



Acacia
Mining Operations

ACACIA MINE OPERATION GOKIRMAK COPPER MINE

Supply Chain & Contractor Management Plan 2017

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Supply Chain & Contractor Department

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1.0 PURPOSE

The aim of this plan is to determine all basis and applications concerning whole supply chain activities and define workflows, segregation of roles and responsibilities in detail,.

The plan will cover the following unit's activities that is defined under "Supply Chain Department".

- Procurement,
- Contracting,
- Logistics,
- Warehouse,

All supply chain processes shall comply with, or exceed all international standards (Defined below), codes and regulations determined by law and applied regulations of government In addition to those regulations and law rules, Supply Chain Department will perform all activities that is defined under its responsibilities based on the Supply Chain policies, procedures and other related written and approved rules and project standards.

Purchasing procedures, negotiations, cost analysis and bid evaluation decisions are all conducted in an ethical and conscientious manner at all times compatible with the procedures.

EBRD Performance Requirements and EU directives:

This plan is in compliance with EU Directives and EBRD PR 's and all reports and management plans prepared for GCP. The following PRs will be applicable for AMI suppliers.

- PR 1 –Assessment and Management of Environmental and Social Impacts Issus
- PR 2- Labour and Working Conditions
- PR 3- Resource Efficiency and Pollution Prevention and Control
- PR-4- Health and Safety
- PR 10- Information Disclosure and Stakeholder Engagement

2.0 SCOPE

This plan applies to all procurements of goods and services made directly or indirectly on behalf of the ACACIA and will be applied by all units defined under Supply Chain department.

3.0 DEFINITIONS AND ABBREVIATIONS

The following terms and abbreviations have been used in this plan.

Abbreviations	
GM-CEO	General Manager or CEO
DGM	Deputy General Manager
OM	Operations Manager
SCM	Supply Chain Manager
SCD	Supply Chain Department
DM	Department Manager
ACACIA	Acacia Maden İşletmeleri A.Ş

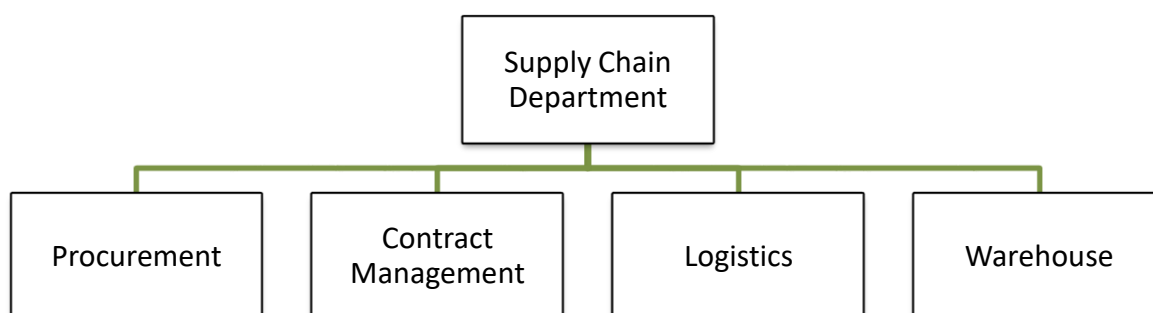
ERP	Enterprise Resource Planing
SAP	ERP Software Used in ACACIA
PR	Purchase Requisition
PO	Purchase Order
MRP	Material Resource Planing
LS	Logistics Specialist
WS	Warehouse Supervisor
CW	Chief of Warehouse
CPC	Chief of Purchasing and Contracting
CA	Contract Administrator
CS	Contract Supervisor
SOP	Standard Operating Procedure
LSC	Local Sourcing Comittee

Term	Definition
Approval Authorization	Based on the value of the purchasing or contracting, the signature hierarchy process to be applied according to the approval matrix of ACACIA. The same approval matrix has been set in ERP Software used by ACACIA.
Approved Suppliers /Contractors	Based on Pre-Qualification and Performance Evaluation Procedure of ACACIA, Suppliers/Contractors which has been approved by ACACIA.
Company or ACACIA	Acacia Maden İşletmeleri A.Ş
Contract	In order to ensure that certain goods, equipment, projects, materials, works or services are supplied in compliance with certain terms and conditions, the agreement made with a Contractor or Supplier,
Supply Chain Department	The department charged with contracting, purchasing, logistics and warehouse activities of the Company,
Procurement	A process required to buy needs of mine during construction and operational phase. Complex procurements and works which has HSE risks are performed by Contracts based on “Contract Management Procedure” of the mine.
Contract Management	Contract management is the process of managing contract creation, execution, closure and analysis to maximize operational and financial performance at ACACIA.
Logistics	That unit under Supply Chain Department covers all customs clearance, transportation, packing etc. carried out up to the mine site properly, depending on the terms of the contract for all goods, equipment and projects purchased from the country and abroad(overseas). ACACIA uses “Incoterms 2010” for Non-Domestic Goods procurement.

Term	Definition
Warehouse	<p>A large store which is used for keeping properly of the following material types required during operational and constructional phase of the mine;</p> <ul style="list-style-type: none"> • Equipment temporary housing and protection, • Spare Parts, • PPE(Personel Protection Equipments) • Consumables Housing and Protection, • Chemicals

4.0 ORGANISATION STRUCTURE & ROLES AND RESPONSIBILITIES

4.1 Organisation Structure



4.2 Roles and Responsibilities

Supply Chain Manager (SCM) of Acacia will be the key owner of implementation of this plan in coordination with other relevant key departments and employees.

Title	Responsibility
General Manager (GM) or CEO	General Manager/CEO is responsible to ensure that this plan is being applied throughout ACACIA in line with corporate policies. Approval of the plan and resources required for implementation.
Deputy General Manager (DGM)	Deputy General Manager is responsible to ensure that this plan is being applied throughout ACACIA in line with corporate policies. Ensure Project compliance with Project Standards and other requirements set out in this plan
Operations Manager(OM)	Operations Manager is responsible to ensure that the plan is being applied throughout ACACIA in line with corporate policies. Develop the scope of work for each contractor in consultation with Environment, OHS and community relations departments. Assist procurement with the selection of suppliers.
Supply Chain Manager (SCM)	Owner of the plan .Head of purchasing, contracting, logistics and warehouse units. Additionally, SCM is responsible to initiate reviews and changes to this plan and any procedure in case of any need.

	Support the development of the scope of work contracts Provide the administrative support for the contract execution and payments
Department Manager (DM)	DM is responsible for ensuring that: - All staffs are appropriately trained and competent for the role. - DM is responsible for appointing qualified personnel for any scope of works that fall under their area of responsibility.
Purchasing Specialist(PS)	Employee of the Supply Chain Department responsible for the preparation, issuing, controlling and monitoring of ACACIA purchase orders created on ERP software. Participate in Bid evaluation (including verification that HSE and communities hazard identification responses from bidders are completed.
Contract Administrator(CA)	Employee of the Supply Chain Department responsible for the preparation, signature, issue, control and monitoring of company Contracts, Supervise the contract works to ensure compliance with the contract and requirements budgets and schedules.
Logistics Specialist(LS)	Employee of the Supply Chain Department responsible for the domestic and non-domestic logistics activities for all procurements performed by PS or CA's.
Warehouse Specialist(WS)	Employee of the Supply Chain Department responsible of goods receipt, issue and operational warehouse management.
Purchase Order Originator	Employee of any user department of the ACACIA responsible for initiating, executing, controlling, monitoring and accepting goods and services.
Legal Counsel	ACACIA Legal Counsel who maintains legal, ethic and compliance activities of the ACACIA's contracts. Counsel provides specialist advice and guidance during preparation of contracts.

5.0 SUPPLY CHAIN MANAGEMENT PLAN IMPLEMENTATION

5.1 Purchase Requisition

- a) Acacia performs procurements by Purchase Orders and/or Contracts. Purchase Orders are created on the SAP/ERP system by PS or CA. All contracts also have Procurement Order (PO) on ERP systems. These procurements are performed based on Procurement and Contract Management Procedures.
- b) Contracts will be prepared by the Supply Chain Department to provide all goods and services to ACACIA. If any goods or services cannot be carried out under the standard procurement order(PO), and/or if they contain various risks (Job Security, Health, Environmental and social Risk, etc.) although they are consistently low as per value based, then the contract for such procurement will need to be prepared by Contracting unit.

Procurement starts with the requisition created on ERP software. The process is as below.

All requests for goods and services will be performed on a Purchase Requests for requisition through SAP ERP software.

The purchase request for requisition includes the followings;

- a) Determines the person and departments requesting the goods or service.
- b) Specifies the requirements (Description, quantity, quality parameters, packing, service and delivery schedule).
- c) Indicates the cost center to be charged.
- d) Indicates the activity center to be charged.
- e) Indicate the estimated value, budget value where appropriate.
- f) Suggest possible sources of supply.
- g) Approved based on approval matrix.
- h) As soon as PR is approved by related authority, it is being sent to Supply Chain Department so as to start procurement process.

5.2 Purchase Orders

The formal written authority to commit ACACIA to the purchase of goods or services must be in the form of a purchase order or contract. A complete purchase order should include:

- a) Determination of the Supplier/Contractor;
- b) Description, quantity and specifications of the goods or services;
- c) Delivery schedule of procurement,
- d) Agreed unit and total price and currency;
- e) Applicable law, regulations and taxes;
- f) Delivery and shipment instructions;
- g) Invoicing and mailing instructions;
- h) Payment terms;
- i) General and specific terms and conditions;

5.3 Purchasing Process

During the procurement process, purchasing unit shall apply the following rules;

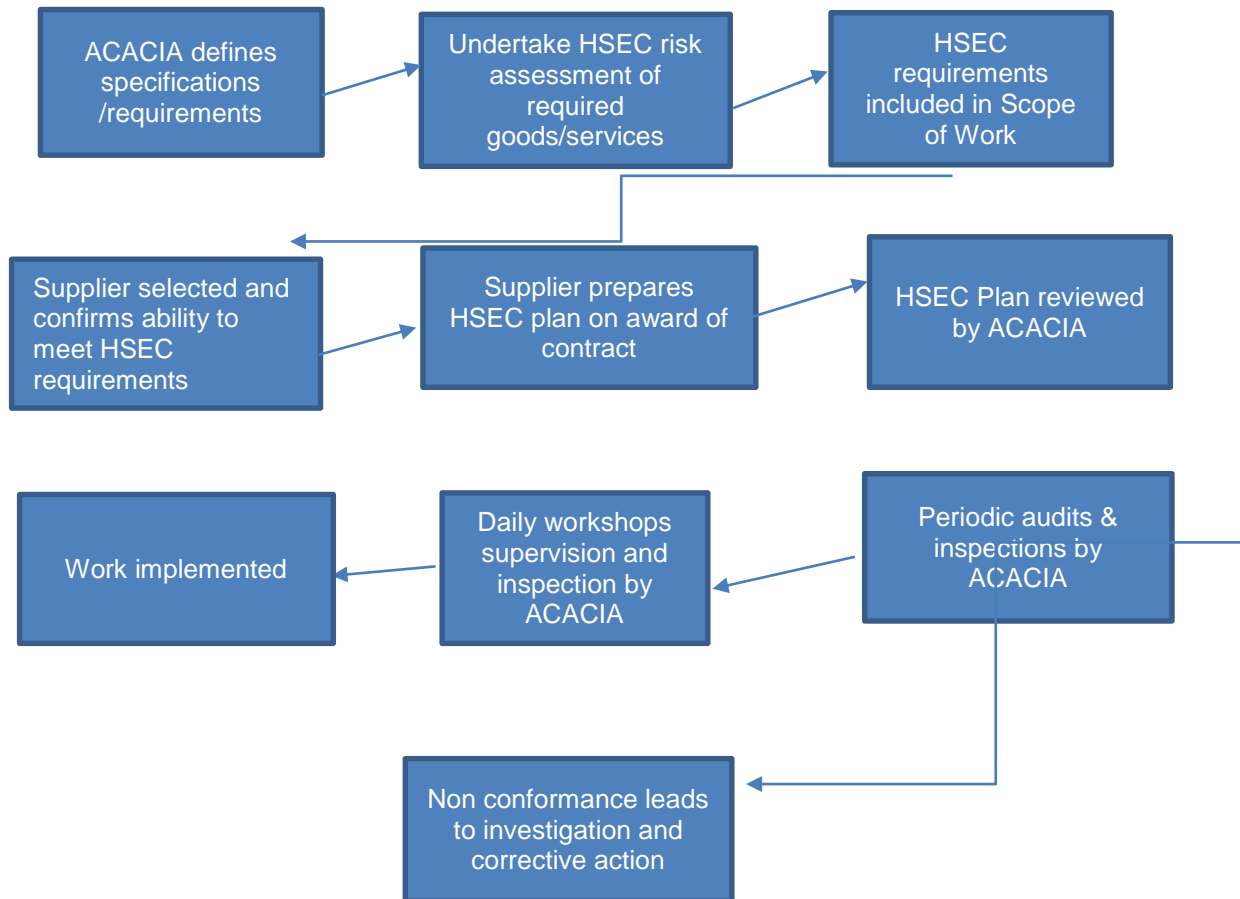
- a) Review the detail for clarity and completeness of Purchase Requisition. In case of lack of required information, PS shall contact with the originator and obtain necessary information.
- b) Based on procurement category, get in contact with approved suppliers/contractors and request of quotation. If needed, pre-qualification procedure will be applied for new supplier(s)/contractor(s);
- c) Negotiate terms, conditions, pricing, delivery schedules according to mine site delivery criteria,
- d) Make cost analysis and benchmarking,
- e) Prepare purchase order and send to Supplier(s)/Contractor(s);

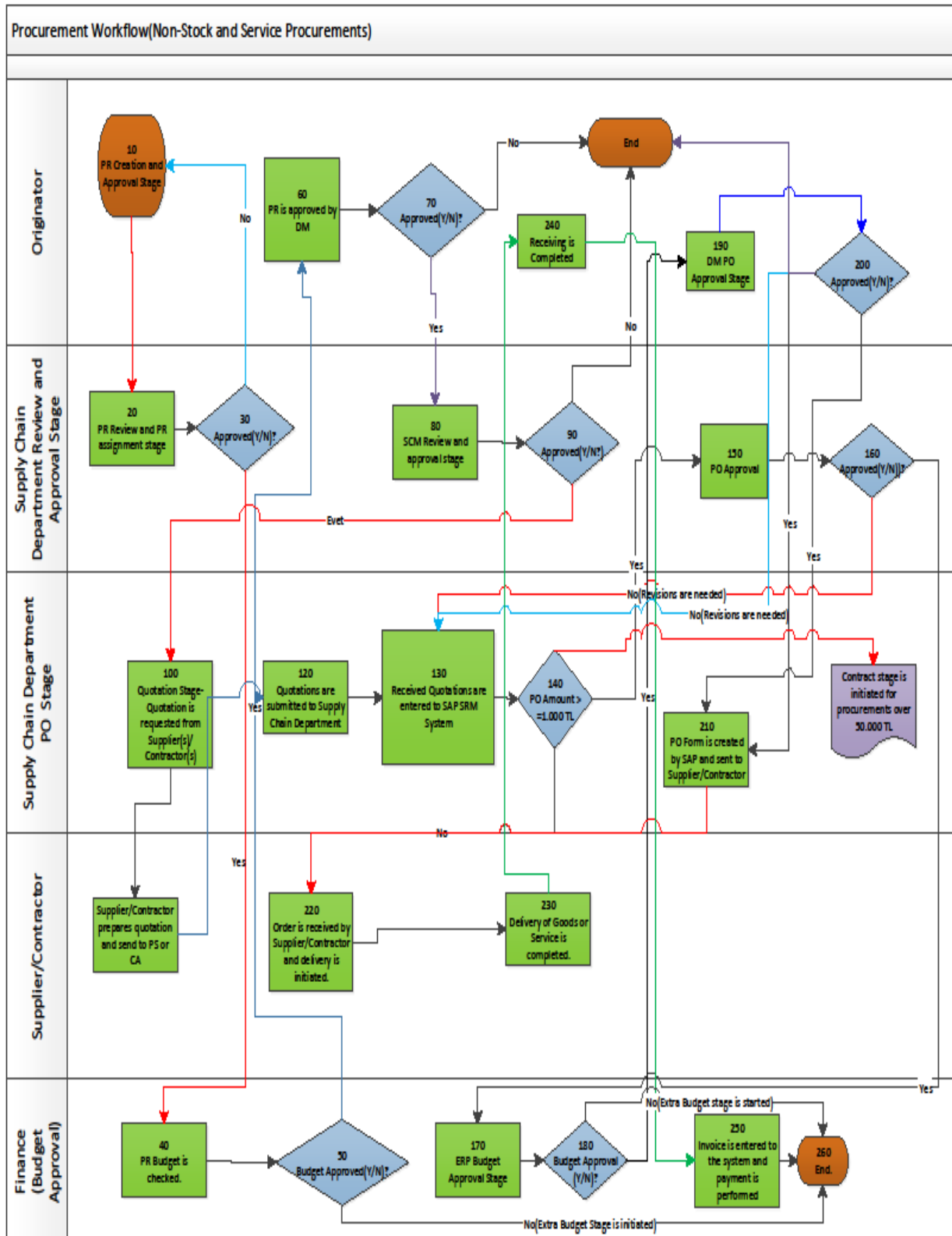
Based on purchasing procedure, Supply Chain department is required to obtain minimum 3 offers from different suppliers as a standard application wherever it is possible. However, due to the nature of the business it may not be possible at all time. Exceptions to 3 offers may be applied in the following cases; In that case, sole source justification form shall be filled and approved.

- Equipment manufacturer or distributor,
- Repair of equipment or component,
- Urgent purchases,
- Preferred supplier (if defined by purchasing for a specific item group),
- Local purchase (purchases through local companies in Hanönü and other zones defined in Local Procurement Procedure),
- Purchases referenced to a contract,

Purchasing Process Workflow is shown below for non-stock and service procurements. For the stock items, PR will be created automatically by ERP system when the quantity is minimum level set by CW.

Contractor Management Process





5.4 Supplier/Contractor Selection

Supplier/Contractor selection will be performed based on Supplier/Contractor Pre-Qualification procedure("Acacia-9001-YNG-004"). Main criterias in that procedure is as follows and Supplier(s)/Contractor(s) which is under minimum score will not be in the approved Supplier list.

- Industry References,
- Total Price,
- Specifications,
- Packing Standards,
- HSE compatibility,
- Social compliance
- Quality,
- Capital Cost,
- Spare Parts Cost,
- Operational Cost,
- Delivery Schedule,
- Service Capability,
- Technical Acceptability,
- Regional Industrial Benefits
- Financial Requirements,

If the above qualifications are equal and there are no special job requirements, the selection shall be the lowest bidder provided by Supplier/Contractor.

5.5 Purchase Order Approval Phase

Purchase orders are approved according to ACACIA's authority matrix determined by board of directors and CEO. Those approval matrix levels have been set at SAP ERP software. ERP system sends an automatic email to PS just as all approvals have been completed.

The System doesn't allow PS to get PO from system unless it is approved on ERP system. Just as approval is completed on ERP, PS sends PO form to selected supplier.

5.6 Logistics

Logistics Unit obtains approved PO list from ERP software as daily based. According to delivery schedule and terms of PO's, logistics specialist gets in contact with Supplier concerning delivery schedule and other logistics details such as packing, custom clearance, etc. There are 2 types of delivery types for Purchase Orders which are domestic and non-domestic procurements.

LS also shares "Expediting Report" of procurement every week with the related departments.

Logistics Unit performs logistics process based on the following criterias,

- Based on HS code of material, all permits and required regulations are investigated and applied during transportation,
- Risk Analysis are performed for heavy equipments and needed chemicals at the plant. Based on that risk analysis level, extra actions may be required.
- Packing must be suitable for each product in order to protect the products. Also, if the goods are any chemical, then packing standards shall be appropriate so as not to harm environment,
- LS works in coordination with CW and Project Department until the delivery is completed properly to the stated location at the mine site,

- Escorts vehicles are used in case of any high risk of environment or for safety of other vehicles on the Highway.

5.7 Receiving of Goods and Services –Warehouse Delivery Phase

5.7. 1: Receiving of Goods

- a) LS works in coordination with Warehouse and other related departments. Especially, for heavy equipments, based on Project Department, delivery is performed to the location defined by Project Department.
- b) Apart from the heavy equipments, all other deliveries are being performed to Warehouse of ACACIA. Receiving is performed according to Warehouse Management Procedure (“ACACIA - 9003-YNG-001”) and SOP’s of Warehouse.
- c) As soon as delivery is performed properly, then Receiving is performed also on ERP software. Project Deliveries on SAP system is performed by Project Department. Apart from all heavy equipments, all other receiving (Stock and Non-Stock Goods) is performed by Warehouse Unit.
- d) During receiving, physical checking is performed by Warehouse and related department. For heavy equipments, Project Department performs final acceptance. All stockable items final acceptance stage is completed by Warehouse Team.

5.7.2 Receiving of Services

- a) Receiving of services is under the responsibility of originator.
- b) Originator performs receiving processes on SAP ERP software after the completion of service as defined in purchase order.
- c) Progress Reports for big amount contracts are prepared by Contractors and submitted to DM. After DM checks the progress report, signs the report and send it to other related departments for approval. After all approvals are completed, then SAP receiving stage is performed.

5.8 Local Procurement

ACACIA has a privilege to local companies in order to support local community and encourage local companies’ business opportunities in the region. In this regard, local purchasing activities are performed in line with company policy and procedures. All activities will be in compliance with Local Procurement Procedure (Acacia-9001-PLN-001) which is an Annex to this plan.

Local Procurement Procedure (Acacia -9001-PLN-001) sets out the objectives such as establishing and managing a sustainable business model with local contractors and suppliers, classifying procurement of goods and services and allocating them to areas, providing guidance in order to produce business alternatives that create more local employment and encourage labour more, conducting capacity developing activities within this framework, conducting and coordinating the business procedures with all local contractors and suppliers, with an ethical, fair and transparent approach, proactively creating that add value to AMI, local contractors and local suppliers.

ACACIA and its sub-contractors will perform procurement process during construction and operational stage in accordance with the following guidelines:

- a) To maximize local supply of goods and services in accordance with the defined supplier and contractor zones (Ref: “Acacia-9001-YNG-001”) during the construction and operational phase of the related project.
- b) Establishing and managing a sustainable business model with Local Supplier(s) /Contractor(s),
- c) Assignment of goods procurement and service procurement to the zones by categorization,
- d) Rather than buying ordinary products from local regions, it is necessary to direct more labor-

- promoting business alternatives to the local regions in order to create more jobs and to carry out capacity building activities in this framework,
- e) Ensuring that all our local suppliers are carried out with an ethical and transparent attitude,
- f) Proactively create solutions that add value to our company and local suppliers.

5.8.1 Principles

As part of ACACIA's local purchasing strategy, ACACIA and its main sub-contractors will also provide:

- a) **Top Priority to Local Suppliers/Contractors**
Give priority to local suppliers/contractors, who can provide adequate qualifications and who submit competitive bids in accordance with ACACIA's policies and the tender conditions. For some types of works stated incentives will be applied. (Ref: Local Procurement Procedure "Ref: ACACIA-2017-E&S-PRC-178)
- b) **Equal Opportunity for Local People – Provision of Employment**
Promote local employment by negotiating levels of local employment consistent with the ACACIA's local hiring commitments for unskilled labor and as appropriate for the services being provided and commensurate with the availability of unskilled labor in the local market. ACACIA agreements will include contractual commitments by the service provider for negotiated employment levels for unskilled labor. All unskilled and 50% of skilled employee will be from local. Employment procedures will be in compliance with EBRD PR2 Labour and Working Conditions, Labour Law.
- c) **Top priority to Local Based Traders/Shop owners**
Promote local purchases of goods and services by negotiating such levels as appropriate, for the service being provided and commensurate with the availability of the required goods and services in the local area. All contractual obligations between the company and its main sub-contractors will include written commitments to ensure the procurement of goods and services commensurate with those outlined in the contractual agreements signed between the company and the third party contractor.
- d) **Transparency in Local Procurement:** Transparency plays important role for local procurement. Transparency in local procurement means that information on the local procurement process must be available to everyone: contractors, suppliers, service providers and the public at large, unless there are valid and legal reasons to keep certain information confidential. When a local procurement requirement is published or made available to the market, the announcement will contain sufficient details for interested contractor, suppliers and service providers to understand it in order to determine if they are qualified to compete; most especially, the solicitation document will be made widely available at a reasonable cost or even free of charge.

5.8.2 Monitoring and Reporting

The Company's Finance Department will be responsible for monitoring Key Performance Indicators (KPI's) regarding Procurement and Supply Chain Management in cooperation and communication with the PS and CA.

The Company's main contractors should report their procurement and supply chain efforts to the purchasing department via written report on a quarterly basis.

KPI's (Key Performance Indicators): Parameters that are monitored, and reported on to measure performance. With the expectation that target should be met.

- a) \$ value of materials and services purchased in-country, % 50
- b) \$ value of materials and services purchased from abroad countries, % 30
- c) \$ value of materials and services purchased from project affected regions, %15(Kastamonu City Region)

- d) \$ value of materials and services purchased from project affected villages, %5 (Hanönü District and Affected Villages will be in the scope)

5.8.3 Local Sourcing Committee

ACACIA will have local procurement committee consists of the following members.

- General Manager,
- Operations Manager,
- Supply Chain Manager,
- Purchasing and Contracting Unit Head,
- Finance Manager,
- Public Relations Unit Head,
- Environment and Public Relations Coordinator,
- HR Manager,
- The relevant Department Manager,
- Security Manager (if required)

The main tasks of this committee include the strategy setting, evaluation and decision-making processes for procurement of goods and / or services that can be provided by the Local Contractor / Suppliers or as a result of the Public Relations Department's direction and capacity building activities.

In addition to the Supply Chain Manager and Environment and Public Relations Coordinator, at least two (2) active members must be present at these meetings.

All decisions will be made unanimously by members. Decisions at the end of the meetings must be approved by all members of the LSC. The Supply Chain Manager is responsible for ensuring management business processes in accordance with the approved decisions.

6.0 Health, Safety, Environment ve Training

- a) Supply Chain Department will provide necessary information and documents to Suppliers/Contractors during tender stage. The criterias for each type of work or supply will be shared with Contractor(s)/Supplier(s).
- b) During pre-qualification process, the companies which hasn't passed minimum score will not be evaluated as commercially.
- c) Any training requirement, as specified in the contract documents, shall be organized by CS at the appropriate time. The Contractor can not start to work on the site unless he has completed the required kind of training specified in the contract.

6.1 Contractor/Supplier Management Requirements

The contractor is entirely responsible for complying with the terms of the contract, business regulations, work control and quality control.

All Environmental and Social commitments, mitigation measures and targets will be part of the contracts.

Key AMI Contractor Management Requirements

ID	Requirement	Implementation	Means of verification
CM01	There must be a process to identify and evaluate risks associated with the planned procurement of materials, equipment, services and labour, including an assessment of the risks of non-compliance or conformance with Project Standards. This must include an analysis of any downstream implications which may be impacted by the selection.	Scope of Work Development using SOW checklist. A Risk Assessment will be carried out if required	Scope of Work Assessment (if required)
CM02	There must be a process for evaluating a supplier's ability to provide material, equipment and/or services which meet defined specifications, design criteria and Project Standards. Evaluations and any related actions must be documented. This process must be supported by a procedure that specifies the criteria for supplier selection, evaluation and re-evaluation and the rejection of product(s) or material(s).	Bid evaluation Assessment against Project Standards	Bid evaluation
CM03	All materials, equipment, services and labour procured or supplied must meet the required specifications for the control of HSE, community and compliance risks associated with their intended use or activity, as identified in the risk assessment process. Risk assessment will have covered and attached by related Method of Statements. And safety Job Analyses and Safety Work Plan (JSA/SWP) will be prepared by Contractor/subcontractor for each risky work styles.	Bid evaluation Assessment against Project Standards Assessment against Risk Assessment	Verification of HSE Identification of hazardous bidders
CM04	There must be a register of hazardous materials (preferably with a link to an inventory system) that are approved for	Provision of MSDS to HSE Department for verification	Register of hazardous materials

use onsite. This register must be available, referred to, and maintained to control the purchase and introduction of new materials. All hazardous materials introduced by contractors or visitors must also be included on or evaluated against this register.

CM05

The properties of all materials (including their process intermediates, by-products and wastes) must be adequately understood, documented and integrated into operating procedures where exposure to their properties presents a significant risk to HSE performance. Legally compliant Material Safety Data Sheets (MSDS) must be available prior to the delivery and use of such materials (including products).

Provision of MSDS to HSE Department for verification

MSDS

CM06

The Contractor must have a procedure, commensurate with the evaluated risk, for receiving, storing, dispatching and transporting of all equipment and materials, consistent with Project Standards.
Information Note:
(i) risk assessments are undertaken as part of the procurement process on a case-by-case basis.
(ii) Contractors develop HSE Management Plans (which may include an ERP) which are reviewed by AMI (HSE Superintendent and the designated manager) before Contractors come onto site.

Approval of Contractor HSE Plan

Contractor HSE P

CM07

The Contractor must have a procedure controlling the safe and approved disposal of surplus/used materials, chemicals, hazardous waste and equipment consistent with

Approval of Contractor HSE Plan
Hazardous Materials Management Plan
Non-Mineral Waste Management Plan

Review of record
Contractor HSE P

Project Standards. It must specify actions required to minimise any future liability.

CM08	<p>The process for the management of contractors includes the following phases:</p> <ul style="list-style-type: none"> a) contractor selection b) contractor preparation c) contractor award d) orientation and training e) managing contractors f) post-evaluation <p>Individuals engaged on a temporary or casual basis to work within existing businesses/managed sites are to be inducted and managed in the same way as em</p>	Labour Management Plan	Review of record
CM09	<p>For all contracted labour or service agreements, there must be an agreed scope of work, which will include an analysis of the risks associated with the activities to be performed by the Contractor, including an assessment of the risks of non-compliance or conformance with Project Standards. The extent of the risk assessment required will be determined during the scope of work development process, but will include, as a minimum, a hazard identification of HSE, community and compliance risks as set out in the SOW Template.</p>	<p>Scope of Work Development using SOW Template. A Risk Assessment will be carried out if required</p>	<p>Scope of Work and Level 2 Risk Assessment (if required)</p>
CM10	<p>The ESMS applies to Contractors and includes processes to ensure all contractor tools and equipment are inspected and evaluated to be in a safe condition and conform to AMI standards and site procedures.</p>	Mobilisation includes a tools and equipment check	Review of records

7. MONITORING

Overview of Monitoring Requirements

The Monitoring measures that are to be implemented during the operations phase to assess compliance with Project Standards. Acacia has SAP ERP system and SRM (Supplier Relationship Management) module on which supplier/contractor could be monitored instantly. Those softwares will be implemented during

operational phase and all relevant criterias will be defined in the system as per Performance Measurement Directive(Ref: Acacia-9001-YNG-005)

Also, Acacia will have online dashboard reporting software using database of SAP ERP system so that top management will be able to have a-glance views of defined KPI's.

In the event that monitoring identified non-conformance with Project Standards, these will be investigated and appropriate corrective actions identified (see Non-conformance incident and action management of the AMI ESMS).

7.1 Inspection of AMI and Contractor Activities

AMI will supervise all activities undertaken by contractors. AMI will undertake daily workplace inspections by operational area superintendents / supervisors covering a broad range of operational aspects, including community health safety and security issues as appropriate to activities outside the fenceline.

Contractor Responsibilities

Contractor responsibilities will be defined in individual contracts, but will include:

- Preparing (as appropriate) health and safety, environmental management and/or community relations plans as outlined in contract documentation;
- Implementing plans in coordination with AMI Management Plans and procedures;
- Meeting training and competence requirements as defined by AMI;
- Ensuring all workers are fit for work and are provided with appropriate personal protective equipment;
- Complying with all Turkish regulatory requirements and AMI Project Standards;
- Ensuring that all work is carried out safely, in compliance with AMI instructions;
- Undertaking regular internal inspections and audits as required by Turkish regulatory requirements and AMI requirements;
- Establishing incident management procedures, including reporting and notification, in conformance with AMI requirements;
- Undertaking non-conformance and incident investigations in conjunction with AMI.

All regulatory requirements and other commitments and obligations are identified and recorded in an internal Commitments Register, developed and maintained by AMI. This provides the definitive reference for compliance requirements and Project Standards.

7.2 Key Performance Indicators

The table below summarises the key performance indicators and associated key monitoring actions that can be used to assess the progress and effectiveness of proposed management strategies.

Table 1: Key Performance Indicators and monitoring actions

ID	KPI	Target	Monitoring measure
CM-KPI 01	Number of reported contractor HSE incidents	Minimise and continued improvement in number of reported incidents	Number of reported contractor incidents per year

CM-KPI 02	Number of recorded community grievances related to contractors	Minimise and achieve continuous improvement in number of reported grievances	Number of reported grievances related to contractors per year (liaise with AMI Community Relations who manage the complaints and grievance procedure)
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7.3 Key Monitoring Activities

Key monitoring activities will focus on ensuring compliance with the Project Standards using the key performance indicators established in *Section 7.2*. Contractor monitoring activities are undertaken both by AMI and contractor supervisory and management personnel and include:

- monitoring compliance against the Contractor HSE Management Plans, and Contract conditions;
- preparing a Performance Scorecard/Report on a monthly or other agreed basis;
- medical examinations as required.

Contractor performance monitoring is set out in individual contracts on the basis of a risk based approach.

7.4 Training Requirements

In order to ensure that Contract and Procurement Procedure is being applied throughout the Company effectively and successfully, people who are going to be part of this plan should analyse and understand it.

They have to have satisfactory qualifications as per their role and responsibility. Additional to training of procedure, below trainings are recommended highly for CAs, CSs, Department Managers;

- Project and Contract Management
- Safety, health and environmental awareness
- Risk assessment and management
- Labour Law
- Conflict management
- Problem solving

This procedure shall also be communicated with all the Company's contractors, employees and external stakeholders with regards to ACACIA policy.

Induction Training: All employees of ACACIA and Contractors working at ACACIA will be provided as part of induction training (to provide general awareness) and job specific training as necessary.

Job Specific Training: All employees of ACACIA and contractors working at ACACIA shall attend routine toolbox safety briefings.

Other Training Requirements: When appropriate, competencies in emergency response scenarios will be mandate for contractors.

7.0 MONITORING and CHECK

Execution of this plan is mainly under the responsibility of SCM. Therefore, SCM is responsible of monitoring

and checking of this plan.

All contractor activities are subject to supervision, inspection and audit by AMI at any time. This may include third party assessments and audits undertaken on behalf of AMI, Turkish regulatory authorities or Project Lenders.

Oversight of AMI activities to manage and supervise contractors rests with the AMI General Manager, supported by the AMI SCM.

8.0 REVIEW AND VALIDITY

This plan is subject to approval of Operations Manager, Deputy General Manager and CEO.

8.1 Periodic Review

Periodic review of this plan shall be performed every 2 years by Supply Chain Manager or his/her delegate.

8.2 Review Process

This plan is reviewed by SCM or his delegate. All department managers, OM, DGM and CEO will be part of these reviews.

9.0 RELEVANT DOCUMENTS

Document Name	Document Number	Status	Estimated Release Date
Supply Chain Management Policy	Acacia-9000-Pol-001	In Progress	
Procurement Procedure	Acacia-9002-YNG-001	Published	-
Local Procurement Procedure	Acacia-9001-YNG-001	Published	-
Logistics Procedure	Acacia-9004-YNG-001	In Progress	01.11.2017
Contract Management Procedure	Acacia-9001-YNG-002	Published	-
Tender Procedure	Acacia-9001-YNG-003	In Progress	01.10.2017
Supplier/Contractor Pre-Qualification Procedure	Acacia-9001-YNG-004	In Progress	15.10.2017
Supplier/Contractor Performance Evaluation Procedure	Acacia-9001-YNG-005	In Progress	15.10.2017
Warehouse and Inventory Management Procedure	Acacia-9003-YNG-001	In Progress	01.11.2017

Annex 1- Local Procurement Procedure (ACACIA-2017-E&S-PRC-178)