



DIVIDEND DISTRIBUTION POLICY

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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 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.

Article 4: Principles of Advance Dividend Distribution

The board of directors of the Company, provided that it is authorized the general assembly of the Company and by taking into account investment and financing policies and the profitability and cash reserves 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. The authority granted to the board of directors by the general assembly for the distribution of advance dividends is limited to the accounting period in which the authority is granted. 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 Company aims to distribute at least 30% of the distributable net profit calculated as per the relevant interim financial statements as advance dividends. 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.

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 resolution regarding such amendment is also announced to the public, together with the reasons for such amendment.

This policy and any amendments made in this policy shall be announced to the public on the Company's web site following the approval of the general assembly.