

CORPORATE GOVERNANCE RATING REPORT**VAKIF GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.****DATE:** 22.09.2023**LEAD ANALYST:** CENGİZ CEYLAN

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CORE BUSINESS:

REAL ESTATE INVESTMENT TRUST-REIT

NEW:☒**UPDATE:**☐

COMPANY PROFILE		
VAKIF GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. Saray Mahallesi Dr. Adnan Büyükdeniz Caddesi Akyaka park No: 7/A Kat:13-14 Ümraniye/ İSTANBUL Tel: +90 216 285 94 00 www.vakifgyo.com.tr yatirimciliskileri@vakifgyo.com.tr CHAIRMAN: Mikail HİDİR GENERAL MANAGER: Onur İNCEHASAN INVESTOR RELATIONS: Ebru BOZDOĞANGİL INVESTOR CONTACT : +90 216 285 94 08	Vakıf Gayrimenkul Yatırım Ortaklığı A.Ş. (Vakıf GYO or the Company) is a capital market institution that can invest in real estate, real estate-based capital market instruments, real estate projects, real estate-based rights and capital market instruments, establish ordinary partnerships to realize certain projects and engage in other activities permitted by the Capital Markets Board regulations. Founded on January 12, 1996 as Türkiye's first Real Estate Investment Partnership Company, Vakıf GYO continues its activities in accordance with the Real Estate Investment Partnership Communiqué of the Capital Markets Board published in the Official Gazette No. 28660 dated May 28, 2013. Vakıf GYO, whose Head Office is located in İstanbul, provides services with a total of 40 employees as of June 30, 2023. The capital is divided into two groups: A and B. Group A shares are registered shares and their ratio to the capital is 35.52% as of 20.09.2023, and Group B shares are bearer shares and their ratio to the capital is 64.48%. As of 20.09.2023, 53.77% of Vakıf GYO's shares belongs to Türkiye Vakıflar Bankası T.A.O., 7.33% belongs to Vakıfbank Personeli Özel Sosyal Güv. Hiz. Vakfı, 6.48% belongs to Vakıfbank Memur ve Hizmetleri Emekli sandığı. 32.42% of the Fund consists of other shares. Vakıf GYO offered its shares to the public on December 24, 1996 and was included in the Borsa İstanbul (BİST) Corporate Governance Index as of September 30, 2021. While Vakıf GYO's assets increased by 45.1% compared to the previous year, reaching 6.7 billion ₺, by the end of 2022, its equity capital increased by 95.5% compared to 2021, reaching 4.8 billion ₺, and its net profit increased by 391% to 2,332 million ₺. Total liabilities, which were 2,179 million ₺ in 2021, decreased by 11.4% to 1,930 million ₺ in 2022.	
OVERALL RATING	9,33 *	
	NR	Summary Commentary
SHAREHOLDERS	9,00	Vakıf GYO is highly compliant with the legislation; articles of association and internal regulations have been established to ensure the exercise of shareholders' rights. Improvements in minority rights will further improve the quality of corporate governance in global terms.
	NR	
PUBLIC DISCLOSURE AND TRANSPARENCY	9,52	Vakıf GYO's public disclosure and transparency policy, financial statements, annual reports, material event disclosures, detailed and comprehensive corporate website are at parallel with global best practices. With the recent improvements, it is believed that a good performance has been achieved in this field.
	NR	
STAKEHOLDERS	9,47	Relations with stakeholders, managed according to policies determined within the framework of corporate governance principles, are above Türkiye's averages. Corporate social responsibility initiatives are taken and implemented.
	NR	
BOARD OF DIRECTORS	9,39	The Board of Directors fulfills its duties and responsibilities effectively. The Board of Directors, committees, senior management and partnership structure are explained in detail. Support for the effective functioning of the committees was provided by the Board of Directors and the results of their work were taken into account. Members of the Board of Directors of Vakıf GYO have been provided with liability insurance for an amount exceeding 25% of the capital.
	NR	

*Previous ratings are at the right bottom of the cells. NR: Not rated by DRC RATING.

Compliance scores with corporate governance principles reflect our opinion regarding the importance given by Vakıf GYO to the Corporate Governance Principles, the success and effectiveness of the Investor Relations Department in the implementation of these principles, the presentation of the information on the website in English for the benefit of international investors, the annual Integrated Annual Reports, the protection of the rights of the stakeholders by legislation, contracts and detailed policies, the management of Vakıf GYO by considering its short-medium-long term interests with the strategic decisions taken by the Board of Directors, and the desire to carry out its activities in accordance with the Corporate Governance Principles.

Shareholders

Vakıf GYO Shareholding Structure (September 20th, 2023)

	Ownership Share (1,000 ₺)	%
T. Vakıflar Bankası Türk Anonim Ortaklığı	923,507	53.77
Vakıfbank Personeli Özel Sosyal Güv. Hiz. Vakfı	125,911	7.33
Vakıfbank Memur ve Hizmetleri Emekli Sandığı	111,211	6.48
Other	556,871	32.42
Total	1,717,500	100

Vakıf GYO complies with the relevant legislation, articles of association and other internal regulations in protecting and exercising the rights of its shareholders. Job description and functions of the Investor Relations Department, which was established to protect the rights of shareholders have been put into writing in accordance with the law, notifications and principles (in short, the legislation). Investor Relations Department operations are carried out

by a group of 2 employees with high-level knowledge and experience. The announcements made on KAP and Vakıf GYO's corporate website, with careful timing, include information in quality and quantity that can meet the needs of potential investors as well as existing shareholders.

Public Disclosure and Transparency

Vakıf GYO's website is actively used to inform shareholders and information is constantly updated. Trade registry information, latest partnership and management structure, detailed information about privileged shares, final version of the articles of association, material event disclosures, financial reports, annual reports, investor presentations, prospectus, general assembly meeting agendas, minutes of the list of attendees as required by the legislation, proxy voting form, profit distribution policy and ethical rules have been published on the Vakıf GYO website. Also on Vakıf GYO's website; under the heading of committees' working principles, donation policy, material event disclosures, important board decisions, dividend payment and capital increase information, social responsibility activities, information about senior management and the Board of Directors, and a calendar of events and developments that may concern investors are included. The publication of Vakıf GYO's financial statements and material event disclosures on its website in accurate, complete and understandable English to help beneficiaries make decisions has been evaluated positively within the framework of global corporate governance principles.

Stakeholders

Rights of stakeholders are protected by legislation, contracts and detailed policies. Regarding the protection of the rights of stakeholders, compensation policy, customer satisfaction policy, occupational health and safety policy, human rights and employee rights policy, board meetings procedure, procedure for the participation of employees in management bodies, corporate social responsibility policy and equality of opportunity, diversity and gender equality policy have been added to the website. Necessary mechanisms have been established so that stakeholders can report Vakıf GYO's possible transactions that are contrary to legislation and unethical to the relevant units. The detailed and written Vakıf GYO Code of Ethics has been evaluated positively in terms of global corporate governance principles. In addition, a written compensation policy for employees was created and shared with the public on the corporate website.

Board of Directors

Determining its main objectives as "The Power of Custom, The Build of the Future", Vakıf GYO's Board of Directors maintains a management that takes into account the short-medium-long-term interests of Vakıf GYO, with a rational and prudent risk management approach, by keeping the risk, growth and return balance at the optimal level. Vakıf GYO's management bodies consist of the General Assembly, the Board of Directors, senior management and the Early Detection of Risk Committee, Corporate Governance Committee and Audit Committee reporting to the Board of Directors. The board of directors determined Vakıf GYO's strategic goals, identified the human and financial resources that would be needed, and monitored the performance of Vakıf GYO management. The distribution of duties among the board members is explained in the annual report. The Board of Directors carries out its activities in a transparent, accountable, fair and responsible manner. The fact that all board members other than the general manager are non-executive members has been viewed as highly positive in the field corporate governance. It has been concluded that the board members of Vakıf GYO have sufficient knowledge and experience in the real estate sector.



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