



## 1. PURPOSE

As Mavi Giyim Sanayi ve Ticaret A.S. ("**Mavi**"), we are committed to avoid any form of bribery and corruption in line with our approach to corporate responsibility and the Mavi Code of Conduct (Mavi's People and Its Principles).

This Anti-Bribery and Anti-Corruption Procedure ("**Procedure**") aims to explicitly and clearly state Mavi's approach to deal with bribery and corruption. This Procedure is intended to ensure conformance to all applicable anti-bribery and anti-corruption laws and regulations as well as ethical and professional guidelines and universal rules.

## 2. SCOPE

This Procedure is applicable to the following:

- Members of Mavi's Board of Directors,
- Mavi's managers and employees,
- Mavi's subsidiaries abroad and their employees,
- Companies from which we procure goods and services and their employees,
- Mavi's vendors with an annual turnover above 35,000,000 TRY for the year 2020, provided that this amount is reconsidered by taking the average of the yearly consumer price index and domestic producer price index which are declared by the Turkish Statistical Institute every year,
- Real persons and legal entities that carry out work on behalf of Mavi, including contractors, subcontractors, intermediaries, joint venture partners, suppliers, affiliates, representatives, brokers and custom brokers that enter into a brokerage, cooperation or any other similar type of agreement with Mavi as well as subcontractors, consultants, attorneys, external auditors and other intermediaries that have a business relationship with Mavi ("**Business Partners**").

### 3. RESPONSIBILITIES

#### Board of Directors

Mavi's Board of Directors:

- Provides the necessary environment for implementing anti-bribery and anti-corruption policy,
- Establishes and improves a supervision committee ("**Mavi Ethics Committee**") to prevent bribery and corruption,
- Is responsible for the entry into force of this Procedure within the company and implementing any future changes to be made in this Procedure, and
- Ensures the necessary channels of communication are established in order to report the acts contrary to the Procedure and takes measures to ensure the confidentiality and safety of these reporting persons. .

#### Mavi Ethics Committee

Mavi Ethics Committee conducts studies to solve problems encountered during implementation of the Procedure and provides feedback. Mavi Ethics Committee takes any reasonable action, such as supervising employees to identify their non-compliant behavior, in order to ensure the parties who fall under the scope of this Procedure comply with this Procedure.

Mavi Ethics Committee meticulously handles the complaints and reports received by Ethics Line via phone or e-mail and initiates the necessary investigation. . In the event that it detects violation of a rule, it takes the necessary action.

Mavi Ethics Committee conducts routine assessments to determine whether the Procedure is being implemented in an effective manner or not. If the Procedure is required to be amended due to changes in the legislation or in order to make the Procedure more effective, it submits its suggestions for amendment to the Procedure to the Mavi's Board of Directors.

Mavi Ethics Committee submits a report every quarter about the steps taken with respect to the compliance with the Procedure to the Mavi's Board of Directors.

In case of an observation of an unethical behavior at their workplace, Mavi employees can report their complaint by calling 0212 979 70 09 without the obligation to provide their ID and contact details.

They can also send their reports to [mavi@etikhat.com](mailto:mavi@etikhat.com).

Mavi Ethics Committee consists of 3 permanent members and 1 substitute member.

Permanent Members: CEO, CHRO, Senior Director of Legal and Compliance

Backup Member: Based on the subject to be addressed during a meeting of the board of directors, the substitute member is invited to attend the meeting as proposed by CHRO and approved by CEO.

## **Human Resources**

The Human Resources department is responsible for establishing relevant procedures to create awareness and knowledge and taking necessary measures in all human resources processes in order to comply with the procedures.

## **Managers and Employees**

All employees accept this Procedure and act according to the principles laid out in the Procedure. Managers ensure that the principles laid out in the Procedure are understood and followed by the Business Partners and their employees, for whom they are responsible.

Employees may not under any circumstances be forced by anyone to act against the Procedure.

All employees are obligated to report the acts contrary to the Procedure to their managers and/or Mavi Ethics Committee.

## **4. IMPLEMENTATION**

### **4.1. Corruption and Bribery**

As Mavi, we are committed to ensure compliance with the universal legal requirements, anti-bribery and anti-corruption laws and regulations as well as ethical and professional principles in all of the countries in which we operate.

For the purposes of this Procedure, the term "bribe" means achieving a benefit for himself/herself or any other person by way of inducing or influencing the judgment or conduct of a person to do or not to do their own work or to speed up or slow down their work in a manner which is against the requirements of that person's position.

For the purposes of this Procedure, the term "bribe" also means offering, promising or giving any inducement or reward in order to gain any commercial, contractual, regulatory or personal benefit. Money or any other offer, promise, gift or benefit can also be considered as bribe. The benefit, which is granted, does not need to be of a high material value, in order to be evaluated within the scope of bribery. Parties' agreement on the benefit to be provided is sufficient for the crime of bribery to occur, and it does not matter if the benefit has actually been provided or not.

Inducement programs, signing bonuses or extra payments made to public institutions can be considered as bribery. In addition, intangible benefits such as providing information, advice or assistance to carry out a commercial transaction can also be considered as bribery. In short, bribery refers to any financial or other benefit that is offered, provided, allowed, solicited or obtained as an inducement or reward for someone to perform their work in an illegal way or not to perform their work in a legal way or acceptance of any other benefit which is inappropriate by itself.

For the purposes of this Procedure, "corruption" refers to abuse of power by a person arising from his/her position of authority in order to benefit himself/herself or a third party directly or indirectly. .

Mavi employees:

- while carrying out their duties, may not obtain financial benefits under the name of a commission or any other name, or make a proposal in this direction.
- may not offer any advantage whether directly or through an intermediary, in order to gain any business or non-business advantage from public or private persons or organizations and may not enter into any such verbal or written agreement.
- may not create an advantageous situation in exchange for privileges in relationships with third parties and organizations and may not accept any offers in this direction.
- pay utmost attention so that their behavior even with different intentions does not cause suspicion and impression in this direction.

#### **4.2. Relations with the Public**

The term of "public" refers to all levels and sub-departments of governments (local, regional or national and administrative, legislative or executive). A public official is any person that is involved in the execution of public activities regardless of their nationality or citizenship either through permanent or temporary appointment, election or participation in other ways ("**Public Official**"). For the purposes of this Procedure, representatives of the following will be considered as Public Officials regardless of their identity: (i) professional organizations having the characteristics of public institutions, (ii) companies incorporated with the participation of public institutions or organizations or professional organizations having the characteristics of public institutions, (iii) foundations that operate within public institutions or organizations or public professional organizations, (iv) associations that operate for the public interest (v) cooperatives, (vi) publicly traded holding companies and (vii) public companies.

Mavi employees and Business Partners may not offer or make any inappropriate payment to a Public Official even if it is for the benefit of Mavi. They may not, directly or indirectly, give anything of value to the Public Officials with the aim of influencing an official action or decision.

#### **4.3. Facilitation Payments**

"Facilitation payments" refer to unlawful and non-transparent payments with low financial value, which are made to Public Officials to secure or speed up a routine and mandatory governmental action. The persons and organizations which are within the scope of this Policy, are prohibited from offering any facilitation payments to Public Officials to secure or speed up a routine transaction or process with government organizations (e.g. for the purposes of receiving a permit or license or obtaining a certificate).

In the event that you are not sure whether the requested payment falls into the scope of facilitation payments or not, you must avoid making such payment and report the situation first to Mavi Ethics Committee or Compliance Manager for approval.

#### 4.4. Gifts and Hospitality

A "gift" is anything such as product, favor or discount which is generally given by customers or persons with who a business relationship is established, as a means of thanking or commercial courtesy and which does not require a financial payment.

As a rule, Mavi employees may not enter into any kind of relationships, that may create the impression of obtaining financial benefits, including their proposal and acceptance, with the firms and their employees, from which Mavi procures goods and services, or institutions, organizations or Business Partners with who Mavi has business relationships and/or any other third parties, with who they come into contact as part of their positions at Mavi in a manner.

Except for lawful symbolic gifts that are given as part of general traditions or customs, it is prohibited to offer or accept gifts, hospitality (e.g. entertainment, accommodation or travel arrangements) or favors, which improperly affect or may affect the outcome of a transaction and are not considered as reasonable or bona fide expenses. . Any request for inappropriate gifts and hospitality must be immediately reported to the Compliance Manager or Mavi Ethics Committee.

The upper limit of value of the gifts that can be accepted or offered as part of the Procedure may not in any way exceed **60 (Sixty) USD**. It is prohibited to accept gifts with an estimated retail sales price above 60 USD.

Gifts may not in any way be in cash or convertible into cash. Gift and hospitality expenses must be properly recorded in Mavi's ledgers and records and their compliance with this Procedure and Mavi's policies should be regularly checked.

All Mavi employees must immediately report the gifts that they accepted within the upper limit specified above along with their estimated retail values to the Compliance Manager and department top executive (C-level executive) at the same time. Any gift that is determined to be within the specified upper limit is approved by the top-level executive of the department in question and the Compliance Manager. If the gift exceeds the specified limits, then it is rejected in accordance with the rules of courtesy.

In either case, the Compliance Manager keeps a list of all gifts and hospitality offers that are accepted or rejected by the related department.

If there is a slightest moment suspicion, that acceptance of a gift, treat or hospitality may be inconvenient despite it is being within the specified limits, this should be reported to Mavi Ethics Committee and the gift, treat or hospitality should be accepted or refused politely, according to the instructions of the Mavi Ethics Committee.

Gifts that are considered to be harmful to the business relationship if rejected in the context of business relations in certain cultural environments and that are prohibited within the scope of this Procedure may be accepted by the C-level manager and/or Compliance Manager, provided that they are reported to the Ethics Committee for approval. In this case, the conditions under which the gift will be accepted are determined by the Ethics Committee.

Mavi employees are obliged to obtain approval from the Compliance Manager or Mavi Ethics Committee before giving gifts to Public Officials or special persons within the specified limits in the Procedure. No gift can be given in any way without first obtaining approval from the two above or by exceeding the specified limits. In addition, Mavi employees may not incur meal or entertainment expenses for third parties without complying with the limits and obtaining prior approval. Providing accommodation to Public Officials is subject to prior approval by Mavi Ethics Committee. . Special persons may be provided with accommodation within the limits once it is approved as described above. Travel arrangements (e.g. expenses of flight or train tickets) can be provided to third parties only if they are approved by Mavi Ethics Committee in advance.

The Compliance Manager keeps a list of all gifts that are accepted or given by Mavi employees to third parties, ready for inspection at all times.

In any case, Mavi employees:

- must exercise caution when accepting or giving gifts. They are obliged to report the situation to the top executive of the department in question and the Compliance Manager when accepting or giving gifts within the limits specified in this Procedure and obtain the approval of Mavi Ethics Committee if necessary according to the Procedure.
- may not request gifts, discounts or favors from persons and organizations with who they are in a business relationship and may not imply that they have any such expectation.
- may not offer or accept any gifts or privileges that may affect impartial decision-making and behavior.
- may not under any circumstances accept any gift that is in cash or convertible into cash.
- All Mavi employees are obliged to comply with the entire guidelines, e.g. guides and manuals, which can be published in relation to implementation of the Procedure.

#### **4.5. Donations**

In Mavi, neither financial and/or in-kind contributions nor payments can be made to the political parties, politicians or any other organization, in order to ensure facilitation of Mavi's transactions.

Except for the contributions above, the

Board of Directors has the authority to donate to the social responsibility

projects and fund activities related to representation of the company. In any case, Mavi

and all Mavi employees are obliged to comply with the Grants and Donations Policy of Mavi.

Mavi does not prevent its employees from supporting charity organizations on their own account in a manner which is independently of their work, but the principles laid out in the Mavi Code of Conduct (Mavi's People and Its Principles) apply to such activities.

#### **4.6. Compliance with Commercial Law**

As per the principle of prevention of money laundering and financing of terrorism, Mavi acts within the framework of the Turkish legislation and applicable legislation of other countries, where Mavi operates, regarding the accurate and reliable recording and protection of the information of our customers.

#### **4.7. Relations with Business Partners**

Mavi cares for its relations with the Business Partners. Mavi employees must always behave in an honest, respectful and fair way and are required to protect the mutual interests of Mavi and its Business Partners. Mavi must apply the guidelines laid out in this Procedure in the transactions with its Business Partners as well as other third parties with whom it has commercial relations.

Before doing business with any Business Partner, Mavi Ethics Committee or any other person under the supervision of Mavi Ethics Committee must conduct a third party due diligence on that Business Partner in order to determine if such third party conforms to the ethics guidelines and the applicable anti-corruption legislation. The third party due diligence must also be conducted before taking over the shares of a company or joining a joint venture.

Based on the opinion of the Compliance Manager, any contract to be executed by and between Mavi and the Business Partners and their vendors should include anti-bribery obligations, auditing rights and termination rights to the extent practicable. The contracts should also include indemnification provisions to hold Mavi harmless from direct and indirect damages that could arise from failure of the other party to the contracts to meet their anti-bribery obligations. Additionally, in case of renewing or amending existing contracts, such provisions should be also migrated to the new contracts to the extent practicable.

#### **4.8. Keeping Error-free Records**

Mavi employee is assigned by the division manager for the purpose of guiding an individual on their first day. Mavi employees must store all commercial documents according to the local legislation at all times. Any accounts, invoices and documents related to relations with third parties (customers, suppliers, other service providers, etc.) must be recorded and stored in a complete, accurate and reliable way.

Accounting records or other similar records related to any transaction may not be modified, and records may not be falsified.

Accounting records entered incorrectly without a malicious intent and/or payments made in error to customers/firms are not considered within the scope of this Procedure.

Not only accounting and finance staff, but also all Mavi employees are responsible for protecting the accuracy and integrity of administrative and financial records. Mavi employees:

- record their transactions within appropriate accounting periods and under proper accounts at all times,
- support such transactions with appropriate documentation,
- do not falsify any official document and do not accept documents which they believe have been falsified,
- never permit violation of the legislation for tax evasion, bribery or any other purposes;
- do not use their signatures in an unlawful way and outside their authorization.

#### **4.9. Training and Communication**

This Procedure has been announced to Mavi employees and is conveniently accessible at all times by Mavi employees via Maviletisim portal.

Training programs are organized in order to raise awareness of our employees about anti- bribery and anti-corruption practices. These training programs are given in accordance with the needs and duties of the employees at Mavi's headquarters in Turkey, Mavi's top level executives and the top level executives of Mavi's subsidiaries abroad. These trainings are repeated regularly as needed. Relevant legislative changes and changes in this Procedure are communicated to Mavi employees, and trainings are organized to the above-mentioned Mavi employees about such changes.

Mavi Ethics Committee is responsible for preparing and giving the trainings and may request assistance from the human resources department at this stage.

These training programs are included in the orientation programs for newly recruited employees mentioned above.

#### **4.10. Violations of the Policy**

If there is an opinion or suspect that an employee or a person acting on behalf of Mavi acts against the Procedure, this must be reported to Mavi Ethics Committee Line or the Compliance Manager.

Situations which are or may possibly be against the Procedure are reviewed by Mavi Ethics Committee without jeopardizing the health, safety and reputation of the reporting person, and sanctions are applied if any non-compliant behavior is detected.

For outsourced services, external service providers are expected to comply with this Procedure. Employees who report to Mavi Ethics Committee are not harmed in any way, and their identities are kept confidential if they wish to remain anonymous.

#### **4.11. Sanctions regarding Non-compliant Behavior and Attitudes**

This Procedure must be adopted and implemented to the full extent by all employees. Mavi does not tolerate and favor unethical behavior, unlawful activities and prohibited practices as well as those persons who try to prevent potential violations from being revealed or who display unethical attitudes or intrusive actions.

In the event that any behavior against this Procedure is detected, the employees responsible for such behavior will be subject to disciplinary actions, including the termination of their employment contract as per article 25/2 of the Labor Law.

If external service providers are detected to display behavior against the Procedure, their services are terminated.

Mavi employees are required to immediately report such situations and violations of ethical principles, unlawful activities and prohibited practices to Mavi Ethics Committee. Those who do not report unethical activities, unlawful activities and prohibited practices may be subject to disciplinary actions, including the termination of their employment contract.



#### **4.12. Questions on the Procedure**

You can communicate your concerns or questions on the Procedure to the Global HR Director or directly to the Compliance Manager, who will listen to you with utmost attention.

#### **4.13. Compliance with Commercial Sanctions**

Mavi pays due attention to comply with the commercial sanctions imposed by the Republic of Turkey, the United States of America, the United Kingdom and the European Union. Mavi takes necessary measures, e.g. by developing internal procedures and control mechanisms, to ensure that Mavi and its employees comply with such commercial sanctions.