountant(refer to 9- ① )
	⑭ The internal audit body holds a meeting with external auditors at least once a quarter without the participation of the management **	V		(Sub-principle 10- ② Note )
	⑮ Whether there are procedures in place for the internal audit organization to access important management-related information	V		According to the articles of incorporation, the audit has the authority to request document submission from entrusted companies such as asset management, administrative affairs, and asset custody companies.

\* The reference point of preparation **is as of the report submission date.**

However, items with

\* are based on **the regular shareholders' meeting immediately before the report submission date.**

\*\* For items **subject to disclosure**, it is determined whether or not the content has been fulfilled.

