<table>
<thead>
<tr>
<th>1. Information About Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name &amp; Location of Sub-project</strong></td>
</tr>
<tr>
<td>MAVI HEPP is located in Maçka town committed to Trabzon province.</td>
</tr>
<tr>
<td><strong>Project Sponsor</strong></td>
</tr>
<tr>
<td>CESE ELEKTRİK ÜRETİM AŞ</td>
</tr>
<tr>
<td><strong>Project Cost</strong></td>
</tr>
<tr>
<td>14.765.899 Euro</td>
</tr>
<tr>
<td><strong>Installed Generation Capacity</strong></td>
</tr>
<tr>
<td>2 unit*5.8 MW/unit=11.6 MW</td>
</tr>
<tr>
<td><strong>Key Dates of Implementation</strong></td>
</tr>
<tr>
<td>Expropriation was done for 0.47 ha area (only 5 parcels) at 27.10.2010. Committee of experts consisting of agricultural engineers prepared expert reports about all parcels separately on 31.01.2011. Fees for expropriation areas paid on 17.02.2011.</td>
</tr>
</tbody>
</table>

In terms of environmental and land acquisition conditions, Mavi hydroelectricity project is a smooth and easy project compared to other HEPP projects. Power plant of Mavi HEPP is near the Trabzon-Gümüşhane highway and regulator of this project is very close to this highway. So, there is only 1,700 meter access road in this project. Instead of a transmission channel, a tunnel is constructed between water intake and forebay with the purpose to protect the pristine nature of the area and not to expropriate huge lands. Addition to these entire situations, building shed of this HEPP project which had been previously used by General Directorate of Highways was rented from this public authority.

- **Access road, including improvements to existing roads (km&ha):** 400 meter access road about 0.2 ha (to access regulator) and 1,300 meter access road about 0.65 ha (to access forebay and penstock), totally 1,700 meter access road about 0.85 ha.
- **Transmission line corridor (ha):** 2.8 km about 0.15 ha
- **Penstock(s) (number, ha, length and diameter):** One penstock (254 m. length, 1.50 m diameter)
- **Power house, switchyard, associated facilities at power house site (ha):** 648 m² (18 m* 36 m) powerhouse.
  (Switchyard has not planned yet)
- **Weir/regulator/ or impoundment structure; indicate which & size of structure:** Regulator 500 m²
- **Reservoir/ storage impoundment area (ha):** There is no reservoir/storage impoundment area.
- **Other physical features requiring land (ha):**
  383 m² (11.6 m*33 m) sedimentation pool
  3,745 m. long transmission tunnel and two approach tunnel (270 m and 130 m long)
Temporary sites needed for equipment parks, lay-down areas, etc: 2,786.84 m\(^2\) about 0.27 ha

Completion of census/inventory of assets:
The expropriation process for the private owners was completed. All the compensations were paid in February 2011. The process for the State Land was completed, too. For the electricity transmission line the process has just begun. As it can be seen in Annex 9, route of the electricity transmission line is on the state land.

Completion date of the land acquisition: Still on going.

Site plan, including associated facilities: Can be found on attachment.

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### 2. Inventory of Land & Assets Acquired from Private Owners (Completely Volunteer Purchased)

In the MAVI hydroelectricity project, only five parcels of land belong to private owners and, none of these lands were purchased voluntarily. All these lands were expropriated and expropriation details are given below.

### 2.1. Inventory of Land & Assets Acquired from Private Owners (Expropriation)

<table>
<thead>
<tr>
<th>Name of Owners/land user</th>
<th>Project Component: Area(s) / plots(s) acquired (ha)</th>
<th>Owner’s/user’s total land holding (ha); % taken for project.</th>
<th>Land use: pasture, agriculture, residence, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The expropriated areas consist of 5 parcels only. The information about the names of the land users, amount of total and acquired areas, unit and total prices of each parcel, structure on the land and expropriation reason of the land is given on Annex 1 (Gürgenagaç Village) and Annex 2 (Anayurt Village) on CESE Land Acquisition Table.</td>
<td>The total land belonging to the land owners was 20,951.26 m(^2) (2 ha). 22% of this total land was expropriated for the project. Details are given on Annex 1 and 2 on CESE Land Acquisition Table.</td>
<td>The lands that are expropriated for this project are generally sandy, gravelly lands and haven’t been</td>
</tr>
<tr>
<td></td>
<td>0.47 ha areas were expropriated for the construction of the HEPP. These areas are located in the regulator area. 4 parcels of these lands are pasture and one parcel is hazelnut garden. In the land registration it was written as hazelnut garden but the hazelnut trees in this land are not fertile because the region is not suitable for hazelnut trees. As seen on Annex 5 below, there was not any hazelnut tree in this area. Detail information about these lands is given on Annex 1 and 2 on CESE Land Acquisition Table.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Table</td>
<td>Description</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>-------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>used for agricultural production. There aren’t any residences also. The land is not used for agricultural production. You can see the regulator area (expropriated lands) photos on Annex 5 below. There aren’t any settled animals that use the area for reproduction or living because it is a rocky ground.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory of any structures or other fixed or productive assets (wells, fences, trees, field crops, etc) affected.</td>
<td>The expropriated lands for this project are generally unqualified lands for agricultural production as indicated before. These lands are not used for generating income. The compensation for the expropriated lands was paid by the sponsor.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicate if land was rented or informally used by another party.</td>
<td>The expropriated land was not rented or informally used by another party.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicate if non-owner users had assets, trees, crops, etc affected</td>
<td>The expropriated land was not rented or informally used by another party. So there isn’t any assets, trees etc. used by non-owner user.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gürgenağaç villagers are mostly making their living from agriculture. But the agricultural areas in this area have steep slope in the high altitudes and not deemed to be beneficial in economic terms so villagers use these areas only to meet their own daily needs. There are also retired people living in these villages. They have pensions and social securities. But the most of the expropriated land owners are not living in the village. There are 5 parcels of expropriated land as indicated before and there are only 11 project affected people but only four of them live in Gürgenağaç village. Other project affected people are living either in other cities or abroad.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicate if land-based activity is primary source of income for owner or land user.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation paid.</td>
<td>70,002.37 TL has been paid to the land owners for expropriation of 20,951.26 m² land. Detailed information about compensations paid for each land owner is given on Annex 1 and 2 on CESE Land Acquisition Table. The value of the expropriated land was determined as 15 TL/m² by the court, but CESE A.Ş. paid 5 TL/m² more to the land owners as favor so that the total compensation became 20TL/m² for the expropriated lands.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dates delivered.</td>
<td>The compensations paid for the expropriation was completed in 17.02.2011.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact on income of owner.</td>
<td>There has been no negative impact on income of land owners whose lands had been expropriated. The expropriated lands are inefficient lands for</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Farming and hadn’t been used for any purpose before, so the compensations paid for these lands have positive effect on the incomes of owners. Most of the expropriated lands are small areas not more than as average 22% of the whole land. The remaining part of the lands could still be used by the landowners. Two parcels of the expropriated lands’ owners live abroad so they cannot use these lands. From this point of view, it can be said, the compensations paid for these lands were extra incomes for the land owners. During the site visit made on 26.10.2011 and 28.06.2012, the project owners Selim Yılmaz and Cemil Yılmaz declared that nobody had complaints about expropriation. Selim Yılmaz and Cemil Yılmaz have houses in Gürgenağaç village and they live in these houses some months of the year. So, when any complaint occurs, local people could get in touch with project owners easily.

### 3. Inventory of Public, Community, or State Land Acquired

<table>
<thead>
<tr>
<th>Land parcels / plots acquired (ha.)</th>
<th>Forest area: 39,061.00 m²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Treasury area: 14,155.25 m²</td>
</tr>
<tr>
<td>Total Area (Forest+Treasury): 53,216.25 m²</td>
<td></td>
</tr>
<tr>
<td>Details are given on Annex 3-4 on CESE Land Acquisition Table.</td>
<td></td>
</tr>
</tbody>
</table>

**Land type / land use:** Forest, commons for grazing, other.

The areas acquired from Ministry of Environment and Forest and Treasury were for the construction of regulator, forebay, penstock and power house. It is hilly unqualified forest land. **Photos can be seen on Annex 5-7.**

**Ownership:** State, community, other.

**Structures or other fixed assets.**

Ministry of Environment and Forest, Treasury.

The land is hilly unqualified forest area. There aren’t any structures or fixed asset for public use.

**Compensation, land transfer, or other measures to mitigate impacts on land users. Specify measures and dates of delivery.**

32,522.67 TL was paid for the forestry. The compensation which will be paid for the Treasury hasn’t been determined yet.
4. Consultations, Communications & Management of Grievances and Implementation Issues

**General Information About Project and Project Area:**

Mavi HEPP is located in Gürgeñaç and Bağşlı villages, committed to Trabzon province, on Hamsiköy Stream (Değirmendere). Project area is 34 km away from Trabzon province and 11 km away from Maçka district. Gürgeñaç village which is 1.100 m away from Mavi HEPP regulator has population of 314 (142 male+172 female). Bağşlı village which is 550 m away from transmission tunnel has population of 282 (150 male+132 female).

In terms of environmental and land acquisition conditions, Mavi hydroelectricity project is a smooth and easy project compared to other HEPP projects. Power plant of Mavi HEPP is near the Trabzon-Gümüşhane highway and regulator of this project is very close to this highway. So, there is only 1,700 meter access road in this project. Instead of a transmission channel, a tunnel is constructed between water intake and forebay with the purpose to protect the pristine nature of the area and not to expropriate huge lands. Addition to all these situation, building shed of this HEPP project which had been previously used by General Directorate of Highways was rented from this public authority.

Maçka district has mountainious and rugged land structure and large part of these land is covered by forests. So agricultural land is very small in this district. Agricultural areas that have steep slope in the high altitude areas are not deemed to be beneficial in economic terms so people use these areas to meet their daily needs.

The regulator of the Mavi HEPP is located in Gürgeñaç village. The regulator is located on treasury land and on lands of private owners. These lands are unqualified lands that are not used for agricultural production or for residence. They are mostly sandy and gravelly lands. You can see the photos of regulator area on Annex 5.1 and 5.2 below.

The water will be transferred from regulator to the power house by 3.700 m long tunnel. You can see transmission tunnel photos on Annex 6 below.

The power plant, penstock and forebay is located in Bağşlı village. The area where the power house is constructed is near the Trabzon-Gümüşhane highway. The power plant, forebay and penstock is located on hilly unqualified forest land. You can see power plant and penstock photos on Annex 7 below. There isn’t any historical or cultural structure around the project area.

In order to construct the HEPP, expropriation by the civil court, hiring forest land from the Ministry of Environment and Forest and Treasury was done. 4.634.42 m² area was expropriated, 70,002.37 TL was paid for this expropriation. The value of the expropriated land was determined as 15 TL/m² by the court, but CESE A.Ş. paid 5 TL/m² more to the land owners as favor so that the total compensation became 20TL/m² for the expropriated lands. In order to use 39,061 m² forest area, permissions were taken from District and Management Office of Forest. Also 14,155.25 m² Treasury area was used. There isn’t any structure expropriation so there isn’t any resettlement.
-Consultations, Communications & Management of Grievances:

In order to exchange views and give information on the possible effects of the project the stakeholder consultation meetings were held on 15th of September, 2010 in Gürǝğǝç Village coffee house and second meeting at the same day in Bâğışlı Village. Its’ announcement has been published on two different days (23rd August and 1st September 2010) in the regional newspaper called Günebakış and meeting announcements displayed at village heads’ offices. Invitation text was posted to all local and national administrators by e-mail and fax.

Local stakeholders were interested in the meeting. 27 people from Gürǝğǝç village (2 women, 25 men) and 9 people from Bâğışlı village participated to the meeting.

The meeting started with the introductory speech of Aynur SEZER, the project specialist of Suen LTD. She explained the purpose of the meeting. And she discussed the relationship of global warming, renewable energy facilities and Mavi HEPP project. She mentioned that the project would create employment opportunities during construction and operation period. She explained that instead of a conveyance canal, the project developers planned to construct a tunnel between water intake and forebay with the purpose to protect the pristine nature of the area. By holding this meeting, local people have information about the HEPP that will construct in their villages and obtaining information about their views and suggestions.

Mrs Sezer told the participants that the purpose of this meeting was to hear the concerns of the stakeholders and if existed, the ways to minimize them. There were some concerns about the project, these were:

1. Participant from Bâğışlı village asked the future of the water mill that he operated. The project owner Selim Yılmaz answered his question and guaranteed the operation of the water mill. In addition, Mr Yılmaz and participants visited the place of the water mill to observe the situation at the mill.

2. Some participants asked the risk of erosion and landslide potential around regulator. Mrs Sezer and Mr Yılmaz answered that the geological studies were continuing at this area, according to conclusions of this studies all necessary measures would be taken.

3. Another subject that the participants concerned about was employment. Project owners indicated that 74 people would be hired in construction period and 14 people in operation period. For this employment requirement, priority would be given to the local people.

Mrs Sezer told the audience that the project would be implemented according to certain criteria and in case of any breach, she said the locals to call them by phone or write their concerns on the notebook that would be left on construction area. Project owner, Selim Yılmaz and Cemil Yılmaz have houses in Gürǝğǝç village and they live in these houses some months of the year. So, when any complaint occurs, local people could get in touch with project owners easily.
Three site visits were made to the project area to examine the expropriation process. The first visit was made on 03.08.2010. This visit was also made for the preparation of the project evaluation report. Constructional activities hadn’t begun at that time. While wondering around the project site, no agricultural activity and no structure or fixed assets were seen. After the sponsor started the construction, two visits was made on 26.10.2011 and 28.06.2012. During these visits the inventory of expropriation for preparing the land acquisition table was obtained. Additionally the project area was gone out with the sponsor. No grievances were reported during the visits.

Telephone call was made with the headman of Gürçunağaç village (Yahya Can) on 21.06.2012 in order to obtain information about concerns (if any). Mr. Can said, there were no concerns and no complaints about the project and the company, and also no complaints about the expropriation.

The last meeting was arranged on 28.06.2012 in order to obtain information about concerns (if any). The councilor of Bağışlı village (Mr. Aziz Kara) and a landowner (Mr. İlhan Köse-shareholder) whose lands were expropriated attended the meeting. You can see the photo taken with the landowner and the village(112,598),(987,976)

Hamit Can & Sabri Can: 1,016.61 m² area of their land was expropriated. Hamit Can lives in İstanbul but his brother Sabri Can lives in Gürçunağaç village. Sabri Can is retired, he has pension and social security.

Ali Can: 971.31 m² area of his land was expropriated. He doesn’t live in village, he lives in Bursa.

Fatma Köse, Güller Özcan, Ali Köse, Hayriye Öztürk, Orhan Köse, Yusuf Köse: 1,775.64 m² area of their land was expropriated. This land was in the stream bed so its unqualified, gravelly land. Two shareholders live in abroad, others live in village. One of the shareholder is civil servant. One of the shareholder’s son who lives in village ( İlhan Köse) is working in CESE AŞ. He said that they used the money for supplying the personnel needs and they had not faced any problem during the construction of the HEPP.

Ahmet Çubukçu & Mustafa Çubukçu: 870.86 m² area of their land was expropriated. They live in Trabzon and engaged in trade. Some months of the year (especially in summer) they come to the village.

In the construction period of the Mavi HEPP, a villager from Bağışlı village made a grievance of his dirty drinking water. Project sponsors solve his problem immediately and supplied water to his house from another water source.

The project sponsor did some assistance to the villagers within the context of corporate social responsibility. For example;

- 50 young villagers are employed during the construction period. When the HEPP begins to produce electricity, 3-4 villagers will have permanent jobs in the company. It can be interpreted as a small
but important step in order to prevent migration from the region. Besides, the daily needs of the working personnel was met from the nearest residential areas, therefore, an additional income source was created for the local people.

- Bağışlı village headman (Mahmut Yazıcı) and Gürgeñağaç village headman (Yahya Can) wrote letter of thanks to CESE Company for their services.
- The company also did some constructions around as favor so as to help villagers;
- Road of the Bağışlı village is rehabilitated by CESE Corporation.
- Mosque of the Bağışlı village is repaired by CESE Corporation.
- Road of the Gürgeñağaç village is rehabilitated by CESE Corporation.
- Graveyard fence of the Gürgeñağaç village is repaired by CESE Corporation.
- The building construction materials were sent to villages in the area.

### Identification of Vulnerable PAP:
There are only 11 project affected people (PAP). The sponsor of Mavi HEPP declared that there were not any vulnerable project affected people whose lands were expropriated. The sponsor did assistances to the people living in the villages around, in the scope of corporate social responsibility.

If any complaint occurs related with firm or project, local people can touch with these numbers below, easily.

- **Selim YILMAZ** (Project Owner): 0 462 523 22 60
- **Aziz KARA** (Mukhtar of Bağışlı Village): 0 537 815 40 85
- **Yahya CAN** (Mukhtar of Gürgeñağaç Village): 0 535 368 54 51
5.2: Regulator Area (During Construction)

Gravelly lands in the stream bed.
Annex 6: Transmission Tunnel

Annex 7.1: Forebay and Penstock Area (Before Construction)

Hilly unqualified forest land
Annex 7.2: Penstock (During Construction)

Annex 7.3: Power Plant Area (Before Construction)
Annex 7.4: Power Plant (During Construction)

Trabzon-Gümüşhane highway

Annex 8: Photo Taken with the Villagers and Village Headman

From left to right: TKB’s expropriation specialist, Mr İhsan KÖSE (villager), Mr. Selim Yılmaz (sponsor of Mavi HEPP), Mr Aziz KARA (councilor), TKB’s environmental specialist.
Annex 9: Route of the Electricity Transmission Line