



CONTRACTOR HEALTH AND SAFETY MANUAL
February 2019

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Statement of Policy

The goal of Freeport-McMoRan (FCX), and thereby the goal of all Contractors and visitors to any FCX property, is to manage risks to prevent fatalities and other occupational health and safety incidents and to commit to a safe and healthy work environment. All Contractor employees are responsible to work safely and immediately resolve any unsafe conditions or observed at-risk behaviors.

All Contractors, suppliers, vendors and visitors must comply with the provisions of this manual and the FCX Health and Safety Policies identified in Appendix C, and which may be obtained from the “Suppliers” section at FCX.com. Where differences in detail or requirements exist between this manual and a site-specific requirement, the more stringent policy will prevail. Non-compliance with health and safety requirements may result in work stoppage or removal of Contractor or its employee(s) from FCX property. Any willful or repeated non-compliance could result in Contractor dismissal.

Regulatory compliance is the responsibility of each Contractor. This manual is not to be construed as superseding national, regional or local regulations, nor is it a definitive or comprehensive listing or description of the applicable rules and regulations.

1.0 Roles and Responsibilities

1.1 Contractor

Contractor is a third party provider, its employees and all subcontractors and their employees who perform services for FCX and its subsidiaries. Visitors, consultants, delivery personnel and others will be excluded on a case by case basis based on risk and exposure.

1.2 Project Manager

Project Manager is the FCX employee who has oversight for the services being performed and/or responsibility for managing the project on behalf of FCX. Responsibilities include the oversight of health and safety performance of the Contractor(s), the provisions of this manual and any changes or revisions, safety advisories to include Potential Fatal Risk Event(s) (PFE), and to communicate project-relevant safety information in a timely manner.

1.3 Contract Administrator

Contract Administrator is the FCX Global Supply Chain employee who manages the contract with the Contractor on behalf of FCX. They manage the Contractor relationship as well as conformance with, and adherence to the contract documents.

1.4 FCX Health and Safety Department

The FCX Health and Safety Department periodically audits Contractor performance and adherence to the provisions of this manual, company policies and regulations. Organizes and presents monthly health and safety meetings to discuss project-relevant health and safety issues and topics. Provides technical support to the FCX Project Manager as requested or needed.

1.5 Contractor Responsibilities for Health and Safety (H&S)

Contractors are responsible for establishing, implementing and maintaining their health and safety programs to meet the safe production goals and objectives as stated by FCX, and for monitoring the programs of their subcontractors to ensure compliance with FCX expectations.

Contractors have the obligation to:

- Abide by all national, regional, local regulations and FCX policies and procedures.
- Protect the public from all hazards which result from Contractor activities.
- Provide all Contractor employees with necessary personal protective safety equipment.
- Maintain the highest standards of housekeeping.
- Ensure all Contractor employees have received project health and safety orientation and FCX required health and safety training as well as specific task training requirements for the project as identified in the Contractor's Health and Safety Plan (HASP).
- Keep all registers, records and reports up-to-date and properly completed, and maintained for review by FCX and/or any legal or regulatory agencies.
- Stop the job when an unsafe act or condition is recognized and take prompt corrective action.
- Ensure that no Contractor's manager, supervisor, owner or other person in charge requires, condones, asks or allows employees to work in or around unsafe acts or conditions. If so, it may result in immediate removal from the project.
- Require management or supervisor level representative for each Contractor to attend periodic (as defined by the project) project safety meetings to which they have been notified.

1.5.1 Contractor Senior Management/Project Manager

- Establish and enforce rules and programs designed to promote health and safety.
- Hold individuals accountable for fulfilling their health and safety responsibilities.
- Provide training for employees to perform tasks safely.
- Provide a safe and healthy work environment.
- Conduct regular safety inspections, maintain records, and continually monitor for effectiveness.

1.5.2 Contractor Project Supervision

- Be accountable for on-the-job health and safety and ensure that all deficiencies are corrected.
- Monitor employee actions and behaviors.
- Review and investigate incidents, supervise correction of unsafe practices, and file incident reports.
- Conduct regular project health and safety meetings and provide employees with proper instruction on related requirements.
- Require conformance to health and safety standards from subcontractors.
- Instruct new employees and existing employees performing new tasks on safe working practices.
- Make sure personal protective equipment is available and used properly.
- Secure prompt medical attention for any injured employees.
- Ensure regular and thorough communication with the Project Manager.

1.5.3 All Contractor Employees

No employee shall be required or knowingly be allowed to work in an unsafe environment. Each employee is responsible for learning and abiding by those rules and regulations which are applicable to his or her work, and for reporting and correcting observed or anticipated hazards to his or her immediate supervisor. The Contractor is responsible to provide each employee initial training on the project health and safety rules, risks of the tasks and controls to mitigate the risks prior to starting work. Contractor employees will:

- Report to work fit for duty, well-rested, free from effects of drugs or alcohol.
- Work safely to ensure personal safety as well as that of co-workers and others.
- All contract employees are responsible and accountable for working safely and productively, while remaining aware of the hazards of their jobs and following recognized safe job procedures.
- Follow all health and safety rules and keep work areas clean and free of debris and obstacles.
- Request help when unsure about how to perform any task safely.

- Utilize established health and safety controls to reduce risks of the tasks performed.
- If work cannot proceed safely, stop work and notify their supervisor until the necessary steps have been taken to address and correct the hazards.
- Report any uncorrected unsafe acts or conditions to the appropriate supervisor.
- Correct unsafe acts or conditions within the scope of the immediate work.
- Use and maintain all health and safety devices as required.
- Not interfere or disable any safety device including remote control, automatic equipment, safety interlocks or warning systems or guards.
- Immediately report incidents (injury, illness, property damage, near miss, environmental events, etc.) to supervisor.
- Not tamper with the scene of a safety event.
- Not tamper with any emergency medical supplies or emergency vehicles.
- Not engage in horseplay.
- Not interfere with any radio communications.
- Not use cell phones or other electronic devices while operating mobile equipment or vehicles.

1.6 General Responsibilities

It is the Contractor's responsibility to be familiar with the provisions and requirements of this Contractor Health and Safety Manual, OSHA and/or MSHA regulations, and the FCX Health and Safety Policies (as further referenced in Appendix A-C). When and where a revision of the manual occurs, the Contractor shall implement any changes which result from the revision within 48 hours, of the time they are notified of that revision or obtain an approved variance. Implementation includes actions such as, but not limited to, training of personnel, acquisition of equipment, revision of standard operating procedures, and any other actions which provide the means to achieve the requirements of a policy.

Within ten days after receipt of notification of the contract award, but prior to the start of work, the Contractor must submit to the FCX representative the following:

- Final list of all subcontractors working on the project with all FCX required health and safety documentation
- Validation of drug and alcohol testing of Contractor employees performing services on FCX property or projects with negative or non-negative test results, maintaining strict confidentiality.
- Written Hazard Communication Program meeting GHS requirements
- Written respirator certifications of fit testing (Note: applicable for project work requiring respirators)
- Written Medical Surveillance Program, as applicable (i.e. HAZWOPER, asbestos, lead, cadmium, arsenic, silica, etc.)
- Any project related contractor's standard operating procedures (i.e. utility locate, confined space entry, hazardous energy control, etc.)
- All other relevant written Occupational Health & Safety Programs (i.e. Hearing Conservation, PPE Program, Respiratory Protection, etc.)
- Health, safety and environmental permits, as applicable
- Material request and product approvals (MRAP)
- Accepted written HASP for proposed work
- Training documentation for equipment/machinery/tasks that employees/subcontractors operate or perform. This includes copies of specialized training certificates and current refresher documentation for all employees on project.
- Copies of licenses to operate equipment and associated regulated inspections
- Scheduled and completed required training. See Section 2.0
- Copies of completed risk assessments

1.6.1 Contractor Health and Safety Plan (HASP)

Prior to beginning work, Contractor shall prepare and submit to the Project Manager for review and acceptance a project-specific HASP that reflects the Contractor's intentions for full and complete compliance with this manual and associated health and safety policies. The plan will include:

- Description of the duties and responsibilities of supervision and health & safety personnel (if required) for the proposed work
- Organizational chart showing the reporting relationship between project/construction and H&S oversight (management, supervision, workers and health & safety personnel) for the proposed work
- The identification of project hazards and control plan
- Risk assessment (including JHA/JSA) process
- Reference to all previously submitted contractor's standard operating procedures
- Reference to all applicable FMI health and safety policies and procedures
- Detailed incident reporting and investigation process
- Traffic control plan (as applicable)
- Written emergency response plan including on-site and client contact information, nearest medical facility/hospital, ambulance, fire department, police/sheriff, etc.
- List of emergency equipment proposed for work location
- Written project specific occupational health programs (Note: applicable for work involving anticipated exposures to occupational hazards above regulatory action levels i.e.: respirable crystalline silica, lead, asbestos, etc.)
- Copies of JHA/JSA forms
- Copies of supervisor and employee work area inspection/examination forms
- Copies of equipment/machinery pre-operation inspection forms, as applicable
- Approved training plan if required by regulatory agency

The Contractor's HASP must also address any FCX facility specific health and safety provisions that are not identified in this manual. An example HASP template is provided in appendix D.

Contractors shall attend a project safety conference with the FCX Project Manager and Health and Safety Representative(s), during which, the Contractor's project specific HASP will be reviewed to ensure it meets all health and safety expectations, and is specific to the job or task being completed. An FCX representative will communicate to the Contractor any specific details not addressed by the plan which must be included. Modifications to the HASP will be finalized at this meeting. Subsequent amendments or changes to the plan must be submitted for review and approval before being implemented.

1.6.2 Contractor Health and Safety Representation

Each Contractor shall provide, as a minimum, one full-time, qualified safety professional whenever the Contractor's workforce meets or exceeds 50 employees. Additional fulltime, competent health and safety professionals will be assigned to the project for each additional 250 employees. For some jobs/tasks, the FCX Project Manager may request additional safety support based on the risks rather than headcount. The names and credentials of all Contractor health and safety professionals that will be assigned to the project shall be provided to the FCX Project Manager and Health and Safety Department for review prior to initiating work. All Contractor health and safety professionals, through education, training and experience, must be capable of:

- Identifying existing or potential risks, including unsafe acts, of the tasks being performed.
- Identifying and implementing controls to mitigate the risks of tasks.
- Identifying working conditions that are unsafe, hazardous or dangerous to the health and safety of employees and the environment.
- Identifying any non-conformance with health and safety rules and policies, including at-risk behavior.
- Authorizing prompt action to maintain a healthy and safe work environment.

2.0 Training Requirements

- Each Contractor is required to ensure regular and continuing health and safety training for all employees and its subcontractor(s).
- All training will be conducted by a competent/qualified person and be provided before tasks are performed.
- All training must be documented and a process implemented allowing a quick verification of training received by any employee of the Contractor and its subcontractor(s).
- No individual will be allowed to work on any FCX property who has not received the required initial health and safety orientation training.
- Verification of training received should be readily available within 24 hours of request.
- Emergency case-by-case exceptions to training requirements may be granted by the Project Manager and Project Health and Safety Manager.
- Training may include:
 - FCX health and safety orientation, to include this document
 - Project health and safety orientation – may be combined with FCX health and safety orientation
 - Site safety/hazard recognition – may be combined with project health and safety orientation
 - Training identified in the Contractor’s HASP
 - Regulatory training, as applicable
 - Specific FCX Health and Safety Policies, as applicable
 - Task Training, as applicable
- Health and safety orientation should address, as applicable, the following:
 - Site-specific hazards
 - Incident reporting procedures
 - Emergency evacuation procedures
 - Reporting of unsafe acts or conditions
 - How to obtain first aid or summon for emergency help
 - Hazard communication standard requirements
 - Blasting signals and response procedures
 - Personal protective equipment requirements
 - Identification of workplace hazards, risks and controls of those risks.
 - FCX Communications (i.e. PFE)
 - Drug and alcohol policy
 - General safety rules and responsibilities/critical safety rules
 - Fire protection and exit procedures for the work area
 - Safety procedures unique to each job
 - Traffic procedures
 - Environmental procedures
 - Working around heavy equipment
 - FCX Health and Safety Policies
 - Roles, responsibility and accountability (employees, supervisor and management.)
 - Stop Work

3.0 Communication, Documentation and Reports

3.1 Health and Safety Meetings and Communication

The FCX Project Manager will hold regular Contractor health and safety meetings where Contractor’s management representative must participate. Additional meetings requiring contractor attendance include, but are not limited to, the following:

Weekly Health and Safety Meetings: At a minimum, each Contractor supervisor will hold a health and safety meeting with employees in his or her work area. Meetings will be documented and records will be made available upon request.

Monthly Supervisor Safety Meetings: Each Contractor will hold or attend a monthly meeting for all supervisors and managers to review safety statistics and safety incidents addressing any safety concerns. FCX Project Manager or

their representatives should be invited to these monthly meetings.

Safety Communications: Each Contractor shall be responsible for sharing with employees pertinent information regarding health and safety as necessary with respect to: health and safety regulatory information, FCX health and safety information, communication of workplace incidents, etc.

3.2 Permits and Inspections

Work activity permits and forms (confined space, hot work, pre-operational inspections etc.) provided by the Contractor are subject to review by the FCX Health and Safety Department for adherence to policies.

The Project Manager will identify any certifications or permits that Contractor may need for equipment, portable units, or scope of project.

3.3 Monthly Report

All Contractors shall provide to the FCX Health and Safety Department and Project Manager (or their delegate) a monthly summary, in connection with the services provided in the preceding month, to include:

- Number of lost time/restricted duty injuries
- Number of medical treatment injuries
- Number of occupational illnesses
- Number of first aid injuries
- Number of near misses
- Number of hours worked by Contractor employees (Note: Hours and injuries reported must be specific to the location where services are being performed).
- TRIR (specific to the location where services are being performed)
- Fire incidents
- Vehicle equipment damages
- Property damages

These reports are to be project specific, not company-wide, and are DUE NO LATER THAN THE 5TH DAY OF EACH MONTH during the term of services being provided.

3.4 Documentation

Records of training, permits, safety meetings, etc. shall be maintained for the duration of the project/contract plus a minimum of three years, unless there is a regulatory requirement for them to be retained for a longer period of time.

4.0 Assessments, Inspections and Audits

Audits and/or inspections must be conducted to identify deficiencies and positive elements in health and safety performance to build and maintain a positive safety culture. They must be documented and corrective actions assigned to correct deficiencies, identify and track trends and evaluate the effectiveness of training and health and safety procedures and to ensure regulatory compliance. Contractor employees should be given opportunities to become involved with these audits and inspections. The type of audit and/or inspections required are listed below.

Workplace Examination

Each workplace will be examined by a competent person for conditions that may adversely affect the safety or health of Contractor employee(s). The workplace must be examined at least once each shift, before work begins or as

Contractor employees begin work in that place.

Monthly Project Audit

The FCX and Contractor Project Manager shall jointly organize and perform a monthly documented health and safety assessment. Their supervisors and safety professionals should accompany them in their respective areas. Audit results will be documented and corrective actions will be identified and tracked to completion.

Equipment and Facilities Inspections

All Contractors shall operate, inspect and maintain equipment and facilities as directed. Each operator of stationary and mobile equipment must complete a written pre-operation inspection of the equipment prior to operation. Any deficiencies identified from the inspection will be corrected in a timely manner; however, if any represent an immediate safety hazard they must be corrected before the piece of equipment is placed into service. Any documentation related to Contractors equipment and facilities shall be made available for review upon request.

The FCX Project Manager shall be notified when any additional equipment is added or changed after the project has commenced.

FCX reserves the right to inspect equipment prior to acceptance onto FCX property and anytime during use of the equipment on property. Equipment found to have deficiencies will be tagged out or removed from property until such deficiencies are corrected.

External Audits

Health and Safety Department and/or Contract Administrators or their delegates, will perform periodic, comprehensive safety audits of the Contractor's work areas. Any deficiencies will be documented. The Contractor will be required to respond in writing with the corrective actions taken or plan to address deficiencies. Follow-up audits will be conducted as necessary.

5.0 Specific Safety Requirements

5.1 Hazardous Substance Management

- All hazardous substances, including chemicals require prior approval from the Health and Safety Department and environmental department before being brought to the project.
- The Contractor shall provide a list of all hazardous substances proposed for use for the services being performed along with the corresponding safety data sheet (SDS), the anticipated quantity, and the use and storage location. This shall be made available to FCX for approval purposes.
- The list and respective SDS shall be updated on an ongoing basis -- substances previously not included in the initial submittal are subject to project approval and must undergo review before being brought onto the FCX property.
- Care shall be taken to select and use materials which can successfully accomplish the required work with minimal health or environmental impact.
- All hazardous substances must be removed from the project within three days of completion of the work involving the substances, or within three days of completion of the contract, whichever occurs first.
- Contractors must maintain the most current SDS provided by manufacturers and distributors.
- Contractors must have an established Hazard Communication Program that meets all national, regional and local requirements.

5.2 Personal Protective Equipment

All Contractors are responsible for providing and ensuring use of the required personal protection equipment (PPE). Each work area will be reviewed as to the hazards present, and appropriate PPE to control these hazards will be

provided.

General Requirements

- Wearing jewelry is not permitted in areas where moving parts or equipment is located and/or where chemicals are being used.
- Approved, non-conductive hardhats are mandatory in all project areas 100% of the time.
- Aluminum hard hats are not allowed.
- All PPE shall be visually inspected by the employee before use and after any event which may have adversely affected the PPE.
- Nothing shall be worn between the hardhat and head unless approved by the Project Manager or his delegate.
- Safety glasses with side shields will be provided by the Contractor and are mandatory at all times.
- Appropriate gloves shall be provided and worn when handling hazardous objects or substances that could cut, tear, burn, be absorbed through the skin or otherwise injure the hands or health of employees.
- Safety boots/shoes as appropriate for the work location are required. Bare feet, tennis shoes, sandals, or other footwear that doesn't meet the standard are prohibited. Metatarsal protection may be required when operating tamping equipment and where employees handle or carry heavy tools or objects.
- Other required equipment used under unusual circumstances such as high temperature work, handling corrosive liquids, etc., not specifically covered in this section shall be reviewed by the Project Manager with the Contractor and will be furnished by the Contractor when required.
- PPE shall be destroyed if it has been altered in any manner that reduces effectiveness.
- A tag line shall be used to control all loads and there will be no multi-tiering of loads (Christmas-Treeing).

Respiratory Protection

When necessary, Contractors will provide their written respiratory protection policy to include:

- Selection and use of respirators that specifies which respirator to use under specific conditions.
- Procedures for medical evaluation of each employee required to use respiratory equipment (**Note:** Medical clearance is required prior to respirator use).
- Procedural systems to ensure proper respirator usage is adhered to at all times, including policy of clean-shaven faces to ensure proper seal of respirator to face piece.
- Initial and annual training for employees on the proper use and limitations of respirators to be used for routine or emergency work to include respirator selection, functions and limitations of individual respirator types.
- Procedures and schedules for cleaning, disinfecting, storing, inspecting, repairing, discarding and otherwise maintaining respirators.
- Identification of, and communication on, workplace areas and job-specific tasks requiring respiratory protection to all employees.

Hearing Conservation

The criteria and requirements for occupational noise exposures are contained in FCX Health and Safety Policy. Employee hearing will be protected per accepted hearing conservation measures. Contractor hearing conservation programs will include:

- A written hearing conservation plan.
- Engineering and administrative controls to reduce employee exposures to 85 dBA or less.
- Training on the effects of noise exposure and the proper use of earplugs and earmuffs.

5.3 Other

Highway Work

All work on, or adjacent to, existing public and jobsite roadways shall be performed in conformance to project

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requirements and applicable regulatory requirements.

Protection of Employees and the Public

All necessary precautions shall be taken to prevent injury to the public or damage to property of others. Precautions to be taken shall include, but are not limited to, the following:

- Work shall not be performed in any area occupied by FCX employees, any of its contractors, or the public unless specifically allowed by FCX.
- When it is necessary to maintain public use of work areas involving pedestrian ways and vehicular roadways, Contractors shall protect the public with appropriate shields, signage, barricades, guardrails, adequate visibility and entrance/exit.
- Appropriate warnings and instructional safety signs shall be conspicuously posted. In addition, a signalman shall control the movement of motorized equipment in areas where the public might be endangered.
- A temporary fence shall be provided around the perimeter of aboveground operations and excavations adjacent to public areas.
- Barricades shall be provided, where required, between work areas and walkways unless fences, guardrails, or sidewalk sheds have been used. Barricades shall be secured to prevent accidental displacement and shall be maintained except where temporary removal is necessary to perform the work. During the period when a barricade is temporarily removed for the purpose of work, a spotter shall be positioned at each opening in the barricade.
- Temporary sidewalks shall be provided when a permanent sidewalk is obstructed by a Contractor's operation.
- When night work is performed, illumination shall be provided from dusk to sunrise for all temporary walkways in both owner- controlled and project areas.

Weapons

FCX prohibits the use or possession of weapons on any FCX controlled property or event unless allowed by national, regional or local laws.

Freeport-McMoRan-controlled premises include, but are not limited to, office and parking facilities, access areas and walkways, company-controlled (owned, leased) vehicles and equipment, desks and lockers, and other storage facilities.

Weapons include, but are not limited to, firearms, explosives, knives, and other substances and devices that may be considered dangerous or have the potential to cause harm to people or property.

6.0 Environmental Requirements

Contractors will comply with all applicable laws, rules, regulations, and standards, including FCX Corporate Environmental Policy, which may be obtained under the "Supplier" section at FCX.com. The Project Manager and site Environmental Department will decide whether permits or authorizations will be obtained by contractor or site. When obtained by the Contractor, they should be submitted to the Project Manager prior to commencing work. Additionally, the Contractor will:

- Immediately notify the Project Manager of any spills, releases or other environmental incidents and take all reasonable steps to prevent and clean up any release or spills.
- Provide and maintain adequate secondary containment for all hazardous chemicals, petroleum related products and process solutions that could damage the environment.
- Provide and maintain appropriate spill kits in work areas where petroleum products or hazardous materials are used.
- Properly label, accumulate and dispose of all waste materials generated from activities in accordance with project guidance. The contractor shall coordinate all disposal activities with the Project Manager.

- Prevent discharges to drains and/or sewers and not add, disturb, or modify stormwater controls or outfalls without prior written approval.
- Not approach, handle, harm, or harass wildlife in any manner. Feeding animals is strictly prohibited. Contractor will notify the PM regarding any wildlife matters.
- Not disturb or take any cultural resources.
- Prohibit eating, drinking and smoking where chemicals, hazardous materials or waste materials are present.

7.0 Emergency Action and Incident Reporting

In the event of a serious incident or injury, immediately activate the project emergency response/notification system, maintain scene safety and trained Contractor personnel should render first aid to any incident victims. FCX will address any media inquiries or announcements and make other decisions critical to the overall site and project.

Emergency telephone numbers/radio channels must be posted in areas accessible to Contractor employees.

If an incident requires immediate notification to government agencies, the area must be secured and nothing disturbed or removed after evacuation of the injured employee until approval from all government agencies, and FCX representatives is received. The area can only be released by an authorized representative of FCX.

7.1 Incident Reporting

- Incidents of a serious nature may require “immediate” notification to government agencies. Contractors are responsible for this notification in the time limits set in regulation. Once time sensitive reports are made, the FCX health and safety representative must also be notified.
- All incidents shall be reported to the FCX Health and Safety Department immediately with the initial written report to be submitted by shift end. Initial reports will include, at minimum:
 - Location of incident
 - Name of persons involved
 - Equipment involved
 - Time/date of incident
 - Nature of incident: occupational injury, occupational illness, near miss, property damage
 - Brief description of incident
 - Where injured (body part)
 - Name of person contacted for report
- Written final report is due to the Health and Safety Department within 48 hours of the incident, unless otherwise extended based on severity of incident.
- Each incident will be reviewed immediately to determine if it had the potential to result in a fatality. In such instances, the event will be investigated with the same rigor as if a fatality had actually occurred.
- Contractors may be required to conduct or participate in any investigations and/or root cause analysis (RCA).
- Action plans may be developed and implemented to prevent re-occurrence.

7.2 Emergency Response

All Contractors have responsibility for developing and maintaining a current emergency response/evacuation plan for their employees on the project. An emergency or disaster is an event or condition, which has the potential of causing bodily injury or harm to employees and/or significant damage to the property and/or infrastructure.

Contractors will develop a project specific emergency response plan in coordination with the project and site-specific plans and procedures to include evacuation routes, rally point locations, emergency responders, communication

plans, emergency alarms/signals and employee training. These plans must be posted in all Contractor controlled/inhabited locations.

8.0 Drug and Alcohol Testing/Programs

It is the position and intent of FCX to maintain a workplace free from the use and influence of drugs and alcohol—this includes all stakeholders in a safe workplace, including Contractors. Contractors with drug and alcohol programs shall have a written drug and alcohol program consistent with national, regional and local regulations. It shall be made available to FCX upon request. Contractors without drug and alcohol programs shall notify the FCX Project Manager, in writing of their lack of a drug and alcohol program.

For small Contractors (fewer than 10 employees) or Contractors without a program will need to work with the Project Manager and site resources to identify and coordinate the resources (collection services, labs, MRO, consortium, etc.) to accomplish the objectives of the program, such as, but not limited to initial, random, or for cause testing. Aspects of the program such as costs associated with testing, management of the employees tested, consequences of positive tests results, schedules for random testing, etc. are and remain the responsibility of the Contractor.

Contractor employees shall be subject to an initial test, with a negative result, prior to performing services on any FCX properties or projects. They shall be periodically included in the FCX contractor managed, unannounced random testing schedule with a probability of 20% (or one chance in five) of Contractor's employees being selected for testing in a calendar year. Only negative or non-negative test results will be submitted to FCX, no personal identifying information should be provided.

8.1 Testing Requirements

In U.S. operations where allowed by national, regional and local law, all employees or agents of Contractors performing services on FCX property, will be required to participate in the site drug and alcohol surveillance program, where a NIDA-certified laboratory must be used. For any other operations, a certified lab shall be used where they are required by local regulators. Drug and alcohol testing shall occur at the time of employment under the provisions of the Contractor drug and alcohol program. In those instances where the worker leaves the employment of the Contractor, and then subsequently returns, shall be retested as a part of the rehire process. The Contractor must maintain an ongoing drug and alcohol program that includes, but it not limited to, random, for cause, and post-accident testing. A lapse or deactivation of the program will require that all employees assigned to work at any FCX property be tested prior to being on site. The screening test shall require each employee to produce his or her sample (biological sample being one or more of the following: urine, blood, hair, breath as applicable and relevant). FCX will not bear the cost and expenses associated with drug screening.

Employees producing non-negative test results will NOT be allowed to work on any FCX property for a period of two years from the date of testing.

Contractors who have programs for rehabilitation or "multiple strikes" must notify FCX immediately upon learning of the positive results and remove that employee from the property/project and ensure they are not assigned to another FCX location/project during the two-year suspense period.

All test results will be handled with the utmost confidentiality. Information will be provided only on a need-to-know basis. All samples will be conveyed maintaining a documented chain of custody at all times.

8.2 Enforcement

Contractors will not tolerate the use, possession or distribution of alcoholic beverages or drugs on FCX property, nor the presence of any person under the influence of drugs or alcohol. Individuals found in violation of this policy will immediately be escorted off the property. Accordingly, persons who exhibit behaviors causing there to be reasonable

suspicion that they may be under the influence of drugs and/or alcohol will be directed to leave FCX property. These persons may not return until their employer can certify to FCX that the employee has passed a timely drug test and/or noninvasive test for alcohol and, in fact, was not under the influence of drugs or alcohol. Individuals testing positive, or who tamper with or alter a drug and/or alcohol sample, or who refuse to submit to testing in a timely period will forfeit their right to work at any FCX property.

On a quarterly basis, the Contractor shall provide information on their drug and alcohol testing processes and program which details:

- The number of persons tested each year, aggregate for the quarter being reported
- The number of non-negative results determined each year, aggregate for the quarter being reported
- The percentage of persons selected to be randomly tested along with the frequency of random testing
- The name of the consortium they participate in (if applicable)
- The name of the MRO
- A basic program description which describes the processes in place and who manages the program

NOTE: The Contractor shall not submit any confidential information of the individuals who have been or are subject to testing.

Appendix A: OSHA-Regulated Sites

Most construction safety standards will be under CFR 29, part 1926. Additional safety standards may be covered under CFR 29, Part 1910 - General Industry Safety Standards. All Contractors are required to comply with all applicable Health and Safety Standards under both 1910 & 1926.

Inspections

OSHA requires that all employers initiate and maintain effective health and safety programs. Health and Safety programs are to provide for frequent and regular inspections of work areas, materials, and equipment. Deficiencies or problems will be noted and corrected prior to operation. Documentation of inspections will be kept for the duration of the project.

Reporting

Each employer must post an OSHA Job Safety and Health Protection poster in a prominent location at the project site. An OSHA-prescribed Log and Summary of Occupational Injuries and Illnesses must be maintained by each employer.

Within eight (8) hours after the death of any employee as a result of a work-related incident, you must report the fatality to OSHA.

Within twenty-four hours after the in-patient hospitalization of one or more employees or an employee's amputation or an employee's loss of an eye, as a result of a work-related incident, must be reported to OSHA.

Hazard Identification and Control

The employer shall instruct each employee in the recognition and avoidance of unsafe conditions and the regulations applicable to his work environment to control or eliminate any hazardous or other exposure to illness or injury.

Appendix B: MSHA-Regulated Sites

Certain regulations are highlighted in this section. However, Contractor will be required to follow all the applicable regulations set forth in the Code of Federal Regulations (30 CFR).

30 CFR Part 41: Notification of Legal Identity

Contractors conducting mining, milling and/or crushing operations shall notify MSHA of the operation and be assigned a legal identity number. Correspondence shall include the site Mine ID number with the Contractor ID number as an added extension. Reporting and filing shall be kept separate for each site that the Contractor works. The contract company shall also make notification to the State Mine Office where applicable to obtain a State Mine ID number.

30 CFR Part 43: Procedures for processing hazardous conditions complaints

30 CFR Part 45: Independent Contractors

General Enforcement policy for Independent Contractors

Definition of Independent Contractor

MSHA identification of independent Contractors Independent Contractor register

30 CFR Part 48: Training and Retraining of “Miners”

All training is required to be completed prior to an employee commencing work activities

All training shall be documented on a 5000-23 form

All Contractors should submit a training plan for approval by MSHA and have an approved instructor for on-site training. Cooperative training may be utilized for Surface Operations. This includes two days of classroom training. Companies should realize, however, that new miner training includes an additional day of training (24 hours). The third day of training must be completed on the mine site prior to work assignment and a 5000-23 must be signed by an MSHA-approved instructor.

For underground operations, this includes 30 hours of classroom training and at least 8 hours on the mine site.

30 CFR Part 56 and 57: Metal/Non-Metal Safety and Health Regulations

All Contractors shall comply with all regulations mentioned above as well as any and all regulations set forth in the CFR30. At any time, FCX representatives may conduct health and safety audits to ensure compliance and or note improvements.

FCX safety professionals may assist with questions concerning federal or state regulation compliance.

30 CFR Part 50: Accident, Injuries, Illnesses, Employment, and Coal Production in Mines

The following sections of the Act should be reviewed and understood by Contractors working on an MSHA regulated site:

- Citations for Failure to Report Under Part 50
- Part 50 Audit After a Fatal Accident
- Part 50 Notification, Investigation, Reporting and Recordkeeping Requirements
- Reporting and Investigating Blocked Passage through the Tailgate Side of Longwall
- Mining Operations in Coal Mines
- Criteria – Differences Between Medical Treatment and First Aid

30 CFR Part 50.10: Immediate Notification

If specific types of incidents occur, an operator shall immediately (within 15 minutes) notify MSHA by telephone at (800) 746-1553. Once this notification is made, Contractors must notify FCX of the event. Additionally, many states also require such notification. It is the responsibility of the Contractor to identify and comply with both state and federal notification requirements.

30 CFR Part 50.2(h): Accidents Requiring Immediate Notification

A death of an individual at a mine

An injury which has a reasonable potential to cause death

An entrapment of an individual for more than 30 minutes

An unplanned inundation of a mine by a liquid or gas

An unplanned ignition or explosion of gas or dust

An unplanned mine fire not extinguished within 30 minutes

An unplanned ignition or explosion of a blasting agent or an explosive

An unplanned roof fall at or above the anchorage zone in active workings where roof bolts are in use; or an unplanned roof or rib fall in active workings that impairs ventilation or impedes passage

A coal or rock outburst that causes withdrawal of miners or disrupts regular mining activity for more than an hour

An unstable condition at an impoundment, refuse pile, or culm bank which requires emergency action to prevent failure, or which causes individuals to evacuate an area; or failure of an impoundment, refuse pile or culm bank

Damage to hoisting equipment in a shaft or slope which endangers an individual or which interferes with use of the equipment for more than 30 minutes

An event at a mine which causes death or bodily injury to an individual not at the mine at the time the event occurs

30 CFR Part 50.20: Preparation and submission of MSHA Report form 7000-1 – Mine Accident, Injury, and Illness Report

All incidents meeting the reportable criteria shall be reported using the 7000-1 form. If the incident is reportable but does not meet the immediate notification criteria, the form shall be submitted within 10 days of notification of the injury. The incident reflected on the 7000-1 form must be summarized quarterly on the MSHA 7000-2 form.

Incident Investigation

Any accident or incident resulting in a fatality, lost time injury, medical treatment injury, damage to property or equipment, or a serious near-miss is to be thoroughly investigated by the Contractor as soon as the situation is under control.

Results of the investigation, including signed witness statements, photographs, first report of injury forms, complete analysis, sketches, drawings (used to pinpoint distance and location, etc.) shall be documented and signed. A complete copy shall be available for review by FCX, and where required by regulatory agencies.

In addition, the employer must complete the Arizona State Mine Inspectors Accident Report (if operating in Arizona) for each lost-time incident.

Any Contractors with questions concerning training requirements should not hesitate to contact FCX Health and Safety Department.

All courses and related training material must be adapted to the specific operation and practice where a Contractor's employees work, and must be conducted in the manner as described in the Contractor's approved training plan in accordance with CFR 30 Part 4.

Appendix C: FCX Health and Safety Policies

These policies can be obtained from the DOHS SharePoint page on FCX Web and also available from the FCX Project Manager or the “Suppliers” section on FCX.com.

- FCX-HS01 Administrative Requirements
- FCX-HS02 Work at Heights
- FCX-HS03 Electrical Safety
- FCX-04 Control of Hazardous Energy, LOTOTO
- FCX-HS05 Confined Space
- FCX-HS06 Hot Work
- FCX-07 Property Entry Guidelines, Surface Mines, North America
- FCX-08 Cellular and Handheld Communication Devices
- FCX-09 reserved
- FCX-10 reserved
- FCX-11 MSHA Training Requirements for Contractors and Visitors
- FCX-HS12 HDPE Pipe Handling
- FCX-13 Utility Location (Blue Stake)
- FCX-14 reserved
- FCX-15 Surface Blasting
- FCX-16 Bus Safety
- FCX-17 Hazardous Gas Monitoring Systems
- FCX-18 reserved
- FCX-HS19 Flagging and Barricading
- FCX-20 Shovel Move
- FCX-21 reserved
- FCX-22 Industrial Railroad
- FCX-23 Interaction with Heavy Mobile Equipment
- FCX-24 reserved
- FCX-25 Material Handling and Conveyance
- FCX-26 EW ER Electrical Safety
- FCX-HS27 Medical Monitoring
- FCX-HS28 Sulfuric Acid Bulk Handling
- FCX-HS29 Standard Safety Requirements

Appendix D: HASP Template/Guidance for Contractors

A project-specific Health and Safety Plan (HASP) should describe the project and proposed work; all related hazards/risks and controls; what to do if things go wrong, and the expectations of all involved. It is a written plan for conducting the work in a safe and healthful manner to protect workers and the public. It is meant to be read and understood by the workers and followed. Therefore, it should be project-specific, practical and concise. More information does not necessarily mean a better HASP. The level of detail should be commensurate with the complexity of the work.

IMPORTANT: A HASP should NOT include copies of Freeport-McMoRan H&S Policies, the Freeport-McMoRan Contractor Health and Safety Manual or the contractor's written Health and Safety Program or Program elements (e.g., Drug and Alcohol Program, Medical Surveillance Program, Hazard Communication Program, Respiratory Protection Program, Hearing Conservation Program, PPE Program, etc.). Instead, all Policies/Programs/Program elements that are relevant to the work should be referenced, where necessary, but NOT included in the HASP. Again, the goal is to be project-specific, practical and concise.

Below is an outline template, which can be used as a general guide for creating a HASP. At a minimum, a HASP should address any pertinent topics listed in the outline.

1. Applicability

Describe who the HASP applies to and the location where it will be kept (must be on-site).

2. Project Location/Description

Include the project name, project address, date of work, date HASP prepared, site map, history (including background on why the work is being done) and site characterization including description of any constituents of potential concern and know concentration ranges.

3. Scope of Work

Describe the project tasks.

4. Organization and Coordination

Identify key personnel (names, titles, contact information including phone and email), general functions and responsibilities, lines of authority.

5. Expectations

Define the standards of conduct including the use of the "buddy system", stop work authority and compliance with Regulations, Drug and Alcohol Policy, and all other FCX Policies, Programs and the Contractor Health and Safety Manual, etc.

6. Management of Change

Define when the HASP requires revision and who approves. HASP must include a requirement that it be updated, as necessary, to reflect any changes in the work, site characterization or site conditions.

7. Communications

Define what is communicated, with whom, when and how, including job site communication methods (e.g., radios, phones, horns, etc.), safe production communication (i.e., kick off meeting), daily tailgates (i.e., line-out meetings) or pre-job meetings (which are required before initiating any site activity), monthly safety meetings and communication with contractors and sub-contractors.

8. Risk Management

Describe the hazards and risks associated with each operation or process conducted and how they will be managed. Include ALL relevant health and safety hazards and environmental and property loss risks (e.g., confined spaces, working at heights, hazardous energy, silica, dust, constituents of potential concern, chemical hazards, biological hazards, radiological hazards, etc.). Describe the controls used to mitigate any unacceptable risks using the hierarchy of controls (e.g., guarding, water sprays, utility locate, lift plans, confined space permits, etc.).

9. Training

Describe the training requirements and process for the various job tasks (initial and refresher). For example, do equipment operators have hands on training and assessment? HASP must state that employees working on the project must be trained to the level required by the work, their job function and responsibilities, and those that are not, cannot participate in or supervise field activities. Training must include regular Emergency Plan rehearsal. Specify the location of training documents and certificates.

10. Personal Protective Equipment (PPE)

Describe the PPE to be worn by personnel during various project operations. HASP must reference the contractor's PPE Program that addresses selection, use limitations (including temperature extremes), maintenance, storage, decontamination, disposal, fitting, donning and doffing and inspection.

11. Medical Surveillance

Describe any project medical surveillance requirements. If medical surveillance is required (e.g., for work under regulatory program, respirator use, etc.), the HASP must reference the contractor's written Medical Surveillance Program.

12. Personal and Environmental Monitoring

Describe the program for periodic air monitoring, personnel monitoring and environmental sampling, if needed per project scope, including the techniques and instruments to be used, the frequency and types of monitoring, action levels, methods of maintenance and calibration of monitoring equipment and documentation.

13. Project Access and Control

Identify the exclusion, decontamination and support zones, if applicable, and describe project security measures to keep unauthorized persons from the project /work.

14. Sanitation

Describe toilet and washing facilities, project personal hygiene practices and workers access to potable water (in case of remote access work, this may require "Wilderness techniques").

15. Decontamination Procedures

Describe any possible types of contamination and decontamination procedures for people and equipment, if needed. If decontamination procedures are necessary, the HASP must include requirements that all employees leaving a contaminated area must be appropriately decontaminated; all contaminated clothing and equipment leaving a contaminated area must be appropriately disposed of or decontaminated; decontamination must be performed in geographical areas that will minimize the exposure of uncontaminated employees and equipment to contaminated employees and equipment; all equipment and solvents used for decontamination must be decontaminated or disposed of properly, and that protective clothing and equipment must be decontaminated, cleaned, laundered, maintained or replaced as need to maintain their effectiveness.

16. Standard Operating Procedures (SOPs)

Reference all applicable Freeport-McMoRan SOPs and any applicable contractor SOPs that have previously been submitted for review (e.g., LOTOTO, utility locate, confined space entry, etc.). Include any contractor SOPs that have not been previously submitted for review. Include any SOPs for those activities that can be standardized and where

a checklist can be used.

17. Permits/Audits/Inspections

Describe any required inspections (e.g., equipment inspections, workplace examination, etc.), permits (e.g. confined space, hot work, utility locate, etc.) and audits (compliance, fatality prevention, etc.) and the frequency of audits (e.g., daily, weekly and monthly) and who is involved. The HASP must include a requirement for planned inspections by a project health and safety supervisor or, in the absence of that individual, another individual who is knowledgeable in occupational health and safety, to determine the effectiveness of the HASP. HASP must include a requirement that any deficiencies in the effectiveness of the HASP are corrected.

18. Spill Containment Program

Where major spills may occur, the HASP should reference the contractor's written Spill Containment Program to contain and isolate the entire volume of any potential hazardous material spill.

19. Incident Notification, Reporting and Investigation

Describe the required methods and procedures for notification, reporting and investigation of incidents.

20. Emergency Plan

Describe the contingency plan for safe and effective response to handle anticipated emergencies. Include pre-emergency planning (including locations and directions, with map, to the nearest medical services), personnel roles (including contact info), lines of authority and communication, project security and control, evacuation routes and procedures, emergency decontamination, which are not covered in the decontamination section of the HASP (if necessary), emergency medical treatment and first aid, emergency alerting and response procedures, critique of response and follow-up and emergency PPE and equipment. Plan should also include project topography, layout and prevailing weather conditions (if necessary); procedures for reporting incidents to local, state and federal governmental agencies; provisions for regular Plan rehearsals, and provisions for periodic Plan review and revision, if necessary. Plan should also include an employee alarm system to notify employees of an emergency; to stop work activities, if necessary, to lower background noise in order to speed communications and begin emergency procedures.

21. Acknowledgement

Documentation of acknowledgement with signature(s).