

Gürmat2Geothermal Power Plant

Stakeholder Engagement Plan

Gürmat Elektrik Üretim S.A.

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Client signoff

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Table of contents

| Chapter | Pages |
|--|--------------|
| 1. Introduction | 4 |
| 2. Project Description | 4 |
| 3. Regulatory Requirements | 7 |
| 3.1. National Requirements | 7 |
| 3.2. International Financial Institutions' Requirements | 7 |
| 4. Previous Stakeholder Engagement Activities | 9 |
| 5. Stakeholder Identification | 10 |
| 6. Disclosure of Information and Planned Consultation | 13 |
| 7. Grievance Mechanism | 14 |
| 8. Responsibilities, Monitoring and Reporting | 14 |
| 8.1. Contact Details for the Public | 14 |

1. Introduction

Gürmat Elektrik Üretim A.Ş. ("Gürmat" or "the Company"), established by the Guris Group of Companies, is planning to build a new 123.3 MWe¹ geothermal power plant ("Gürmat 2" or the "Project") in Aydın Province, Germencik and Incirliova Districts, 110 km south west of Izmir. Since 2009, Gürmat has been operating an existing Güris 47.4 MWe geothermal power plant ("Gürmat 1") in the project area.

Gürmat has applied for financing from the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC) (jointly referred to as "the Banks") as well as a number of commercial banks. Gürmat 2 is classified as a Category 'A' project and it is to be developed and implemented in accordance with Equator Principles, the EBRD Environmental and Social Policy (2008) and IFC Performance Standards on Environmental and Social Sustainability (2012).

This document is a Stakeholder Engagement Plan (SEP) describing the information disclosure and planned stakeholder engagement process for the Project. It outlines a systematic approach to stakeholder engagement that will help the Company establish and maintain a constructive relationship with its stakeholders. The document also describes the Company's grievance mechanism for stakeholders to raise their concerns and submit suggestions regarding the Project.

The SEP will be periodically updated by Gürmat to reflect changes in the Project.

2. Project Description

Gürmat 2 is being constructed within an already established concession area of 28.3 km² (see Figure 2.1). Most of the concession area (approx. 75%) is on the territory of Germencik district, while the rest territorially belongs to Incirliova district. Within this concession area is also the already operational Gürmat 1. The green line in Figure 2.1 shows the boundary of the concession area while the red line shows the boundary of the Gürmat 1 generation licence.

The Company has been licensed to use the geothermal energy within this concession area for 49 years and the power plant has therefore been designed with an operational life of 49 years. Land used for Gürmat 2 is located on a broad, alluvial plain that is used for agricultural purposes.

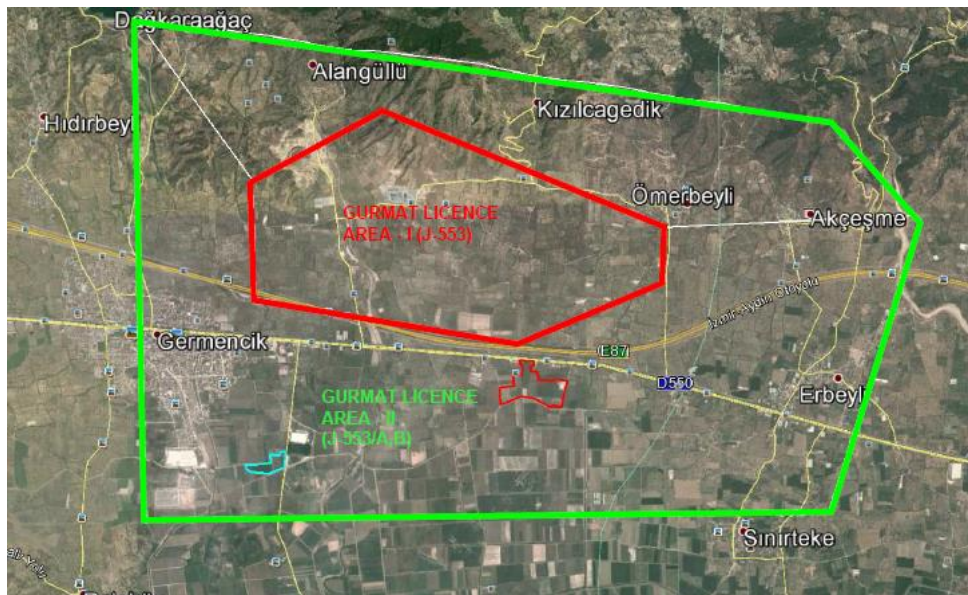


Figure 2.1 – Satellite image showing the Gürmat 1 and Gürmat 2 licence areas

¹possibly increased to an installed capacity of 162.3 MWe in the future

Gürmat 2 will consist initially of four power generating units as well as the associated boreholes, pipelines and transmission lines as follows:

- Main power plant (EFE 1) of 47.4 MWe (dual flash) and three flash binary plants (EFE 2, 3, and 4), each with a capacity of 25.3MWe (123.3MWe in total).
- Fifty four production and reinjection wells.
- Network of interconnecting pipework pumping the geothermal fluid from the wells to the power houses and back to the reinjection wells.
- Transformer station (within the boundary of the main power plant).
- 154 kV power line to connect EFE 2 with the main power plant and then with the Germencik main transformer station (5.7 km).
- Access roads that connect the boreholes and power plants with public roads.
- Administrative offices and control rooms at the main power plant and the binary plant installations.

Gürmat 2 will occupy two locations, with the main plant being accessed directly from the Aydın-İzmir Highway (D550), (see Figure 2.2). The main plant will include units EFE 1, 3 and 4 (shown in red on Figure 2.2). EFE 2 is located on its own, about 3km to the south west of the main plant (shown in blue on Figure 2.2). The Gürmat 2 pipework network is expected to be largely to the east of Germencik town and to the south of the D550. The overhead power line for EFE 2 will connect to the GPP sub-station at the main plant and then a 154 kV power line will connect the GPP substation to the Germencik main transformer station. The location of the overhead power line is provided in Figure 2.3, while the locations of existing and planned production and reinjection wells are provided in Figure 2.4.

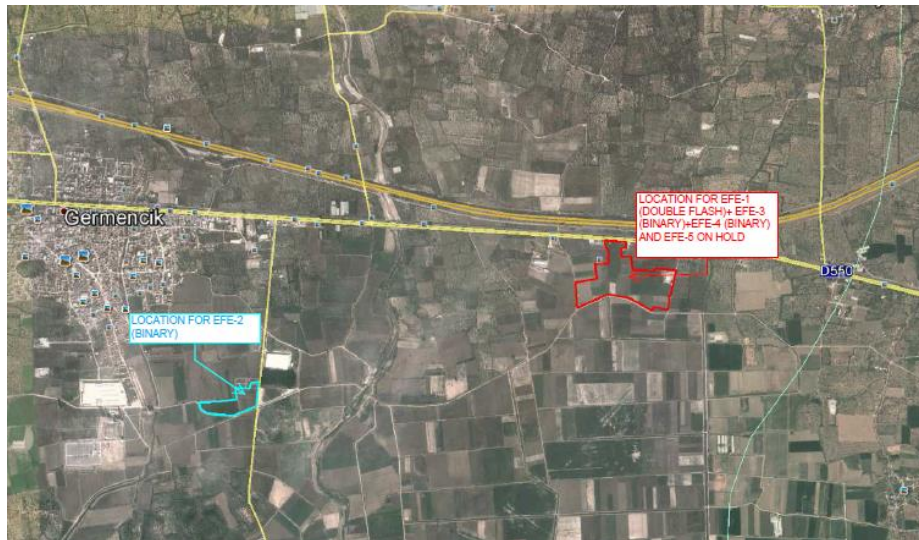


Figure 2.2 – Satellite image showing the final Gürmat 2 GPP locations

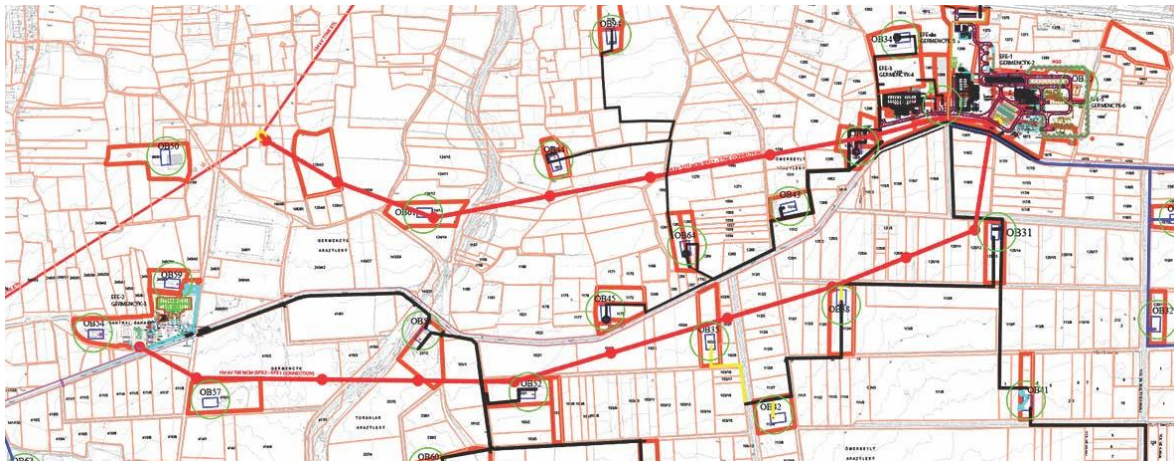


Figure 2.3 – Location of the overhead power line connecting EFE 2 and the main power plant (EFE 1) to the Germencik main transformer station

The construction of Gürmat 2 is expected to take approximately 68 months. The pre-construction phase of the project is planned to be completed within 22 months and the construction work will last approximately 46 months. At the time of developing this SEP in July 2014, the construction of the GPP plant sites was well advanced with major plant items being delivered, about 30 wells drilled and the pipe network for EFE 2 in place. The first component to come on-line will be EFE 2, which is expected to begin the export of electricity during autumn of 2014.

In accordance with Turkish legislation, an Environmental Impact Assessment for Gürmat 2 was prepared and approved by the local authorities in November 2012.

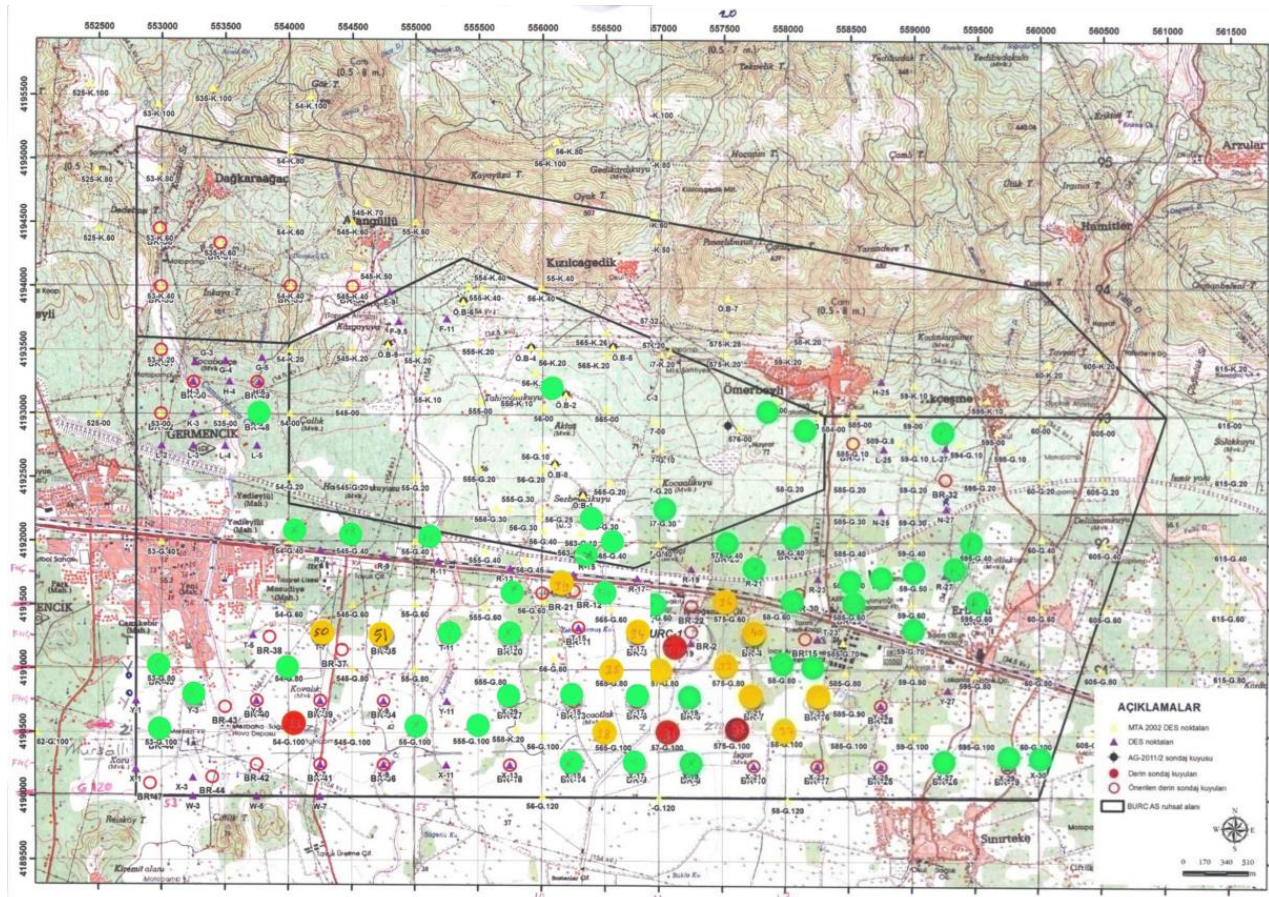


Figure 2.4 – Location of existing and planned production and reinjection wells

3. Regulatory Requirements

Stakeholder engagement activities undertaken to support the Project implementation will conform to:

- Turkish national regulations.
- Guidelines established by International Financial Institutions (IFIs), specifically the EBRD Environmental and Social Performance Requirements (2008) and IFC Performance Standards on Environmental and Social Sustainability (2012).

3.1. National Requirements

Applicable national requirements pertaining to stakeholder engagement are described within the National Environmental Impact Assessment Regulation² and these are the main relevant features of that process:

- The EIA Application file is submitted to the Ministry of Environment and Urbanisation (MoEU). This document is made available online and open to comments. It serves as an opportunity for the public to comment on environmental and social issues that need to be included in the EIA.
- A public participation meeting is advertised in at least one national and one local newspaper. The meeting is attended by a committee of experts (Inspection and Evaluation Commission) of the MoEU and its purpose is to provide stakeholders with a description of the project and the opportunity to comment on it. Feedback is used to determine the structure and scope of the EIA.
- The draft EIA is disclosed to the public through the MoEU website and is available for public comments. Comments are evaluated by the Inspection and Evaluation Commission during their review of the EIA report.
- The final EIA is made available to the public for review.

Details regarding national requirements in relation to land acquisition are provided in the Project Social Impact Assessment.

3.2. International Financial Institutions' Requirements

All projects funded by International Financial Institutions such as the IFC and EBRD are required to meet best international practice and specifically the requirements for stakeholder engagement and public consultation as set out in the IFC's Environmental and Social Performance Standards (PS1) and the EBRD's Environmental and Social Performance Requirements (PR 1 and PR 10).

In summary, both the IFC and EBRD require effective community engagement through disclosure of project-related information and consultation with local communities on matters that directly affect them, to be started at the earliest stage of the environmental and social assessment process, and to be continued throughout the life of the project.

Disclosure of information means providing affected communities with access to relevant information on:

- The purpose, nature, and scale of the project
- The duration of proposed project activities
- Any risks to and potential impacts on such communities and relevant mitigation measures
- The envisaged stakeholder engagement process
- A procedure or policy by which people can make comments or complaints (the grievance mechanism)

When affected communities are subject to identified risks and adverse impacts from a project, the client will undertake a process of consultation in a manner that provides the affected communities with opportunities to

²The EIA Regulation in effect is the one published in the official gazette dated July 17, 2008 and numbered 26939

express their views on project risks, impacts and mitigation measures, and allows the client to consider and respond to them. Effective consultation is a two-way process that should:

- Begin early in the process of identification of environmental and social risks and impacts and continue on an ongoing basis as risks and impacts arise
- Be based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information which is in a culturally appropriate local language(s) and format and is understandable to affected communities
- Focus inclusive engagement on those directly affected as opposed to those not directly affected
- Be free of external manipulation, interference, coercion, or intimidation
- Enable meaningful participation, where applicable
- Be documented.

4. Previous Stakeholder Engagement Activities

Guris has been present in the project area since the construction of Gürmat 1, which came into operation in 2009. The company has been communicating with local authorities and residents of affected communities, including with directly affected landowners in connection to land acquisition for Gürmat 2. Consistent with local cultural patterns, the village headmen often liaise between the company (i.e. the representative of Guris in charge of community contacts) and village residents, including landowners.

In accordance with Turkish law, in the scope of developing the Project EIA a public meeting was held on 19.03.2012 in Aydın Province, Germencik District, Umit Wedding Hall (Germencik town). The meeting announcement was placed in two newspapers, one local (published in the province centre and in the districts) and one national. Apart from Gürmat 2 and the company who developed the EIA, participants included representatives of the Ministry of Environment and Urban Planning, Aydın Provincial Directorate of Environment and Urban Planning, the Regional Directorate of State Hydraulic Works (SHW), the District Directorate of SHW, village headmen (muhtars) and the local community.

A household survey was carried out for the development of the local EIA in spring 2012. According to that survey, information about the project was obtained by households from a number of sources. The majority of people obtained information on the project from their village headmen (approx. 47%) or from friends and neighbours (approx. 31%). Approx. 19% received information directly from Gürmat and approx. 3% from the media (newspapers). The conclusion of the EIA report was that more information should be provided to local residents directly by Gürmat, as the most reliable source.

During the development of the Social Impact Assessment (SIA), meetings were held with the village headman of Omerbeyli and the Mayor of Germencik. Meetings were also held with four landowners, one of whom sold his land through an amicable process and three (out of eleven) whose land is currently under expropriation. The purpose of these meetings was to discuss possible social impacts of the project and determine how land acquisition was and will be undertaken for the project.

During these meetings, stakeholders highlighted that more interaction and cooperation between Gürmat and local communities is needed. They also recommended that because of some recent negative impacts encountered in connection to the operation of another geothermal plant to the south of Germencik, all affected communities should be properly informed which plants are being managed by Guris, i.e. Gürmat 1 and 2, what are the impacts (or possible impacts) associated with the operation of these plants and how they are/will be monitored and mitigated. Stakeholders also believe that local communities should be consulted by the Company on what priority investments they need, when the Company decides to make any community investments.

The Company has no formal grievance mechanism for receiving and responding to community concerns and grievances. Therefore a grievance mechanism, as required by the IFIs, has been established and presented as part of this SEP (see 7 Grievance Mechanism).

5. Stakeholder Identification

In order to develop an effective SEP it is necessary to determine who:

- Is likely to be affected (both directly and indirectly) by the Project (“affected parties”);
- May have an interest in the Project (“other interested parties”); and
- Have the potential to influence project outcomes or company operations.

As part of the stakeholder identification process, it is also important to identify individuals and groups that may be differentially or disproportionately affected by the Project because of their disadvantaged or vulnerable status.

Categories of Project stakeholders who have been identified as being affected by or potentially interested in the project are provided in Table 5.1 below. More details on the type and method of communication with stakeholder groups are presented in 0

Disclosure of Information and Planned Consultation.

Table5.1 – Gürmat 2 stakeholders and methods of communication

| Stakeholders | Population | Type and Method of Communication | Timing |
|--|----------------|---|---|
| Internal Stakeholders | | | |
| Employees of Guris and its subsidiaries working on the Gürmat 2 project | | <ul style="list-style-type: none"> - Internal newsletters, notifications and intranet - Internal grievance procedure - Company bulletin boards | Prior to and throughout Project implementation. |
| Temporary construction workers, subcontractors | | <ul style="list-style-type: none"> - Bulletin boards - Code of conduct - Internal grievance procedure | Throughout construction. |
| External Stakeholders | | | |
| Residents of communities surrounding the Project site - Germencik town, Ömerbeyli, Reisköy, Turanlar, Sinirteke and Erbeyli villages. | Approx. 16,640 | <p>Information about the Project (including the disclosure package) published on the Moganwebsite: http://www.mogan.com.tr and the EBRD website: http://www.ebrd.com</p> <p>Public consultation meeting to present the disclosure package and receive comments</p> <p>Information through media: Aydın local newspapers (like Aydın DengeGazetesi, Aydın HedefGazetesi, AydınSesGazetesi).</p> <p>Information on municipal / village bulletin boards</p> <p>Information from village headmen (muhtars)</p> <p>Construction signs and warnings</p> | <p>Prior to Project implementation and throughout the disclosure period of 60 calendar days.</p> <p>The disclosure period of 60 calendar days will begin on 24 September 2014.</p> <p>The public meeting will be held on 31 October 2014.</p> |
| <p>Owners and users of land affected by the project during construction</p> <p>Owners and users of land affected by the project during operation</p> | | <p>Direct notifications and requests for meetings</p> <p>Individual meetings for negotiations on compensation amounts (for land and any affected assets)</p> <p>Court sessions for expropriation cases</p> <p>Individual and/or household meetings for carrying out the land acquisition due diligence.</p> | <p>Prior to and throughout Project implementation.</p> <p>September/ October 2014</p> <p>To be determined.</p> |

| Stakeholders | Population | Type and Method of Communication | Timing |
|---|------------|--|--|
| <p>Relevant district / municipal / local authorities (including mayors and village headmen) in:</p> <ul style="list-style-type: none"> • Aydin • Germencik • Incirliova • Affected villages (Ömerbeyli, Turanlar and Erbeyli) | n/a | <p>Official correspondence</p> <p>Meetings</p> <p>Public consultation meeting to present the disclosure package and receive comments. All relevant officials will be invited to attend the meeting through direct notifications.</p> | <p>Prior to and throughout Project implementation</p> <p>The public meeting will be held on 31 October 2014.</p> |
| Emergency services, fire brigades, local police (in connection to traffic management), etc. | n/a | <p>Official correspondence</p> <p>Meetings</p> | Throughout construction. |
| <p>Energy Market Regulatory Authority (EMRA)</p> <p>Turkish Energy Transmission Company (TEIAS)</p> | n/a | <p>Official correspondence</p> <p>Meetings</p> | Throughout construction. |
| Other local and national institutions and organisations in charge of permitting as well as inspections(ministries, directorates, road agencies, etc.) | n/a | <p>Project documentation</p> <p>Permit requests</p> <p>Official correspondence and meetings</p> | Prior to and throughout Project implementation. |
| Interested NGOs and other organisations ³ | unknown | <p>Information about the Project (including the disclosure package) published on Gürmat website: http://www.gurmat.com.tr and the EBRD website: http://www.ebrd.com</p> <p>Public consultation meeting to present the disclosure package and receive comments</p> <p>Information through media: Aydin local newspapers (like Aydin DengeGazetesi, Aydin HedefGazetesi, AydinSesGazetesi).</p> <p>Official correspondence and meetings</p> | <p>Prior to Project implementation and throughout the disclosure period of 60 calendar days.</p> |

³NGOs or other organisations specifically interested in the Project were not identified at this stage, however if some show an interest in the Project at a later stage, they will be added to this list of stakeholders

6. Disclosure of Information and Planned Consultation

A Disclosure Package has been prepared for the Project and will be available on the Mogan website: <http://www.mogan.com.tr> and the EBRD website: <http://www.ebrd.com>, for a period of 60 days, starting from 24 September 2014. The Disclosure package will include the following Project documents, in Turkish and English language:

- Non Technical Summary
- Environmental Impact Assessment Addendum
- Social Impact Assessment
- Environmental and Social Action Plan
- Stakeholder Engagement Plan

Hard copies of these documents will be available at the following locations:

- Germencik municipal building
- Gurmat Head Office – Karaoglanmah. KaraoglanKumeevleri No: 739 Golbasi 06830 Ankara Turkey; and
- Gürmat Omerbeyli Field –OmerbeyliKoyuMevkii, Germencik, Aydin, Turkey.
- EBRD office in Istanbul - Büyükdere Caddesi, 185 Kanyon Ofis Binası, Kat: 2 Levent 34394 Istanbul Turkey

Public announcements on the availability of the disclosure package for review and comments will be made in the local media at the start of the disclosure period, as well as on the Germencik municipal bulletin board and bulletin boards of the villages surrounding the project site - Ömerbeyli, Reisköy, Turanlar, Sinirteke and Erbeyli. Announcements will also include Company contact details where comments on documents within the disclosure package can be submitted. Information will also be shared with the village headmen, so that they can pass it on to village residents.

In October 2014, a public consultation meeting will be held in Germencik town. The purpose of the meeting will be to present the documents contained in the disclosure package and collect comments. The date, time and venue where the meeting will be held, will be announced in the local media and bulletin boards, as described above. Where appropriate, transportation will be offered by the Company to facilitate participation of residents from locations remote to the meeting venue and any vulnerable groups, such as the elderly. Relevant officials, including village headmen will be invited to attend through direct notifications.

As described in the Project Social Impact Assessment, some land acquisition for the project has already occurred. In order to determine whether land which is currently in the expropriation procedure⁴ is being acquired in accordance with the principles required by the IFIs, due diligence needs to be carried out. As part of carrying out this activity, individual meetings will be held with landowners, land users and / or their households. Meetings will be scheduled in advance, through direct notifications to the affected people.

All contractors are obliged to secure sites prior to any construction activities taking place and to ensure appropriate construction and warning signs are in place.

During operation, the Company will continue to disclose information to the local communities and the general public on the Project's environmental and social performance, including any scheduled meetings or other activities with stakeholders, through the Company's website, and where appropriate the communication media listed in table 5.1.1 above, as well as in municipal / village bulletin boards. The Grievance Procedure described in Section 8 will also remain in place throughout the Project's lifespan.

⁴ Meetings between the responsible agency (EMRA) and affected landowners, before the court, are expected to be implemented during August or September 2014.

7. Grievance Mechanism

The Company accepts all comments and complaints associated with the Project and its operations. Contractors are also obliged to accept and address all grievances submitted to them, while the Company monitors their performance. A sample of the Grievance Form is provided in Annex A of this document.

Any person or organisation may send comments and/or complaints by phone or via post or email using the contact information provided in section 8.1. All comments and complaints will be responded to either verbally or in writing, in accordance with the preferred method of communication specified by the complainant, if contact details of the complainant are provided.

All grievances will be registered and acknowledged within 10 working days and responded to within 30 working days. Individuals who submit their comments or grievances have the right to request that their name be kept confidential.

The Company will keep a grievance log of all grievances, including those received and addressed by contractors, based on which grievance management reports will be produced and included in the annual environment, health and safety and social reports submitted to the EBRD.

At all times, complainants are also able to seek legal remedies in accordance with the laws and regulations of the Republic of Turkey.

8. Responsibilities, Monitoring and Reporting

The Company will assume overall responsibility for undertaking and supervising engagement with all stakeholders in relation to the Project and will use available resources to ensure that the relevant activities are conducted effectively and to the appropriate standard. The implementation of the grievance procedure will be under the responsibility of Gürmat's Operational Manager.

The Stakeholder Engagement Plan will be periodically revised and updated by the Company as necessary during the course of Project implementation.

Monthly summaries of grievances, related incidents together with the implementation status of corrective / preventative actions will be referred to Gürmat's Operational Manager.

The monthly summaries will provide a mechanism for assessing both the number and nature of complaints (if any), along with the Company's ability to address complaints in a timely and effective manner.

8.1. Contact Details for the Public

Gürmat Head Office

Karaoglanmah. Karaoglan Kumeevleri No: 739 Golbasi 06830 Ankara Turkey

Telephone number: +90 (312) 484 05 70

Fax: +90 (312) 484 45 70

Gürmat Omerbeyli Field

Omerbeyli Koyu Mevkii, Germencik, Aydin, Turkey

Telephone number: +90 (256) 563 33 25

Fax: +90 (256) 563 35 11

E-mail: info@gurmat.com.tr

Web-site: www.gurmat.com.tr

Main Contractor: Güriş İnşaat ve Mühendislik A.Ş.

Contact Name: Mr. Necati Bayrakoğlu

ANNEX A

Grievance Sample Form

| | |
|---|--|
| Reference No (to be filled in by responsible person in Gürmat): | |
| Full Name: | <i>[Insert]</i> |
| Contact Information and Preferred method of communication Please mark how you wish to be contacted (mail, telephone, e-mail). | <input type="checkbox"/> By Post: Please provide postal address: _____ _____ _____ _____ <input type="checkbox"/> By Telephone: Please provide telephone number: _____ <input type="checkbox"/> By E-mail: Please provide E-mail address: _____ |
| | |
| Description of Incident or Grievance: What happened? Where did it happen? Who did it happen to? What is the result of the problem? Source and duration of the problem? | |
| | |
| Date of Incident/Grievance | |
| | <input type="checkbox"/> One time incident/grievance (date _____) |

| | |
|---|--|
| | <input type="checkbox"/> Happened more than once (how many times? _____) <input type="checkbox"/> On-going (currently experiencing problem) |
| | |
| What would you like to see happen to resolve the problem? | |
| | |

Signature: _____

Date: _____

Please return this form to:

Gürmat Head Office

Contact person: Mert Cilingir

Karaoglanmah.KaraoglanKumeevleri No: 739 Golbasi 06830 Ankara Turkey

Telephone number: +90 (312) 484 05 70

Fax: +90 (312) 484 45 70

Anthony G Iles
Atkins
The Hub
500 Park Avenue
Aztec West
Bristol
BS32 4RZ

anthony.iles@atkinsglobal.com
00 44 (0) 1454 662334

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