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**mavi**

**General Assembly Information Document**

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**MAVİ GİYİM SANAYİ VE TİCARET A.Ş.**

**INFORMATION DOCUMENT  
ON THE ORDINARY GENERAL ASSEMBLY DATED 2 MAY 2018  
FOR THE SPECIAL ACCOUNTING PERIOD OF  
1 FEBRUARY 2017 – 31 JANUARY 2018**

**1. INVITATION TO THE ORDINARY GENERAL ASSEMBLY DATED 2 MAY 2018**

Our Company shall convene its Ordinary General Assembly on Wednesday, 2 May 2018 at 10:00 a.m. at Raffles İstanbul Hotel - Levazım Mahallesi, Koru Sokağı Zorlu Center, 34340 Beşiktaş/İstanbul in order to evaluate the activity results of the special accounting period of 1 February 2017 – 31 January 2018 and to discuss and resolve on the agenda indicated hereinbelow.

The Financial Tables relating to the special accounting period of 1 February 2017 – 31 January 2018, the Independent Audit Report issued in relation to such Financial Tables by the independent audit firm, Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the Activity Report of the Board of Directors containing the Corporate Governance Compliance Report, the dividend distribution proposal of the Board of Directors and this Information Document and its annexes inclusive of the agenda items indicated below as well as the additional disclosures required for compliance with the Capital Markets Board's regulations shall be made available to the examination of Esteemed Shareholders at the Company's Headquarters, the corporate web site of the Company ([www.mavicompany.com](http://www.mavicompany.com)), which can be reached via the Company's official web site ([www.mavi.com](http://www.mavi.com)), the Public Disclosure Platform and the Electronic General Assembly System, at least three weeks prior to the meeting and within the applicable legal deadline.

Provided that the rights and obligations of our Shareholders who shall attend the meeting electronically via the Electronic General Assembly System shall be reserved, our Shareholders who shall not be able to attend the meeting in person are required to issue their proxy documents in accordance with the form set forth hereinbelow or to obtain the form of the proxy from the Company's headquarters or the Company's corporate web site ([www.mavicompany.com](http://www.mavicompany.com)), which can be reached via the Company's official web site ([www.mavi.com](http://www.mavi.com)) and submit to the Company their proxies bearing their notarized signatures upon fulfilling the relevant requirements under the "Communiqué No: II-30.1 on Voting by Proxy and Public Call for Collecting Proxies"

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published in the Official Gazette dated 24.12.2013 No: 28861 as well. Proxies appointed electronically via the Electronic General Assembly System are not required to submit a proxy document. **Due to our legal liability, proxy documents which do not comply with the form stipulated under the aforementioned Communiqué and included hereinbelow shall under no circumstances be accepted.**

Real person shareholders who shall be attending the meeting in person and the proxies appointed via the Electronic General Assembly System shall submit their identity documents, proxies of real person shareholders shall submit their proxy documents together with their identity documents and representatives of legal entity shareholders shall submit their proxy documents along with their identity documents.

Our shareholders who shall be attending the meeting electronically via the Electronic General Assembly System and their proxies may enter the corporate web site of the Central Registration Agency at [www.mkk.com.tr](http://www.mkk.com.tr) for obtaining information on procedures and principles applicable to attendance, appointment of proxy, making proposals, declaring opinions and voting.

Pursuant to Article 415, paragraph 4 of the Turkish Commercial Code No: 6102 and Article 30, paragraph 1 of the Capital Markets Law, the rights to attend the General Assembly and vote are not conditional upon the depositing of share certificates. Within this framework, should they wish to attend the General Assembly, our Shareholders are not required to deposit their share certificates.

Provided that the rules governing electronic voting of the Agenda items shall be reserved, voting during the Ordinary General Assembly shall take place as open vote by show of hands.

Pursuant to the Law No: 6698 Regarding the Protection of Personal Data, you may find the detailed information on the processing of your personal data by the Company in the Confidentiality Policy disclosed to the public on [www.mavi.com](http://www.mavi.com) .

In accordance with the provisions of the Capital Markets Law, no additional notification shall be made to the Shareholders for the registered shares that are traded at the stock exchange.

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Respectfully submitted for the consideration of our Esteemed Shareholders.

**MAVİ GİYİM SANAYİ VE TİCARET A.Ş.**  
**BOARD OF DIRECTORS**

Company's Address: Sultan Selim Mah. Eski Büyükdere Cad. No:53 34418  
Kağıthane/İstanbul

Trade Registry and Registration Number: İstanbul/309315

Mersis No: 061300279850012

**2. OUR ADDITIONAL DISCLOSURES WITHIN THE SCOPE OF THE CMB  
LEGISLATION**

From among the additional disclosures that are required to be made under the CMB's "Communiqué on the Determination and Implementation of Corporate Governance Principles (No: II-17.1)", those relating to the Agenda items are included below under the respective Agenda items and the remaining mandatory disclosures are submitted for your consideration in this section.

**2.1. Shareholding Structure and Voting Rights**

The shares of our Company are classified into two groups as Class A shares and Class B Shares.

Class A shareholders have certain privileges relating to the election of the Board of Directors' members. Accordingly, provided that Blue International Holding B.V., its shareholders and/or affiliates and subsidiaries hold at least 20% of the capital or voting rights of the Company (Class A and Class B shares in aggregate), half of the members of the Company's Board of Directors shall be elected from among the persons to be nominated by Class A shareholders. The Board of Directors' members to be elected from among the nominees of the Class A shareholders shall be members other than the independent members stipulated under the Corporate Governance Principles of the Capital Markets Board.

The Company's Articles of Association does not grant any privileges to the shareholders regarding the exercise of voting rights. Each share entitles its holder to one vote.

However, provided that the quorums stipulated under the Capital Markets Law and the Turkish Commercial Code are reserved and Blue International Holding B.V., its shareholders and/or affiliates and subsidiaries hold at least 20% of the capital or voting rights of the Company (Class A and Class B shares in aggregate), in order for the

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Company's General Assembly to pass a resolution on the matters listed below and on amendments to the Articles of Association on any of such matters, the affirmative votes of all of the Class A Shareholders shall also be required:

- Changing the Company's field of operation, entering into new lines of business or abandoning existing lines of business.
- Capital increases of the Company other than those to be made within the registered capital system, liquidation, termination or dissolution of the Company.
- Filings for bankruptcy, concordat, financial restructuring, adjournment of bankruptcy.
- Transfer of all or a substantial part of the Company's commercial enterprise.
- Changes to the privileges held by Class A shareholders to nominate the Board of Directors' members or changes to the structure of the Board of Directors.
- Changes to the meeting and resolution quorums of the Board of Directors and committees of the Company.
- Approval of the annual activity report, the profit and loss statement and the balance sheet, and release of the Board of Directors' members from liability.

The table below presents the information on the aggregate amount and number of shares and the voting rights, which demonstrate our Company's shareholding structure as of the date of disclosure of this Information Document

Shareholder	Class of Shares	Amount of Shares (TL)	Number of Shares	Ratio of Capital (%)	Voting Rights	Ratio of Voting Rights (%)
Blue International Holding B.V.	A	13.608.293	13.608.293	27,41	13.608.293	27,41
Publicly held	B	36.048.707	36.048.707	72,59	36.048.707	72,59
<b>Total</b>		49.657.000	49.657.000	100	49.657.000	100

## 2. Information on the Shareholders' Requests of Adding Items to the Agenda

In the course of preparing the Agenda of the Ordinary General Assembly to be held on 2 May 2018 pertaining to the special accounting period of 1 February 2017 – 31 January 2018, the Company's shareholders have not submitted any written request to the Investors Relations Department relating to any matter they wished to be included in the Agenda as an item.

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### **3. Changes in Relation to Management and Activities Which May Have A Material Effect on the Activities of Our Company and Its Subsidiaries**

The changes in relation to management and activities which took place within the special accounting period of 1 February 2017 – 31 January 2018 and are planned for the special accounting period of 1 February 2018 – 31 January 2019 have been disclosed to the public in the public offering prospectus and via material event disclosures. This disclosures can be found at <http://www.mavicompany.com/en/financial-reports/public-disclosures>

## **OUR DISCLOSURES RELATING TO THE AGENDA ITEMS OF THE ORDINARY GENERAL ASSEMBLY DATED 2 MAY 2018 FOR THE SPECIAL ACCOUNTING PERIOD OF 1 FEBRUARY 2017 – 31 JANUARY 2018**

### **1. Opening and Election of the Meeting's Chairperson**

The Chairperson who will preside the General Assembly is elected pursuant to the provisions of the Turkish Commercial Code No: 6102 (the "TCC"), the Regulation on the Procedures and Principles Applicable to General Assemblies of Joint Stock Companies and the Representatives of the T.C. Ministry of Customs and Commerce Who Will Attend Such Meetings (the "Regulation" or the "General Assembly Regulation") and Article 7 of the Internal Directive on General Assemblies. In accordance with the Internal Directive on General Assemblies, the Chairperson shall appoint at least one Secretary to keep the minutes and sufficient number of Vote Collectors.

### **2. Approval of the Board of Directors' proposal on the amendments to the Internal Directive On The Principles And Procedures Of Operation Of The Shareholders' General Assembly Of The Company**

Article 419/2 of the TCC stipulates that the Board of Directors shall prepare an internal directive governing the working principles and procedures of the General Assembly inclusive of the minimum content determined by the T.C. Ministry of Customs and Commerce and shall implement it upon the approval of the General Assembly. Article 40/5 of the General Assembly Regulation stipulates that amendments to such internal directive shall also be subject to the approval of the General Assembly.

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Accordingly, the Internal Directive On The Principles And Procedures Of Operation Of The Shareholders' General Assembly Of The Company attached hereto as Annex-1 (which is the new version reflecting the amendments made by the Company's Board of Directors due to the Company's initial public offering, its shares' being traded at Borsa Istanbul A.Ş. and the Company's being subject to the Capital Markets Legislation) shall be submitted to the General Assembly for approval.

**3. Reading, discussion and approval of the Activity Report prepared by the Company's Board of Directors for the special accounting period of 1 February 2017 – 31 January 2018**

Information shall be provided on the Activity Report pertaining to the special accounting period of 1 February 2017 – 31 January 2018, which, in accordance with the TCC, the Regulation and the relevant regulations under the Capital Markets Law is to be submitted to our shareholders' examination for three weeks prior to the date of the General Assembly at our Company's Headquarters, the Electronic General Assembly portal of the Central Registration Agency and our Company's corporate web site ([www.mavicompany.com](http://www.mavicompany.com)) that is accessible via our official web site ([www.mavi.com](http://www.mavi.com)), and the Activity Report shall be submitted for the consideration and approval of our shareholders.

**4. Reading of the Independent Audit Report Summary for the special accounting period of 1 February 2017 – 31 January 2018**

Summary of the Independent Audit Report prepared under the TCC and the Capital Markets Board regulations, a copy of which is submitted to our shareholders' consideration for three weeks prior to the date of the General Assembly at our Company's Headquarters, the Electronic General Assembly portal of the Central Registration Agency and our Company's corporate web site ([www.mavicompany.com](http://www.mavicompany.com)) that is accessible via our official web site ([www.mavi.com](http://www.mavi.com)), shall be submitted to the information of the General Assembly.

**5. Reading, discussion and approval of the Financial Statements relating to the special accounting period of 1 February 2017 – 31 January 2018**

Our financial statements which, in accordance with the TCC, the Regulation and the relevant regulations under the Capital Markets Law, are to be submitted to our shareholders' examination at least for three weeks prior to the date of the General Assembly at our Company's Headquarters, the Electronic General Assembly portal of

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the Central Registration Agency and our Company's corporate web site ([www.mavicompany.com](http://www.mavicompany.com)) that is accessible via our official web site ([www.mavi.com](http://www.mavi.com)), shall be submitted for consideration and approval of our shareholders.

**6. Approval of the changes to the Board of Directors' members under Article 363 of the Turkish Commercial Code during the special accounting period of 1 February 2017 – 31 January 2018**

Upon the resignation of Hatice Hale Özsoy Bıyıklı and Arif Kerem Onursal from the Board memberships, on 17 July 2017 our Company's Board of Directors resolved to appoint Ahmet Fadıl Ashaboğlu and Nevzat Aydın as independent Board members for the purpose of replacement pursuant to Article 363 of the Turkish Commercial Code, subject to the approval of the first General Assembly to be held. This appointment to the Board of Directors, which took place during the special accounting period of 1 February 2017 – 31 January 2018, shall be submitted for the approval our shareholders during the General Assembly as required under Article 363 of the Turkish Commercial Code.

**7. Release of the Board of Directors' members separately an individually from their liabilities in respect of their activities within the Company's special accounting period of 1 February 2017 – 31 January 2018**

In accordance with the provisions of the TCC and the Regulation, release of the Board members from their liabilities in respect of their activities, transactions and accounts within the special accounting period of 1 February 2017 – 31 January 2018, including the Board members who resigned during the aforementioned accounting period, shall be submitted for the approval of the General Assembly separately for each Board member.

**8. Election of the Board of Directors' members and determination of their terms of office**

Pursuant to the CMB regulations, the TCC and the Regulation and in line with the provisions of our Articles of Association regarding the election of Board of Director's members, new Board members shall be elected to replace the Board members whose term of office have expired.

According to Article 7 of our Articles of Association, the affairs and administration of the Company are carried out by a Board of Directors consisting of 6 (six) members

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possessing the qualifications sought by the Turkish Commercial Code and the capital markets legislation, elected by the General Assembly in accordance with the provisions of the TCC and the Capital Markets Law

Members of the Board of Directors are elected for a maximum term of three years. Board members, whose term of office have expired may be re-elected.

In addition, half of the members of the Company's Board of Directors shall be elected from among the persons to be nominated by Class A shareholders.

Class A shareholder, Blue International Holding B.V. has notified our Company that Mr. Ragıp Ersin Akarlilar, Ms. Fatma Elif Akarlilar and Mr. Ahmet Cüneyt Yavuz shall be nominated during the Ordinary General Assembly to be held on 02.05.2018 to serve for a term of 3 (three) years.

In accordance with the principles relating to the independence of the Board of Directors' members as set forth in the Corporate Governance Principles of the Capital Markets Board, sufficient number of independent members shall be appointed to the Board of Directors by the General Assembly. The independent members of the Board of Directors must possess the qualifications sought under the Capital Markets Board's regulations relating to corporate governance principles.

In line with the recommendation made by our Corporate Governance Committee upon evaluating the nominees, the current Independent Board Members of our Company, Mr. Ahmet Fadıl Ashabođlu and Mr. Nevzat Aydın have been identified by our Board of Directors as the nominees to the Independent Board Memberships to serve for a term of 3 (three) years.

Additionally, Mr. Seymur Tarı runs as a candidate to our Company's Board of Directors to serve for a term of 3 (three) years.

The Curricula Vitae of the nominees to the Board Memberships and the declarations of independency submitted by the nominees to the Independent Board Memberships are presented as ANNEX-2.

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**9. Submission of information to the shareholders as to the Remuneration Policy which sets forth principles applicable to the remuneration of the Board Members and the Executives in accordance with the Capital Markets Board’s regulations and approval of the attendance fees paid to the Board of Directors’ members in accordance with such Policy within the special accounting period of 1 February 2017 – 31 January 2018.**

Pursuant to the Mandatory Corporate Governance Principle No: 4.6.2 of the Capital Markets Board, the principles of remuneration payable to the Board Members and executives must be put in writing and submitted for the consideration of the shareholders as a separate agenda item during the General Assembly, thereby allowing the shareholders to express their opinions on the matter. Within this context, the Remuneration Policy of our Company determined during the Board of Directors Meeting dated 24.05.2017 is presented as ANNEX-3. Footnote 6 of our financial tables relating to the special accounting period of 1 February 2017 – 31 January 2018 is inclusive of information on the benefits provided by Mavi Giyim Sanayi ve Ticaret A.Ş. to its Board Members and senior executives within the special accounting period of 1 February 2017 – 31 January 2018. In addition to all these, the aggregate attendance fees of TL 176.000,00 net paid to the Members and Chairperson of the Board of Directors within the special accounting period of 1 February 2017 – 31 January 2018, following the public offering, shall be submitted for the approval of our Shareholders.

**10. Determination of the fees and other rights of Board of Directors’ Members such as attendance fees, bonuses and premiums**

The net amount of attendance fees payable to the Board of Directors’ members shall be determined by our shareholders, within the scope of our Remuneration Policy submitted to the information of our shareholders in item 9 of the Agenda.

**11. Appointment of the auditor**

In accordance with the TCC and the principles stipulated under the Capital Markets Board’s Communiqué on Independent Audit Standards in Capital Markets and upon consultation with our Audit Committee, our Board of Directors has selected Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the firm that will audit the financial reports of our Company within the the special accounting period of 1 February 2018 – 31 January 2019 and to carry out the other activities within the scope of the aforementioned legislation (this is also the firm that performed such duties within

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the special accounting period of 1 February 2017 – 31 January 2018), and this selection shall be submitted for the approval of the General Assembly.

## **12. Approval of the Dividend Distribution Policy**

Pursuant to the Corporate Governance Principle No: 1.6.1 of the Capital Markets Board, the Company is required to have a definite and consistent dividend distribution policy and such policy shall be submitted to the shareholders for approval during the General Assembly. Within this context, our Company's Dividend Distribution Policy determined during the Board of Directors Meeting dated 24.05.2017 and disclosed to public in our Company's public offering prospectus, a copy of which is attached hereto as ANNEX-4 shall be submitted to the General Assembly for approval.

## **13. Approval of the Board of Directors' proposal prepared within the framework of the Dividend Distribution Policy on the determination of the manner of utilization and distribution of the profit for the special accounting period of 1 February 2017 – 31 January 2018, the applicable dividend distribution ratios and the date of dividend distribution**

According to our Company's financial tables for the accounting period of 1 February 2017 – 31 January 2018 prepared pursuant to the provisions of Turkish Commercial Code and the Capital Markets Law, in line with Turkish Accounting/Financial Reporting Standards and audited by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., the "Consolidated Net Profit After Taxation of the Parent Company for the Period" equals to TL 85.871.000,00 The table demonstrating our dividend distribution proposal, which was prepared in accordance with our Dividend Distribution Policy, the Dividends Communiqué No: II-19.1 and the Dividend Guidelines announced under the said Communiqué is attached hereto as ANNEX-5.

## **14. Approval of the Board of Directors' proposal to amend Article 4 of the Company's Articles of Association titled "Headquarters and Branches of the Company" and Article 6 titled "Capital and Shares"**

It was resolved to amend Articles 4 and 6 of the Articles of Association as shown in ANNEX-6 in order to ensure that the Articles of Association reflects our Company's current shareholding structure following the sale of a portion of the shares held by our Class A shareholder, Blue International Holding B.V. and the conversion of such shares into Class B Shares as a result of the sale, and to correct the address details of our Company. Within this context, it was resolved to obtain the requisite permissions

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from the Capital Markets Board and the T.C. Ministry of Customs and Commerce for the intended amendments to our Company's Articles of Association and to submit the amendments to the approval of the shareholders during the first General Assembly to be held following the obtaining of such permissions. Accordingly, the Amendments to the Articles of Association as approved by the letter of the Capital Markets Board dated 16.03.2018 No: 29833736-110.03.03-E.3112 and the letter of the T.C. Ministry of Customs and Commerce dated 20.03.2018 No: 50035491-431.02 shall be submitted for the approval of the General Assembly.

#### **15. Approval of the Donations and Aids Policy**

Pursuant to the Corporate Governance Principle No: 1.3.10 of the Capital Markets Board, the Company is required to have a policy regarding donations and aids and such policy shall be submitted to the shareholders for approval during the General Assembly. Within this context, our Company's Donations and Aids Policy determined during the Board of Directors Meeting dated 24.05.2017 and disclosed to public in our Company's public offering prospectus, a copy of which is attached hereto as ANNEX-7 shall be submitted to the General Assembly for approval.

#### **16. Submission of information to the shareholders on the donations made by the Company within the special accounting period of 1 February 2017 – 31 January 2018 and submission of those donations to the approval of shareholders**

In accordance with Article 6 of the Dividends Communiqué No: II-19.1 of the Capital Markets Board, the donations and aids made within the special accounting period of 1 February 2017 – 31 January 2018 must be submitted to the consideration of the shareholders during the Ordinary General Assembly. In addition, amount of the donations made within the special accounting period of 1 February 2017 – 31 January 2018 shall be submitted for the approval of our shareholders.

Aggregate amount of the donations made by the Company within the special accounting period of 1 February 2017 – 31 January 2018 to foundations and associations is TL 539.643,00.

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**17. Determination of an upper limit for the donations to be made within the special accounting period of 1 February 2018 – 31 January 2019**

Pursuant to Article 6 of the Dividends Communiqué No: II-19.1 of the Capital Markets Board, unless specified in the Articles of Association, the limit of the donations to be made must be determined by the General Assembly. Within this framework, the limit of the donations to be made within the special accounting period of 1 February 2018 – 31 January 2019 shall be determined by the General Assembly.

**18. Submission of information to the shareholders on the securities, pledges, collaterals and mortgages granted to third parties within the special accounting period of 1 February 2017 – 31 January 2018 in accordance with the regulations of the Capital Markets Board and the revenues or benefits obtained in connection therewith**

Pursuant to Article 12 of the Corporate Governance Communiqué No: II-17.1 of the Capital Markets Board, securities, pledges, collaterals and mortgages granted to third parties by our Company and/or its subsidiaries and the revenues or benefits obtained as a result thereof must be included as a separate item in the General Assembly's agenda. Accordingly, these issues are covered by footnote no: 16 of our Financial Statements related to the special accounting period of 1 February 2017 – 31 January 2018.

**19. Granting of permission under Articles 395 and 396 of the Turkish Commercial Code to the shareholders having management control, the Board Members, the executives and their relatives up to the third degree by blood or marriage and submission of information to the shareholders on the transactions conducted within this scope within the special accounting period of 1 February 2017 – 31 January 2018 in line with Corporate Governance Communiqué of the Capital Markets Board**

Transactions within the scope of paragraph 1 of Article 395 of the TCC titled "Entering into Transactions with the Company, Prohibition of Incurring Indebtedness Towards the Company" and Article 396 titled "Prohibition of Competition" may be entered into by our Board members only upon the approval of the General Assembly.

Pursuant to the Capital Markets Board's mandatory Corporate Governance Principle No: 1.3.6 stipulated in the Corporate Governance Communiqué No: II-17.1, in case the shareholders holding management control, the Board Members, the executives with

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management responsibilities and their spouses and relatives up to the third degree by blood or marriage would enter into a material transaction, which might give rise to a conflict of interest with the company and/or its subsidiaries and/or conduct a commercial transaction that is in the same fields of activity as those of the company and/or its subsidiaries whether on his/her own account or on account of a third party or become a shareholder with unlimited liability in another company that carries out the same type of commercial activities, such transactions are included in the General Assembly's agenda as a separate item and recorded in the minutes of the General Assembly upon providing detailed information on the matter.

In order to fulfil the requirements under the aforementioned regulations, granting of the approvals required under Articles 395 and 396 of the Turkish Commercial Code shall be submitted for the approval of our shareholders during the General Assembly and our shareholders shall be informed that no such transactions have been entered into within the special accounting period of 1 February 2017 – 31 January 2018.

## **20. Wishes and requests.**

### **ANNEXES:**

**ANNEX-1:** Internal Directive On The Principles And Procedures Of Operation Of The Shareholders' General Assembly Of The Company

**ANNEX-2:** Curricula Vitae of the Board Member Nominees and Declarations of Independent Board Membership Submitted by the Independent Board Member Nominees

**ANNEX-3:** Remuneration Policy

**ANNEX-4:** Dividend Distribution Policy

**ANNEX-5:** Dividend Distribution Proposal

**ANNEX-6:** Amendments to the Articles of Association

**ANNEX-7:** Donations and Aids Policy

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**ANNEX - 1: Internal Directive On The Principles And Procedures Of Operation Of The Shareholders' General Assembly Of The Company**

**INTERNAL DIRECTIVE ON THE PRINCIPLES AND PROCEDURES OF OPERATION OF THE SHAREHOLDERS' GENERAL ASSEMBLY OF MAVI GIYIM SANAYI VE TICARET ANONIM SIRKETI**

**CHAPTER ONE**

**Purpose, Scope, Legal Basis and Definitions**

**Purpose and scope**

**ARTICLE 1-** (1) The objective of this Internal Directive is to set forth the principles and procedures for operation of the Shareholders' Assembly of Mavi Giyim Sanayi ve Ticaret Anonim Sirketi (the "Company") in accordance with the provisions prescribed under the Turkish Commercial Code, the Capital Market Law, and the relevant applicable regulations, as well as the Articles of Association. The scope of this Internal Directive covers any and all ordinary and extraordinary Shareholders' General Assembly meetings of Mavi Giyim Sanayi ve Ticaret Anonim Sirketi.

**Legal Basis**

**ARTICLE 2-** (1) This Internal Directive has been drawn up by the Board of Directors in accordance with the provisions under the Regulation on the Principles and Procedures regarding the Shareholders' General Assembly Meetings of Incorporated Companies and the Commissioners of the Ministry of Customs and Trade, Who Are Required to Attend Such Meetings.

**Definitions**

**ARTICLE 3-** (1) The following terms mentioned hereunder shall have the following meanings;

- a) Sitting: shall mean a meeting for one day of the Shareholders' General Assembly;
  - c) Session: shall mean each of the sections between any two recreational, lunch or the like breaks of each sitting;
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ç) Meeting: shall mean the Shareholders' Ordinary and Extraordinary General Assembly Meetings;

d) Council of Meeting: shall mean the council, comprising of the Chairman as elected by the Shareholders' General Assembly in accordance with the first paragraph of Section 419 of the Turkish Commercial Code, the Deputy Chairman as elected by the Shareholders' General Assembly where necessary, the Clerk to be appointed by the Chairman and, the vote collector, if and when deemed necessary by the Chairman;

e) CRA: shall mean the Central Registration Agency;

f) EKGS: shall mean the Electronic System for Shareholders' General Assembly Meetings

## **CHAPTER TWO**

### **Principles and Procedures Regarding Operation of the Shareholders' General Assembly**

#### **Applicable provisions**

**ARTICLE 4 –** (1) The meetings shall be held in accordance with the provisions governing the Shareholders' General Assembly meetings as prescribed under the Turkish Commercial Code, the Capital Market Law, and the relevant applicable regulations, as well as the articles of association.

#### **Access to the venue and preparatory activities**

**ARTICLE 5 –** (1) The meeting venue may be accessed by (i) the shareholders or their agents registered in the list of attendees as drawn up by the Board of Directors in accordance with the list of shareholders issued by the CRA, (ii) the members of the Board of Directors, (iii) the Auditor(s), (iv) the Representative from the Ministry of Customs and Trade, (v) the Representative from the Capital Markets Board if and when it is decided to appoint an observer by the Capital Markets Board, (vi) the persons to be elected or assigned in the Council of Meeting, (vii) the persons nominated to hold office as a member of the Board of Directors, (viii) the executives and employees of the Company, as well as any third person providing service to the Company, who might be required to make statements regarding the items on the agenda and/or who might be consulted to deliver an opinion during the meeting or who might provide services, (ix) the persons to be assigned to use the EKGS, as well as the

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officials from the CRA if and when so required, (x) audio/video recording technicians, (xi) the press members, (xii) the guests as invited by the management of the Company, and (xiii) the other beneficiaries if and when deemed appropriate by the Chairman of the Council.

(2) While accessing the venue, any real person shareholder and the representatives designated by means of the EKGS, established as per Section 1527 of the Code, shall present her/his identity cards, and any representative of any real person shareholder shall present her/his identity card together with the respective documentation for representation purposes, and any representative of any legal person shareholder shall present her/his power of attorney, and all of such persons shall affix their signatures on the respective field as shown for them on the list of attendees. The above-mentioned checking actions shall be performed by the person(s) to be designated by the Board of Directors. The list of attendees shall be signed by the Chairman of the Board of Directors, and any of the members of the Board of Directors in case the Chairman of the Board of Directors is not present at the meeting.

(3) Any and all duties regarding selection and arrangement of a meeting hall to be sufficient to embrace the shareholders who will attend the meeting physically, and to be equipped with the technical infrastructure as required by the EKGS, as well as making available of any and all stationery supplies, documents and equipment, to be needed during the meeting, at the meeting venue, shall be performed by the Board of Directors through the agency of the persons assigned by the Board of Directors.

(4) The meeting may be recorded audibly and visually to the extent that the provisions on the EKGS as prescribed under the related applicable regulations are reserved and that the attendees are informed thereof. If and when deemed necessary, simultaneous interpretation services may be outsourced for the need of simultaneous interpretation in English to arise during the discussions at the Shareholders' General Assembly meetings.

### **Opening of the Meeting**

**ARTICLE 6 –** (1) The meeting shall be opened at the location, where the principal office of the Company is situated, or at an appropriate location of the province/city where the principal office of the Company is situated, or in any province/city if and when so decided by the Board of Directors, at the time and on the date, which were announced in advance, either by the Chairman or the Deputy Chairman or any member of the Board of Directors upon determination of the fact that the quorums, prescribed

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under the Articles of Association of the Company, have been met by proving such fact by means of an official record for such purpose

### **Composition of the council of meeting**

**ARTICLE 7-** (1) Under the chair of the person to open the meeting as per the provisions of Article 6 hereunder; at first, a Chairman, who shall be in charge of chairing the Shareholders' General Assembly meeting and will not necessarily be required to be a shareholder, and also a Deputy Chairman, if deemed required, shall be elected amongst the proposed nominees.

(2) The chairman so elected shall designate minimum a clerk and vote collectors at an adequate number. The Chairman of the Council shall assign experts for fulfillment of the technical processes with respect to the EKGS during the meeting.

(3) The Council of Meeting shall be empowered to sign the minutes of meeting as well as the other documents underlying such minutes.

(4) The Chairman of the Council shall act in accordance with the provisions prescribed under the Turkish Commercial Code, the Capital Market Law, the related applicable regulations, the Articles of Association, and hereunder while chairing the meeting.

### **Duties and powers of the council of meeting**

**ARTICLE 8 –** (1) The Council of Meeting shall, under the chair of the Chairman, fulfill the following duties:

a) To examine whether or not the meeting is held at the address as designated by the notice and, in the cases where the Articles of Association contains provisions on the matter, whether the venue of meeting is in compliance with such provisions;

b) To check that whether the Shareholders' General Assembly has been invited to the meeting by means of the announcement posted in the manner as set forth under the Articles of Association, on the website of the Company, on the Trade Registry Gazette of Turkey, on the Public Disclosure Platform, and at the other locations set forth under the Capital Market Law, or not, and that whether such call has been made minimum three weeks before the date of the meeting, except for the days of announcement and the meeting, or not, and that whether the respective Capital Markets regulations have been observed with respect thereto, or not, and to record such details into the minutes of the meeting, and also to check that whether the Trade Registry Gazette of Turkey

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and the other locations, where the date, agenda and announcement of the meeting has been posted or will be posted, has been advised to the shareholders registered in the share ledger, who hold non-listed shares, and to the shareholders, who have given their address details upon providing the documents supporting their position as the share or share certificate holder to the Company, or not, and to record such details into the minutes of the meeting;

c) To check that whether any person, who is not authorized to access, has accessed the venue, and also that whether the duties related to access to the venue as provided by the second paragraph of Article 5 hereof have been duly fulfilled by the persons designated by the Board of Director;

d) To determine that whether the amended Articles of Association, if amended, the share ledger, the annual report by the Board of Directors, the auditors' reports, the financial statements, the meeting agenda, the draft amendment by the Board of Directors to the articles of association in the cases, where the meeting agenda contains an item regarding any such amendment, the letter of authorization obtained from the Ministry of Customs and Trade and the draft amendment attached therewith together with the statement of conformity by the Capital Markets Board and the other Institutions, if and when so required, the list of attendees as issued by the Board of Directors and the minutes of adjournment related to the previous meeting in the cases where the Shareholder' General Assembly meeting has been summoned for an adjourned meeting as well as any other required document and paper related to the meeting are completely present and available at the venue; and to document such matters on the minutes of the meeting;

e) To check the ID credentials of the attendees, who attend the Shareholders' General Assembly meeting either in principal or by proxy through signing the list of attendees, upon any objections raised or where it is so deemed necessary, and to so verify the authenticity of the powers of attorney submitted;

f) To determine whether or not the managing director(s), if any, and minimum one member of the Board of Directors and the auditors are present; and to document such matters as a part of the minutes of the meeting;

g) To administer the activities of the Shareholders' General Assembly meeting in accordance with the designated agenda, and to ensure the extent of the discussions not to exceed the scope of the agenda except for the cases provided under the Turkish

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Commercial Code and the Capital Market Law, and also to ensure the order of the meeting and to take the necessary measures to that end;

ğ) To open and close the sittings and the sessions, and also to close the meeting;

h) To read the resolutions, drafts, minutes, reports, proposals and the like documents in respect of the matters discussed, or to cause the foregoing be read to the Shareholders' General Assembly, and also to recognize those, who seek the floor on such matters;

ı) To have voting performed in respect of the matters to be resolved by the Shareholders' General Assembly, and also to communicate the results of such voting;

i) To observe that whether the quorum has been met at the opening of, and maintained during and at the end of the meeting, and also that whether the resolutions are adopted in accordance with the requirements with respect to the quorums as specified under the Articles of Association;

j) To disclose the statements by the representatives as prescribed under Section 429 of the Code to the Shareholders' General Assembly;

k) To ensure that those, who are deprived of the right to vote under the provisions of Section 436 of the Code, and sections 17, 26 and 29 of the Capital Market Law, do not vote for the resolutions as provided under the said section, and also to observe any restrictions applicable to the voting rights and casting of preferential votes under the Turkish Commercial Code and the Capital Market Law, as well as the Articles of Association;

l) To postpone the discussion of the financial statements and of the related matters to be discussed during a further meeting to be held one month later without the need for resolution by the Shareholders' General Assembly on the matter upon the request of the shareholders, representing one twentieth of the share capital;

m) To cause the minutes regarding the operations of the Shareholders' General Assembly, to enter any objections raised into such minutes, to undersign the resolutions and the minutes, and to state any and all votes in favor and against any discussed matter cast for the adoption of any resolution in no uncertain terms.

n) To deliver the minutes of the meeting, the annual report by the Board of Directors, the auditors' reports, the financial statements, the list of attendees, the meeting

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agenda, the propositions, the vote ballot papers for and the minutes of the elections, if applicable, and any and all documents related to the meeting to a member of the Board of Directors present along with a formal record upon the closure of the meeting.

### **Actions to be taken before the opening of discussions**

**ARTICLE 9 –** (1) The Chairman of the Council shall read the meeting agenda, or cause it to be read to the Shareholders' General Assembly. The chairman shall inquire that whether any attendee seeks to propose any change to the order of discussion of the agenda items, which matter shall, if any, be submitted to the Shareholders' General Assembly for approval. The order of discussion of the agenda items may be changed by a resolution to be adopted with the votes in favor of the majority of the attendees.

### **Agenda and discussions**

**ARTICLE 10 –** (1) The following items should strictly be included in the designated agenda for any shareholders' ordinary general assembly meeting:

- a) Opening and election of the Council of Meeting;
  - b) Reading, discussing and approval of the Annual Report as drawn up by the Board of Directors of the Company;
  - c) Reading of the Summarized Independent Auditor's Report in relation to the respective accounting period;
  - d) Reading, discussing and approval of the Financial Statements in relation to the respective accounting period;
  - e) Release and discharge of the members of the Board of Directors on individual basis;
  - g) Election of the new members of the Board of Directors, and determination of the term of office thereof;
  - h) Provision of information to the shareholders regarding the Remuneration Policy, setting out the principles applicable for remuneration of the Members of the Board of Directors and the Executives with Administrative Responsibilities, as well as the payments made thereunder, as per the regulations promulgated by the Capital Markets Board;
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d) Determination of the remuneration payable to the members of the Board of Directors, as well as the rights and benefits to be granted to the members of the Board of Directors, such as attendance fee, bonus and premium;

i) Election of the auditor;

j) Determination of the fashion of making use of the profits, distribution thereof, the ratio of dividends, as well as the date of distribution of the profits;

k) Provision of information to the shareholders about the donations made throughout the respective accounting period, and determination of the upper limit for donations to be made in the following accounting period;

l) Provision of information to the shareholders about the guarantees, pledges, mortgages and sureties, provided in favor of any third party within the respective accounting period, as well as the revenues or interests obtained therefrom, as per the regulations by the Capital Market Board;

m) Discussion of any proposed amendment to the Articles of Association, if any;

n) Any other matter deemed necessary.

(2) The agenda of any Shareholders' Extraordinary General Assembly meeting shall comprise of the matters, laying the rationale for the meeting.

(3) Any matter not included in the meeting agenda may not be discussed and resolved during the shareholders' general assembly meetings except for the following cases:

a) Any further matter may be incorporated to the agenda, unanimously, in the event that all shareholders are present at the meeting.

b) As per the provisions prescribed under Section 438 of the Code, any request for a special audit filed by any shareholder shall be resolved by the shareholders' general assembly without regards to whether or not the matter is listed as per the meeting agenda.

c) Dismissal of the members of the Board of Directors, and election of new members for the seats of such dismissed members shall be considered to be related to the agenda item with respect to the discussion of the year-end financial statements, and any such matter shall be discussed and resolved upon request without regards to whether or not such matters are actually listed as per the meeting agenda.

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ç) Even in the absence of any such item on the agenda, dismissal of the members of the Board of Directors and election of new members for the seats of such dismissed members shall be incorporated to the agenda upon the majority of the shareholders present at the Shareholders' General Assembly meeting, in case of existence of any just reason such as corruption, inadequacy, breach of the obligation of loyalty, difficulties in the fulfillment of assigned duties due to affiliation to multiple entities, discord and fraud on powers.

(4) Any agenda item, which has already been discussed and resolved by the Shareholders' General Assembly, may not be opened for further discussion and so resolved again without the unanimity of the shareholders present at the meeting.

(5) Any matter so required by the Ministry of Customs and Trade to be discussed at the Shareholders' General Assembly meeting of the Company as a consequence of the audits conducted or for any reason shall be incorporated to the meeting agenda as appropriate.

(6) Any and all matters requested, in writing, by the Capital Markets Board to be discussed and announced to the shareholders are required to be incorporated into the agenda of the Shareholders' General Assembly meeting.

(7) The agenda shall be determined by the party or person, which or who calls/invites the Shareholders' General Assembly for meeting.

### **Taking the floor**

**ARTICLE 11 –** (1) Any shareholder or other person, who seeks to take the floor with respect to an agenda item being discussed, shall notify the Council of Meeting of the respective matter. The Council shall, thereupon, declare the persons, who shall take the floor, to the Shareholders' General Assembly, and grant the floor to such persons in the order of priority on the basis of the order of application. Any person, who is granted the floor, shall forfeit her/his right to address the shareholders' general assembly if s/he is absent at the time her/his turn has come save for the regulations on the EKGS. The speeches shall be given to address the Shareholders' General Assembly at the spot designated for such purpose. The persons may change the order of their speeches subject to provision of information to, and obtainment of approval by the Chairman of the Meeting. In the cases where each person is granted with a limited period of time on the floor; then any person, who takes the floor for the entire period granted thereto, may continue her/his speech only if the person, who is to address thereafter, agrees to

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grant her/his designated time to the preceding one, and on the condition that s/he completes her/his addressing within the period of time allocated for the latter. The limited time of addressing may not be extended in any other fashion whatsoever.

(2) The Chairman of the Council may recognize any member of the Board of Directors or any auditor, who seeks word on the matters being discussed, without regards to the order of priority.

(3) The addressing periods shall be determined by the shareholders' general assembly with due consideration with respect to the business of the agenda, the number of the matters to be discussed and the number of the persons, seeking the floor, upon the proposal of the Chairman of the Council or the shareholders. In that case, the Shareholders' General Assembly shall resolve each matter regarding whether or not the addressing periods should be extended and, if it resolves that such period should be extended, the amount of the extended period of addressing through individual voting, separately.

(4) The communication of considerations and proposals by the shareholders or the respective representatives thereof, who attend the Shareholders' General Assembly meeting electronically under the provisions of Section 1527 of the Code, shall be governed by the principles and the procedures set forth on the matter by the said section and any subsidiary provisions.

### **Voting and procedure for voting**

**ARTICLE 12 –** (1) The Chairman of the Council shall disclose and declare the matter, to be put to vote, to the Shareholders' General Assembly prior to the initiation of voting. In the cases where the subject matter of the voting is any draft resolution, then such draft resolution shall be documented in writing, and be so read to the shareholders' general assembly before the voting. Once the initiation of the voting is declared, the floor may be sought only in respect of the procedure. Any shareholder, who has sought but not been granted the floor, shall take the floor if s/he reminds the council of the situation and the matter is confirmed by the Chairman. The floor to address the shareholders' general assembly shall not be granted to any person once the voting process is initiated.

(2) The votes on the matters being discussed shall be cast by raising hands, standing up or through the statements "agreed" or "disagreed" to be spoken out, individually. The votes so cast shall, then, be counted by the Council of Meeting. The Council of

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Meeting may, where necessary, designate adequate number of persons to assist thereto in the counting of the votes. Any person, who does not raise his/her hand, does not stand up or make any statement whatsoever on the matter during voting, shall be considered to have cast dissenting vote, which shall be deemed to have been against the proposed resolution for the purpose of counting of the votes.

(3) Casting of votes by the shareholders or the respective representatives thereof, who have attended the Shareholders' General Assembly meeting electronically under the provisions of Section 1527 of the Code, shall be governed by the principles and the procedures set forth on the matter by the said section and any subsidiary provision.

### **Issuance of the minutes of meeting**

**ARTICLE 13 –** (1) The Chairman of the Council shall sign the list of attendees, indicating the attending shareholders or the representatives thereof and the shares held thereby as well as the groups, amounts and the nominal values of such shares; and the minutes of the meeting shall be ensured to be issued in accordance with the applicable provisions of the Turkish Commercial Code and the related applicable regulations in a manner that they clearly include and denote the questions addressed and the responses given throughout the Shareholders' General Assembly meeting in summarized form as well as the resolutions adopted and the numbers of votes in favor and against each of such resolutions.

(2) The minutes of any shareholders' general assembly meeting shall be issued at the meeting venue by means of computers, or be written manually and legibly by ink pen. Issuance of the minutes by means of a computer strictly requires the availability of a printer, which would enable the issued minutes to be printed out.

(3) The minutes shall be issued in minimum two (duplicate) copies, and each page of the minutes shall be signed by the Council of Meeting and the representative of the Ministry of Customs and Trade.

(4) The trade name of the Company, date and venue of the meeting, the total nominal value of and the number of the shares of the Company's capital, the total number of the shares represented in person and by proxy at the meeting, and the full name of and the number and date of issue of the letter of commissioning for the representative of the Ministry of Customs and Trade, and also the form of the call should strictly be mentioned on the minutes of any meeting.

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(5) The number of the votes cast with respect to a resolution adopted during the meeting should be indicated most legibly and with no uncertain terms both in figures and in letters as per the minutes.

(6) The full names of the persons, who might have cast dissenting votes with respect to the resolutions adopted at any meeting, and who seek to have such dissenting positions thereof recorded into the minutes, as well as the rationale for such dissenting positions shall be duly inserted to the minutes.

(7) In case the rationale for dissenting position is submitted in writing, such letter shall be attached to the minutes. In that case, the full name of the shareholder, who might have taken a dissenting position, or the representative thereof shall be indicated on the minutes, and it shall, therein, be further stated that the letter regarding the rationale of such dissenting position is attached therewith. Any letter of dissenting position so attached to the minutes shall be signed by the Council of Meeting and the representative of the Ministry of Customs and Trade.

#### **Actions to be taken before closure**

**ARTICLE 14-** (1) The Chairman of the Council shall, before closure, deliver a copy of the minutes of meeting as well as any and all other documents related to the Shareholders' General Assembly Meeting to one of the members of the Board of Directors, who are present at the meeting. Such delivery shall be documented in the form of a separate formal record to be issued between the parties.

(2) Save for the longer periods prescribed under the related applicable regulations in relation to the special processes; the Board of Directors shall be obliged to submit a notarized copy of the minutes to the trade registry office, and to have any matters as per such minutes, which should be registered and announced, duly registered and announced as appropriate within a period of fifteen days, at the latest, following the date of meeting.

(3) Minutes of the meeting shall be posted immediately on the website of the Company, the Public Disclosure Platform and the EKGS.

(4) The Chairman of the Council shall deliver a copy of each of the list of attendees, the meeting agenda and the minutes of the Shareholders' General Assembly meeting to the representative of the Ministry of Customs and Trade.

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## **Attendance through electronic means**

**ARTICLE 15-** (1) The actions, to be taken by the Board of Directors and the Council of Meeting in relation to attendance through electronic means to Shareholders' General Assembly meetings as per Section 1527 of the Code, shall be taken with due consideration of Section 1527 of the Code and the related applicable regulations.

## **CHAPTER THREE**

### **Miscellaneous Provisions**

#### **Attendance by the representative of the Ministry of Customs and Trade, and documents related to the shareholders' general assembly meeting**

**ARTICLE 16 –** (1) The provisions prescribed under the Regulation on the Principles and Procedures Regarding the Shareholders' General Assembly Meetings of Incorporated Companies, and the Representatives of the Ministry of Customs and Trade Who Are Required to Attend such Meetings regarding the applications for the appointment of the representative of the Ministry of Customs and Trade, as well as the duties and powers thereof are reserved hereby.

(2) The representation documents to be used at the Shareholders' General Assembly meeting, and the provisions under the Regulation as specified in the first paragraph, the arrangements under the Capital Markets Regulations, as well as the provisions hereunder shall be required to be observed in drawing up of the list of attendees and the persons who might attend the Shareholders' General Assembly meeting, and the minutes of the meeting.

#### **Matters and cases not provided hereunder**

**ARTICLE 17 –** (1) In case of any circumstance at any meeting, which is not governed by or prescribed hereunder, then action shall be taken as per the resolution to be adopted by the Shareholders' General Assembly to that end.

#### **Adoption of and amendments to the Internal Directive**

**ARTICLE 18 –** (1) This Internal Directive shall be brought into effect, registered and announced by the Board of Directors upon the approval to be granted by the Shareholders' General Assembly of the Company. Any amendment hereto shall be governed by the same procedure.

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**Effect**

**ARTICLE 19 – (1)** This Internal Directive was adopted at the Shareholders' Ordinary General Assembly Meeting of the Company, held on May 2, 2018 for the special accounting period between February 1, 2017 - January 31, 2018, and shall enter into effect upon having been announced on the Trade Registry Gazette of Turkey.

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## **ANNEX - 2 : Curricula Vitae of the Board Member Nominees and Declarations of Independent Board Membership Submitted by the Independent Board Member Nominees**

### **Ragıp Ersin Akarlılar, Chairman**

Ersin Akarlılar holds a BSc degree in Economics from Boğaziçi University and an MBA in finance and international business from New York University, Leonard N. Stern School of Business. He joined Mavi in 1991 and established Mavi USA in 1996 in New York where he serves as president. In August 2008, Ersin Akarlılar was elected as a member of the Board of Directors, which he chairs since July 2017.

### **Seymur Tarı, Vice Chairman**

Seymur Tarı holds an MBA from INSEAD and an MSc and BSc in Mechanical Engineering and Robotics from ETH Zurich. Tarı, a co-founder of private equity firm TURKVEN where he is currently the CEO, has led several investments for the firm since 2000. Tarı previously worked for McKinsey & Company's Istanbul office focusing on corporate portfolio strategy and at Caterpillar Inc. in Geneva as a product manager with responsibility for the EMEA & CIS regions. Tarı has formerly served as Chairman at Mavi for nine years and Domino's for seven years and is currently the Chairman of MNG Kargo and Vice Chairman of the Boards of Directors at Medical Park, Koton, Mavi, Flo and Domino's.

### **Ahmet Cüneyt Yavuz, Member**

Cüneyt Yavuz holds a BA in Political Science from Boğaziçi University and a graduate degree in International Relations from Johns Hopkins University. Yavuz started his professional career in 1992 at Procter & Gamble where he held various senior sales and marketing management positions. During his tenure, he was appointed Country Manager for Poland and lived in Warsaw for five years. Cüneyt Yavuz joined Mavi in 2008 as Chief Executive Officer and was elected to the Board of Directors as member in March 2017.

### **Fatma Elif Akarlılar, Member**

Elif Akarlılar holds an undergraduate degree in International Politics from the University of Vienna and an MA in Visual Culture and History of Design from New York University. Elif Akarlılar joined Mavi in 1991 and prior to her appointment as Global Brand Director, held various product development and brand management positions within the Mavi organizations in Istanbul and in New York. Elif Akarlılar continues to serve as a member of the Board of Directors since August 2008.

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**Ahmet Fadıl Ashabođlu, Independent Member**

Mr. Ashaboglu holds a Bachelor of Science degree from Tufts University and a Master of Science degree from Massachusetts Institute of Technology (MIT), both in Mechanical Engineering. He began his career as a Research Assistant at MIT in 1994, followed by various positions in capital markets within UBS Warburg, New York (1996-1999). After serving as a consultant at McKinsey & Company, New York (1999-2003), Ahmet Ashabođlu moved to Turkey and joined Koç Holding as Finance Group Coordinator in 2003. He has been serving as Group Chief Financial Officer (CFO) at Koç Holding since 2006. Ahmet Ashabođlu was elected to the Board of Directors of Mavi as an independent member in July 2017.

**Nevzat Aydın, Independent Member**

Nevzat Aydın (born 1976) holds a computer engineering degree from Bođaziçi University. He then attended University of San Francisco for an MBA in Silicon Valley and later returned to Turkey to launch his “yemeksepeti.com” project. Nevzat Aydın is the co-founder and global CEO of Yemeksepeti.com, the first and largest online food delivery portal in Turkey. Currently, Mr. Aydın is a board member of Endeavor Turkey, TOBB (Union of Chambers and Commodity Exchanges of Turkey) Young Entrepreneurs and American Turkish Society and a founding member of Galata Business Angels. In addition to his role as a member on the Advisory Board of Allianz, Nevzat Aydın has been serving as an independent board member at Mavi since July 2017.

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I hereby declare that I am a candidate for independent board membership on the Board of Directors of Mavi Giyim Sanayi ve Ticaret A.Ş. ("Company") under related regulations, Articles of Association of the Company and the criteria stated in the Capital Markets Board ("CMB")'s Communique on Corporate Governance. In that regard I also confirm that:

a) In the last five years, I, my spouse or my up to the second degree blood or affinity relatives is not or has not been; employed by as a key management personnel; has not had ordinary or privileged shareholding exceeding 5% by himself or together with; or has not been involved in any material business dealings with the Company, its subsidiaries and affiliates, or shareholders controlling the Company or having material effect over the Company and all entities controlled by those shareholders,

b) In the last five years, I am not or have not been employed by as an executive having significant duties and responsibilities or have not been a member of the board or did not have a shareholding exceeding 5% of an entity which has had a contractual relationship with the Company for a material business transaction including audit (including tax audit, legal audit, and internal audit) rating or consulting services during the terms in which the goods or services were provided,

c) My CV indicates that I have skills, knowledge and expertise relevant to the Company's business and extensive experience to fulfill my duties as an independent board member,

d) After my election I will not work full time in a Turkish governmental or public institution, except for the faculty membership under relevant regulations,

e) I am deemed to be resident in Turkey according to Income Tax Law No. 193 dated 31.12.1960,

f) I am capable to contribute positively to the operations of the Company, to maintain my objectivity in conflicts of interests between the Company and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,

g) I will dedicate enough time to follow up the activities of the Company and for the duly fulfillment of my responsibilities,

h) I have not been on the board of the Company for more than six years within last ten years,

i) I am not an independent board member in more than three of the corporations controlled by the Company or its controlling shareholders and in more than five corporations listed on Borsa İstanbul in total,

j) I am not registered in the name of any legal entity elected as a board member.

**Ahmet F. Ashabođlu**



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I hereby declare that I am a candidate for independent board membership on the Board of Directors of Mavi Giyim Sanayi ve Ticaret A.Ş. ("Company") under related regulations, Articles of Association of the Company and the criteria stated in the Capital Markets Board ("CMB")'s Communique on Corporate Governance. In that regard I also confirm that:

a) In the last five years, I, my spouse or my up to the second degree blood or affinity relatives is not or has not been; employed by as a key management personnel; has not had ordinary or privileged shareholding exceeding 5% by himself or together with; or has not been involved in any material business dealings with the Company, its subsidiaries and affiliates, or shareholders controlling the Company or having material effect over the Company and all entities controlled by those shareholders,

b) In the last five years, I am not or have not been employed by as an executive having significant duties and responsibilities or have not been a member of the board or did not have a shareholding exceeding 5% of an entity which has had a contractual relationship with the Company for a material business transaction including audit (including tax audit, legal audit, and internal audit) rating or consulting services during the terms in which the goods or services were provided,

c) My CV indicates that I have skills, knowledge and expertise relevant to the Company's business and extensive experience to fulfill my duties as an independent board member,

d) After my election I will not work full time in a Turkish governmental or public institution, except for the faculty membership under relevant regulations,

e) I am deemed to be resident in Turkey according to Income Tax Law No. 193 dated 31.12.1960,

f) I am capable to contribute positively to the operations of the Company, to maintain my objectivity in conflicts of interests between the Company and the shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering the rights of the stakeholders,

g) I will dedicate enough time to follow up the activities of the Company and for the duly fulfillment of my responsibilities,

h) I have not been on the board of the Company for more than six years within last ten years,

i) I am not an independent board member in more than three of the corporations controlled by the Company or its controlling shareholders and in more than five corporations listed on Borsa İstanbul in total,

j) I am not registered in the name of any legal entity elected as a board member.

**Nevzat Aydın**





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## **ANNEX - 3 : Remuneration Policy**

### **REMUNERATION POLICY**

*This is an English translation of the original document in Turkish for information purposes only. In the event of any discrepancy between this translation and the original Turkish document, the original Turkish document shall prevail. Mavi Giyim makes no warranties or representations about the accuracy or completeness of the English translation and assumes no liability for any errors, omissions or inaccuracies that may arise from use of this translation.*

#### **Article 1: Scope and Legal Basis**

This remuneration policy sets forth the principles applicable to remunerations payable within the scope of the relevant regulations to the members of the Board of Directors of Mavi Giyim Sanayi ve Ticaret A.Ş.'nin (the "Company") and the Company's employees with administrative responsibilities.

This policy has been prepared pursuant to the provisions of the Capital Markets Law No. 6362, the Corporate Governance Communiqué No. II-17.1 and other related legislation.

#### **Article 2: Purpose**

The purpose of the remuneration policy is the planning and implementation of the remuneration practices in accordance with the relevant legislation, the scope and nature of the Company's activities, and the strategies and long term goals of the Company.

The remuneration policy has been prepared to attract talented new individuals to the Company and to maintain our well performing employees.

The industry related data were taken into account when establishing this remuneration policy, in order to be able to compete in the industry, attract talented new individuals to the Company and to reduce external mobility.

#### **Article 3: Remuneration Principles**

The corporate governance committee is authorized and in charge of evaluating the remuneration policy and submitting its recommendations to the Board of Directors.

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The members of the Board of Directors shall be remunerated annually in the amount to be determined by the general assembly. When determining the remuneration levels of the Board members, the responsibility assumed by the relevant member in the decision process and the knowledge, skills and competence that would be expected from the relevant Board member shall be taken into account, and also comparisons shall be made with the remuneration levels of the Board members in similar companies in the same industry.

The employees with administrative responsibilities shall be remunerated in the amounts approved by the Board of Directors. The payments to be made to the employees with administrative responsibilities shall be planned with a view to encourage the achievement of the Company's short and long terms goals and to ensure sustainable performance. The remunerations shall be compatible with the Company's ethical values, internal balances and strategic goals. The employees with administrative responsibilities shall be remunerated in a fair manner, taking into account the respective responsibilities assumed by them.

Base salaries shall be revised and determined annually as per the recommendations of the corporate governance committee and the resolution of the Board of Directors.

Bonus payments consist of payments aimed at increasing the efficiency of employees in order to reach the corporate targets, ensuring the sustainability of performance, differentiating successful employees by emphasizing individual performance, and rewarding the employees who create added value for the Company.

The intention is paying higher salaries and bonuses to the employees who, as per the results of their performance evaluation, have performed at a level that exceeds the expected standards. The performance measurements for the relevant periods shall be taken into account when determining the remunerations and bonuses, and the amount of payments based on performance, particularly those of the bonus payments, shall not be guaranteed in advance.

To the extent that the payment scales of the employees who have been promoted or whose job descriptions have been modified are changed, the new remuneration payable to the relevant employee shall be determined based on his/her position in the new payment scale.

Confidentiality of salaries, bonuses and other personnel rights shall be maintained.

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No loans shall be extended to the Board members and the employees with administrative duties, nor shall they be able to utilize any credits from the Company, and the Company shall not grant any security, surety or guarantee in favour of such persons.

The expenses incurred by the board members and the employee with administrative duties as a result of the duties and responsibilities assumed by them shall be paid by the Company.

Information regarding the aggregate amounts paid within the year to the employees with senior administrative responsibilities and the Board members shall be submitted to the shareholders during the next general assembly in accordance with the provisions of the applicable legislation, and shall be disclosed to public within the scope of the financial reporting requirements.

The Board of Directors is responsible for the implementation, improvement and monitoring the remuneration policy. The monitoring, supervision and reporting in relation to the remuneration practices shall be carried out by the corporate governance committee on behalf of the Board of Directors.

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## **ANNEX - 4 : Dividend Distribution Policy**

### **DIVIDEND DISTRIBUTION POLICY**

*This is an English translation of the original document in Turkish for information purposes only. In the event of any discrepancy between this translation and the original Turkish document, the original Turkish document shall prevail. Mavi Giyim makes no warranties or representations about the accuracy or completeness of the English translation and assumes no liability for any errors, omissions or inaccuracies that may arise from use of this translation.*

#### **Article 1: Scope and Legal Basis**

This dividend distribution policy sets forth the principles applicable to the dividend and advance dividend distributions to be made by Mavi Giyim Sanayi ve Ticaret A.Ş.'nin (the "Company") in accordance with its articles of association (the "Articles of Association") and the relevant regulations.

This policy has been prepared pursuant to the Capital Markets Law No. 6362 (the "CM Law"), the Turkish Commercial Code No. 6201 (the "TCC"), the "Dividend Distribution Communiqué No. II-19.1 (the "Dividend Distribution Communiqué"), the "Corporate Governance Communiqué No. II-17.1 and other relevant legislation.

#### **Article 2: Purpose**

The purpose of the dividend distribution policy is ensuring that a balanced and consistent policy is implemented pursuant to the applicable legislation in relation to the interests of the investors and the Company, informing the investors sufficiently and maintaining a transparent policy towards the investors.

#### **Article 3: Principles of Dividend Distribution**

The general assembly of the Company shall resolve on the distribution of dividends and the timing and manner of such distribution, upon the proposal of the Board of Directors.

To the extent the relevant regulations and the financial resources permit, and taking into account the long term strategies of the Company, the needs of the subsidiaries and affiliates, the investment and financing policies and the profitability and cash reserves, the Company aims to distribute to the shareholders and other persons sharing the profit at least 30% of the distributable net profit calculated for the relevant

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period pursuant to the Articles of Association, the TCC, the CM Law, the Dividend Distribution Communiqué and the tax legislation. Dividends may be distributed in cash and/or shares without consideration and/or as a combination of both in certain ratios.

Dividends are distributed equally to all shares existing at the time of distribution pro rata to their respective ratios, regardless of the date of issuance and date of acquisition of such shares.

Payment of dividends may also be made in equal or differing instalments, provided that this is resolved upon during the general assembly meeting where the general assembly has resolved to make dividend distribution.

Unless the reserves that are to be set aside under the TCC or the Articles of Association or the dividends stipulated to be allocated to the shareholders pursuant to the Articles of Association or this dividend distribution policy are set aside, the Company may not resolve to set aside other reserves, carry the profits to the next year, distribute dividends to the holders of dividend shares, Board members, Company's employees, foundations and persons and entities other than the shareholders, nor may the Company distribute any dividends to such persons unless the distribution allocated to the shareholders is paid in cash.

The dividend distribution shall commence on the date determined by the general assembly, provided that the dividend distribution is initiated latest by the end of the accounting period during which the general assembly meeting resolving on such distribution was held.

The dividend distribution resolution passed by the general assembly in accordance with the Articles of Association may not be revoked unless permitted by the applicable law.

In the event that the Board of Directors proposes not to distribute dividends, the reasons for such proposal and the manner in which the retained profit is to be used shall be explained in the item of the agenda dealing with the dividend distribution, and the foregoing information shall be submitted to the shareholders during the general assembly.

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#### **Article 4: Principles of Advance Dividend Distribution**

The general assembly of the Company may, in accordance with the provisions of the CM Law and other relevant legislation, resolve to distribute advance dividends to the shareholders. Relevant provisions of the applicable law shall be adhered to when calculating the amount of the advance dividends and distributing them.

The advance dividends shall be based on the profit indicated in the interim financial statements of the Company and distributed in cash. The advance dividends relating to a certain interim period may not be paid in instalments.

Advance dividends are distributed equally to all shares existing at the time of distribution pro rata to their respective ratios, regardless of the date of issuance and date of acquisition of such shares.

The advance dividends to be distributed may not exceed half of the amount that corresponds to the remainder of the net profit in the interim financial statements for the relevant period, after the deduction of the reserves that are required to be set aside under the TCC and the Articles of Association and the losses of the previous years.

The aggregate amount of the advance dividends to be distributed within an accounting period may not exceed the lower of:

- a) Half of the net profit for the previous year; and
- b) Resources which could be subject to profit distribution, other than the net profit in the financial statements for the relevant interim period.

In the event that more than one advance dividend distribution is made within the same accounting period, when calculating the advance dividends to be distributed in the following interim periods, the advance dividend payments made in the previous interim periods are deducted from the amount calculated.

Unless the advance dividend payments made in the previous accounting period are set-off, no additional advance dividend payments may be made or dividends may be distributed in the following accounting periods.

No advance dividend may be paid to persons other than the shareholders, and the advance dividends are paid without regard to the privileges held by the privileged shares.

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## **Article 5 – Public Disclosure**

The proposals of the Board of Directors relating the dividend distribution or the Board resolutions relating to the distribution of advance dividends are announced to the public in accordance with the relevant regulations, together with the form and content of the relevant proposal/resolution, and the tables showing the dividend distribution or the advance dividend distribution, as applicable. Furthermore, to the extent any amendments to this dividend distribution policy are intended to be introduced, the Board resolution regarding such amendment is also announced to the public, together with the reasons for such amendment.

This policy shall be announced to the public on the Company's web site following the approval of the general assembly.

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## ANNEX - 5 : Dividend Distribution Proposal

<b>Mavi Giyim Sanayi ve Ticaret A.Ş. Profit Distribution Proposal for 2017 (TL)</b>			
1.	Paid-in Capital		49.657.000,00
2.	General legal reserves (as per statutory records)		9.931.400,00
Information concerning preferred shares, if, as per the company Articles of Association, there are any privileges for preferred shares in distribution of dividends:No			
		<b>As per Capital Markets Board</b>	<b>As per Statutory Records</b>
3.	Profit for the period	112.241.000,00	112.794.878,18
4.	Taxes (-)	22.239.000,00	23.211.559,77
5.	Net Profit (=)	85.871.000,00	89.583.318,41
6.	Prior years' losses (-)	-	-
7.	Legal reserve fund (-)	-	-
8.	NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	85.871.000,00	89.583.318,41
	Dividend Advance Distributed (-)	-	-
	Dividend Advance Less Net Distributable Current Period Profit	85.871.000,00	89.583.318,41
9.	Grants made during the year (+)	539.643,00	
10.	Net distributable profit including grants	86.410.643,00	
11.	First category dividend to shareholders		
	-Cash	25.923.192,90	2.482.850,00
	-Shares	-	-
	-Total	25.923.192,90	2.482.850,00
12.	Dividends distributed to preferred shareholders	-	-
13.	Other dividends distributed	-	-
	-Members of the Board of Directors	-	-
	-Employees	-	-
	-Non-shareholders	-	-
14.	Dividends distributed to holders of usufruct right certificates	-	-
15.	Second category dividend to shareholders	-	23.440.342,90
16.	Legal reserve fund	2.344.034,29	2.344.034,29
17.	Status reserves	-	-
18.	Special reserves	-	-
19.	EXTRAORDINARY RESERVES	57.603.772,81	61.316.091,22
20.	Other sources planned for distribution	-	-
	-Prior years' income	-	-
	-Extraordinary reserves	-	-
	-Other distributable reserves as per the legislation and Articles of Association	-	-



Mavi Giyim Sanayi ve Ticaret A.Ş. Information on Dividend per Share for 2017

	GROUP	TOTAL DIVIDEND AMOUNT		TOTAL DIVIDEND AMOUNT/ NET DISTRIBUTABLE PROFIT FOR THE PERIOD	DIVIDEND PER SHARE FOR 1 TL NOMINAL VALUE	
		CASH (TL)	SHARES (TL)	RATIO (%)	AMOUNT (TL)	CASH (TL)
<b>Gross</b>	A (*)	7.104.142,51	0,00	8,22	0,5220	52,20
	B (**)	18.819.050,39	0,00	21,78	0,5220	52,20
	<b>Total</b>	<b>25.923.192,90</b>	<b>0,00</b>	<b>30,00</b>		
<b>Net</b>	A (*)	6.393.728,26	0,00	7,40	0,4698	46,98
	B (**)	15.996.192,83	0,00	18,51	0,4437	44,37
	<b>Total</b>	<b>22.389.921,09</b>	<b>0,00</b>	<b>25,91</b>		
<p>* Group A shares representing 27,40% of the capital are owned by Blue International Holding BV. The Company shall be subject to withholding tax within the framework of the provisions of the Double Taxation Prevention Agreement.</p>						
<p>** The Company does not have information regarding the entity type of Group B shareholders ("limited liability, full liable, legal entity or real person"). The calculation is based on the assumption that all shareholders in this group are subject to withholding tax at the local rate.</p>						

## ANNEX - 6 : Amendments to the Articles of Association

ARTICLE 4	
OLD VERSION	NEW VERSION
<p><b>Article 4</b></p> <p><b>HEADQUARTERS AND BRANCHES OF THE COMPANY</b></p> <p>The headquarters of the Company is located at Sanayi Mahallesi, Eski Büyükdere Cad. No. 53, 34418, Kağıthane, İstanbul. In case of any change of address, the new address shall be registered with the Trade Registry, announced in the Turkish Trade Registry Gazette, and notified to the Ministry of Industry and Commerce and the Capital Markets Board. Any notifications served at such registered and announced address shall be considered to have been duly served on the Company.</p> <p>Upon the resolution of the Board of Directors, the Company may open branches and representative offices in Turkey and abroad in accordance with the provisions of the Turkish Commercial Code and other related legislation, in which case the Company shall duly register and announce the foregoing.</p>	<p><b>Article 4</b></p> <p><b>HEADQUARTERS AND BRANCHES OF THE COMPANY</b></p> <p>The headquarters of the Company is located at <b>Sultan Selim Mahallesi</b>, Eski Büyükdere Cad. No. 53, 34418, Kağıthane, İstanbul. In case of any change of address, the new address shall be registered with the Trade Registry, announced in the Turkish Trade Registry Gazette, and notified to the Ministry of Industry and Commerce and the Capital Markets Board. Any notifications served at such registered and announced address shall be considered to have been duly served on the Company.</p> <p>Upon the resolution of the Board of Directors, the Company may open branches and representative offices in Turkey and abroad in accordance with the provisions of the Turkish Commercial Code and other related legislation, in which case the Company shall duly register and announce the foregoing.</p>

ARTICLE 6	
OLD VERSION	NEW VERSION
<p><b>Article 6</b></p> <p><b>CAPITAL AND SHARES</b></p> <p>The Company has adopted the registered capital system under the provisions of the Capital Markets Law, and has initiated the registered capital system based on the permission of the Capital Markets Board dated 3 March 2017 No.9/332.</p> <p>The upper limit of the Company's registered capital is TL245.000.000.-, which is divided into 245.000.000 registered shares, each with a nominal value of TL 1.- (one Turkish Lira).</p> <p>This upper limit of registered capital allowed by the Capital Markets Board is valid for the years 2017 through 2021 (for 5 years). Even if the upper limit of registered capital is not yet reached at the end of 2021, for capital increase resolutions to be passed after 2021, the Board of Directors must be granted an authorization by the General Assembly for a new period not exceeding 5 years, provided that the permission of the Capital Markets Board is obtained. In case such authorization is not</p>	<p><b>Article 6</b></p> <p><b>CAPITAL AND SHARES</b></p> <p>The Company has adopted the registered capital system under the provisions of the Capital Markets Law, and has initiated the registered capital system based on the permission of the Capital Markets Board dated 3 March 2017 No.9/332.</p> <p>The upper limit of the Company's registered capital is TL245.000.000.-, which is divided into 245.000.000 registered shares, each with a nominal value of TL 1.- (one Turkish Lira).</p> <p>This upper limit of registered capital allowed by the Capital Markets Board is valid for the years 2017 through 2021 (for 5 years). Even if the upper limit of registered capital is not yet reached at the end of 2021, for capital increase resolutions to be passed after 2021, the Board of Directors must be granted an authorization by the General Assembly for a new period not exceeding 5 years, provided that the permission of the Capital Markets Board is obtained. In case such authorization is not</p>

granted, capital increases may not be effected based on the resolution of the Board of Directors.

The issued capital of the Company is TL 49.657.000.- (forty nine million six hundred and fifty seven thousand). This capital has been fully paid up, free from any simulation.

The Company's capital of TL 49.657.000.- is divided into 22.345.650 Class A registered shares with a nominal value of TL 22.345.650.-, representing 45% of the issued share capital; and 27.311.350 Class B registered shares with a nominal value of TL.- 27.311.350, representing 55% of the issued share capital.

The shares representing the issued share capital are monitored in book-entry form in accordance with the principles of dematerialization.

The capital of the Company may be increased or decreased as necessary, pursuant to the provisions of the Turkish Commercial Code and the Capital Markets Legislation.

Within the years 2017 through 2021 (until the end of 2021), the Board of Directors is authorized to pass resolutions to increase the issued capital as it may deem necessary from time to time by issuing new shares up to the registered capital upper limit, restrict the rights of the existing shareholders to subscribe for new shares in capital increases, and to issue shares with premium or with values lower than their nominal value. The authority to restrict the right to subscribe for new shares may not be exercised in a manner to give rise to inequality among the shareholders.

Where any new shares are to be issued, unless the Board of Directors has resolved otherwise, the ratio of Class A registered shares in the issued capital shall be maintained the same.

In case of a transfer of any Class A shares to any person, the transferred Class A shares are transformed into Class B shares at the time the transfer is effected.

In order for the Class A shares to be traded at the stock exchange, first they must have been transformed into ClassB Shares. Upon the application by the holder of the Class A shares to the Central Registraton Agency (*Merkezi Kayıt Kuruluşu Anonim Şirketi*) for transforming them into shares eligible for being traded at the stock exchange, the shares that are covered by such notification are automatically transformed into Class B shares.

During capital increases, the bonus shares are distributed to the shares existing as at the date of the capital increase in question.

granted, capital increases may not be effected based on the resolution of the Board of Directors.

The issued capital of the Company is TL 49.657.000.- (forty nine million six hundred and fifty seven thousand). This capital has been fully paid up, free from any simulation.

The Company's capital of TL 49.657.000.- is divided into **13.608.293** Class A registered shares with a nominal value of TL **13.608.293**.-, representing **27,41**% of the issued share capital; and **36.048.707** Class B registered shares with a nominal value of TL.- **36.048.707**, representing **72,59** % of the issued share capital.

The shares representing the issued share capital are monitored in book-entry form in accordance with the principles of dematerialization.

The capital of the Company may be increased or decreased as necessary, pursuant to the provisions of the Turkish Commercial Code and the Capital Markets Legislation.

Within the years 2017 through 2021 (until the end of 2021), the Board of Directors is authorized to pass resolutions to increase the issued capital as it may deem necessary from time to time by issuing new shares up to the registered capital upper limit, restrict the rights of the existing shareholders to subscribe for new shares in capital increases, and to issue shares with premium or with values lower than their nominal value. The authority to restrict the right to subscribe for new shares may not be exercised in a manner to give rise to inequality among the shareholders.

Where any new shares are to be issued, unless the Board of Directors has resolved otherwise, the ratio of Class A registered shares in the issued capital shall be maintained the same.

In case of a transfer of any Class A shares to any person, the transferred Class A shares are transformed into Class B shares at the time the transfer is effected.

In order for the Class A shares to be traded at the stock exchange, first they must have been transformed into ClassB Shares. Upon the application by the holder of the Class A shares to the Central Registraton Agency (*Merkezi Kayıt Kuruluşu Anonim Şirketi*) for transforming them into shares eligible for being traded at the stock exchange, the shares that are covered by such notification are automatically transformed into Class B shares.

During capital increases, the bonus shares are distributed to the shares existing as at the date of the capital increase in question.

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## **ANNEX - 7: Donations and Aids Policy**

### **DONATIONS AND AIDS POLICY**

*This is an English translation of the original document in Turkish for information purposes only. In the event of any discrepancy between this translation and the original Turkish document, the original Turkish document shall prevail. Mavi Giyim makes no warranties or representations about the accuracy or completeness of the English translation and assumes no liability for any errors, omissions or inaccuracies that may arise from use of this translation.*

#### **Article 1: Scope and Legal Basis**

This policy sets forth the principles applicable to the donations and aids to be made by Mavi Giyim Sanayi ve Ticaret A.Ş.'nin (the "Company").

This policy has been prepared pursuant to the provisions of the Capital Markets Law No. 6362 (the "CM Law"), the Turkish Commercial Code No. 6201 (the "TCC"), the legislation set forth by the Capital Markets Board of the Prime Ministry of the Republic of Turkey (the "CMB"), including the Dividend Distribution Communiqué No. II-19.1, the Corporate Governance Communiqué No. II-17.1 and the corporate governance principles attached thereto, and the Articles of Association of the Company (the "Articles of Association").

#### **Article 2: Purpose**

In line with its sense of social and corporate responsibility, and for the purposes of responding to social needs and contributing to the future and the development of the country, the Company has established a donations policy aimed at determining the principles and rules necessary in relation to the donations encouraging and supporting activities for public benefit in fields such as education, health, culture and arts, law, scientific research, environmental protection, sports, integration of disabled persons into the society, entrepreneurship, technology, communication and alike; managing the donations procedures and determining the applicable reporting requirement and responsibilities.

While the main purpose of the donations and aids consists of the fulfilment of the social responsibilities and creation of a sense of corporate responsibility among our shareholders and employees, the donations and aids are also aimed at responding to the social needs and providing public benefits. Based on the foregoing, the Company

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also supports the realization of projects which will generally contribute to social development.

### **Article 3: Principles of Donation**

The provision which is needed in order to enable the Company to make donations is included in the Company's Articles of Association. In accordance with its social responsibility practice, the Company may, subject to the framework set forth by the CMB regulation, the CM Law, the TCC, the Turkish Commercial Code No. 6098 and other secondary legislation, the internal regulations of the Company and the provision in its Articles of Association regulating its fields of activity, make donations and aids pursuant to the resolution of the Board of Directors, within the limits to be determined by the general assembly in a manner not hindering the Company's own activities, and provided that the donations and aids shall not result in any violation of the CMB's regulations on thin capitalization or the mandatory corporate governance principles, and information regarding the donations within the year are submitted to the shareholders at the general assembly. However, donations and aids, which may result in a deviation from the principle of protecting the shareholders' interests shall be refrained from.

All donations and aids shall be made in a manner compatible with the Company's vision, mission and policies, and taking into account the ethical rules and values of the Company, and the Company's annual budget allocations. The donations and aids may be made in cash or in kind.

Compliance with the Company's corporate and social responsibility policies shall be observed when determining the form and amount of the donations and identifying the institutions, entities and persons to whom the donations shall be made. Donations and aids may be made to all kinds of institutions, entities and persons, including non-governmental organizations, universities, public institutions and entities, foundations and associations.

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