

Corporate Governance Rating

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Sector: Real Estate Investment Trust (REIT)

Halk Gayrimenkul Yatırım Ortaklığı A.Ş.

Ratings

Overall Score	9.21	AAA(Trk)/aa (Stable)
Shareholders	9.12	AAA(Trk)/aa (Stable)
Public Disclosure & Transparency	9.46	AAA(Trk)/aa (Stable)
Stakeholders	9.44	AAA(Trk)/aa (Stable)
Board of Directors	9.00	AAA(Trk)/aa (Stable)

Company Profile

Trade Name	Halk Gayrimenkul Yatırım Ortaklığı A.Ş.
Address	Barbaros Mah. Begonya Sk. WBC İş Merkezi N:2H Ataşehir/İstanbul
Chairman	Mr. Fatih Şahbaz
General Manager	Mr. Erdal Bekin
Investor Contact	Phone: +90 216 600 10 33 ir@halkgyo.com.tr
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Company Overview

Halk Gayrimenkul Yatırım Ortaklığı A.Ş. (Halk GYO or the Company), (credit ratings by JCR Eurasia Rating on April 25, 2024: **"AAA (tr)/Stable"** on the Long-Term National Scale and **"J1+ (tr) Stable"** on the Short-Term National Scale) was founded in 2010 as a subsidiary of Türkiye Halk Bankası A.Ş. (hereinafter referred to as Halkbank). Halk GYO's shares have been listed on the Borsa İstanbul (BIST) index with the ticker symbol of 'HLGYO' since February 2013 with a current free-float rate of 20.67% whilst Halkbank is the controlling shareholder with a rate of 79.33%.

The main operating field of Halk Gayrimenkul Yatırım Ortaklığı A.Ş. is to manage a portfolio consisting of real estate, real estate projects, rights based on real estate, capital market instruments and other assets and rights to be determined by the Capital Market Board (CMB). The Company's operating principles with respect to portfolio investment policies and management restrictions are in compliance with the regulations of the CMB and relevant legislation. Investment property portfolio of the Company consists of lands, ongoing project and rental properties which are used as bank branches, bank headquarter, store and hotels. The Company's current registered capital ceiling is TRY 7.50bn and its paid-in capital is TRY 3.68bn.

There are two independent members in the six-member board of directors, the majority of which are non-executive members, and only the general manager has undertaken executive duties in addition to his board membership. Five functional committees have been established under the Board of Directors: Audit, Corporate Governance, Early Detection of Risk, Remuneration and Sustainability. The total number of employees across the Company's operations was 38 as of September 2024. BIST Indices that the Company is included can be listed as BIST Corporate Governance / BIST Stars / BIST All Shares-100 / BIST All Shares / BIST Real Est. Inv. Trusts / BIST Financials and BIST 500.

Strengths

- Dedicated Investor Relations Department committed to safeguarding and ensuring the effective exercise of shareholders' rights.
- Ensuring comprehensive access to information for both domestic and foreign investors through website.
- Preparing detailed annual report with strong adherence to legislation and principles,
- Presence of two members on the Board of Directors meeting the independence criteria,
- Well-structured committees with clearly outlined responsibilities, chaired by independent members.
- Extensive and efficient risk management, internal control and audit mechanism, developed in compliance with principles and organizational framework,
- Comfortable, safe and healthy working environment supported with occupational health and safety (ohs) principles.

Constraints

- The privilege of Group A shares to appoint the majority of the Board of Directors,
- Lack of internal regulations to extend minority rights beyond the provisions of existing legislation,
- Non-disclosure of individual remuneration for the Board and top management,
- Absence of female representation on the Board and the lack of a policy to address this matter,
- The Directors & Officers (D&O) liability insurance coverage remaining below 25% of the Company's capital.
- Non-existence of a performance evaluation system for the Board of Directors.