

ANTI-CORRUPTION POLICY

Global Compliance Policy

March 2017

INTRODUCTION

Purpose

The purpose of this Anti-Corruption Policy (the “Policy”) is to help ensure compliance by Freeport-McMoRan Inc. (“FCX”) and its affiliates (the “Company”) with applicable global anti-corruption laws. Such laws include the U.S. Foreign Corrupt Practices Act of 1977, as amended, (the “FCPA” or the “Act”) and other relevant local laws in the countries where FCX operates, whether applicable to dealings in the public sector, the private sector or both.

These anti-corruption laws make it illegal to bribe Non-U.S. Government Officials (hereinafter “Government Officials”). The FCPA in particular makes it illegal for U.S. citizens and companies, their officers, directors, employees and agents and any stockholders acting on their behalf, to bribe Government Officials. The FCPA also requires U.S. companies to keep accurate and complete books and records and to maintain proper internal accounting controls.

All Company personnel and third parties acting on behalf of the Company are expected to conduct Company business legally and ethically. The use of Company funds or assets for any unlawful, improper or unethical purpose is prohibited. Improper gifts, payments or offers of anything of value to Government Officials or commercial partners could also jeopardize the Company's growth and reputation. As set forth in the FCX Principles of Business Conduct and its Supplier Code of Conduct, FCX forbids bribery of Government Officials or commercial partners and expects full compliance with all applicable anti-corruption laws, including the FCPA, by everyone working on the Company's behalf.

Furthermore, FCX expects its affiliates to adopt policies and procedures that educate their employees on applicable local anti-corruption laws, and are designed to promote compliance with applicable laws, based on the affiliate's specific risk profile.

About this Policy

This Policy applies to FCX and its subsidiaries, as well as to any joint FCX venture or other business enterprise in which FCX or a subsidiary of FCX is a majority owner (collectively, “the Company”).

This Policy extends to *all* of the Company's domestic and foreign operations, including operations conducted by any division, department, subsidiary, agent, consultant or other representative, as well as to the operations of any joint venture or other business enterprise outside the United States in which the Company is a majority owner. This Policy also extends to all of the Company's financial recordkeeping activities.

In our day-to-day job responsibilities, we frequently come into contact with Government Officials. For example, obtaining rights to explore and develop mining assets - whether through submission of a winning bid, direct negotiation with a foreign government or purchasing an existing concession - may require government approvals. Major construction for new projects often requires permits. Similarly, goods and equipment used in our operations and products regularly pass through customs. Our operations are also heavily regulated in the environmental area. In some countries Government Officials might request—directly or indirectly—improper payments in connection with the Company's operations. These are all examples of situations that require our vigilance in complying with anti-corruption laws.

If your job responsibilities expose you to areas covered by relevant anti-corruption laws, be sure to familiarize yourself with the Company's Anti-Corruption Compliance Guidelines, which set forth the Company's FCPA policies and procedures in detail. The Guidelines are posted on [FM Web](#) for easy access. Many of the Company's non-U.S. operations will need to adopt local policies to implement this policy and the Guidelines to comply with local anti-corruption laws and to provide procedures for review and approval of transactions that raise anti-corruption risk, such as payments to foreign officials and governments.

This policy supersedes the 2012 version of the policy.

1 SUMMARY OF THE FCPA

1.1 Prohibited payments

The FCPA's anti-bribery provisions make it illegal to bribe Government Officials to obtain or retain business or an improper advantage. Specifically, the FCPA prohibits making, offering, promising or authorizing any gift, payment or other thing of value, with corrupt intent, to a Government Official. The FCPA does not make an exception for cases where an official requests or solicits an improper payment. For purposes of this policy, a "Government Official" includes all of the following:

| Type of Government Official | Example |
|---|--|
| Official or employee of any national, regional, local or other government entity | A customs inspector, police officer or government minister |
| Elected official | A mayor, legislator or council member |
| Officer or employee of a government-owned or -controlled company | The CEO of a Chinese mining company |
| Private person acting temporarily in an official capacity for or on behalf of any government entity | A government consultant acting under government authority |
| Candidate for political or elected government office | A candidate for the local legislature |
| Political party or party official | The head of a local political party |
| Officer, employee or representative of a public international organization | An employee of the World Bank, the Inter-American Development Bank or the United Nations |
| Family member of any of the above | The spouse of the Minister of Mines |

As the above list makes clear, there are many types of Government Officials beyond just elected officials. A Government Official can be at any level of government, whether local, regional or national.

The FCPA prohibits both direct and indirect payments to Government Officials. That means the Company and those individuals involved can face liability based on either payments made by FCX employees or those made by third parties. "Third parties" include consultants, agents, contractors and other individuals or entities that represent FCX before government authorities or officials who otherwise interact with the government on the Company's behalf. Examples of third parties include:

- Licensing agents;
- Outsourcing service providers;
- Agents or officials who interact with customs officials on our behalf;
- Government relations consultants;
- Consultants retained to assist with obtaining permits or licenses; and
- Outside lawyers, accountants and tax advisors who interact with Government Officials.

To comply with the FCPA, this Policy establishes a clear rule: employees, third parties and business partners must not make, offer, promise or authorize any gift, payment or other thing of value to a Government Official. Under this rule, a payment also must not be made, offered or promised to any third party who is likely to provide a gift, payment or transfer of any other thing of value to a Government Official. The only exception to this rule is for a payment that is specifically permitted by this Policy, or one that has been authorized under applicable guidelines, policies or procedures of FCX or its affiliates, consistent with this Policy.

1.2 Permissible payments

The FCPA permits certain types of payments to Government Officials under very limited circumstances. For example, various types of promotional expenses may be allowed under the FCPA in certain non-corrupt circumstances. For example, certain reasonable, *bona fide* expenses incurred while promoting the Company to Government Officials, hosting a tour of Government Officials at a Company facility, or entertaining them may be allowed. However, care needs to be taken in planning and executing these types of activities to ensure they do not involve improper activities or benefits. Do not provide gifts or entertainment to Government Officials or authorize a promotional expense or event for a Government Official without following the Company's Anti-Corruption Compliance Guidelines and all local policies and procedures and obtaining proper approvals.

The FCPA also allows certain "facilitating" or "grease" payments to Government Officials in order to obtain non-discretionary, routine and legal governmental action. Such actions include securing routine permits to do business in a foreign country, ordering police protection or processing of a visa, customs invoice or other government documents that are in good order. However, such payments may not be allowed under other applicable laws and can raise many complex issues. **For this reason, under this Policy, facilitating payments are prohibited, with extremely limited exception.**

All expenses, including any promotional expense, must be fully and accurately described in our books and records and in the designated accounts.

1.3 Recordkeeping, accounting and reporting practices

The recordkeeping provisions of the FCPA require publicly held U.S. companies such as FCX to keep complete and accurate books, records and accounts that fairly reflect all transactions and dispositions of assets in reasonable detail.

Mischaracterization or omission of any transaction on our books, or failure to maintain proper accounting controls that result in mischaracterization or omission is prohibited. Therefore, keeping detailed, accurate descriptions of all payments and expenses is very important.

We must all follow applicable standards, principles, laws and Company practices for accounting and financial reporting. Be timely and complete when preparing all reports and records required by management. In dealings with Government Officials, and in other transactions explained in this Policy, obtain all required approvals in writing. Then, provide such documentation to the local controller for proper recording. Before paying or authorizing a payment to a Government Official, be sure that no part of the payment is used for any purpose other than one that is fully and accurately described in the Company's books and records. No undisclosed or unrecorded accounts of the Company are to be established for any purpose. False or artificial accounts are prohibited.

Any payment to, or promotional expense for, a Government Official should be carefully scrutinized and properly recorded. Separate line items may be required to appropriately record these transactions and all supporting documentation should be retained for audit purposes. The Anti-Corruption Compliance Guidelines outline the specific reporting requirements for permissible transactions, such as facilitating payments and promotional expenses for Government Officials.

Personal funds may not be used to do what is otherwise prohibited by Company policy.

1.4 Company business partners

The Company will compete for all business opportunities vigorously, fairly and legally and will negotiate contracts in a fair and open manner. Regardless of any pressure exerted by Government Officials, the Company will conduct business using only legal and ethical means. This practice of fairness and professionalism must extend to the activities of the Company's third parties, consortia and joint venture partners. Be careful to avoid situations involving these or any other types of third parties that might lead to a violation of the FCPA. Prior to entering into an agreement with any third party who may interact with the government on the Company's behalf, be certain to perform and document appropriate, risk-based FCPA-related due diligence. Obtain from the third party certain assurances of compliance. Due diligence on other business partners may also be required to ensure the Company is doing business with suitably qualified partners.

1.5 Penalties and consequences of non-compliance

The FCPA imposes criminal liability on both individuals and corporations. For individuals who violate the anti-bribery provisions of the FCPA, criminal penalties include:

- Serious fines;
- Disgorgement of benefits;
- Imprisonment of up to five years per violation; and
- Other penalties.

Prosecutors also may use the FCPA's accounting provisions or other U.S. criminal laws, such as conspiracy and money laundering statutes, which also provide for significant penalties. The Company may not reimburse fines imposed on individuals. Companies are also subject to significant fines and civil penalties, and may be required to return profits from business deemed to be improperly secured.

There are many other negative consequences of FCPA non-compliance. An investigation into an alleged violation takes a significant amount of management time and resources to resolve, even if the result is ultimately favorable. An investigation in the United States can trigger investigations in other countries, and vice versa. Additional penalties may apply under the laws of countries other than the United States. The reputation and public relations harm to a company or individual can be very serious from allegations of violations of the FCPA.

Violating the FCPA will also result in discipline by the Company, up to and including termination of employment.

2 RESPONSIBILITIES OF EMPLOYEES AND BUSINESS PARTNERS INVOLVED IN INTERNATIONAL MATTERS

Everyone—employee, agent and other business partner—whose duties are likely to lead to involvement in or exposure to any of the areas covered by the FCPA and other applicable anti-corruption laws is expected to become familiar with and comply with this Policy and the Anti-Corruption Compliance Guidelines, as well as local policies and procedures. Periodic certifications of compliance will be required, as will participation in training sessions from time to time.

3 ASKING QUESTIONS AND REPORTING CONCERNS

If you are concerned that a policy has been violated, or have any questions about this Policy, transactions with Government Officials or payment practices, you should discuss it with or contact one of the following:

- **Your supervisor or manager;**
- **The next level of management;**
- **Your local Human Resource Representative;**
- **Your local Compliance Officer:**
The person assigned to your geographic location is available on your local intranet site;
- **One of our designated Compliance Officers:**
602-366-7550 or via email at compliance_officer@fmi.com;

- **The Global Compliance Team:**
compliance@fmi.com;
- **The FCX Compliance Line:**
The phone number for your geographic location is available on your local intranet site. Anonymous reporting is allowed, except for Spain¹.
- **The [FCX Compliance Web Reporting Portal](https://fcxcompliance.alertline.com):**
<https://fcxcompliance.alertline.com>

Business partners also may discuss questions or report concerns by any of the above channels.

Note: The Company will not tolerate retaliation against any employee who reasonably and in good faith raises a question or concern about the Company's business practices or compliance with applicable laws or regulations, or utilizes the FCX Compliance Line.

4 RELATED POLICIES AND PROCEDURES

Please see the below list of related policies and procedures:

- [Anti-Corruption Guidelines](#)
- [Principles of Business Conduct \(PBC\)](#)
- Business Unit – specific Policies and Procedures

¹ Spain's Data Protection Act (Organic Law 15/1999 on the Protection of Personal Data) prohibits anonymous reporting.