



MAVI COMPLIANCE POLICY

1. OBJECTIVE AND SCOPE

This Compliance Policy ("Policy") constitutes an integral part of the Compliance Program of Mavi Giyim Sanayi ve Ticaret A.Ş. ("Mavi" or "Company"). This Policy is intended to provide for its framework ensuring Mavi's compliance with all applicable laws, regulations, internal policies, procedures, best corporate governance practices, and ethical principles.

The Compliance Policy comprises:

1. The general definitions
2. The core principles regarding the operating procedures of the compliance organization

2. DEFINITIONS

Business Partner(s): Refers to all representatives acting on behalf of or for the company, including but not limited to suppliers, manufacturers, subcontractors, franchisees, and consultants.

Compliance Executives: An employee of the Legal and Compliance Department who reports to and is authorized by the Chief Legal and Compliance.

Compliance Obligations: Refers to the responsibilities, duties and liabilities to comply with all the laws, regulations, internal policies, procedures, best corporate governance practices, and ethical principles.

Compliance Officer: Refers to the person/people authorized to conduct investigations/reviews and use the Central Incidence Recording System within the scope of authority assigned to them.

Compliance Policy: Refers to this regulation, which constitutes an integral part of the Compliance Program at Mavi and which provides for the framework to ensure compliance with all applicable laws, regulations, internal policies, procedures, best corporate governance practices, and ethical principles.

Compliance Program/Program: Refers to the entire compliance organization including the set of policies and procedures introduced to protect Mavi against Compliance Risks.

Compliance Risk(s): Refers to the risks that may arise when laws, regulations, internal policies, procedures, best corporate governance practices, and ethical principles are violated, which as a consequence, lead to Mavi's reputation being damaged, suffering financial loss or legal sanctions.

Compliance Unit: Refers to the unit authorized to perform the duties defined in this Policy regarding Compliance Risks and Compliance Obligations.

Ethics Committee: Refers to the committee that is responsible for investigating and resolving complaints and notifications regarding violations of laws, regulations, internal policies, procedures, best corporate governance practices and ethical principles.

Ethics Line Channels: Refers to the support line operated by a third party/third parties, completely independent from Mavi, enabling the reporting of non-compliance detected or witnessed in Turkey and other countries, voicing concerns or asking questions, 24/7 by phone or via a dedicated website.

Mavi Management: Refers to, collectively and individually, the members of the Board of Directors of Mavi Giyim Sanayi ve Ticaret A.Ş., the CEO and executives with administrative responsibilities reporting to the CEO, and the country directors or executives with the highest level of administrative responsibilities authorized to represent Mavi Giyim Sanayi ve Ticaret A.Ş. affiliates and subsidiaries.

Mavi: Individually Mavi Giyim Sanayi ve Ticaret A.Ş. and collectively Mavi Giyim Sanayi ve Ticaret A.Ş.'s subsidiaries, and affiliates.

Retaliation: Refers to demotion, disciplinary measures, dismissal, salary decrease, job transfer or similar sanctions imposed on Mavi employees due to their reporting of unjust treatment, safety concern, management weakness, duty or power abuses, or legislation infringements.

3. AUTHORITY AND RESPONSIBILITY

This Policy is drafted by the Mavi Legal and Compliance Division and published with the approval of the Board of Directors. The Legal and Compliance Division will review this Policy at regular intervals or as required.

Mavi is responsible for ensuring that all its employees comply with this Policy.

The authorized body Ethics Committee or Discipline Committee has the right to impose disciplinary action, including the termination of employment contracts depending on the nature of the violation, in the event of this Policy being violated.

4. CORE PRINCIPLES OF THE COMPLIANCE POLICY

This Policy is based on the following core principles.

☐ Integrity and Reputation Are Important Values of Mavi

Mavi aims to adopt good behaviour patterns and protect its organizational reputation. Accordingly, Mavi expects its employees and all Business Partners to:

1. adhere to the laws, regulations, ethical principles applicable to the countries in which they operate and fully comply with such regulations and rules,
2. fully implement this Policy and other Mavi policies and procedures.

☐ Mavi Management Takes Ownership of the Compliance-related Activities

Mavi Management has taken, takes and will take ownership of all such activities to ensure compliance with laws, regulations, internal policies, procedures, best corporate governance practices, and compliance. Mavi Management is responsible for providing the necessary means and resources for employees and all Business Partners to comply with such regulations. Mavi Management has formed a Legal and Compliance Division with adequate staff and resources to oversee regulatory compliance of the same.

□ **Mavi Management Sets an Example for Mavi Employees with its Compliance Practices**

Mavi Management has set, sets and will set example to all Mavi employees by the decisions it has made, makes and will make and by the practices it implements and promotes. Mavi Management has taken, takes and will take the necessary measures to ensure that all Mavi employees adhere to laws, regulations, internal policies, procedures, best corporate governance practices, and ethical principles, and has reinforced, reinforces and will reinforce such measures with exemplary actions.

□ **All Mavi Employees Share Responsibility for Compliance**

Compliance is a shared responsibility for every Mavi employee, regardless of their position. This responsibility requires a strong commitment to compliance and a sense of accountability. Each employee is required to fulfill their compliance obligations with guidance and supervision from the Mavi Management and Compliance Executives.

□ **Mavi Management Effectively Monitors Compliance**

Mavi Management is required to ensure the effectiveness and integrity of compliance processes. Mavi monitors the Compliance Risks and takes necessary measures through risk management processes and tools, which are an integral part of the Program.

Responsibility for identifying Mavi's Compliance Risks falls first and foremost on the employees who are process owners. All departments at Mavi are responsible for identifying business-related risks and taking mitigating measures as the first step to identify and assess Compliance Risks.

In order to better understand the Compliance Risks, practices such as surveys, workshops and one-to-one interviews shall be carried out.

Compliance Executives are responsible for coordinating, communicating and ensuring the effectiveness of the Compliance Risk identification and assessment process across the organization.

The scope of the Compliance Risk assessment process includes but is not limited to the "Compliance Commitments" in this Policy.

Compliance-related processes may be updated as and when needed (*updating relevant policies and procedures, recommending process changes, organizing training programs, and providing information, etc.*) by considering Mavi's current and potential risk exposure.

□ **Compliance Risks are Reported Periodically**

Compliance Executives submit monthly Compliance Reports to the Ethics Committee. These reports, which are also submitted to the Board of Directors on a quarterly basis by the Ethics Committee, provide information on significant developments regarding Compliance Obligations, activities for managing Compliance Risks, and recommendations for addressing potential measures based on these activities.

□ **Mavi Employees are Required to Comply with this Policy**

Complying with the provisions of this Policy is mandatory. The objective of the provisions in this Policy is to provide for a general framework of Compliance Obligations. However, this Policy is not limited to all matters to be adhered to regarding Compliance Obligations.

In addition to the provisions of this Policy, Mavi employees are also required to comply with applicable laws regulations, ethical principles, and all other applicable policies and procedures.

5. COMPLIANCE COMMITMENTS

The scope of this Policy includes, but is not limited to the following commitments:

5.1. ANTI-BRIBERY AND ANTI-CORRUPTION

Bribery or corruption will not be tolerated within Mavi under any circumstances. Mavi and Mavi employees will not be a party – whether directly or indirectly – to any business or transaction that can be construed as bribery or corruption.

All executives and employees of Mavi, executives and employees of Mavi's subsidiaries and affiliates, and all other authorized individuals and entities covered by this Anti-bribery and Anti-corruption Policy who conduct business related to Mavi and Mavi's subsidiaries and affiliates are prohibited from engaging in any activity that may be construed as gaining financial benefit, including the offering or acceptance of gifts and entertainment expenses, from third parties, with whom they may come into contact due to their involvement with Mavi.

Mavi employees are obliged to comply with the rules provided for in the special regulations on bribery and corruption which comprise:

- a) [Mavi's People and Its Principles](#)
- b) [Anti-Bribery and Anti-Corruption Policy](#)
- c) [Gifts and Hospitality Application Guideline](#)

5.2. HUMAN RIGHTS

Mavi conducts its activities in a manner that respects human rights in all its local and global workplaces. Mavi strives to provide a work environment in international standards, where human rights are respected and the employees develop themselves, express their opinions freely and do not face discrimination. Every individual at Mavi is entitled to equal legal rights and freedoms. In line with Mavi's **Diversity and Inclusion Policy**, no discrimination against age, gender, race, skin color, religious belief, spiritual or political ideology, ethnicity, economic status, health condition, disability, physical appearance, lifestyle and what they wear, or sexual orientation is allowed. Mavi will not tolerate any discriminatory behavior and action or retaliation of any kind.

Mavi values the differences of its people and provides a work environment where everyone is respected and feels a sense of belonging. Mavi is committed to exercising equal opportunity in all its processes. Accordingly, all recruitment, placement, development, training, compensation, and promotion decisions are based on the employee's qualifications, performance, skills, and experience. This system is built to encourage cultural diversity and equal opportunity and recognize performance and contributions to business success. Workforce diversity is essential for the company to achieve business goals. Therefore, Mavi strives to attract, develop and retain open-minded talent with diverse backgrounds and experiences and respect for differences.

Mavi employees are obliged to comply with the rules within the following regulations regarding fair, equal and respectful treatment:

- a) [Mavi's People and Its Principles](#)
- b) [Human Rights Policy](#)
- c) [Diversity and Inclusion Policy](#)

5.3. CONFIDENTIALITY

Confidentiality means that no information about Mavi shall be disclosed to unauthorized persons or used in non-business processes. All employees are required to comply in full with policies and procedures of confidentiality and information security.

Mavi employees are obliged to comply with the rules contained within the following regulations on information security:

- a) [Mavi's People and Its Principles](#)
- b) [Data Protection Policy](#)
- c) [Disclosure Policy](#)
- d) [Information Security Policy](#)

5.4. COMPLIANCE WITH COMPETITION RULE

Mavi prohibits all anti-competitive businesses, transactions, and practices. Mavi employees are prohibited from adopting or carrying on any Anti-Competitive Practices and any such behaviour or activities construed as Anti-Competitive Practices. Mavi employees shall furthermore adopt behaviour patterns to prevent Mavi from becoming a party to such practices or becoming the subject of investigations that may be initiated as a result or consequence of such practices.

Mavi employees are obliged to comply with the rules contained within the following special regulations on Anti-Competitive Practices:

- a) [Mavi's People and Its Principles](#)
- b) [Competition Law Compliance Policy](#)

5.5. CONFLICT OF INTEREST

Mavi employees shall avoid existing and potential conflicts of interest. The employees shall regularly review the correlation between their personal interests and workplace responsibilities. Any such conflicts of interest shall be disclosed and managed according to the following regulations:

- a) [Mavi's People and Its Principles](#)
- b) [Anti-Bribery and Anti-Corruption Policy](#)
- c) **Gifts and Hospitality Application Guideline**

6. KEY COMPONENTS OF THE COMPLIANCE PROGRAM

Mavi has created a comprehensive Compliance Program to ensure compliance with ethical principles and relevant internal policies and procedures. The components of this program have been designed to promote encourage and reinforce a culture of compliance within Mavi and as guidance, enabling all to contribute the right kind of behaviour expected of its employees and all Business Partners.

Mavi's Compliance Program is built on three key components.

- (1) Prevention**
- (2) Detection**
- (3) Response**

6.1. PREVENTION

Compliance Executives shall cooperate with relevant departments to determine preventive measures for compliance with laws, regulations, internal policies, procedures, best corporate governance practices, and ethical principles, and shall integrate these measures into business processes using the following safeguards and procedures.

Policies

Policies published by Mavi guide employees in implementing the principles of the Compliance Policy. Such policies contain clear guidelines and standards to help employees and all Business Partners fulfill their responsibilities in accordance with the laws, regulations, internal policies, procedures, best corporate governance practices, and ethical principles.

Procedures

Procedures published by Mavi provide detailed descriptions of the principles and methods enabling employees to comply with such policies. Employees are required to act in accordance with the detailed regulations within these procedures.

Training and Communication

Mavi ensures that employees are properly trained for their job responsibilities. The objective of the training programs is to provide the employees with comprehensive knowledge about the Compliance Obligations in their respective areas of responsibility and the Compliance Risks those potential non-compliances may impose.

Mavi uses several communication channels to ensure that the employees familiarize themselves with the laws, regulations, internal policies, procedures, best corporate governance practices, and ethical principles relating to their respective areas of responsibility.

Each department executive shall take all necessary measures to ensure that the employees under their responsibility adhere to the Compliance Policy. Department executives are responsible for informing the employees about the regulations, principles, and guidelines relating to their respective areas of responsibility and for ensuring compliance therewith.

6.2. DETECTION

Supervision

Mavi conducts regular monitoring and assessments to determine whether the Compliance Obligations have been met and to eliminate such Compliance Risks or, in any event, mitigates such risks that cannot be in part or in whole eliminated. All Compliance Obligations must, therefore, be carried out by the relevant departments under the supervision of the Compliance Executives or alternatively, by the Compliance Unit directly.

Reporting Non-Compliances

Violation or suspected violation of any ethical values and principles, policies and procedures, laws, and regulations at Mavi must be reported in accordance with the [Whistleblower Policy](#).

Mavi shall use all best endeavours to protect the confidentiality of Compliance Obligation reports, made by individuals and to ensure that reporting individuals will not be subjected to any retaliation as a consequence of any such reporting. Mavi will not tolerate potential retaliations against anyone reporting non-compliance.

6.3. RESPONSE

Investigation

Compliance Executives review all Compliance Obligation violations reported via the Ethics Line Channels or communicated by relevant departments, if necessary, the relevant departments may also launch an investigation into reported violations.

Investigations shall be conducted in line with all objective criteria and internal regulations of Mavi. The principle of confidentiality is respected during investigations. Reporting individuals shall assist and cooperate throughout such investigations.

Sanctions may be imposed on any employees who violate the Compliance Obligations, depending on the nature of the violation. However, multiple sanctions may not be imposed on employees for the same violation. Imposing the same sanction on the employees committing the same violation is essential.

Furthermore, any additional measures such as improving business processes shall be introduced to mitigate against any future violation of the same.

Mavi assesses the effectiveness of the Compliance Program at regular intervals by giving due consideration and attention to any necessary changes or amendments to all legal matters and its fields of operation and as such will take steps to improve the Program.

7. STRUCTURE AND OPERATION OF THE COMPLIANCE FUNCTION

The compliance function at Mavi covers the laws, regulations, ethical principles, relevant internal policies and procedures that Mavi adopts from time to time in force, and is authorized and required to monitor, prevent, and take steps against existing and potential Compliance Risks.

7.1. Mavi Management's Duties Regarding the Compliance Function

Mavi Board of Directors is ultimately responsible for ensuring that all Mavi departments comply with all laws, regulations, ethical principles, relevant policies and procedures.

Furthermore, Mavi Board of Directors oversees compliance through the CEO and executives with administrative responsibilities reporting to the CEO, and the management of Compliance Risks through its Ethics Committee.

In addition to approving the Compliance Policy, Mavi Board of Directors also reviews the Policy and its implementation at regular intervals.

The CEO and executives with administrative responsibilities reporting to the CEO are responsible to the Board of Directors for the implementation of the Compliance Policy.

Mavi executives with administrative responsibilities shall carry out the following duties to manage Compliance Risks:

- (1) To set example by conduct to encourage all employees to fulfill their Compliance Obligations;
- (2) To oversee compliance of the Compliance Policy and ensure the Compliance Program requirements are met;
- (3) To ensure that employees understand the Compliance Obligations and Compliance Risks related to their jobs, fulfill these obligations, and are trained to act in accordance with their Compliance Obligations at regular intervals;
- (4) To respond immediately and effectively to and act against any non-compliance with the Compliance Obligations;
- (5) To promote open communication about reporting Compliance Obligation violations and raise questions about such violations of the same and furthermore, encourage all employees to actively cooperate and provide feedback about the Compliance Obligations;
- (6) To consider the employees' competence to fulfill Compliance Obligations and manage Compliance Risks during performance appraisals;
- (7) To provide the necessary resources, assistance, and access to the Compliance Unit to determine the Compliance Risks and any violation thereof, and to ensure that the employees respect and support the work of the Compliance Unit;
- (8) To involve the Compliance Unit immediately in the review and assessment process of any matter in the event that they detect that a Compliance Obligation has been violated;
- (9) To actively follow and implement the Compliance Executives' recommendations for eliminating Compliance Risks, mitigating their impact when they cannot be eliminated, and eliminating the consequences of Compliance Obligation violations or mitigating their impact;
- (10) To ensure that employees, under their supervision, adopt the Compliance Obligations in their respective work areas;
- (11) To ensure that the Compliance Program is reviewed and assessed at regular, planned intervals;
- (12) To provide access to proper professional advice and recommendations when forming, implementing, and sustaining the Compliance Program.

7.2. Ethics Committee

Mavi Ethics Committee operates under and reports to the Board of Directors. The Ethics Committee is responsible for regularly reviewing the ethical rules approved by the Mavi Board of Directors and to submit suggestions for revision of these rules when necessary to the Board of Directors; investigating whether the necessary compliance and oversight system has been established within the Mavi organization to ensure compliance with ethical rules; and providing recommendations to the Board of Directors for improving the overall compliance and oversight system.

Mavi Ethics Committee shall review the findings of investigations into non-compliance and/or unethical behaviour or incidences reported by the Legal and Compliance Department and the action taken by the Mavi Management in relation to the findings of an investigation and shall thereafter report its findings to the Board of Directors.

Mavi Ethics Committee consists of three full members, including the CEO, who is also the chairman of the committee.

Full Members: CEO, CHRO, and Chief Legal and Compliance

Chief Legal and Compliance also serves as the secretary of the Ethics Committee.

Reserve Member: When a full member is unable to attend the Mavi Ethics Committee due to a conflict of interest, a reserve member shall be appointed on the recommendation of the Mavi Ethics Committee and the approval of the CEO. The reserve member shall have voting rights in the meetings they attend.

Full members shall be permitted to participate in the investigation of and decision-making process relating to any employee within their respective team. However, if the participation of a full member is deemed to influence the process in a negative or adverse way (such as the presence of a conflict of interest), that member may be excluded from the process on the recommendation of the Mavi Ethics Committee and the approval of the CEO.

In the event of an investigation of and decision-making process relating to any full member of the Mavi Ethics Committee, then, an executive Board of Directors member can serve on the Mavi Ethics Committee instead of the relevant full member with the approval of the Board of Directors.

Mavi Ethics Committee shall convene as and when necessary to review and resolve any issues submitted for approval.

Depending on the matter under review in any convened Mavi Ethics Committee meeting, a senior executive with authority to act in such matter as specified within the Mavi Organizational Directive and proposed by a senior executive of the Mavi Ethics Committee, and external experts, suitably qualified in their field may be invited to attend Ethics Committee meetings without voting rights subject to the approval of the Mavi Ethics Committee and the approval of the CEO. Mavi Ethics Committee members must ensure that any such individuals attending the Ethics Committee meetings comply with all confidentiality requirements referred to above.

Depending on the matter under review in any convened Mavi Ethics Committee meeting, the Director of Internal Audit and/or the Compliance Executives may be invited to the Ethics Committee meetings without voting rights with the approval of the CEO.

Mavi Ethics Committee shall ensure that training programs are organized for the employees to become familiarized with all relevant laws, regulations, internal policies, procedures, best corporate governance practices, and ethical principles. Training programs will be repeated regularly or as an when needed.

Mavi Ethics Committee has the authority and power to make resolutions imposing disciplinary measures, including termination of employment contracts in accordance with applicable laws and regulations on employees who violate ethical principles. In this respect, Mavi Ethics Committee also informs the relevant management levels in accordance with internal regulations.

7.3. Compliance Unit

Compliance Unit shall be operational with an adequate number of employees, headed by the Chief Legal and Compliance.

Chief Legal and Compliance shall report directly to the CEO and may also report directly to the Board of Directors to ensure independence.

The highest-level executive of each department shall appoint Compliance Officers to work with the Compliance Unit. In compliance-related matters, these Compliance Officers will report to the Compliance Executives. Mavi Management is responsible for providing the necessary resources, access and communication means for the Compliance Unit to perform its tasks.

7.4. Compliance Executives

Regarding the management of compliance processes, Compliance Executives must submit their reports to the Ethics Committee through the CEO. When the Compliance Executives deem it necessary and suitable, these reports must also be presented to the Mavi executives who hold the relevant administrative authority and responsibilities. These reports assess the risks specified in this Policy and provide information on recommended measures, actions to be taken, and all significant non-compliance with the Compliance Obligations.

Compliance Executives may request an investigation or audit regarding non-compliance with the Compliance Obligations.

Compliance Executives are primarily authorized to carry out the following:

- (1) Identifying, reviewing and monitoring the risks that Mavi may face and providing recommendations for eliminating or mitigating such risks,
- (2) Providing the support and advice needed for Mavi Management and Mavi employees to fulfill their respective Compliance Obligations.

Compliance Executives are responsible for monitoring whether any non-compliance with the Compliance Obligations has been properly resolved, and if not, to raise such matters with the CEO and, if necessary, with the Mavi Board of Directors.