

Supplier Summit 2018

Services / Contractor Breakout Session



Topics of Discussion

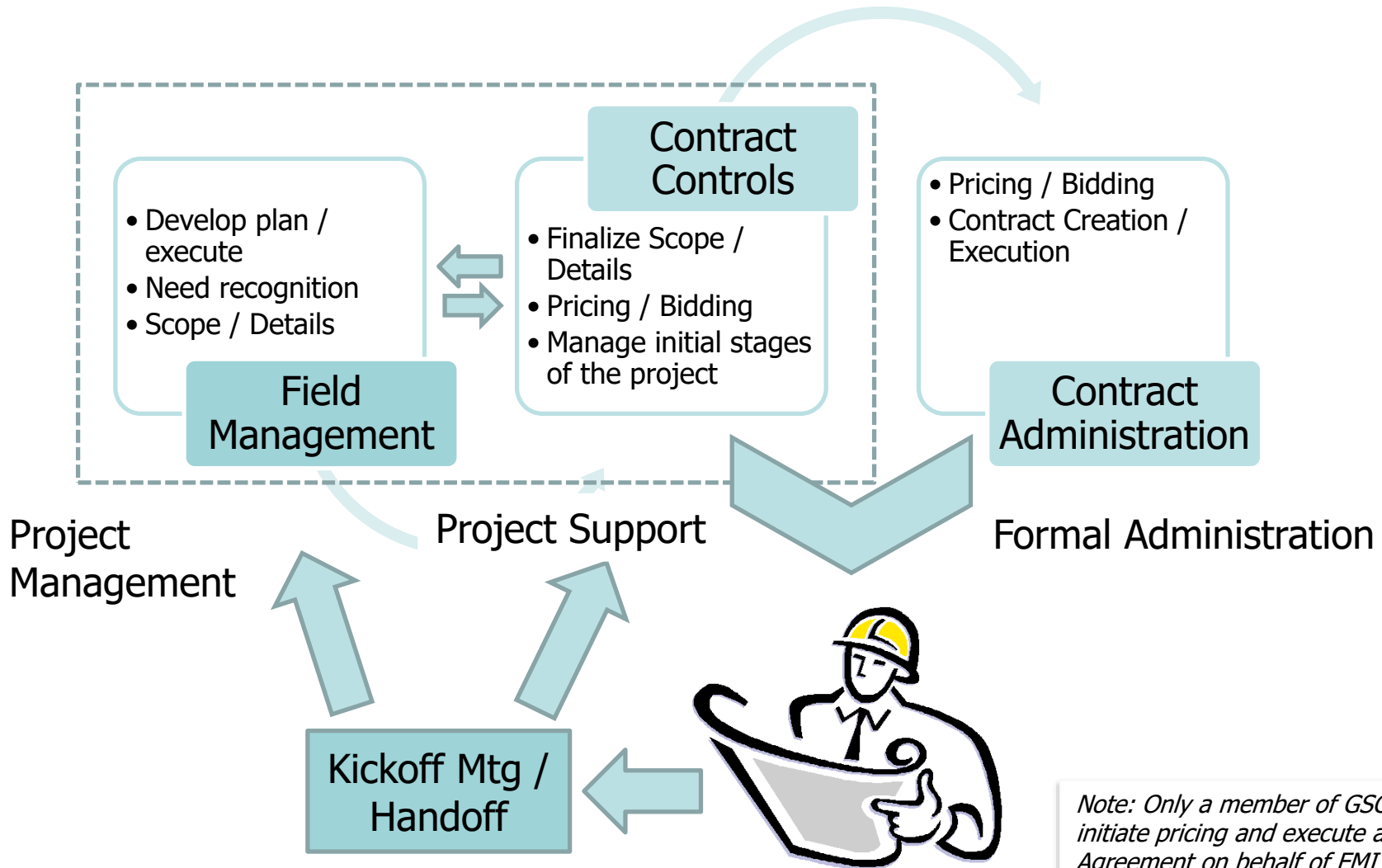
- **Contracting Roles & Responsibilities**
- **Contracting Process**
- **Onboarding**
 - **Requirements**
 - **Browz**
 - **Contractor Badging**
- **Scorecard**
- **Q&A**

Roles & Introductions

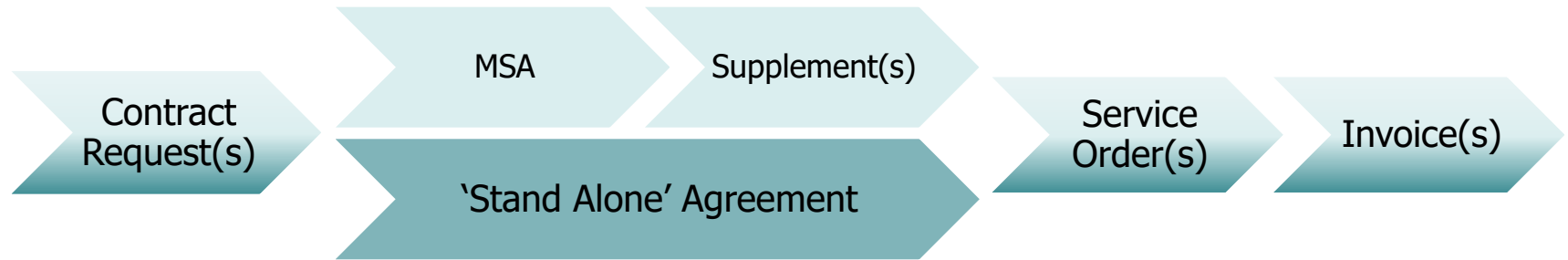
- **Corporate - Contracts**
 - **Cindy Barber – Director**
 - **Brenda Mitchell – Contracts Manager**
 - **Steve McBride – Commodity Manager**
 - **Kelly Clark – PTFI Contracts & Underground**
 - **Hugo Toro Gonzalez – Commodity Manager**

- **Sites**
 - **Contract Controls, where available**
 - **Contracts Administrator**
 - **Contract Lead**
 - **GSC Management**

Contracting Roles & Responsibilities

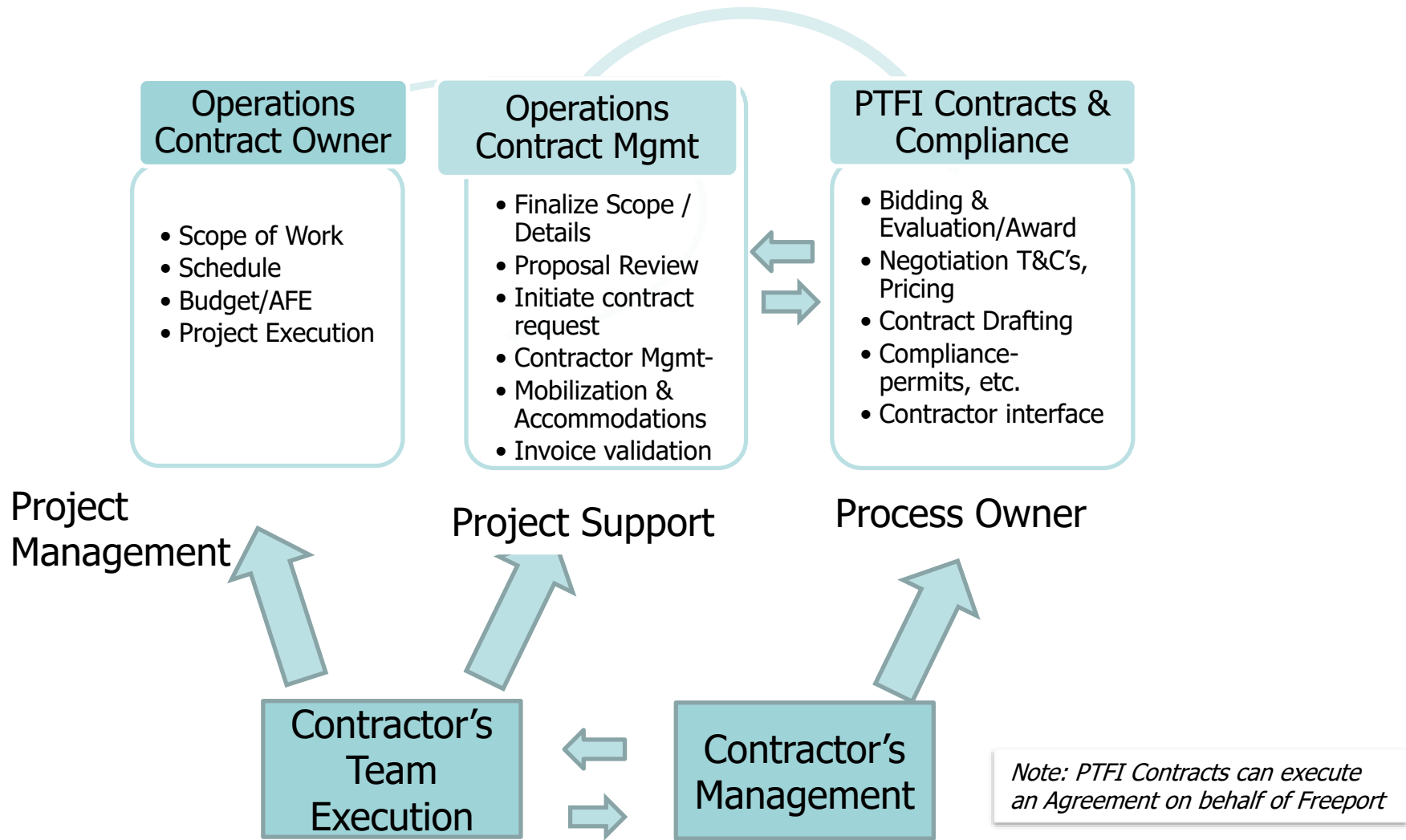


Contracting Process

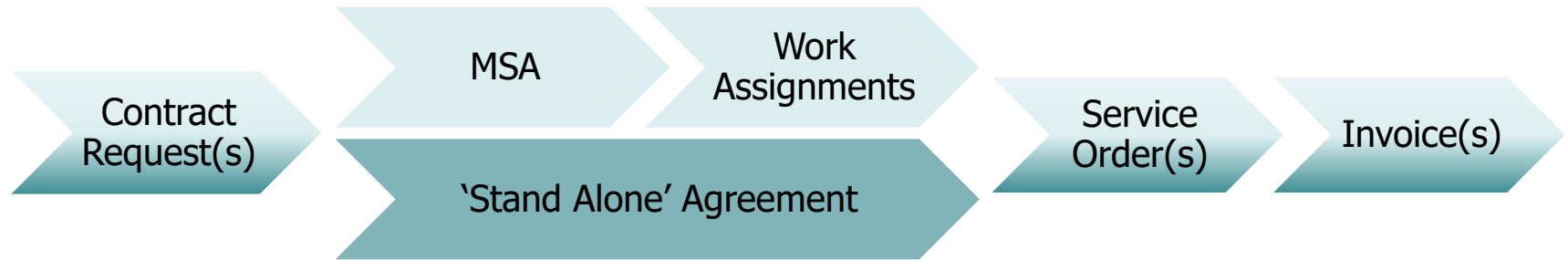


- **FMI Policies**
 - **Contractual Requirements**
 - **Invoicing requirements & phases**
 - **New lease standard**
 - **Signatures**
-
- **How do we get on FMI's bidder's list?**
 - **Browz (TBD)**

PTFI Contracting Roles & Responsibilities



PTFI Contracting Process



■ Contractual Requests

- Scope/Requirements
- Staffing/Resources
- Schedule
- Budget

■ Unique PTFI Requirements

- PT entity or relationship w/ PT entity
- Government Permits
- Manning tables/ Import regulations
- Taxation requirements
- Local content requirements- including manpower

PTFI Contracts Overview

- **Workforce Overview**
 - Contractors ~22,000
 - Direct Employees ~7,000
- **Contract Methodology**
 - Service Contract Structure
 - Moving toward “turn-key” type service delivery, Site presence helps
 - Limited expat staffing; more in-country content & staffing
- **Contractor Success Attributes**
 - Support & Responsiveness
 - Flexible & adaptable to changing business conditions
 - Market competitive w/ regard to pricing
- **Future- starting mid-2019 UG Mining only operation**
 - DOZ- Deep Ore Zone
 - DMLZ- Deep Mill Lower Zone
 - GBC- Grasberg block Cave

Contractor Onboarding

- Consistency across sites
- Browz
 - TBD
 - Key areas for FMI
 - Background Screening
 - Insurance Requirements

- Contractor Safety Manual - rewrite



FMI Badging Program

Badging is part of FMI's ongoing initiative to ensure Site Access Control at our North American properties. Contractors will be required to obtain an FMI issued contractor badge prior to commencing work at an FMI property.

- Process must be completed at each site the contractor will be working at
- A single badge can be used at all FMI properties with approval by local GSC
- Badge process should be started at least 5 days before work is to start

Badge Issuance Process



Self Service for High Volume Contractors



*The provisioning of an FM Partner account and training for Access Management System can be organized through your local FMI Global Supply Chain contact.

North American Projects

Morenci

1. AC2/3 Stockpile Liner ('20, '21)
2. Housing Additions
3. Silver Basin Stockpile & Dam
(continue through 2020)
4. Tailings Storage Facility Phase 2
(‘18, ‘19)
5. District Dewatering
6. Morenci District ROM Stockpile
7. Infrastructure Relocation (‘21, ‘22)

Miami

1. Concentrate Storage
2. 2019 Turnaround
3. 2020 Turnaround (large project)

Safford

1. Lonestar
2. 2019 Acid Plant Turnaround
3. Roaster Turnaround

Henderson

1. Sag Mill Electrical (2021)
2. 3 Dam Buttress (‘18 – ‘21)
3. Roaster Turnaround

Climax

1. 5 Dam Booster Pump station & Pipeline
2. Columbine Ditch Pipeline
3. Interceptor Pipe Replacement

North American Projects

Bagdad

1. Expansion
 - Tailings
 - Community Planning
 - WWTP
 - Roads
2. Copper Cleaners & Regrind Mill Replacement
3. Upper Mammoth Tailings
 - Feed pipe relocation
 - Rockfill Dam Lifts
4. Wickieup Trunkline Re-Route

Chino

1. Cobre Haul Road (complete)
2. Pit Dewatering System
3. North Lampbright Waste Stockpile – Vertical Well System

Sierrita

1. Incremental Expansion
2. Demetrie Stockpile Stormwater Controls (2021 & 2022)
3. Roaster Turnaround

Fort Madison

1. Waste Water Treatment Plant
2. Chemical Plant Upgrades

Other

1. Acid Plant Transfer Station

South American Projects

Cerro Verde

Active Agreements: 1400
Contract Administrators: 14
Contract Controls: 29

Main Projects

1. Relocation facilities -Construction of new truck shop:
 - Relocation Facilities Phase I
 - Facilities Mine Maintenance Phase II
 - Facilities Mine Maintenance Phase III
2. Stator Change - Mill plant C1 (2018,2019, 2020)
3. Regrowth of PAD 1 PHASE III
4. Jacking Header extension
5. Drain Expansion (Linga and Enlozada)
6. Increase of storage area for Linga Dams 3 & 4
7. Waste Landfill Pond 2A
8. Manufacture and installation of guard protection for belts for plants C1, C2, Hydrometallurgy Plant.

South American Projects

El Abra

Active Agreements: 1400
Contract Administrators: 14
Contract Controls: 29

Main Projects

1. Change Overland Conveyors:
 - CV-102 # 1
 - CV-205 # 3
 - CV-206 # 1 ('18, '19)
2. Standard Portable to Ramp Portable 1 ('18, '19)
3. Change the PLC Processors for Overland Conveyor
4. Upgrade Stripping Machine N°1 N°2 and N°4 ('19)
5. Drill (01 unit)
6. Vibrating screen tertiary
7. Pumping station for acid station ('18, '19)
8. Lan Remediation
9. Main Frame CR 111 ('18, '19)

KPI's / Scorecard

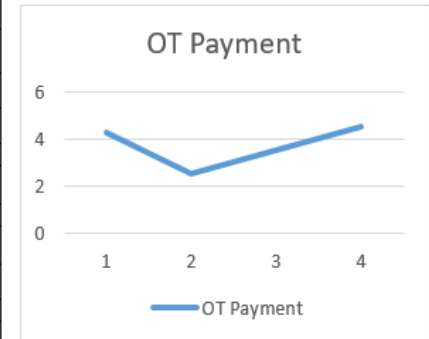
- **New Process**
- **Mutual Engagement and Review**
- **Supplier Relationship management**
- **Tracking takeaways from reviews for continuous improvement**
- **Timing for rollout**

Snapshot of Scorecard

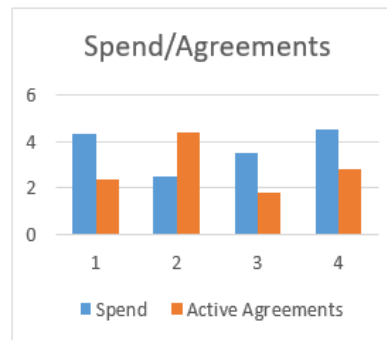
Vendor	Yazmin Montoya
Scorecard Date	February 10, 2018
Reviewed By	Yazmin Montoya
Supplier Contact	Yazmin Montoya

Up to Year Grade
C

	Metric	Description	Weight	A	B	C	D	F	Total Score
Safety, Health, & Environmental			30%						
	TRIR	Safety Score	15%	0	0.5	1	1.5	2	
	BROWZ	Compliance	5%	Compliant				Non-Compliant	
	Survey	Q:1,2	10%	1	2	3	4	5	
Innovation			5%						
	Survey	Q: 3, 4	5%	1	2	3	4	5	
Commercial			20%						
	Invoicing	% Invoice Mismatches/total	5%	95%	90%	85%	80%	80%<	
	Amendments/COs	% Change orders/Contract	10%	95%	90%	85%	80%	80%<	
	Survey	Q:5,6	5%	1	2	3	4	5	
Quality			25%						
	Survey	Q: 7,8,9, 11	25%	1	2	3	4	5	
Responsiveness			20%						
	Survey	Q:10, 12	20%	1	2	3	4	5	
Total			100%						



Item	3 Months	6 Months	9 Months	12 Months
Safety				
Commercial				
Innovation				
Responsiveness				
Quality				
Cumulative				



	1	2	3	4
OT Payment				
Spend				
Active Agreements				

Overall Grade	A	B	C	D	F
	90%+	80%+	70%+	60%+	60%<

POWERED
BY COPPER



**Thank you for
all you do for FCX**

**We are grateful to
have partners like
you!**

