



Corporate Governance and Credit Rating Services, Inc.

Corporate Governance Rating Report

BATISÖKE

29 July 2025

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BATISÖKE SÖKE ÇİMENTO SANAYİİ T.A.Ş.



Corporate Governance Rating:

8.88



MAIN SECTIONS: Avg. 88.81

Shareholders: 87.56



Public Disclosure & Transparency: 86.31



Stakeholders: 93.96



Board of Directors: 89.29



0 10 20 30 40 50 60 70 80 90 100

EXECUTIVE SUMMARY

This report on rating of Batisöke Söke Çimento Sanayii T.A.Ş.'s (Batisöke) compliance with Corporate Governance Principles is prepared upon conclusions following detailed analysis of the Company. Our rating methodology (page 5) is based on the Capital Markets Board's (CMB) "Corporate Governance Principles".

Batisöke is rated with **8.88** as a result of the Corporate Governance study conducted by SAHA. The Company's corporate governance rating has shaped up as above in consideration with the importance given by Batisöke to corporate governance principles, its willingness to carry out the compliance process continuously and dynamically and improvements which had been initiated in this direction.

SAHA publishes (annually) the World Corporate Governance Index (WCGI) which ranks countries in terms of their level of compliance with corporate governance principles as well as their germane institutions, rules, codes, and regulations together with international standards and indices which evaluate countries in a vast array of areas such as transparency, corruption, ease of doing business, etc.. Batisöke is analyzed as a Turkish company and Turkey takes place at the top classification of the WCGI which is Group 1. Details of the World Corporate Governance Index (WCGI) published by SAHA on July 12, 2023 can be accessed at <http://www.saharating.com>.

Batisöke is rated with **8.76** under the **Shareholders** heading. Exercise of shareholders' rights complies with the legislation, Articles of Association and other internal rules and regulations. Measures are in place to ensure the exercise of such rights. Company carries out the shareholder relations obligations via the Investor Relations Department. All procedures prior to the general shareholders' meeting and the conduct of the meeting comply with the legislation and regulations. The company has profit distribution, donation, and disclosure policies that have been submitted to the general assembly for information/voting and disclosed to the public. There are no restrictions on free transfer of shares. On the other hand, there are areas open to improvement, such as the fact that the ratio prescribed for publicly traded joint-stock companies (5%) has been adopted as is, and the existence of a privilege regarding the nomination of candidates to the board of directors.

Batisöke attained **8.63** under the **Public Disclosure and Transparency** chapter. The Company has a comprehensive web site. Public announcements are carried out via all communications channels and are in accordance with the CMB and Borsa Istanbul (BIST) regulations. The Corporate Governance Compliance Report (CRF) and the Corporate Governance Information Form (CGIF) have been disclosed to the public through the Public Disclosure Platform (PDP) in accordance with the legislation. On the other hand, the fact that all the benefits provided to the members of the Board of Directors and senior executives are not disclosed on an individual basis, and the independence declaration of independence of the independent Board members are not included in the Annual Report stand out as areas in need of further refinement. Furthermore, individual shareholders with shares higher than 5% are not disclosed on the Company's web site.

On the topic of **Stakeholders**, Batisöke scored **9.40**. The company provides effective and rapid compensation in the event of a violation of the rights of stakeholders as regulated by legislation and mutual agreements. The company has a written human resources policy. There are models that support the participation of stakeholders in company management. However, these models are not included in the company's internal regulations or articles of association. The company has ethical rules and a compensation policy for its employees, which are disclosed to the public via its website. During the period, there were no applications for which the company was held liable by public authorities. The company complies with environmental laws. Its Corporate Social Responsibility and Sustainability initiatives are satisfactory. The "Sustainability Principles Compliance Report" is included in the Annual Report.

From the perspective of the principles regarding the **Board of Directors**, Batisöke's tally is **8.93**. The Board fulfills all duties regarding Company needs. The seven-member board of directors consists of three independent members, three executive members, and one female member. Corporate Governance, Audit, and Early Risk Detection Committees are established from within the Board of Directors. The working principles of the Committees are disclosed to the public. Principles of remuneration of Board members and senior executives are available on the Company's web site. However, losses that may be incurred by the Company due to the negligence of board members during the performance of their duties are not insured with coverage in excess of 25% of the Company capital, and a policy has not been established for the rate of female members in the Board of Directors not less than 25%.

Rating Methodology

SAHA's methodology for rating the degree of compliance with the Principles of Corporate Governance is based upon the CMB's "Corporate Governance Principles" released on January 2014.

The CMB based these principles on the leading work of The World Bank, The Organization of Economic Cooperation and Development (OECD), and the Global Corporate Governance Forum (GCGF) which has been established in cooperation with the representatives of the preceding two organizations and private sector. Experts and representatives from the CMB, Borsa Istanbul and the Turkish Corporate Governance Forum have participated in the committee that was established by the CMB for this purpose. Additionally; many qualified academicians, private sector representatives as well as various professional organizations and NGOs have stated their views and opinions, which were added to the Principles after taking into account country specific issues. Accordingly, these Principles have been established as a product of contributions from all high-level bodies.

Certain applications of the Principles are based on "comply or explain" approach and others are mandatory. However, the explanation concerning the implementation status of the Principles, if not detailed reasoning thereof, conflicts arising from inadequate implementation of these Principles, and explanation on whether there is a plan for change in the Holding's governance practices in future should be mentioned in the annual report and disclosed to public.

The Principles consist of four main sections: shareholders, public disclosure and transparency, stakeholders, and the board of directors.

Based on these Principles, the SAHA Corporate Governance Rating methodology features around 330 sub-criteria. During the rating process, each criterion is evaluated on the basis of information provided by the company officials and disclosed publicly. Some of these criteria can be evaluated by a simple YES/NO answer; others require more detailed analysis and examination.

SAHA assigns ratings between 1 (weakest) and 10 (strongest). In order to obtain a rating of 10, a company should be in full and perfect compliance with the Principles (see Rating Definitions, p.22).

To determine the total rating score for each main section parallel to the CMB's Corporate Governance Principles, SAHA allocates the following weights:

Shareholders: **25%**


Public Disclosure and Transparency: **25%**

Stakeholders: **15%**

Board of Directors: **35%**

To determine the final overall rating, SAHA utilizes its proprietary methodology which consists of sub-section weightings and weightings for the criteria there under. A separate rating is assigned to each one of the main sections as well.

Company Overview

BATISÖKE SÖKE SANAYİİ T.A.Ş.	
	CHAIRMAN OF THE BOARD Sabit AYDIN
	EXECUTIVE DIRECTOR Gülant CANDAS
Ankara Cad. No 335 35050 Bornova - İZMİR www.batisoke.com.tr	Investor Relations Department Manager Onur BAYRAM Tel: (0232) 478 44 00 onurbayram@baticim.com.tr

BATISÖKE Söke Çimento Sanayii Türk A.Ş. ("Batisöke", "Company"), one of the first cement factories of the Republic of Turkey, was established in 1955 in Aydın, Turkey, in accordance with the provisions of the Turkish Commercial Code. The Company joined the Western Anatolia Group of Companies in 1993.

The Company's business is the production and sale of clinker and cement. Its head office is located at Ankara Caddesi No: 335, Bornova, İzmir, and its production activities are carried out at Atatürk Mahallesi Aydın Caddesi No: 234, Söke, Aydın. In addition, the Company has a grinding and packaging facility in Çavdır, Burdur.

The company has started trading on the Istanbul Stock Exchange (BIST) under the code "BSOKE" and is included in the BIST 500 / BIST KATILIM TÜM / BIST TAŞ, TOPRAK / BIST ALL / BIST 100-30 / BIST KATILIM 100 / BIST 100 / BIST AYDIN / BIST PARTICIPATION 50 / BIST STAR / BIST INDUSTRIAL indices.

The upper limit of the registered capital of the Company is TL 2.000,000,000 and its latest capital structure is as follows:

Batisöke Söke Çimento Sanayii T.A.Ş Capital Structure			
Shareholder	Share Value (TL)	Share %	Voting Rights %
Batıçim Batı Anadolu Çimento Sanayii A.Ş	1.193.976.211,11	74,62 %	74,62 %
Other	406.023.788,89	25,38 %	25,38 %
Total	1.600.000.000,00	100,00 %	100,00 %

As detailed here below, Company shares consist of A and B Group shares.

Information on Shares Representing the Company				
Group	Registered/ Bearer	Share Value (TL)	%	Privileges Held
A	Registered	14.956,13	0,00093 %	Privileges in the election of the Board of Directors
A	Bearer	59.824,54	0,00374 %	Privileges in the election of the Board of Directors
B	Bearer	1.599.925.219,33	99,99533 %	No privileges
Total		1.600.000.000,00	100.00	

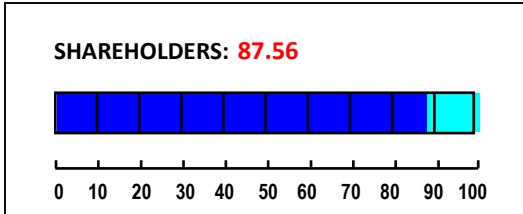
Group A shares are not traded on the stock exchange. According to the company's articles of association, all members of the Board of Directors are elected from among candidates nominated by the majority of Group A shareholders.

The members of the Board of Directors are as follows:

Batisöke Söke Çimento Sanayii T.A.Ş. Board of Directors		
Name	Title	Committees Served
Sabit AYDIN	Chairman Executive Member	
Gülant CANDAS	Vice-chairman Executive Member	
Ömer Çağdaş SELVİ	Executive Member	
Yusuf KAYA	Member	
Mehmet ŞAHNE	Independent Member	Early Risk Detection Committee Chairman / Audit Committee Member / Corporate Governance Committee Member
Ufuk Bala YÜCEL	Independent Member	Audit Committee Chairman / Early Risk Detection Committee Member
Enis Turan ERDOĞAN	Independent Member	Corporate Governance Committee Chairman

There is 1 female member on the Board of Directors.

SECTION 1: SHAREHOLDERS



SYNOPSIS

+	Investor Relations Department plays an active role in protecting and exercising the rights of shareholders.
+	General shareholders' meetings are conducted in compliance with the legislation. Preparation and disclosure prior to the meeting are satisfactory.
+	No applications that make it difficult to exercise voting rights.
+	The company has publicly disclosed profit distribution, donation, and information policies that have been submitted to the general assembly for approval/information.
+	No restrictions on free transfer of shares.
=	Minority rights are not granted to those who own less than 5% of the capital.
-	Group A shares have the privilege to nominate candidates to the Board of Directors.

1.1. Facilitating the Exercise of Shareholders' Statutory Rights:

The Company carries out shareholder relations obligations through the Investor Relations Department.

Along with other units of the Company the "Investor Relations Department" plays an active role in protecting and

facilitating shareholders' rights and in particular the right to obtain and review information. The unit fulfills the following duties:

- Ensure that the records relating to the written correspondence with the investors and other information are kept in a healthy, safe and updated manner.
- Respond to the queries of shareholders requesting written information on the Company.
- Ensure that the general shareholders' meeting is held in compliance with the applicable legislation, Articles of Association and other Company by-laws.
- Prepare the documents that might be used by shareholders in the general shareholders' meeting.
- Supervise the fulfillment of the obligations arising from capital markets legislation including all corporate governance and public disclosure matters.

The Investor Relations Department submits a report to the Board of Directors at least once a year on the activities conducted.

Information and explanations that may affect use of shareholders' rights is available up to date on the corporate web site.

Dr. Onur Bayram serves as the manager of the company's Investor Relations Department and as a member of the Corporate Governance Committee.

1.2. Shareholders' Right to Obtain and Evaluate Information:

There is no evidence of any hindering process or application regarding the appointment of a special auditor at the request of shareholders.

All kinds of information about the Company are provided in a complete, timely, honest, and diligent manner and there is no fine or warning received in this regard.

The Disclosure policy accepted by the Board of Directors has been announced to the public on the corporate web site, but has not yet been presented to the general shareholders' meeting.

1.3. General Shareholders' Meeting:

In addition to the methods of invitation in the legislation and in order to ensure attendance of maximum number of shareholders, the invitation to the general shareholders' meeting is performed through all means of communication available to the Company three weeks in advance in accordance with the Corporate Governance Principles.

All announcements prior to the general shareholders' meeting included information such as the date and time of the meeting; without any ambiguity exact location of the meeting; agenda items of the meeting; the body inviting to the general shareholders' meeting; and the exact location where Annual Report, financial statements and other meeting documents can be examined.

In addition, a descriptive disclosure document on agenda items has been prepared.

Commencing from the date of announcement of invitation for the general shareholders' meeting,

following documents are made available to all shareholders for examination purposes in convenient locations including the headquarters or branches of the Company, and the electronic media

- the Annual Report
- financial statements and reports
- dividend distribution proposal
- all other related documents pertaining to the agenda items

As of the date of the announcement on the Company's corporate website, the total number of shares and voting rights reflecting the Company's partnership structure, as well as information regarding preferred shares in the Company's capital, have been disclosed to shareholders.

Agenda items were put under a separate heading and expressed clearly in a manner not to result in any misinterpretations. Expressions like "other" and "various" were not used. Information submitted to the shareholders prior to the conduct of the general shareholders' meeting was related to the agenda items.

The general shareholders' meeting was held at the Company headquarters in Izmir.

At the general shareholders' meeting held on June 18, 2025, items on the agenda were conveyed in detail and in a clear and understandable way by the chairman of the meeting, shareholders were given equal opportunity to express their opinions and ask questions and the chairman made sure that each question is answered directly at the meeting provided that they do not constitute a trade secret.

Agenda of the general shareholders' meeting included the proposal for the permission to be granted to shareholders who have control of the

management, members of the Board of Directors, managers with administrative responsibility, their spouses and up to second degree blood relatives to execute transactions and compete with the Company and/or its affiliates, to make a commercial business transaction for himself or on behalf of others or to join to another company dealing with the same type of commercial business as a partner with unlimited responsibility.

Members of the Board of Directors related with those issues of a special nature on the agenda, other related persons, authorized persons who are responsible for preparing the financial statements and auditors were present to give necessary information and to answer questions at the general shareholders' meeting.

In addition, a representative of the firm conducting the independent audit of the company attended the general meeting.

The company has established a policy regarding donations and grants and has submitted it to the shareholders for approval at the general meeting.

Shareholders are informed, with a separate agenda item, on donations took place during the reporting period.

Although there is no obstacle for the general shareholders' meetings to be held open to the public, including the stakeholders and the media, without the right to vote, there is no such provision in the Company's Articles of Association or the internal directive of the general shareholders' meeting.

1.4. Voting Rights:

It is believed that practices that make it difficult to exercise voting rights are being avoided and that every shareholder, including those abroad, is being given the opportunity to exercise

their voting rights in the easiest and most appropriate manner.

According to the company's articles of association, all members of the Board of Directors are elected from among the candidates nominated by Group A shareholders.

1.5 Minority Rights:

Maximum care is given to the exercise of minority rights. However, minority rights are not recognized for shareholders who hold an amount less than one-twentieth of the share capital and the Company has adopted exactly the rate foreseen in the legislation for listed companies.

1.6. Dividend Rights:

The company has a specific profit distribution policy. The company's profit distribution policy contains minimum information that is sufficiently clear to enable investors to predict the methods and principles of profit distribution in future periods.

The profit distribution policy has been prepared and submitted to shareholders for approval at the General Meeting.

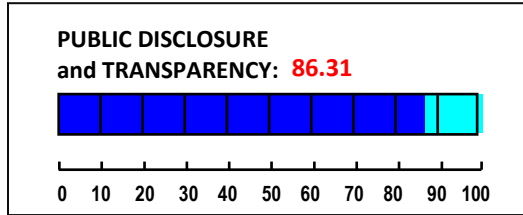
From the profit distribution policy document, it is understood that a balanced policy will be followed in profit distribution between the interests of shareholders and the interests of the company.

The Articles of Association contain no provision on advance dividend payments.

1.7. Transfer of Shares:

Regarding the transfer of shares, there are no complicating provisions or practices either in the Articles of Association or in the general shareholders' meeting resolutions.

SECTION 2: PUBLIC DISCLOSURE AND TRANSPARENCY



SYNOPSIS

+	Comprehensive web site, actively used for public disclosure, with English version.
+	Corporate Governance Compliance Report (CRF) and the Corporate Governance Information Form (CGIF) have been prepared and disclosed to the public in accordance with the relevant legislation.
+	Annual Report complies with the legislation, meeting most of the principles in terms of content.
+	Agreement and studies conducted with external auditors comply with the legislation.
-	Shareholding structure showing individual shareholders with a share higher than 5% is not disclosed.
-	All benefits provided to Board members and senior executives are not mentioned on individual basis.

2.1. Corporate Web Site:

The Company's web site (www.batisoke.com.tr) is actively used for disclosure purposes and the information contained therein is timely updated.

Along with the information required to be disclosed pursuant to the legislation, the corporate web site includes; trade register information, information about latest shareholder structure, information on privileged shares, the date and the number of the trade registry gazette on which the

changes are published along with the final version of the Company's Articles of Association, publicly disclosed material information, periodical financial statements, annual reports, other public disclosure documents, agendas of the general shareholders' meetings and list of participants and minutes of the general shareholders' meeting, form for proxy voting at the general shareholders' meeting, disclosure policy, dividend distribution policy, and ethical rules of the Company.

With the exception of material disclosures and footnotes, in accordance with the Capital Markets legislation, the Company also discloses financial statements on PDP and simultaneously in English.

The information contained on the web site exists also in English for the benefit of international investors and is close to the Turkish content.

The Company's web site also includes; investor presentations, working principles of the Committees, the donation policy, important Board decisions under the heading of material disclosures, information on capital increases, news, information on senior management, financial data, main ratio analyses, and the human resources policy.

The Corporate Governance Compliance Report (CRF) and the Corporate Governance Information Form (CGIF) were prepared and disclosed at least three weeks prior to the date of the general shareholders' meeting via the Public Disclosure Platform.

However, the shareholding structure of the Company with names of the

individual shareholders over 5% as identified after being released from indirect or cross shareholding relationships between co-owners, and calendar of events/developments that would be of interest to investors has not been included.

2.2. Annual Report:

Annual Report is prepared in detail by the Board of Directors to provide public access to complete and accurate information on the Company and it covers information such as;

- a. Period covered by the Report, the title of the Company, trade register number, contact information,
- b. The names and surnames of the chairman, members and executive members involved in the management and supervisory boards during the covered period, their limits of authority, tenure of office (with start and end dates),
- c. The sector in which the Company operates and information on its position in the sector,
- d. Progress on investments, the eligibility status on incentives, and to what extent,
- e. Corporate Governance Principles Compliance Report,
- f. Information on related party transactions,
- g. Other issues not included in the financial statements, but are beneficial for users,
- h. Company's organization, capital and ownership structure, and any changes in the related accounting period
- i. Benefits provided to staff and workers, information on number of personnel,
- j. Explanations on privileged shares and their amount,
- k. Information on research and development activities,
- l. The dividend distribution policy,
- m. Basic ratios on the financial position, profitability and solvency,

- n. Company's financing resources and risk management policies,
- o. Information on major events occurred between the closing of the accounting period and the date of the general shareholders' meeting where financial statements are evaluated.

In addition to the content specified in the legislation, the following also took place in the Annual Report:

- a. Information on external duties of Board members and executives,
- b. Committees established within the Board, their members and assessment of the Board of Directors on the efficiency of the Committees,
- c. The number of Board meetings held during the year and participation status of the members.

The Annual Report includes a Corporate Governance Principles Compliance Statement. However, it does not mention whether corporate governance principles are being applied, provide a reasoned explanation if they are not being applied, or mention conflicts of interest arising from non-compliance with these principles.

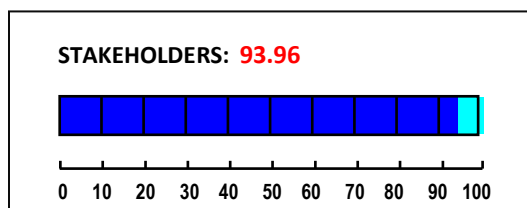
In addition, the activity report does not include individual disclosures regarding all benefits provided to board members and senior executives, statements of independence from independent members, information about significant lawsuits filed against the company and their possible outcomes, or information about corporate social responsibility activities related to employees' social rights, professional training, and company activities that have environmental consequences.

2.3. External Audit:

Finansal Eksen Bağımsız Denetim ve Danışmanlık A.Ş. has been selected to cover the company's 2025 accounting period and perform its independent audit.

Recently, there have been no cases where independent auditors have refrained from expressing an opinion, expressed a qualified opinion, or refused to sign. Similarly, there have been no disputes between independent auditors and the court.

SECTION 3: STAKEHOLDERS



SYNOPSIS

+	Compensation is provided in case of violation of the stakeholder rights safeguarded by relevant legislation and mutual agreements.
+	Compensation policy for employees is established and disclosed to public on the web site.
+	Efficient Human Resources policy.
+	A set of code of ethics has been prepared and disclosed to the public.
+	Company complies with environmental laws, Corporate Social Responsibility and Sustainability activities are satisfactory.
=	There are models for stakeholders, particularly employees to participate in management without impeding the operations of the Company, but such models are not included in the Articles of Association, nor in internal regulations.

3.1. Company Policy Regarding Stakeholders:

We have not come across a significant or repetitive situation in which the rights of stakeholders established by any law or agreement are not recognized.

The Company recognizes the rights of stakeholders established by law or through any other mutual agreement.

The corporate web site of the Company is also actively used to provide adequate information on policies and procedures towards the protection of stakeholders' rights.

Mechanisms have been established for stakeholders to report transactions that are contrary to regulations and unethical.

When a conflict of interest occurs between the stakeholders or in the case that a stakeholder is a member of more than one interest group, a policy as much balanced as possible for the protection of the owned rights is pursued and it is aimed to protect each right independently of each other.

A compensation policy for employees is established and disclosed to public via the web site.

3.2. Stakeholders' Participation in the Company Management:

There are models for stakeholders, particularly employees to participate in management without impeding the operations of the Company, but such models are not included in the Articles of Association, nor in internal regulations.

Opinions and comments of stakeholders are evaluated equally, regardless of their shareholding status, in important decisions that have consequences for them.

Where necessary, the Company also takes into account any comments and recommendations transmitted by other stakeholders.

3.3. Company Policy on Human Resources:

The Human Resources policy has been established in order to employ a sufficient number of personnel in line with the vision and mission of the Company and in line with the needs, and to enable the employees to work in the fields most appropriate to their knowledge and experience.

In the establishment of the recruitment policies and drawing up of career plans, the principle of providing equal opportunity to persons under equal conditions has been adopted. In the cases when it is foreseen that change of duty of managers would cause disruption in the management of the Company, a succession plan is drawn up regarding determination of managers to be newly assigned.

We have come to the conclusion that measures are taken to prevent discrimination among employees on the basis of race, religion, language, or sex, to protect employees against physical, mental, or emotional abuse, and a finding in the opposite direction has not been observed.

The Turkish Çimse-İş Trade Union is present in the company. The most recent collective bargaining agreement covers the period from January 1, 2024, to December 31, 2025.

3.4. Relations with Customers and Suppliers:

The company has taken all necessary precautions to attain customer satisfaction in the sales and marketing of its products and services.

Within the framework of protection of trade secrets, care is taken on the confidentiality of information about customers and suppliers.

No evidence has been witnessed on non-market pricing of goods and services of the Company.

3.5. Ethical Rules & Social Responsibility:

The ethical rules of the company are established and publicly disclosed through the corporate web site.

There have been no cases in which the Company was held liable for by the public authority within the last year.

In-kind and in-cash assistance was provided to education and various other public institutions, as well as donations were carried out to foundations operating in education, culture and environment.

The Company pays utmost attention to the adoption and implementation of innovative and environmentally compatible technologies within the scope of its environmental and quality policies.

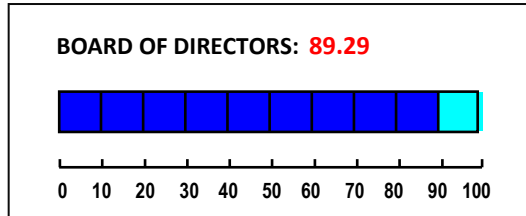
3.6. Sustainability:

The Company has policies, internal regulations, goals, initiatives and campaigns on environment, nature, energy conservation, recycling and education issues.

The company established the Sustainability Committee with Board of Directors Decision No. 1503 dated June 23, 2023.

The "Sustainability Principles Compliance Report" required to be prepared in accordance with the Corporate Governance Communiqué is included in the company's Annual Report.

SECTION 4: BOARD OF DIRECTORS



SYNOPSIS

+	The Board works efficiently and staffed with qualified members.
+	Board of Directors meeting and decision quorum is defined in the Articles of Association.
+	The seven-member Board of Directors consists of three independent members, three executive members, and one female member.
+	Remuneration principles of the members of the Board and senior executives have been determined and disclosed to the public.
+	Audit, Corporate Governance, and Early Risk Detection Committees are established and their working principles are identified.
=	Rate of female members in the Board of Directors is below 25% with 1 female member. No policy has been prepared in this regard.
-	Losses that may be incurred by the Company as a result of not performing the Board members' duties duly are not insured.

4.1. Functions of the Board of Directors:

It is believed that the board of directors, through its strategic decisions, maintains the company's

risk, growth, and return balance at the most appropriate level, and manages and represents the company in accordance with these principles, primarily considering the company's long-term interests with a rational and prudent risk management approach.

The Board of Directors has defined the Company's strategic goals and identified the needs in human and financial resources, and controls management's performance.

4.2. Principles of Activity of the Board of Directors:

It is believed that the Board of Directors performs its activities in a transparent, accountable, fair and responsible manner.

Distribution of tasks between the members of the Board of Directors is explained in the Annual Report.

The Board of Directors established internal control systems which are inclusive of risk management, information systems, and processes by also taking into consideration the views of the Committees.

It is declared in the Annual Report that the Board of Directors reviews the effectiveness of risk management and internal control systems at least once a year.

The presence, functioning, and effectiveness of internal controls and internal audit are explained in the Annual Report.

The Board of Directors has taken a decision regarding the approval of the financial statements and the Annual

Report, and the Corporate Governance Compliance Report (CRF) and Corporate Governance Information Form (CGIF) are included in the content of this declaration.

Chairman of the Board of Directors and general manager's executive powers are separated, but this separation is not documented in the Articles of Association.

Losses that may be incurred by the Company as a result of not performing the Board members' duties duly are not insured for coverage in excess of 25% of the share capital.

Analyzing the Company organization, it is seen that there is no person in the Company who has unlimited authority to take decisions alone and this is considered as positive by us.

4.3. Structure of the Board of Directors:

The company's Board of Directors is composed of 7 members of which 3 hold executive duties. There are also 3 independent members in order for the Board to fulfill its functions more effectively.

The Corporate Governance Committee have prepared a report on the candidates proposed by the Board of Directors and shareholders, by taking into consideration of whether or not the candidate meets the independency criteria, and submitted this assessment as a report to the Board for its approval. CMB criteria are complied with in determining independent candidates. Independent candidates for the Board of Directors have each signed a declaration of independence within the framework of the legislation, Articles of Association, and the CMB criteria.

There is 1 female member on the Board of Directors. In this context, the

criterion of 25% of the Board of Directors consisting of female members, which is the recommendation of the corporate governance principles, is partially met. However, no policy is prepared nor a timetable is set to reach the Corporate Governance Principles' advisory target of 25% female member presence on the Board of Directors.

4.4. Conduct of the Meetings of the Board of Directors:

According to the Company's Articles of Association, the Board of Directors convenes as the business and conditions of the Company necessitate. It is mandatory to meet at least once a month.

In this context, it is stated in the Annual report that the Board of Directors convened 23 times in 2024, and that the members of the Board regularly attend the meetings.

Chairman of the Board of Directors sets the agenda for Board meetings in consultation with other members and the general manager.

Information on the agenda items of the Board of Directors meeting is made available to the members in sufficient time prior to the meeting date with a coordinated flow of information. Each member is entitled to a single vote.

Shareholders are informed of external duties of the Board members through the agenda of the general shareholders' meeting in which their election is discussed.

The conduct of the Board of Directors meetings and the decision quorum is documented in the Articles of Association.

4.5. Committees Established Within the Board of Directors:

Corporate Governance, Audit, Early Risk Detection and Sustainability Committees are established from within the Board of Directors in order to fulfill its duties and responsibilities duly.

Functions of the Committees, their working principles, and members are designated by the Board of Directors and disclosed to public on the corporate web site.

All members of the committees are elected among the independent Board members. General manager and the chairman of the Board of Directors are not members on any Committee.

Investor Relations Department Manager, Dr. Onur Bayram is appointed to the Corporate Governance Committee as a member. Absence of any other executive members on the Committees is considered positive by us.

All necessary resources and support needed to fulfill the tasks of the Committees are provided by the Board of Directors.

We consider the frequency of committee meetings, except for the Corporate Governance Committee, to be sufficient.

The Corporate Governance Committee oversees the work of the shareholder relations unit. However, there is no decision in the meeting minutes stating that the committee determines whether corporate governance principles are being applied in the company, the reasons why they are not being applied if this is the case, and the conflicts of interest arising from non-compliance with these principles, and that it makes recommendations to the board of

directors to improve corporate governance practices.

Audit Committee supervises the operation and efficiency of the Company's accounting system, public disclosure, external audit and internal audit systems, reviews complaints that are received by the Company regarding Company accounting, internal and external independent audit systems, within the framework of the principle of confidentiality and finalizes them, immediately notifies the Board of Directors in writing on findings related to their duties and responsibilities and the related assessment and recommendations, following taking the opinion of responsible managers of the Company and the external auditor, notifies the Board of Directors in writing on whether the annual and interim statements disclosed to the public is in accordance with the Company's accounting principles, true and accurate.

We are convinced that members of the Audit Committee have the qualifications mentioned in the Communiqué.

The Annual Report contains information on working principles of the Audit Committee and number of written notices given to the Board of Directors within the fiscal period.

The nomination and election process of the external audit firm, taking into account its competence and independence, starts with a proposal from the Audit Committee to the Board of Directors and ends with the Board's choice being presented and approved at the general shareholders' meeting.

The Early Risk Detection Committee carries out its tasks towards early detection of risks which may jeopardize the Company's assets, its development and progression, and

measures taken to mitigate and manage those risks. It reviews risk management systems at least once a year.

The tasks of Nomination and Remuneration Committees are performed by the Corporate Governance Committee. In this context, it has been included in the minutes submitted to us that the Corporate Governance Committee works to determine independent candidates and that the Remuneration Committee offers its suggestions regarding the remuneration of the members of the Board of Directors and executives with administrative responsibility.

4.6. Remuneration of the Board of Directors and Managers with Administrative Responsibility:

The principles of remuneration of Board members and senior executives have been documented in writing and submitted to the shareholders as a separate item at the general shareholders' meeting.

A remuneration policy prepared accordingly can be accessed on the Company's web site. Stock options or performance-based payments are not included in the remuneration package of the independent members of the Board of Directors.

It has been declared that the Company does not lend any funds or extend any credits to a member of the Board of Directors or to senior executives, or grant any personal loans through a third party, or extend any guarantees.

We are convinced that the executives have the required professional qualifications in order to perform the assigned duties and they comply with

the legislation, Articles of Association, and in-house regulations and policies in fulfilling their duties.

There have been no cases where the executives used confidential and non-public Company information in favor of themselves or others. There are no executives who accepted a gift or favor directly or indirectly related to the Company's affairs, and provided unfair advantage.

On the other hand, no insurance policy has been taken out on compensation for losses incurred by the Company, and third parties, as a result of not performing the executives' duties duly.

Rating Definitions

Rating	Definition
9 - 10	The company performs very good in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified and actively managed all significant corporate governance risks through comprehensive internal controls and management systems. The company's performance is considered to represent best practice, and it had almost no deficiencies in any of the areas rated. Deserved to be included in the BIST Corporate Governance Index on the highest level.
8	The company performs good in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified all its material corporate governance risks and is actively managing the majority of them through internal controls and management systems. During the rating process, minor deficiencies were found in one or two of the areas rated. Deserved to be included in the BIST Corporate Governance Index.
6 - 7	The company performs fair in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified the majority of its material corporate governance risks and is beginning to actively manage them. Management accountability is considered in accordance with national standards but may be lagging behind international best practice. During the ratings process, minor deficiencies were identified in more than two of the areas rated.
4 - 5	The company performs weakly as a result of poor corporate governance policies and practices. The company has, to varying degrees, identified its minimum obligations but does not demonstrate an effective, integrated system of controls for managing related risks. Assurance mechanisms are weak. The rating has identified significant deficiencies in a number (but not the majority) of areas rated.
<4	The company performs very weakly and its corporate governance policies and practices are overall very poor. The company shows limited awareness of corporate governance risks, and internal controls are almost non-existent. Significant deficiencies are apparent in the majority of areas rated and have led to significant material loss and investor concern.

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