

RIO TINTO CONTRACT MANAGEMENT USING FLEXICADASTRE

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BACKGROUND

- FlexiCadastre was introduced to Rio Tinto Exploration in 2006 primarily to manage Legal Agreements/Contracts in the Africa Europe Region
- FlexiCadastre has now been configured for Tenure Management in 15 jurisdictions across North & South America, Africa/Europe and Asia
- Commercial Managers based in each of the regions are responsible for managing their own Legal Agreements/Contracts

INTRODUCTION

- **Objectives**
- The key RTX's objectives in using FlexiCadastre for Contract Management are to enable:
- A common and globally accessible system for electronically capturing, storing and retrieving RTX's commercial contracts and associated information;
- Contracts to be linked to the tenement management system (i.e. Projects/Spatial data) where this makes sense (e.g. relevant for Confidential Agreements (CAs), but not for service agreements); and
- Management of the significant risks to business (e.g. not paying an option payment in time may lead to loss of tenement/opportunity equals significant risk; versus not paying a fee on time under service agreement equals to low risk in most circumstances)

CONTRACT TYPES

- **High Risk Contracts**
- These are contracts with the potential for significant risk(s) or economic loss including:
 - Confidentiality Agreement;
 - Farmin/Farmout Agreements;
 - Joint Venture Agreement;
 - Mining Agreement;
 - Option Agreement;
 - Revised Agreement; and
 - Royalty Agreement;
- **Low Risk Contracts**
- These are low risk contracts including:
 - Agreement Proposal;
 - Lease Agreement;
 - Miscellaneous ;
 - Purchase Agreement;
 - Service Agreement; and
 - Approved Contractor

CONTRACT MANAGEMENT - OBLIGATIONS

- Examples are:
 - Payments
 - Reporting
 - Expiry
 - Closure
- Contracts will have obligations that need to be met by certain dates.
 - Requirement to spend \$6m by the end of the 5th year
 - Requirement to complete a feasibility report by the end of the 5th year
 - Option to earn extra equity if certain criteria is met by a certain date

CONTRACT MANAGEMENT- ROLES

- The following roles are standard for Contract Management
 - Commercial Manager
 - Contract Manager
 - Exploration Manager
 - Contract Owner
- Notifications are escalated in the following manner
 - Contract Manager- Level 1
 - Contract Owner- Level 2
 - Commercial Manager- Level 3
 - Exploration Manager- Level 4

ADDING AN AGREEMENT

- **Adding an Agreement**
- The following procedure describes the steps involved in adding an agreement onto FlexiCadastre

Agreement >New Agreement Wizard

Code:		Type:		Start Date:	
Name:		Sub Type:		End Date:	
Parties:				Status:	

Agreement Details

CANCEL

Agreement Type:	<input type="text" value="Agreement Proposal"/> *
Sub Type:	<input type="text" value="Agreement Proposal"/>
Status:	<input type="text" value="Approved Contractors"/>
Code:	<input type="text" value="Confidentiality Agreement"/> *
Name:	<input type="text" value="Consultancy"/>
Region:	<input type="text" value="Data access and back in right"/>
Responsible Office:	<input type="text" value="Drilling"/>
Original stored at:	<input type="text" value="Joint Venture Agreement"/>
Signed Date:	<input type="text"/>
Start Date:	<input type="text"/>
End Date:	<input type="text"/>
Summary:	<input type="text"/>

UPLOADING A DOCUMENT

- **Upload Document**
- The following procedure describes the steps involved in uploading a document onto FlexiCadastré.

Note that the documents being uploaded are actually being loaded into the Flexi database as opposed to linking a document to a document management system

The screenshot displays the FlexiCadastré web application interface. At the top, the logo and name 'flexicadastre' are visible on the left, and user information 'User: Glenn Matthe...' and system details 'Version: 3.4.0.05 (Release) Database: 3.4.0.00.352 Instance: Rio Tin' are on the right. A navigation menu on the left lists various sections: Home, Regions, Commodity Group (NAR), District, Project, Licenses, Actions, Approvals, Companies, People, Agreements, Documents (highlighted), Maps, Reports, and My Settings. The main content area is titled 'Documents > Add' and contains the instruction 'Please provide document path.' Below this, there are three radio button options for document upload: 'Upload Document' (selected), 'Reference Document in current location', and 'Reference Document to URL location'. A text input field is provided for the document path, followed by a 'Browse...' button and a note '(Maximum file size of 50 MB)'. A 'NEXT' button is located at the bottom right of the form area.

AGREEMENT OBLIGATIONS

- **Agreement Payments**
- The result of completion of this scenario is that you will complete making a payment for an Agreement.
- **Agreement Reporting**
- The result of completion of this scenario is that a series of report actions on the selected Agreement will be generated.

Use Search

[Agreements](#) > Details

Code:	CA_RC_test_Edward	Type:	Confidentiality Agreement	Start D
Name:	CA_RC_test_Edward	Sub Type:	Mutual	End Da
Parties:	Mwana Africa PLC Holdings, Rio Tinto Exploration - Africa / Europe Region			Status

General	Parties	Conditions	Reference Codes	Signatories	Licenses	Shape	Map References
Actions Open	Actions Closed	Jurisdictions	Resources	Related Agreements	Roles	Audit	

Only show

Hide child actions:

(leave blank for all)

There are 9 Open Actions associated with this agreement.

Report:

View:

Extract:

1

Del.	All	Type	Status	Action	Comments	Due	Approval Status	Da
	<input type="checkbox"/>			Fee: Annual Fee (USD 100000.00)		01/03/2010		21
	<input type="checkbox"/>			Fee: Annual Fee (USD 110000.00)		01/03/2011		38
	<input type="checkbox"/>			Fee: Annual Fee (USD 121000.00)		01/03/2012		75
	<input type="checkbox"/>			Fee: Annual Fee (USD 133100.00)		01/03/2013		11
	<input type="checkbox"/>			Fee: Annual Fee (USD 146410.00)		01/03/2014		14
	<input type="checkbox"/>			Fee: Annual Fee (USD 161051.00)		01/03/2015		18
	<input type="checkbox"/>			Fee: Annual Fee (USD 177156.10)		01/03/2016		22
	<input type="checkbox"/>			Fee: Annual Fee (USD 194871.71)		01/03/2017		25

TERMINATING AN AGREEMENT

- **Termination of an Active Agreement**
- The result of completion of this scenario is that an existing active Agreement will be terminated.
 - **Procedure**
 - **In Flexi there is an Agreement Termination Workflow which follows a standard procedure for closing out a contract which triggers certain things i.e. removal of open actions, updating of the Agreement status and updates the Agreement termination date**

CONCLUSION

- Contract Management is not jurisdictional / license specific and therefore needs minimal setup
- Contract Management in FlexiCadastre is a very powerful tool and if used correctly can produce impressive results leading to a company having an edge against others.