

I. AIM:

1. This directive regulates the procedures and principles of the Board responsible for auditing of Batisöke Söke Çimento Sanayii T.A.Ş.

II: SCOPE

2. Audit Committee;

- The integrity of the Company's financial statements,
- The Company's compliance with legal and regulatory requirements,
- Adequacy and independence of the independent auditing company,
- Assists the Board of Directors in performing its oversight function for the company's internal audit function and the performance of its independent auditors.

3. The main function of the Auditing Committee is to ensure that financial reports are understandable, transparent and reliable, to evaluate internal controls, to give an opinion to the board of directors for the effective use of internal audit, supervision of independent audit and selection of an independent auditing body.

4. These principles are established within the framework of the regulations, provisions and principles contained in the Capital Markets Legislation and Corporate Governance Principles of the Capital Markets Board. (Ref: CMB Independent Audit Standards Communiqué Serial: X No:22 and Communiqué on The Determination and Implementation of Corporate Governance Principles Serial: IV No: 56)

III. FORMATION AND STRUCTURE OF THE COMMITTEE RESPONSIBLE FOR AUDITING, REPORTING OF WORKING PRINCIPLES AND OPERATIONAL RESULTS**Formation and Structure:**

5. The Committee responsible for auditing consists of at least two members. The entire committee is elected from among the independent board members. (Ref: CMB Corporate Governance Principles Guide 4.5.3)

6. The Committee responsible for auditing is appointed by the Board of Directors for the duration of the board of directors' duties. The Board of Directors may change its members or members of the Audit Committee as necessary during its term of office.

7. The task area of the committee responsible for auditing, the working principles and which members it will consist of are determined by the Board of Directors. (Ref: CMB Corporate Governance Principles Guide 4.5.2)

Working Principles:

8. The Auditing Committee supervises the company's accounting system, the public disclosure of financial information, its independent auditing, and the functioning and effectiveness of the internal control systems of the company. (Ref: CMB Independent Audit Standards Communiqué Serial: X No:22 Article: 25/2)

9. Advises the Board of Directors and prepares reports where necessary and submits them to the opinion of the Board of Directors. However, the responsibility for the final decision always rests with the Board of Directors. (Ref: CMB Corporate Governance Principles Guide 4.5.8)

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10. The timing of committee meetings is as consistent with the timing of board meetings as much as possible.
11. Committee members shall submit a written report on the activities of the committee after the committee meeting and inform or notify the members of the Board of Directors in writing when necessary to summarize the committee meeting. (Ref: CMB Corporate Governance Principles Guide 4.5.8)
12. The Committee shall write and keep a record of all its work. (Ref: CMB Corporate Governance Principles Guide 4.5.8.)
13. The Committee responsible for auditing shall be provided with all necessary resources and support by the board of directors in carrying out its duties. (Ref: CMB Corporate Governance Principles Guide 4.5.6)
14. This committee may invite the executive as it deems necessary to convene meetings of internal and independent auditors and may take their opinions. (Ref: CMB Corporate Governance Principles Guide 4.5.6)
15. The Auditing Committee checks the compliance of periodic financial statements and footnotes to the public with existing legislation and international accounting standards, and takes the opinion of the independent auditing body and, when necessary, notifies the board in writing. (Ref: CMB Independent Audit Standards Communiqué Serial: X No:22 Article: 25/6)

Reports to the Board of Directors, Auditing Committee and Executive Committee

16. The Internal Audit Directorate shares its report on important risks, control issues, suggestions and recommendations of the department manager and the Executive Committee at the same time as the Executive Committee and the Committee responsible for audit.
17. The Committee responsible for auditing shall convene a joint meeting with the Internal Audit Directorate and discuss the evaluations on their findings.
18. Following that, the issues discussed at the Audit Committee meeting together with the Executive Committee are evaluated. In addition, taking into account the important findings and recommendations regarding the processes contained in the audit report, the necessary measures are evaluated and the results of the meeting are decided in writing.

Regarding Independent Audit

19. The selection of an independent auditing firm, the preparation of audit contracts and the initiation of the independent auditing process, and the work of the independent auditing firm at each stage, are carried out under the supervision of the committee responsible for auditing. (Ref: CMB Independent Audit Standards Communiqué Serial: X No:22 Article: 25/2)
20. The services to be received from these independent auditing bodies are determined by the Auditing Committee to which the company will receive services and are submitted for approval by the Board of Directors. (Ref: CMB Independent Audit Standards Communiqué Serial: X No:22 Article: 25/3)
21. The independent auditing body shall provide alternative application options and public disclosure options within the framework of international accounting standards previously communicated to the company's management and the committee responsible for auditing, of possible results and implementation proposals, and important correspondence with the management of the company. (Ref: CMB Independent Audit Standards Communiqué Serial: X No:22 Article: 25/4)

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Related to the Internal Control System

22. Conducts studies on the effectiveness and adequacy of the company's internal control system, evaluates the findings and reports it to the Board of Directors when necessary. (Ref: CMB Independent Audit Standards Communiqué Serial: X No:22 Article: 25/2))

Related to Internal Audit

23. Examination and conclusion of complaints regarding the company's accounting, internal control system and independent audit, and the confidentiality of the company's employees' statements on accounting and independent auditing issues within the framework of the confidentiality principle, where the methods and criteria to be applied in the evaluation of the subjects are determined by the Auditing Committee. (Ref: CMB Independent Audit Standards Communiqué Serial: X No:22 Article: 25/5)

IV. OTHER PROVISIONS

24. It shall benefit from independent expert opinions on matters required by the Committee responsible for Auditing. The company pays for the consultancy services that the Committee requires. (Ref: CMB Independent Audit Standards Communiqué Serial: X No:22 Article: 25/7)

25. The Committee responsible for auditing meets at least four times a year, at least every three months, and the results of the meeting are submitted to the Board of Directors. The Committee shall inform the Board of Directors in writing of the findings and recommendations it has reached in relation to its duties and responsibilities. (Ref: CMB Independent Audit Standards Communiqué Serial: X No:22 Article: 25/8)

26. The duties and responsibilities of the Committee responsible for auditing do not remove the responsibility of the Board of Directors arising from the Turkish Commercial Code. (Ref: CMB Independent Audit Standards Communiqué Serial: X No:22 Article: 25/9)

Amendments of the Directive

27. This directive may be changed by the decision of the Board of Directors.

VALIDITY

28. This directive was approved and adopted by the Batisöke Söke Çimento Sanayii T.A.Ş. Board of Directors dated 25.01.2013 no. 436 and entered into force as of 25.01.2013. (Ref: CMB Corporate Governance Principles Guide 4.5.2)

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