

CORPORATE GOVERNANCE RATING REPORT

MHR GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

DATE: 31.12.2024

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CORE BUSINESS:

REAL ESTATE INVESTMENT TRUST-REIT

NEW:

☒

UPDATE:

☐

COMPANY PROFILE		
MHR GAYRİMENKUL YATIRIM ORTAKLIĞI AŞ Quick Tower, İçerenköy Mah. Umut Sokak No:10-12 34752 Ataşehir İstanbul Tel: +90 (216) 227 58 00 www.mhrgyo.com.tr yatirimciiliskileri@mhrgyo.com.tr CHAIRMAN: Mahmut ERDEMOĞLU GENERAL MANAGER: Şualp Nurkan KAÇMAZ INVESTOR RELATIONS: Ebru BOZDOĞANGİL INVESTOR CONTACT : +90 (216) 227 58 00		MHR Gayrimenkul Yatırım Ortaklığı AŞ (MHR REIT or the Company), changed its title to MHR Gayrimenkul Yatırımları AŞ with the acquisition of AND Anadolu Gayrimenkul Yatırımları AŞ on 30.03.2021 by Quick Sigorta AŞ and Corpus Sigorta AŞ, subsidiaries of Maher Yatırım Holding. On 12.01.2023, the Company was transformed into a real estate investment trust with the title "MHR Gayrimenkul Yatırım Ortaklığı AŞ" following its application to the Capital Markets Board. Following this change, the Company became the first REIT with insurance company subsidiaries. Headquartered in Istanbul, MHR REIT has 12 employees as of September 30th, 2024. The share capital is divided into two groups as Group A (Registered 186 million shares) and Group B (Bearer 641 million shares); the issued capital is ₺ 827 million, fully paid and consists of 827 million shares with a nominal value of ₺ 1 each. The transfer of registered shares cannot be restricted. On the date of completion of the public offering, the entire share price of ₺ 890,100,000 was paid in cash to the Company and the issued capital of ₺ 620 million was increased to ₺ 827 million within the registered capital ceiling of ₺ 3 billion. The amendment of Article 8 of the Articles of Association titled "Capital and Shares" was approved by the Capital Markets Board with its letter dated 20.11.2023 and numbered 45441 and registered in the Trade Registry on 30.11.2023.
OVERALL RATING	8,73	Summary Commentary
SHAREHOLDERS	9,34	MHR REIT attaches importance to the exercise of shareholders' rights. The notifications made before the general assembly and the manner in which the general assembly is held comply with the legislation, articles of association and internal regulations. Improvements in the Company's articles of association regarding minority rights and the attendance of the chairman of the board of directors, CEO, members of the audit committee and all members of the board of directors to the general assembly meetings will be considered positive in terms of compliance with corporate governance principles.
PUBLIC DISCLOSURE AND TRANSPARENCY	9,00	The Company has a regular and up-to-date corporate website. The investor relations section on the corporate website has been made easier to use, thereby accelerating shareholders' access to information. The annual report complies with the legislation, is comprehensive and informative. Disclosing the financial statements and footnotes in English and providing information on whether the targets set in the previous periods have been achieved or not and their justifications will be considered positive in terms of compliance with corporate governance principles. Benefits provided to senior executives are disclosed in total in the annual report.
STAKEHOLDERS	8,44	MHR REIT sets targets and allocates resources to improve its human resources accumulation and competencies. An employee compensation policy was formed and disclosed to the public. Corporate social responsibility and sustainability efforts are ongoing. Succession planning and employee share acquisition plans have not yet been established. There are no unionized employees.
BOARD OF DIRECTORS	8,21	Board members have sufficient experience in the real estate sector. It has been observed that the performance evaluation of the board of directors has not been conducted yet. Duties and authorities of the board members are not disclosed in the annual report. Any damage to the



Company caused by the members of the board of directors due to their negligence during the execution of their duties is not insured for an amount exceeding 25% of the Company's capital. There are no female members on the board of directors; however, the Company has established a company policy regarding a target rate of not less than 25% for the proportion of female members on the board of directors. The board members are not restricted or bound by certain rules to assume other duties or tasks outside the Company. Some board members served on more than one committee. The Committees did not make use of independent expert opinions on matters they deemed necessary in relation to their activities.

Corporate Governance Principles compliance ratings reflect our opinion on the importance attached by MHR REIT to the Corporate Governance Principles, the effectiveness of the Investor Relations Department in the implementation of these principles, the efforts made to facilitate shareholders' access to information on the corporate website, the absence of any plans for employees to acquire shares in the Company, and the willingness of the Board of Directors to carry out its activities in accordance with the Corporate Governance Principles.

Shareholders

MHR REIT Shareholding Structure		
September 30 th , 2024	Ownership Share (1.000 ₺)	%
Quick Sigorta AŞ	537.387.067	64,98
Corpus Sigorta AŞ	104.133.400	12,59
Other	185.479.533	22,43
Total	827.000.000	100

- The General Assembly meeting of MHR REIT for the year 2023 was held on June 28, 2024 at 14:00 at the Company headquarters.
- The Investor Relations Department manages the Company's relations with shareholders. Investor Relations Director Ms. Ebru BOZDOĞANGİL holds Capital Market Activities Level 3, Corporate Governance Rating Licenses and Electronic General Assembly System (E-GES) Certificate.
- The Investor Relations Department responded to 73 e-mail applications for information in 2024 on the same day.
- MHR REIT management refrained from taking actions that would make it difficult to conduct a special audit. We have been informed that there is no shareholder's request for a special purpose audit.
- Pursuant to Article 1.3.10 of the Corporate Governance Principles, the General Assembly was informed about the aids and donations made by the Company in 2023 under a separate agenda item.
- The Company's dividend distribution policy is disclosed to the public on the corporate web site.
- MHR REIT pays special attention to informing shareholders and investors through its corporate website. Practices that facilitate shareholders' access to information on the corporate website have been evaluated positively in terms of corporate governance ratings.

Public Disclosure and Transparency

- The website "www.mhrgyo.com.tr" is used for public disclosures and the information contained therein is kept up to date.
- The information on the website is available in English as well as Turkish for the benefit of international investors. However, the financial statements are published only in Turkish.
- The annual report of the board of directors has been prepared in sufficient detail to provide the public with complete and accurate information about the Company's activities. The annual report includes the period of the report, resumes of the chairman and members of the board of directors and committees, information on the sector and the Company's position in the sector, general information on products and services, detailed information on current and ongoing projects, developments in investments, corporate governance information form, corporate governance compliance report and declarations of independence of independent board members.
- In the annual report, remuneration paid to board members is disclosed on an individual basis; however, all benefits provided to senior executives are disclosed collectively and are not differentiated in terms of individuals and types of payments.

- We have been informed by the Investor Relations Department that there is no warning or penalty for not making material event disclosures when required.

Stakeholders

- Stakeholders are defined in the Corporate Governance Principles as individuals, institutions or interest groups such as employees, creditors, customers, suppliers, trade unions, various non-governmental organizations that have an interest in achieving the company's objectives or in its activities.
- The Company endeavors to protect the rights of stakeholders within the framework of relevant regulations, contracts and good faith rules.
- Policies and procedures regarding the rights of stakeholders are published on the corporate website.
- The management has determined a human resources policy covering the working conditions, personal rights, duties and responsibilities of the employees and disclosed it to the public on the corporate web site. The Company has established a written "Compensation Policy" for employees and disclosed it to the public on the corporate web site. There is no collective bargaining agreement for employees. Employees benefit from private health insurance. There is no share acquisition plan for the employees of the Company. Human Resources Policy and Occupational Health and Safety Policy are published on the corporate website.
- In cases where it is foreseen that changes in executive duties may cause disruptions in the management of the company, no succession planning has been made for the determination of new executives to be appointed.
- Important information for stakeholders such as dividend distribution, donations and grants, disclosure, remuneration, ethical principles and sustainability policies, working principles of the board committees, stakeholder satisfaction and grievance management, corporate social responsibility, policies on stakeholders' participation in management bodies and informing stakeholders are available on the corporate web site.

Board of Directors

- Boards of directors are one of the cornerstones of success for corporate governance. Boards of Directors are also an indicator of a company's reputation.
- The Company's management bodies consist of the General Assembly, the Board of Directors, senior management and the Early Detection of Risk, Corporate Governance and Audit Committees reporting to the Board of Directors. In addition to its primary duties, the Corporate Governance Committee also carries out the duties of the Nomination Committee and the Remuneration Committee.
- The term of office, professional experience and detailed background information of the members of the board of directors are disclosed to the public in the annual report and on the corporate web site; however, the authorities and duties of the board members are not clearly stated. Members of the Board of Directors are not restricted from assuming other duties or tasks outside the Company.
- Pursuant to Article 4.2.8 of the CMB Communiqué, no liability insurance has been taken out for an amount above 25% of the Company's capital for damages that may be caused by the members of the Board of Directors during the execution of their duties.
- There are no female members on the board of directors; however, the Company has established a company policy regarding a target rate of not less than 25% for the proportion of female members on the board of directors.
- Board members serve on more than one committee. Due to the requirement of the Corporate Governance Principles that the chairmen of the committees must be independent members, independent board members Mr. Kerim Erhan DUMANLI and Mr. Müşfik CANTEKİNLER served on more than one committee.
- We have been informed that no loans were extended to any of the members of the board of directors or executives with administrative responsibilities, no loans were given or the term of the loans was extended, the terms of the loans were not improved, no loans were extended under a personal loan title through third parties or guarantees such as surety were given in favor of them.
- It has been learned that there are no administrative or judicial sanctions imposed on the Company and/or the members of the board of directors due to practices contrary to the provisions of the legislation.

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