



Corporate Governance

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CORPORATE GOVERNANCE

Mavi's corporate culture is defined by remaining close to its customers, being passionate for its product quality, earning the trust of its employees, and building long-term partnerships. Mavi conducts its operations with a corporate governance and sustainability approach based on the principles of transparency, fairness, responsibility, and accountability. Mavi continues to design its corporate governance processes to enable transparency for both internal and external shareholders.

The COVID-19 pandemic that impacted the whole world showed once again the rising value of non-financial performances in the eyes of the investors. The fact that increasingly more regulatory authorities require companies to disclose their non-financial data as a prerequisite is an extension of this expectation. With the introduction of an organizational structure dedicated to sustainability, Mavi aims to manage its business processes with an integrated approach and in line with measurable targets.

In determining its corporate governance strategy, Mavi considers the sustainability principles and the environmental impact of its operations.

DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

The Company began trading on Borsa Istanbul on June 15, 2017 (ticker symbol "MAVI") and has been subject to CMB regulations since then. As a matter of policy, Mavi fully complies with the mandatory principles set out in the Corporate Governance Communiqué No. II-17.1. Mavi aims to achieve full compliance with non-mandatory corporate governance principles and currently works on the principles that have yet to be implemented.

The Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF) pertaining to the Company's special accounting period of February 1, 2020-January 31, 2021 have been prepared in accordance with the presentation principles laid out by CMB's resolution no. 2/49 dated January 10, 2019, published in the CMB Weekly Bulletin, and duly approved by the Company's Board of Directors.

The non-mandatory Corporate Governance principles-which are marked "partially" or "no" in the above mentioned Corporate Principles Compliance Report (URF) published on the Public Disclosure Platform - that Mavi has yet to implement are indicated below, along with their respective descriptions. Mavi has not been exposed to any conflicts of interest due to lack of full compliance with the non-mandatory principles.

Article 1.3.10. Donations made by the Company in 2019 were disclosed in a separate agenda item in the General Assembly Meeting as an overall figure without the details of the beneficiaries of such donations.

Article 1.5.2. Under the Articles of Association, minority rights are not granted to shareholders who hold less than one twentieth of capital and in line with general practices, minority shareholders hold rights accorded by the general provisions of law.

Article 3.1.3. Policies such as Dividend Distribution, Donation and Aid, Disclosure, Severance, Remuneration, and Mavi and Our Principles that address stakeholders' rights are published on the corporate website while other procedures are provided on the internal disclosure platform Maviletişim.

Article 3.2.1. Even though employee participation in management is not regulated with provisions in the articles of association, the employees are informed through various meetings, including MassMavi, the Management Forum, and Marketing Direction; and they find opportunities to discuss the topics that concern them, and exchange and communicate their opinions.

Article 3.2.2. Methods such as surveys and consultations are not utilized to seek the opinions of the stakeholders; however, various research and surveys are conducted to understand the employees' and customers' perception of the company. Furthermore, communication channels are kept open for all stakeholders (suppliers and business partners, etc.).

Article 3.3.1. The company has in place a recruitment policy that ensures equal opportunity. Career planning is offered as part of the HR workforce planning. Accordingly, horizontal and vertical career opportunities are considered for all employees based on a grading system in line with the competency model.

Article 4.3.9. The Board of Directors currently has one female member. According to [the Board of Directors Diversity Policy](#) that the Board approved in 2020, Mavi aims to increase the ratio of female members on its Board of Directors to one-third by 2024.

Article 4.4.7. The Board members make significant – and confidential – contributions to the business with their established careers and proven expertise and they are not restricted in terms of assuming other positions outside the company. Considering the professional and sector-specific experience that the members, and in particular the independent directors bring to the Board of Directors, imposing restrictions on their external duties is not deemed necessary.

Article 4.5.5. Considering various factors such as the volume of operations and administrative needs, Mavi has determined the number of independent members to serve on the Board of Directors as two. Currently, the Board has three committees. Given that the committee chairs are required to be independent members according to the relevant principle, these independent directors serve on multiple committees. These committee assignments do not give rise to any conflicts of interest within the Company.

Article 4.6.1. A specific performance appraisal has not been conducted on Board level.

Article 4.6.5. The remunerations of the Board members are determined by the General Assembly. Furthermore, remunerations of Board members and senior executives are disclosed to the public in the Company's financial table footnotes as a total figure in line with general practices.

SHAREHOLDERS

2.1. Investor Relations Department

The Investor Relations Department, established soon after the IPO, is responsible for informing local and foreign investors in an accurate, consistent and timely manner (while protecting trade secrets and confidential information and respecting equality in communicating information), elevating the Company's profile and credibility, ensuring two-way communication and information flow between the Board of Directors and the capital markets regulators and participants, complying with legislation and the Articles of Association related to shareholder rights, and fulfilling the public disclosure obligations in accordance with applicable legislation and the Company's Disclosure Policy. The Investor Relations Department reports directly to the CFO. The senior director of investor relations holds a Capital Markets Activities Level III License and a Corporate Governance Rating License and serves as a member of Mavi's Corporate Governance Committee.

In the special accounting period from February 1, 2020 to January 31, 2021, the Investor Relations Department attended 15 virtual investor conferences and held over 200 teleconferences to share Mavi's financial, operational and strategic developments with investors and analysts. At these events and meetings, the Company had contact with 360 investors and analysts from 130 local or international institutions and funds. Furthermore, throughout the year, the Department held four earnings webcasts aimed at investors and analysts, announcing quarterly financial results. The recordings and transcriptions of the webcasts, presentations, and the questions addressed to the management as well as the answers were duly posted on the Company's website for the investors and analysts who were unable to participate in the events on the announced days and times.

All the requests for information that the Company received by phone or email in the special accounting period from February 1, 2020 to January 31, 2021 were answered in accordance with the Company's Disclosure Policy and in line with the publicly available information.

The Investor Relations Department submits monthly and quarterly reports to the Board of Directors on macroeconomic and industry developments and stock performance and reports annually to the Corporate Governance Committee on investor relations activities throughout the year. The Investor Relations Department also informs the Board of Directors regularly on the developments about the issues raised in investor meetings.

Contact details of the Investor Relations Department:
Senior Director of Investor Relations
Duygu İnceöz
Phone: +90 (212) 371 20 29
Email: Duygu.inceoz@mavi.com

2.2. Exercise of Shareholders' Right to Obtain Information

No discrimination is made among shareholders in terms of exercising the right to view and request information, and all information, other than those considered trade secrets, is disseminated to shareholders in accordance with the Company's Disclosure Policy to avoid inequality in obtaining information.

The Investor Relations Department at Mavi promptly responds to shareholders' and other stakeholders' information requests and questions via various channels and the most effective means of communication.

Furthermore, in order to enable shareholders to exercise their right to information in the most efficient manner, the Department maintains an Investor Relations tab on the corporate website (mavicompany.com) – also linked from the official website (www.mavi.com) – where investors and other stakeholders are provided with all publicly available financial and operational data, all the Company's material event disclosures, and public announcements and notifications. The website is available in English and Turkish. Additionally, the department emails the latest operational and financial announcements to the individuals or institutions that register for the Investor Relations mailing list.

Even though the right to request a special auditor is not regulated as a personal right in the Articles of Association, pursuant to Article 438 of the Turkish Commercial Code, each shareholder – in order to exercise shareholder rights properly and if they deem necessary – is entitled to ask the General Assembly for clarification of certain instances through a special audit even if this is not included in the agenda and provided that the right to obtain information and inspect is exercised previously. To date, shareholders have not requested such an audit. Furthermore, the company's operations are regularly audited by an independent auditor appointed by the general assembly.

2.3. General Assembly Meetings

The ordinary general assembly convened on July 16, 2020 to review the special accounting period from February 1, 2019 to January 31, 2020 with 69.9% participation at Sultan Selim Mahallesi, Eski Büyükdere Caddesi, No:53, 34418 Kağıthane-İstanbul with attendance open to stakeholders. No additional agenda items were proposed by the shareholders for the said meeting.

The General Assembly meetings are held under the supervision of the ministry representative appointed by the Ministry of Commerce. Calls to General Assembly meetings are issued by the Board of Directors in accordance with the provisions of the Turkish Commercial Code, Capital Markets Law and the Company's Articles of Association. On the date of the Board of Directors' resolution to convene the General Assembly, the public is informed by necessary material disclosures on the Public Disclosure Platform and via the Electronic General Assembly System (EGKS). In addition to the procedures set out in applicable regulations, the General Assembly meeting is announced at least 21 days before the General Assembly meeting on the corporate website and on the e-company portal of the Central Registry Agency to reach the maximum number of shareholders possible.

Prior to the General Assembly meeting, necessary documents regarding the agenda items are announced to the public while all legal processes and regulations are observed in all notifications. Regarding the agenda items of the General Assembly, the Annual Report, Financial Statements, Corporate Governance Principles Compliance Report, Dividend Distribution Proposal, Independent Auditor's Report, the draft Amendments – if any – to the Articles of Association, showing both the old and new versions, Disclosure Policy, Remuneration Policy, Dividend Distribution Policy, and résumés of the Board members are made available for the shareholders to review at the Company's head office and on the website 21 days before the General Assembly meeting. Furthermore, detailed information is provided for each agenda item in the information documents related to agenda items and other information anticipated for the General Assembly meetings are offered to the investors.

At the General Assembly meeting, the agenda items are presented in an objective and detailed manner using a clear and comprehensible method, enabling the shareholders to express their opinions and ask questions under equal conditions. At the General Assembly meeting on July 16, 2020, the questions asked by the shareholders were answered on the spot and no written question was sent to the Investor Relations Department due to failure to be answered at the General Assembly meeting.

To facilitate attendance, shareholders can also follow the General Assembly meetings via EGKS. The venue of the General Assembly meeting is planned to enable participation of all shareholders. Furthermore, for shareholders who will be represented by proxy at the General Assembly meetings, proxy forms are available on the website and the e-company portal and also offered in an announcement on the trade registry newspaper.

The minutes of the meeting can be accessed via PDP, EGKS, the e-company portal, and the corporate website. Furthermore, these minutes are open to shareholders at the Company head office and presented upon request.

Information on the donations and grants made in the reporting period is presented to the General Assembly under a separate agenda item. At the Ordinary General Assembly Meeting on July 16, 2020, the upper limit for donations to be made by the Company in the special accounting period of February 1, 2020-January 31, 2021 was set at TL 1,650, 000 to cover the donations and aid as part of the COVID-19 efforts. The donations and aid in the reporting period amounted to TL 1,328,620.61.

In order for the Board of Directors to reach a resolution in accordance with the Capital Market Regulations, the majority vote is sought by most of the independent Board members; however, there were no transactions that required the decision to be taken to the General Assembly due to the nay votes of the said members in the special accounting period from February 1, 2020 to January 31, 2021.

In the special accounting period from February 1, 2020 to January 31, 2021, no materially significant transaction has transpired that would cause a conflict of interest between the controlling shareholders, Board members, executives with administrative responsibilities and their spouses, relatives by marriage and blood relatives up to the second degree with the company and its affiliates.

2.4. Voting and Minority Rights

The Company's Articles of Association do not grant any privileges regarding voting rights. Each share is entitled to one vote at Ordinary and Extraordinary General Assemblies.

The Company refrains from practices that suppress shareholders' exercise of their voting rights and has established mechanisms to ensure every shareholder, including international ones, can exercise voting rights in the simplest and most convenient manner possible.

Pursuant to Article 10, paragraph (e) of the Articles of Association, shareholders who are entitled to attend the Company's General Assemblies can choose to do so in the electronic medium in accordance with Article 1527 of the Turkish Commercial Code.

Even though the Articles of Association do not stipulate a ratio lower than 5% for the exercise of minority rights, Mavi takes utmost care to enable the exercise of the minority rights in accordance with the provisions of the Turkish Commercial Code.

2.5. Dividend Rights

The Company's dividend distribution principles are set out in its Articles of Association under Article 15 "Determination and Distribution of Profit." The Article stipulates that the Company will adhere to the provisions of the Turkish Commercial Code and capital markets legislation in determining and distributing profit.

The Articles of Association do not grant any privileges to shareholders in respect of profit distribution. The Company's Dividend Distribution Policy is provided below.

Dividend Distribution Policy

The purpose of the dividend distribution policy is to ensure that a balanced and consistent policy is implemented pursuant to the applicable legislation in relation to the interests of the investors and the Company, inform the investors sufficiently, and maintain a transparent policy toward the investors.

The general assembly, upon the proposal of the Board of Directors, resolves on the distribution of dividends and the timing and manner of such distribution. To the extent allowed by applicable regulations and financial resources, and taking into account market expectations, long-term company strategies, capital needs of the subsidiaries and affiliates, investment and financing policies, profitability, and cash reserves, the Company aims to distribute at least 30% of the distributable net profit calculated for the relevant period pursuant to the Articles of Association, TCC, CMB's Dividend Distribution Communiqué No. II-19.1 and tax legislation to the shareholders and other persons sharing the profit. Dividends may be distributed in cash and/or bonus shares and/or as a combination of both in certain ratios. Dividends are distributed equally to all shares in existence at the time of distribution, pro rata to their respective ratios and regardless of their date of issuance or their date of acquisition. Dividends may be paid out in equal or varying instalments, provided that this is resolved upon during the general assembly meeting where dividend distribution resolution is also passed. The dividend distribution will commence on the date determined by the general assembly, provided that the distribution is initiated before the end of the accounting period in which the respective general assembly meeting takes place. Pursuant to the Articles of Association, the general assembly's dividend distribution resolution may not be revoked unless permitted by applicable law. Should the Board of Directors propose not to distribute dividends, the reasons for this proposal and the manner in which the retained profit would be used will be explained under the agenda item concerning dividend distribution, and this information will be presented to the shareholders during the General Assembly.

The Board of Directors' dividend distribution proposal or the Board resolutions relating to the distribution of advance dividends are announced to the public in accordance with applicable regulations together with the form and content of the relevant proposal/resolution and the tables showing the dividend distribution or the advance dividend distribution. In the event of any amendments to this dividend distribution policy, the Board resolution on such amendments are announced to the public with the reasons thereof.

2.6. Transfer of Shares

The Articles of Association do not include special provisions that complicate or restrict transfer of shares by the shareholders.

PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. Corporate Website and Contents

Mavi's corporate website is www.mavicompany.com and its purpose is to inform shareholders, other stakeholders and the general public concurrently, clearly, fully, and accurately. This site can also be accessed via a link on the

Company's official website, www.mavi.com. The website's Investor Relations section includes all information that the CMB stipulates for disclosure and this information is constantly updated. The information on the Company's corporate website and its investor relations section is the same as or consistent with the disclosures made under the provisions of the applicable legislation; and there is no conflicting or missing information. This information is provided in Turkish and English on the website.

3.2. Annual Report

Mavi's annual and interim reports are adequately detailed to provide the public with full and accurate information on the Company's activities. At a minimum, they include all the information required by the applicable Communiqué of the CMB and the Corporate Governance Principles. These are published on Mavi's corporate website, www.mavicompany.com.

STAKEHOLDERS

4.1. Informing Stakeholders

In addition to the shareholders and capital markets participants, Mavi also briefs its employees, customers, dealers, suppliers, financial institutions, potential investors, and all other stakeholders at regular intervals via press conferences, press releases, annual reports, corporate website, and practices under its Disclosure Policy. Furthermore, to the extent deemed necessary and practical, the Company regulates its relations with such persons under written contractual arrangements.

To the extent that the stakeholders' rights are not regulated by law or contract, the interests of the stakeholders are safeguarded by goodwill and to the extent that the Company is able to do so while maintaining its reputation. The Company discloses information to the public via press conferences, press releases, and interviews and the press statements on financial issues are concurrently released on the corporate website.

Mavi communicates its notifications and employee briefings to all employees via email concurrently while simultaneously posting them on the intranet (Maviletişim), which is accessible to all Mavi employees. The Company has designed its communication channels to ensure accessibility for all stakeholders and access details are posted on the corporate website.

Stakeholders may communicate with the Company at any time via the Corporate Governance Committee, the Audit Committee and the Investor Relations Department or directly by email, surface mail or telephone. Through the Mavi Ethics Board, stakeholders may inform the Corporate Governance Committee or the Audit Committee of actions they deem to violate applicable legislation or to be unethical. The Audit Committee is responsible for reviewing and resolving complaints communicated in relation to accounting and internal control systems, and independent audit of the Company, and handling the issues reported by the employees concerning accounting and independent audit.

In case of any conflict of interest arising among the stakeholders or a stakeholder being included in multiple groups of interest at the same time, the Company applies a balanced strategy to the extent possible to safeguard all interests.

4.2. Stakeholder Participation in Management

Mavi has in place several practices to facilitate and promote stakeholder participation in the company's management. In addition to encouraging engagement regarding financial and operational matters, the company also seeks the opinions of stakeholders in its efforts to improve the environmental, social and corporate governance-related measures and the sustainability strategy. Mavi aims to enhance communications with stakeholders further.

Employees:

Mavi organizes several structured and regular meetings to inform the employees and encourage their participation in management. These meetings include:

- **MassMavi Meetings:** In these meetings held with all head office employees, the departments share their monthly business plans.
- **Management Forum Meetings:** These biannual meetings take place with wide participation of all head office employees to discuss the company's six-month results.
- **GoForward Meetings:** Utilizing the knowledge obtained from the Adizes methodology, which delivered efficient results in 2015, Mavi organizes a series of workshops in several Go groups. The multi-functional, solution-focused project groups include manager and higher level executives and the workshops' scope extends to all company functions. These workshops, which include Gojeans, Gowomen's, Goaccessories, Gomen's, Gomutlumavimusterisi, Goretailefficiency, Gointernational, Gosystems, Gonlinedigital, Goyouth, and Gosocialcompliance, also host independent experts in their respective fields.
- **GoSeason Meetings:** In these biannual meetings, store managers are trained on the forthcoming season collections and product information. During these meetings, category managers describe the highlights and hero products of the season and the store managers' feedback is received.
- **Mavi strategy and goal meetings for the stores:** Outdoor meetings for store managers and assistant store managers. Mavi directors give presentations about the company strategy to build upon Mavi's common goals and culture.

Franchisees:

Mavi holds quarterly meetings with its local and international franchisees to present the Company's strategy and targets as well as collections. The franchisees are also briefed on current developments and their opinions are received in person while suggestions are considered.

Suppliers:

Mavi works with approximately 130 direct and indirect suppliers that form a key part of the supply chain. There are various practices in place to enhance the Company's cooperation with its suppliers, including supplier training programs, audits, and visits where general information on the Company's vision, strategy, business targets, and future actions are explained and Mavi's expectations of suppliers with respect to social responsibility and occupational health and safety are communicated.

Customers:

One of Mavi's top priorities is the 'Happiest Mavi Customers' approach, focused on continuously delivering ultimate customer satisfaction. To spread this approach across its operations, Mavi established a special project group, GoCustomer, to channel the synergies of marketing, HR, sales and training department employees into this endeavor. This project group carries out activities through the year to ensure that Mavi customers enjoy superior product and service quality and excellent shopping experiences.

Mavi customers can contact Mavi by telephone, email, and social media or through Mavi stores to communicate their opinions and suggestions regarding the company's products and services or their thoughts and feelings about Mavi. In November 2019, the Company decided to outsource its call center operations, which were previously in-house, to Global Bilgi. In this new set-up, the customer relations team at the head office manages the back office while Global Bilgi has a dedicated team of 26 for Mavi at its Bursa location. The new structure, which integrates call center processes across stores and e-commerce, is capable of responding to Mavi customers from 8 am to 12 am seven days a week.

The call center team manages the entire multi-channel flow of information that Mavi receives and the team responds to the customers by taking the necessary actions. Customer complaints about products and other matters are recorded and reported. These reports are shared with all relevant departments in meetings. Furthermore, services of a third-party firm are procured to monitor all customer social media posts and conversations about Mavi. This service tracks all the engagements about the Company, collects valuable insights and enables rapid turnaround in matters that require response. Over 90% of the content shared and the conversations on social media regarding Mavi are positive.

Mavi conducts regular surveys to collect information on its customers' perceptions and on consumer habits in relation to the Mavi brand, products and advertising campaigns. The Company's secret customer visits to Mavi stores and franchises aim at inspecting, monitoring and reporting each retail point and on its service quality.

4.3. Human Resources Policy

Ensuring that its human resource as its most valuable asset functions in the most efficient and productive manner possible, monitoring motivation and job satisfaction in terms of remuneration and morale, and introducing relevant policies and measures are among the Company's key targets. Mavi has defined its human resources principles with the aim of becoming the most preferred employer.

Mavi's HR processes are developed and conducted by HR and organizational development, talent acquisition and recruitment, retail HR and administrative affairs teams, all overseen by Global Human Resources. A dedicated representative is not appointed for relations with the employees, who can access the management via all communication channels openly.

HR policies and practices are implemented to align with Mavi's business strategies and to support its sustainable growth. They are defined by the organizational competency and behavioral traits ("Mavi Competence Model") and managed accordingly.

HR principles:

- To recruit young people and experienced professionals that will drive Mavi forward
- To establish and implement systems that enable the employees to train, develop, succeed, and rise professionally

- To invest constantly in developing the employees, to prepare and deliver training programs by identifying training needs
- To ensure that the employees are placed in positions that match their knowledge and skills, to introduce practices that elevate work effectiveness and productivity
- To increase employee loyalty through career opportunities and recognition
- To create and maintain a safe, healthy and peaceful working environment in terms of environmental and occupational health and safety
- To fill vacant positions from existing human resource, where possible
- To recruit the most suitable candidates by considering the Company's current and future needs, to offer equal opportunities to the candidates, and to ensure cultural diversity

The Company has published policies and procedures relating to all HR processes, including employees' job descriptions, performance appraisals and reward criteria. These documents are available on Maviletişim, a portal accessible to all employees. Employees receive regular briefings via the Company's email system and the intranet.

All employees are treated equally and free of discrimination on grounds of ethnic background, language, religion, race or gender across all human resources processes, including recruitment, training and development, performance and talent management, career management, and remuneration. The Company received no complaints of discrimination from employees in 2020.

4.4. Business Ethics

As a brand that elicits confidence from the consumer, Mavi is a reputable business partner for suppliers and offers its employees a career open to development as it nurtures a strong sense of belonging and loyalty. These attributes are rooted in principles that the Company embraces and practices in all its business affairs. Since its founding, Mavi's core principles, which ensure the sustainability of its corporate direction, have been uncompromising integrity, fairness and full compliance with laws and codes of conduct. Working under the Mavi umbrella demands professional and honest behavior under all conditions and identifying one's personal reputation with that of the brand and the organizational structure. Accordingly, Mavi expects each employee to respect all living creatures and the environment, to maintain a sense of social responsibility, and to internalize all aspects of the business code of conduct. Mavi secures its brand image by ensuring that the employees put the brand's interests above their own and avoid any behavior to the detriment of the Company and its reputation. Codes of conduct are detailed in a booklet, Mavi's People and Its Principles, and made available on the corporate website for all stakeholders and the intranet (Maviletişim) for the employees. With Mavi's People and Its Principles, the Company aims to ensure that employees embrace business ethics and comply with the codes of conduct and relevant procedures. The principles that govern key aspects such as protecting brand interests, preserving company assets, privacy and information security, non-discrimination, and anti-bribery and anti-corruption lay out the responsibilities with which the employees and executives are required to comply.

The Senior Legal and Compliance Manager delivers training programs on the topics included in Mavi's People and Its Principles. In 2020, 376 head office employees took the Code of Ethics training for an average of one hour per employee as part of the efforts to ensure that the ethical principles are understood and embraced by all the employees. Announcements regarding the Ethics Line are posted on the intranet and posters are placed in all the stores.

[For Mavi's People and Its Principles \(Code of Conduct\), please click here.](#)

Whenever Mavi employees encounter unethical behavior in the workplace, they may call the Ethics Line to communicate their complaints. The Ethics Line is a 24/7 support system managed by a third party, completely independently from the company management, and enables the Mavi employees in Turkey and other countries to report the non-compliances they detect or witness, voice their concerns, or ask questions. The Ethics Line can be accessed by phone, email or via the website.

Ethics Line - phone: 212 979 70 09

Ethics Line - email: mavi@etikhat.com

Ethics Line - website: www.remedetikhat.com.tr User name: "MAVİ"; password "Mavi1991"

The Ethics Line is a channel where every employee can communicate verbally in his/her native language and voice his/her complaints without having to disclose his/her identity. Confidentiality can be a concern for those who want to communicate in writing by sending emails, and therefore, no information, including the IP of the senders who wish to remain anonymous, is shared with Mavi.

Work is in progress to open the ethics line to all the stakeholders.

The Code of Conduct for Suppliers includes a complaint procedure to report violation of ethical codes or irregularities. Such complaints or reports may always be communicated unanimously, if desired, by sending an email to compliance@mavi.com. Customers may also report irregular and unethical transactions by phone or email.

[Please click here for the Mavi Code of Conduct for Suppliers.](#)

The Ethics Board, consisting of three main and two reserve members, is responsible for investigating and resolving complaints and reports of code of conduct infractions. The head and members of the Ethics Board act independently of their departmental managers and the corporate hierarchy without external influence. No one may exert pressure on the Ethics Board, whose decisions are implemented promptly. In 2020, the Ethics Board received 127 reports via the Ethics Line and investigated each one, resolving 113 (89%) of all calls.

Anti-bribery and Anti-corruption Procedure

Mavi does not tolerate any form of bribery and corruption. Mavi has prepared an Anti-Bribery and Anti-Corruption Procedure, which lays out the Company's stance against bribery and corruption. This procedure is available on the corporate website and intranet (Maviletişim) for all stakeholders. This procedure aims to comply with the anti-bribery and anti-corruption laws and regulations in all the countries where the Company operates, ethical and professional principles, as well as universal codes. The procedure applies to directors and employees at all Mavi companies in Turkey and abroad as well as its suppliers, franchisees and their employees. Business partners, including consultants, lawyers and external auditors are also subject to this procedures. The Company's anti-bribery and anti-corruption practices are defined in Mavi's People and Its Principles.

- Bribery or corruption will not be tolerated under any circumstances whatsoever.
- Job-related financial favors, so-called commission or by any other name, will not be accepted or offered.
- Direct or indirect propositions to public or private persons or entities to secure any preference or favors, whether related to business or not, as well as written or verbal agreements for such purposes are strictly prohibited.

- Relationships with third parties will not be abused to secure favors against the promise of preferential treatment, and any propositions for such will be rejected.
- Utmost care must be taken to ensure that no act or behavior, whatever the intention may be, creates even the slightest suspicion or impression of a favor.

The Code of Conduct for Suppliers stipulates that all business partners and their employees are obligated to act ethically and morally to avoid any personal dependence, obligation, or influence in all their business dealings in line with anti-bribery and anti-corruption principles. All employees and business partners are expected to behave professionally with a sense of fairness and in full compliance with all applicable national and international laws and regulations.

Relations with suppliers and state institutions, payment terms, human resources processes, accounting and purchasing processes are regarded as activities prone to high risk of corruption. Operational processes with high risk are within the purview of the Audit Committee. An annual internal audit calendar is prepared with the approval of the Audit Committee, which consists of independent board members. Of the processes prone to corruption risk, 75% have been audited by the internal audit team and the findings were shared with the Company's senior management and the Audit Committee.

Any suspicions that involve employees or persons acting on behalf of Mavi to be in violation of the Anti-bribery and Anti-corruption Procedure must be reported to the Mavi Ethics Line or the Compliance Manager. In cases that are in violation of the Procedure, the issue is investigated by the Mavi Ethics Committee without endangering the safety and reputation of the reporting individual and sanctions are imposed if impropriety or irregularity is determined.

The "Corporate Compliance and Ethics at Mavi" training organized for head office employees is designed to cover two topics included in the Anti-bribery and Anti-corruption Procedure and its Annex, Implementation Guidelines for Accepting Gifts and Hospitality. To date, 103 managers and higher level executives have taken the Corporate Compliance and Ethics at Mavi training.

In 2020, no bribe-related notifications were received by the Ethics Line.

[Please click here for the Anti-bribery and Anti-corruption Procedure.](#)

As a rule, the Anti-bribery and Anti-corruption Procedure prohibits Mavi employees from engaging in relationships with companies that supply products and services to Mavi and their employees, as well as institutions, organizations or business partners and/or third parties with whom they come into contact due to their jobs at Mavi, in manners that may be misconstrued as the exchange of financial favors, including accepting or offering gifts, invitations, and hosting, etc.

As part of the efforts to fight bribery and corruption, a procedure that lays out the rules for accepting gifts and hosting offers has been emailed to the suppliers.

4.4.5 Social Responsibility

Mavi aims to create sustainable social benefit and empower young people through social responsibility activities inspired by youth. The Company is engaged in various social responsibility projects, including the following:

• **Indigo Turtles:** Since 2014, the Company continues to support the Ecological Research Association's (Ekolojik Araştırmalar Derneği, EKAD) efforts to preserve sea turtles facing extinction through the Indigo Turtles project. The objective of the project is to protect the Mediterranean native *Caretta caretta* species of sea turtles, which have lived on earth for 110 million years. Over the last 21 years, EKAD, which carries out its activities in Belek, the largest nesting ground in the Mediterranean region, has helped more than 800 thousand *Caretta caretta* reach the sea. Facing many difficulties, only 40% of hatchling turtles make it to the water and only one in a thousand survives. The Indigo Turtles project not only supports the sea turtles' difficult fight for survival but also raises awareness about the value of volunteering. Volunteers set up camps to help protect the turtle eggs from external stimuli and ensure that the hatchlings make it to the sea. Hundreds of volunteers from Turkish and international universities and colleges, as well as Mavi employees, customers, scholars and followers take part in the activities.

• **Mavi Scholarship Fund:** Since 2016, Mavi grants annual scholarships to female students in a number that corresponds to the age of the Company. For the 2020–2021 academic year, 30 students received grants under the Mavi Scholarship project, which supports them throughout their university education. Mavi also supported the education of one female student as part of Koç University's Anatolian Scholars program, which gives a second chance to successful students that achieve scores in the top 1% in the university exams despite limited education privileges but are unable to qualify for scholarships.

• **Mavi Stands by the Community:** In the fight against the COVID-19 pandemic, Mavi joined forces with manufacturers to produce protective face masks. In addition to the medical masks and overalls, the company also provided clean clothes to support the healthcare professionals working tirelessly on the frontlines. Furthermore, Mavi made a monetary contribution to the social solidarity campaign of the Ministry of Family, Labour and Social Services.

BOARD OF DIRECTORS

5.1. Board Structure and Composition

The duties and responsibilities of Mavi's Board members are clearly set out in the Company's Articles of Association. The Board of Directors principally defines the Company's strategic targets, determines the workforce and financial resource requirements, and oversees the performance of the management.

The Board of Directors consists of two types of members: executive members and non-executive members. Non-executive members, free of any other administrative duties at the Company, will constitute the majority of Board members.

The Company is managed and represented by a Board of Directors consisting of six members. Half of Mavi's Board members are elected from among candidates proposed by the Class-A shareholders. The Chairperson of the Board of Directors is elected from among those Board members proposed by Class-A shareholders.

Sufficient number of independent members are appointed to the Board of Directors by the General Assembly, in line with the principles concerning independence of the members of Boards of Directors, as set out in the CMB's Corporate Governance Principles. These independent members must possess the qualifications sought under

the CMB’s Corporate Governance Principles. CMB regulations also govern the terms of office of the independent members of the Board of Directors. In the special accounting period from February 1, 2020 to January 31, 2021, no circumstances that would impair the independence of the independent members occurred.

In the special accounting period from February 1, 2020 to January 31, 2021, only one female member sat on Mavi’s Board of Directors. According to [the Board of Directors Diversity Policy](#) that the Board approved in the reporting period, Mavi aims to increase the ratio of female members on its Board of Directors to one-third by 2024 and to maintain this ratio thereafter.

The résumés of the Board members are included in the “Board of Directors” section of the annual report and made publicly available on the corporate website.

At Mavi, the positions of the Chairperson of the Board of Directors and the CEO are assumed by different individuals. While Board members are required to dedicate sufficient time to the Company’s affairs, there is no restriction on their duties outside of the Company. Considering the significant contribution Board members make to Mavi’s Board of Directors with their professional experience and industry expertise, imposing restrictions on their external duties is not deemed necessary. Prior to every General Assembly, the résumés of the Board members and their duties external to the Company are submitted to the shareholders.

Currently, the Board of Directors of Mavi consists of six members whose positions are detailed below.

Name	Position	Other Positions Within the Group and Name of the Relevant Company	Positions External to the Group and Name of the Relevant Company
Ragıp Ersin Akarlılar	Chairman Non-executive	President - Mavi USA Member, Supervisory Board Mavi Germany Company Secretary - Mavi Canada	-
Seymur Tari	Board Member Non-executive	-	Türk Ventures Adv. Ltd. İstanbul CEO Board member - Medical Park Sağlık Hizmetleri A.Ş., Flo Mağazacılık ve Pazarlama A.Ş., Elif Plastik
Fatma Elif Akarlılar	Board Member Executive Chief Brand Officer	Member, Supervisory Board - Mavi Germany	-

Name	Position	Other Positions Within the Group and Name of the Relevant Company	Positions External to the Group and Name of the Relevant Company
Ahmet Cüneyt Yavuz	Board Member Executive CEO	Supervisory Board Member – Mavi Germany	-
Ahmet F. Ashaboğlu	Independent Director Non-executive	-	CFO - Koç Holding Board Member - several Koç Group companies
Nevzat Aydın	Independent Director Non-executive	-	Board Member & CEO - Yemeksepeti Board Member - Endeavor, TOBB Young Entrepreneurs, American Turkish Society; Member of the Board of Trustees, Boğaziçi University Founding Member, Galata Business Angels; WTech Women in Technology Association

5.2. Board of Directors’ Operating Principles

Board meeting agendas are determined upon the notification by the relevant departments to the senior management and the Board of Directors of the matters that are expressly stipulated by the Articles of Association to be considered by the Board of Directors. The board will convene or pass resolutions as and when the Company’s affairs necessitate upon the request of the Chairperson or the Vice Chairperson. In the special accounting period from February 1, 2020 to January 31, 2021, the Board of Directors convened 13 times and passed 63 resolutions.

All members generally attend the Board meetings held in accordance with Article 390/1 of the Turkish Commercial Code. Pursuant to the Turkish Commercial Code, Article 390/4, should all members agree that a Board meeting is not required, the Board may pass resolutions by obtaining the written assent of the absolute majority of the Board members to proposed resolutions submitted in writing by Board members.

Provisions of the Turkish Commercial Code and capital markets legislation apply to the meeting and resolution quorums of the Board of Directors. Mavi’s Articles of Association include no provision granting Board members casting votes or vetoes in Board meetings.

Dates and times of Board meetings are set by consulting the Board members before issuing a call to meeting. Calls to meetings are sent by email to all the Board members. The Board has appointed a Secretary to ensure all Board responsibilities are fulfilled and resolutions are implemented.

Minutes of the Board meetings are recorded to include all questions raised, all matters discussed, and all

resolutions passed, with the reasoning for the voting outcomes. No votes were cast against Board resolutions within the reporting period.

In the reporting period, no related party transactions or material transactions, which were disapproved by the independent members and therefore required presentation to the General Assembly for approval, took place.

The Company has executive liability insurance coverage of \$25 million, which extends to all members of the Board of Directors and the senior management of Mavi’s affiliates/subsidiaries.

5.3. Number, Structure and Independence of Board of Directors’ Committees

The Board of Directors established an Audit Committee, a Corporate Governance Committee and an Early Identification of Risk Committee to ensure that the Board fulfils its duties and responsibilities in a safe and sound manner. The committees carry out their duties in accordance with the specified operating principles, which are also available on the Company’s corporate website.

The Board of Directors appointed members to these committees on July 16, 2020 and disclosed the resolution on the Public Disclosure Platform (PDP).

The Company did not form a Nomination Committee or a Remuneration Committee in 2020 and the relevant functions are delegated to the Corporate Governance Committee.

The Board of Directors provides all resources and extends full support to the committees for performance of their assigned duties.

Executive members are not eligible for appointment to these committees. Since it is mandatory to appoint the chairpersons of the three committees under the Board of Directors and the members of the Audit Committee from among the Board’s independent members, those members serve on multiple committees.

Audit Committee

Name	Title on the Committee	Independent/Non-executive
Ahmet F. Ashaboğlu	Head	Independent, non-executive
Nevzat Aydın	Member	Independent, non-executive

The Audit Committee consists of members, who are non-executive and independent members of the Board of Directors, and who possess adequate financial knowledge and experience. The Committee head and member are appointed by the Board of Directors. The Company’s Internal Audit department serves as the secretary to the Audit Committee. The secretary is named by the head of the Audit Committee. The Board of Directors extends all resources and support to the Audit Committee for proper functioning.

The Audit Committee oversees the accounting system of the Company, public disclosure of financial information, and functioning and effectiveness of the internal control system and the Internal Audit department. Accordingly, the Committee ensures that financial and operational activities are supervised, and all internal and

independent audits are carried out in a healthy manner, offers opinion about the accuracy of financial statements and recommendations to the Board of Directors about the selection of the independent auditor, and reviews Company policies related to investigations about legal compliance, ethical codes, conflicts of interest, poor management and fraudulent transactions, as well as suitability of corporate governance policies through the internal audit department. The Committee furthermore convenes with the internal audit department to discuss the adequacy of the internal control system and holds regular meetings to build a communication bridge between the Board of Directors, finance managers, independent auditors, and the internal audit department.

The Audit Committee convenes at least four times a year and every three months at a minimum at the Company’s head office or another location upon the Committee head’s invitation. The Committee can also be called to convene extraordinarily by the Chairman or the Committee head and hold meetings with the auditors and the executives on a special agenda. The Audit Committee convened four times during the reporting period and reviewed and approved the internal audit reports.

In addition to convening four times to review the internal audit activities in 2020, the Audit Committee also passed four resolutions and submitted them to the Board of Directors in writing, expressing its observations on the accuracy, correctness and compliance of the annual and interim financial statements prepared for public disclosure with the Company’s accounting principles.

Corporate Governance Committee

Name	Title on the Committee	Independent/Non-executive
Nevzat Aydın	Head	Independent, non-executive
Ragıp Ersin Akarlılar	Member	Non-independent, non-executive
Duygu İnceöz	Member	-

The Corporate Governance Committee was established to monitor the Company’s compliance with corporate governance principles, examine the reasons for non-implementation of the principles that have yet to be implemented, and recommend to the Board of Directors ways to improve corporate governance practices. The Committee also works in coordination with the Investor Relations department to review the requests and opinions communicated to the Company by investors and shareholders, ensuring that they are resolved, and develops proposals to make sure that public disclosures and analyst presentations are made in compliance with the laws and regulations and particularly in accordance with the Company’s public disclosure policy. Since Nomination and Remuneration Committees are not yet established within Mavi, it has been accepted as a principle that the Corporate Governance Committee should fulfill the duties and responsibilities of these committees. The Committee submits reports of its activities and recommendations to the Board of Directors in writing.

In the fiscal year 2020, the Committee assessed the Company’s corporate governance practices and the Corporate Governance Principles Compliance Report and monitored the activities of the Investor Relations department. The Committee also submitted its opinion to the Board of Directors on determining the honoraria to be paid to the non-executive Board members.

Early Identification of Risks Committee

Name	Title on the Committee	Independent/Non-executive
Ahmet F. Ashaboğlu	Head	Independent, non-executive
Ragıp Ersin Akarlılar	Member	Non-independent, non-executive
Bige İşcan Aksaray	Member	-

The Early Identification of Risk Committee was established to identify the risks that pose a threat to the Company's existence, development and continuity ahead of time, implement risk mitigation and risk management measures, and manage the risks. The Committee submits opinions to the Board of Directors to identify the risks that might affect the company's stakeholders and especially the shareholders and to establish the internal control mechanisms that include risk management and information systems processes to minimize the impact.

The Early Identification of Risk Committee convenes at least six times a year. In the fiscal year 2020, the Committee submitted six written reports to the Board of Directors, with four on enterprise risk management that involves detection of risks and determining the steps and actions to avoid or mitigate risks, and two on the efficacy of the risk control mechanisms in place.

5.4. Risk Management and Internal Control Mechanism

Mavi has established an Early Identification of Risk Committee under its Board of Directors in line with Article 378 of the Turkish Commercial Code and the CMB's Corporate Governance Communiqué. The Committee identifies the risks that may jeopardize the Company's existence, development and continuity ahead of time, thereby supporting the Board of Directors' implementation of risk-mitigation and management measures. The Committee reports to the Board of Directors at each meeting of the Board, and the Company forwards these reports to the independent auditors. The Board of Directors regularly assesses the risks that the Company faces based on the information provided by the Committee.

Responsibility for the management and reporting of risks is supervised by the CFO in coordination with other departments. The risks are prioritized based on periodical reports at the meetings, action plans and responsible departments are determined, and monitored with Critical Risk Indicators. The principal risks that the company is exposed to are categorized and followed under four main headings: financial risks, reputation risks, strategic and operational risks, and legal risks. As part of the efforts toward full compliance with the Communiqué on Information Systems Management, which entered into force on January 5, 2018 upon publication in the Official Gazette, No. 30292, Mavi obtained the ISO 27001 Information Security Management System certification and all processes are now carried out according to the ISO standards.

Standard definitions, job descriptions, authorization system, policies and written procedures that are part of the workflows constitute the internal control system. The senior management of the Company and its subsidiaries hold responsibility for internal control mechanisms. The internal control system is periodically reviewed and audited by the Internal Audit Department.

5.5. Mavi's Strategic Targets

The Board of Directors defines the Company's strategic targets, determines the human and financial resources that the Company requires and oversees the management's performance. Accordingly, roadmaps are prepared

detailing the operational and financial plans of the Company for three years (detailed plans are laid for the forthcoming year and macro-level plans for the two subsequent years). These plans are updated every year, taking into consideration developments in local and international dynamics. Once a year, GO Forward meetings are organized to discuss these strategies first with the C-suite and then with managers on all levels to ensure alignment of the whole organization on short-and long-term targets of the company.

The management budget, detailing the Company's operational and financial plans for the forthcoming fiscal year, is prepared with the participation of all departments in two phases: the first covers the spring-summer and the second fall-winter. These plans are discussed in detail and finalized, then approved during budget meetings held with the entire senior management and the Board of Directors in attendance. The Board of Directors monitors the financial performance of the Company versus the budget at quarterly meetings. The Board also reviews the strategic developments, formulates strategies by considering the recommendations of the administrative structure, and makes investment decisions.

In the year-end performance appraisal process, financial and operational indicators along with the degree that the Company has attained its strategic targets are evaluated. These results provide input for the performance system.

5.6. Financial Benefits

The Company's remuneration policy, which contains provisions for all the rights, benefits and remuneration provided to the Board members and senior management, along with the criteria applied when determining such, and remuneration principles is available on the corporate website.

Determining the remuneration for non-executive board members for 2021 will constitute a separate agenda item at the ordinary general assembly meeting to review the 2020 activities of the Company. Remuneration of independent members of the Board does not involve dividends, stock options or performance-based payment plans.

The aggregate of financial benefits paid in the reporting period to Board members, the general manager and the executives reporting directly to him amounted to TL 45,738,000, inclusive of salaries and bonuses. Pursuant to Article 4.6.5 of the Corporate Governance Principles, the salaries and all other benefits paid and provided to Board members and senior executives are disclosed to the public via the Company's annual report. However, the disclosure only provides a breakdown of the benefits as a sum for the Board of Directors and senior executives and does not specify individuals.

In the reporting period, the independent Board members Nevzat Aydın and Ahmet F. Ashaboğlu, and the Chairman of the Board of Directors, Ragıp Ersin Akarlılar were each paid TL 11,000 in net monthly honoraria. Board member Seymur Tarı has waived his honorarium receivables with a written application he filed with the Company and therefore is not paid any honorarium.

Revision of the net monthly honorarium of TL 11,000 paid to independent Board members, Nevzat Aydın and Ahmet F. Ashaboğlu, and the Chairman of the Board of Directors, Ragıp Ersin Akarlılar to TL 12,600, beginning the month following the General Assembly meeting, will be submitted to the general assembly for approval.

No loans or other credits are extended to the Board members by the Company, which also does not grant any guarantees or other collateral in their favor.

CORPORATE GOVERNANCE COMPLIANCE REPORT

Corporate Governance Compliance Report

	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2-Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1-Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2-The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7-Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	There was no notification made regarding such a transaction.
1.3.8-Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10-The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.		X				The agenda of the General Shareholders' Meeting included a separate item for the total amount of the donations and contributions made in 2020, details of the beneficiaries have not been specified.
1.3.11-The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					

	Yes	Partial	No	Exempted	Not Applicable	Explanation
1.4. VOTING RIGHTS						
1.4.1-There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2-The company does not have shares that carry privileged voting rights.	X					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	No cross ownerships exist that are associated with a controlling relationship within our Company.
1.5. MINORITY RIGHTS						
1.5.1-The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2-The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Minority rights are not vested by the Articles of Association in shareholders holding less than one twentieth of the capital and rights are vested within the general framework of the regulations
1.6. DIVIDEND RIGHT						
1.6.1-The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2-The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3-The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4-The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1-There are no restrictions preventing shares from being transferred.						

Corporate Governance Compliance Report

	Yes	Partial	No	Exempted	Not Applicable	Explanation
2.1. CORPORATE WEBSITE						
2.1.1-The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2-The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4-The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					
2.2. ANNUAL REPORT						
2.2.1-The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2-The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1-The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3-Policies or procedures addressing stakeholders' rights are published on the company's website.		X				Policies such as Dividend Distribution, Disclosure, Remuneration, Compensation, Code of Conduct, Information Security, Anti-bribery and Anti-corruption Policies that address rights are published on the company's website, other procedures are published via the internal disclosure platform Maviletişim.
3.1.4-A whistleblowing programme is in place for reporting legal and ethical issues.	X					

	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.1.5-The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1-The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					
3.2.2-Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					
3.3. HUMAN RESOURCES POLICY						
3.3.1-The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					
3.3.2-Recruitment criteria are documented.	X					
3.3.3-The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4-Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5-Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6-Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7-Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8-The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9-A safe working environment for employees is maintained.	X					

Corporate Governance Compliance Report

	Yes	Partial	No	Exempted	Not Applicable	Explanation
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2-Customers are notified of any delays in handling their requests.	X					
3.4.3-The company complied with the quality standards with respect to its products and services.	X					
3.4.4-The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1-The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1-The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2-The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2-Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4- Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5-The roles of the Chairman and Chief Executive Officer are separated and defined.	X					

	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8-The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9-The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10-At least one member of the audit committee has 5 years of experience in audit/ accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attended the majority of the board meetings in person.	X					
4.4.2-The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3-The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	Although there is the possibility to present an opinion in such a case, there has not been any notification made by the BoD members who could not attend the meetings.
4.4.4-Each member of the board has one vote.	X					
4.4.5-The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6-Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					

Corporate Governance Compliance Report

	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X				While Board members are required to pay sufficient time to the Company's affairs, there is no restriction on their duties outside of the Company. Considering the significant contribution Board members make to Mavi's Board of Directors with their professional and sector specific experience, imposing restrictions on their external duties is not deemed necessary. Prior to each General Assembly, the curricula vitae of the Board members and their duties external to the Company are submitted for the attention of shareholders.
4.5. BOARD COMMITTEES						
4.5.5-Board members serve in only one of the Board's committees.			X			Mavi has determined the number of its independent Board members at two. In so doing, the Company considered various factors such as the volume of its operations and its administrative needs. Currently, the Board has three committees. In respect of the principle requiring committee chairs to be independent members, it is necessary to delegate multiple committee chairs to the independent members. This does not give rise to any conflict of interest within the Company.
4.5.6-Committees have invited persons to the meetings as deemed necessary to obtain their views.					X	In accordance with the working principles of the committees, the committees may make use of the opinions of the independent experts. During the past year, no such request was brought up by the committees.
4.5.7-If external consultancy services are used, the independence of the provider is stated in the annual report.					X	There has not been any external consultancy services used.
4.5.8-Minutes of all committee meetings are kept and reported to board members.		X				

	Yes	Partial	No	Exempted	Not Applicable	Explanation
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.				X		No specific study was conducted at board level regarding performance evaluation.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.		X				
4.6.5-The individual remuneration of board members and executives is disclosed in the annual report.				X		The General Assembly determines remuneration rates payable to members of Mavi's Board of Directors. In line with general practice, total amount of remunerations of Board members and senior executives are disclosed to the public in the Company's financial table footnotes.

Corporate Governance Information Form

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	Investor Relations Department attended 15 virtual investor conferences meeting local and international investors and held over 200 teleconferences. At these events and meetings, the Company had contact with 360 investors and analysts from 130 local or international institutions.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	-
The number of special audit requests that were accepted at the General Shareholders' Meeting	-
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/850854
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no such transaction
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/850131
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/850131
The name of the section on the corporate website that demonstrates the donation policy of the company	Corporate Governance - Policies and Ethics
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/680430
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	There is no provision in the AoA. This issue is governed in the General Assembly Internal Directive
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	According to the internal directive, press members, guests that have been invited by the management and other persons for whom the Meeting Chairman permits can attend the General Meetings
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
The percentage of ownership of the largest shareholder	% 9,06

1.5. Minority Rights	No
If yes, specify the relevant provision of the articles of association.	
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Corporate Governance - Policies and Ethics
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	Agenda Item No:9 -The Board of Directors' dividend payment proposal on non-distribution of the net distributable profits of the year 2019 for the purpose and reason of supporting the required liquidity of the Company by taking into account the impact of COVID-19 pandemic conditions on the activities of the Company has been approved.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	https://www.kap.org.tr/tr/Bildirim/860098
GENERAL ASSEMBLY MEETINGS	
General Meeting Date	16/07/2020
The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	0
Shareholder participation rate to the General Shareholders' Meeting	% 69,9
Percentage of shares directly present at the GSM	% 0,0000003
Percentage of shares represented by proxy	% 69,9
Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Corporate Governance / General Assembly
Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	Corporate Governance / General Assembly
The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	-
The number of declarations by insiders received by the board of directors	0
The link to the related PDP general shareholder meeting notification	https://www.kap.org.tr/tr/Bildirim/860098
2. DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	Financial Reports and Presentations, Annual Report, Announcements, Corporate Governance
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Corporate Governance -Shareholder Structure and Subsidiaries
List of languages for which the website is available	Turkish, English

Corporate Governance Information Form

2.2. Annual Report	
The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	Corporate Governance Compliance Report, 2018 AR -page 202-203 - Statements of Independence
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	Annual Report Corporate Governance Section
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Annual Report Corporate Governance Section
ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	Annual Report Corporate Governance Section - Legal Disclosures
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Annual Report Corporate Governance Section- Legal Disclosures
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	There is no such case
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	Annual Report Corporate Governance Section - Legal Disclosures
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Annual Report Sustainability Section
3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	Corporate Governance - Policies and Ethics
The number of definitive convictions the company was subject to in relation to breach of employee rights	-
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Ethics Board
The contact detail of the company alert mechanism	Ethic line: 212 979 70 09 e-mail: mavi@etikhat.com Web site: www.remedetikhat.com.tr user name: MAVİ; passcode: Mavi1991

3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	Internal regulation does not have a public link on company website
Corporate bodies where employees are actually represented	GoMavi, Masmavi, Management Forum, Marketing Direction, GoSeason meetings, GoWellness Work Group and Occupational Health and Safety Board
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Within Mavi Succession Policy the Board of Directors approve the succession plan for top level management
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Annual Report - Sustainability Approach Section
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Corporate Governance - Policies and Ethics - Mavi Code of Conduct
The number of definitive convictions the company is subject to in relation to health and safety measures	-
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	Corporate Governance - Policies and Ethics
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Annual Report - Sustainability Approach Section
Any measures combating any kind of corruption including embezzlement and bribery	Anti-Bribery and Anti-Corruption Procedure outlines the related issues
4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	-
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	No delegation was made among the board members
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	6
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Annual Report Corporate Governance Section
Name of the Chairman	Ragıp Ersin Akarlılar

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Name of the CEO	Ahmet Cüneyt Yavuz
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	-
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	https://www.kap.org.tr/tr/Bildirim/754392
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	-
The number and ratio of female directors within the Board of Directors	1 board member - 1/6

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
Ragıp Ersin Akarlılar	Non executive	Not independent director	12/01/1994	-	Not applicable	Not applicable	Not applicable
Ahmet Cüneyt Yavuz	Executive	Not independent director	22/03/2017	-	Not applicable	Not applicable	Not applicable
Seymur Tarı	Non executive	Not independent director	01/08/2008	-	Not applicable	Not applicable	Not applicable
Fatma Elif Akarlılar	Executive	Not independent director	12/01/1994	-	Not applicable	Not applicable	Not applicable
Ahmet Fadıl Ashaboğlu	Non executive	independent director	17/07/2017	https://www.kap.org.tr/tr/Bildirim/672565	Considered	No	Yes
Nevzat Aydın	Non executive	independent director	17/07/2017	https://www.kap.org.tr/tr/Bildirim/672565	Considered	No	No)

4. BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors	
Number of physical board meetings in the reporting period (meetings in person)	The meeting were held virtually given the COVID-19 conditions. 13 meeting were held.
Director average attendance rate at board meetings	% 100
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	5 working days
The name of the section on the corporate website that demonstrates information about the board charter	There is no public link available for the internal board charter document
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There is no such policy
4.5. Board Committees	
Page numbers or section names of the annual report where information about the board committees are presented	Annual Report Corporate Governance Section
Link(s) to the PDP announcement(s) with the board committee charters	https://www.kap.org.tr/tr/Bildirim/627118

Composition of Board Committees-I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee		Ahmet F. Ashaboğlu	Yes	Board member
Audit Committee		Nevzat Aydın	No	Board member
Committee of Early Detection of Risk		Ahmet F. Ashaboğlu	Yes	Board member
Committee of Early Detection of Risk		Ragıp Ersin Akarlılar	No	Board member
Committee of Early Detection of Risk		Bige İşcan Aksaray	No	Not board member
Corporate Governance Committee		Nevzat Aydın	Yes	Board member
Corporate Governance Committee		Ragıp Ersin Akarlılar	No	Board member
Corporate Governance Committee		Duygu İnceöz	No	Not board member

4. BOARD OF DIRECTORS-III

4.5. Board Committees-II	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report Corporate Governance Section
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report Corporate Governance Section
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report Corporate Governance Section
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report Corporate Governance Section
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	Annual Report Corporate Governance Section
4.6. Financial Rights	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Annual Report Corporate Governance Section
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Corporate Governance - Policies and Ethics
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Annual Report Corporate Governance Section

Composition of Board Committees-II

Names Of The Board Committees	Name of committees defined as "Other" in the first column	Percentage Of Non-executive Directors	Percentage Of Independent Directors In The Committee	Number Of Meetings Held In Person	Number Of Reports On Its Activities Submitted To The Board
Audit Committee		100%	100%	4	8
Committee of Early Detection of Risk		66,6%	33,3%	4	6
Corporate Governance Committee		66,6%	33,3%	2	2