UPDATED NOTICE OF INTENT

Notice of Intent to Submit a Claim to Arbitration
Under Chapter 8 (Investment) of the
Canada–Korea Free Trade Agreement

1. Claimants

This Notice of Intent is submitted by:

Mr. [redacted] Kim
Ms. [redacted] Lim

Address: [redacted]
Email: [redacted]

The Claimants are nationals of Canada and therefore qualify as protected investors under the Canada–Korea Free Trade Agreement.

The Claimants bring this Notice in their capacity as investors of Canada with respect to a covered investment in the territory of the Republic of Korea.

The Claimants are spouses and joint owners of the investment forming the subject of this dispute.

2. Purpose of this Notice

This Notice constitutes an updated and supplementary notification to the Notice of Intent previously submitted by the Claimants in March 2023.

Since that time, the Republic of Korea has adopted and implemented additional measures that have further aggravated the damage suffered by the Claimants.

Accordingly, this Notice provides updated information regarding the continuing breaches of the Respondent's obligations under the Canada–Korea Free Trade Agreement.

Unless this dispute is resolved within the consultation period provided by the Agreement, the Claimants intend to submit the dispute to international arbitration.

3. Investment

The Claimants own real property located within the Sindang 8 District Urban Redevelopment Project in Seoul.

This property constitutes a covered investment within the meaning of the Canada–Korea Free Trade Agreement.

4. Measures at Issue

The dispute arises from a series of governmental and administrative measures implemented through Korea's urban redevelopment system, including, inter alia:

- approval of the redevelopment project;
- approval of the project implementation plan;
- approval of the management disposition plan;
- administrative actions enabling the compulsory redevelopment process.

These measures have progressively deprived the Claimants of the use, enjoyment, and economic value of their property.

5. Recent Developments

Since the Claimants submitted their previous Notice of Intent in March 2023, several significant developments have occurred.

(1) Design Modification

Following approval of the management disposition plan on 31 May 2024, substantial design modifications have been implemented within the redevelopment project.

(2) Replacement of the Construction Contractor and High-End Development

The original construction arrangement was terminated and replaced with a new construction plan involving POSCO Engineering & Construction.
The project is now being developed under a high-end residential brand known as "HAUTERRE."
This change reflects a significant upgrade in the market positioning and commercial value of the project.

(3) Significant Increase in Sale Prices

Following these modifications, the anticipated sale prices of the redeveloped units have increased substantially, reflecting the upgraded nature of the project.

(4) Increase in Total Project Costs

The officially approved project cost increased from:
KRW[redacted] (2018) to KRW [redacted] (2026) representing an increase of approximately KRW[redacted]
This substantial increase demonstrates the significantly enhanced commercial value of the redevelopment project.

(5) Amendment of the Project Implementation Plan

In March 2026, the competent authorities approved an amendment to the Project Implementation Plan for the Sindang 8 District redevelopment project.

This amendment reflects the design changes and the substantial increase in total project costs described above, and constitutes an additional governmental measure affecting the Claimants' investment.

It also confirms the Respondent's continuing involvement in and approval of the evolving redevelopment scheme.

(6) Anticipated Further Modifications

The Claimants understand that an additional modification to the management disposition plan may be approved, which may further affect the legal and economic position of property owners within the redevelopment zone.

(7) Nature of Participation in the 2026 Allocation Process

The Claimants clarify that their intended participation in the upcoming June 2026 distribution application is a **mandatory mitigation measure** taken under **economic duress**. Given the Respondent's systemic undervaluation and the predatory terms of the 'cash liquidation' option, this is the only viable path to preserve the investment's core value from an immediate and irreversible wipe-out. Therefore, such participation is performed **'under protest'** and shall not be construed as a voluntary acceptance of the domestic compensation scheme or a waiver of any treaty rights under the CKFTA.

6. Valuation of the Investment

The Claimants consider that the compensation provided within the redevelopment framework does not reflect the **fair market value** required by Article 8.12 of the CKFTA. An independent valuation by **Kroll** indicates a fair market value of approximately **USD [redacted] (approx. KRW [redacted])**, while the Respondent's assessment remains at approximately **KRW [redacted]**. The Claimants specifically claim the **'Valuation Gap'**—the difference between the true Fair Market Value and the distorted domestic allocation price—as compensable damages.

7. Treaty Breaches

The measures described above constitute violations by the Republic of Korea of its obligations under the Canada–Korea Free Trade Agreement, including:

- unlawful expropriation in breach of Article 8.12 (Expropriation) of the CKFTA;

- failure to provide fair and equitable treatment in breach of Article 8.5 (Minimum Standard of Treatment);

- failure to accord treatment consistent with international law standards in breach of Article 8.5;

- denial of full protection and security in breach of Article 8.5.

The Claimants further note that the Respondent's conduct represents a continuing course of conduct that has progressively deprived the Claimants of the value of their investment.

8. Consultation and Final Opportunity

The Claimants remain prepared to engage in discussions should the Respondent wish to resolve this dispute.

However, absent a prompt and satisfactory resolution, the Claimants intend to submit this dispute to international arbitration.
This Notice therefore constitutes the final opportunity for the Respondent to address the violations described above.

The Claimants intend to submit the dispute to arbitration under the ICSID Convention.

9. Reservation of Rights

The Claimants expressly reserve all rights under the CKFTA and international law, including the right to supplement this Notice. Crucially, this reservation of rights extends to all actions taken within the domestic redevelopment process; **participation in the allocation or any subsequent housing contracts does not constitute a waiver of the Claimants' standing to pursue arbitration** for unlawful expropriation and the failure to provide fair and equitable treatment.

Respectfully submitted,

Mr [redacted] Kim [redacted] [redacted] [redacted]

Ms [redacted] Lim [redacted]

Dated: April 2, 2026