

# FREEPORT-McMoRAN

## TRAVEL & EXPENSE POLICY



## FREEPORT-McMoRAN

*The Freeport-McMoRan Travel & Expense Policy was established to outline business-related travel protocols.*

### Financial Shared Services Travel & Entertainment

333 North Central Avenue  
Phoenix, Arizona 85004-4414  
(602) 345-5654

### FM Travel Center

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New Orleans, LA 70112-1254  
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(866) 584-3657  
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(602) 366-7878  
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(877) 562-1158 (after-hours service)

Visit [FM Travel Center](#) online

**FM Emergency Hotline**  
**+1.215.942.5500**

**Effective Date: March 2016**

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## **OBJECTIVE**

It is the Company's intent to ensure the safety of employees while providing them with a reasonable level of comfort and service while traveling on business. As such, the Company has developed this policy that outlines the protocols for business-related travel.

The policy provides guidance for the reimbursement of actual and reasonable expenses incurred while conducting Company business that are approved and properly documented in accordance with this policy.

Before arranging any travel, employees should consider more cost-effective alternatives such as telephone calls, e-mail, teleconferencing or Web-based meetings.

## **COVERAGE**

This Policy applies to Freeport-McMoRan employees based in North America only. Employees at operations outside of North America are covered by policies specific to those countries and locations. Policies for other locations can be obtained from local Human Resources representatives.

## **TRAVEL AUTHORIZATION**

Employees must request approval from their department head prior to making travel arrangements. If you are planning international travel, requests must be made through the [Company's Travel Management system](#). Visit the [FM Travel Center](#) online for a link to the Company's Travel Management system.

## **COMPANY ISSUED TRAVEL CARD**

Travelers who expect to travel two or more times a year are required to obtain a Corporate Card. Requests for cards can be made to [FSST&E@fmi.com](mailto:FSST&E@fmi.com). Employees are to use their corporate credit card for business travel related expenses whenever possible.

## **TRAVEL AGENCY SERVICES**

Employees, consultants and contractors conducting business for the Company are **required** to make travel arrangements through the [FM Travel Center](#) or its online travel reservation tool. Exclusive utilization of the FM Travel Center enables the Company to negotiate the best possible pricing for travel, ensures safety protocols for remote site travel are followed, and facilitating the emergency notification process, should a need arise.

The FM Travel Center coordinates global travel agency services for the Company in addition to traditional travel services such as arranging air, hotel, ground and other transportation. Global management of travel services allows the Company to standardize procedures and leverage the best rates for business travel.

The FM Travel Center's primary purpose is to provide services for employees traveling on Company business consistent with the terms of this policy. The FM Travel Center has agents in Phoenix, New Orleans, Santiago and Arequipa and coordinates with agencies in other countries where we do business.

Company agents will assist you in preparing for your travel and/or travel for contractors, consultants or guests who may be traveling on company business. Please note that expenses related to travel for non-employees should be paid by the non-employee traveler and billed back to the Company. In some instances approval may be obtained to charge the company

ghost card for non-employee travel. Requestors must provide the agent with the appropriate charge codes for proper billing at the time of booking.

### **DOMESTIC TRAVEL**

You may book your own domestic travel through the Company's [online reservation tool](#) or, if you prefer, agents at the FM Travel Center are available to make your travel arrangements.

For purpose of this policy, domestic travel is defined as travel within or between the United States, Canada and Mexico and Central America.

### **INTERNATIONAL TRAVEL**

Pre-trip approval through the Company's Travel Management system ([ITR](#)) is required for all international travel and travel arrangements **must** be made with an agent through the FM Travel Center. When submitting an International Travel Request (ITR), the business purpose of the trip must be clearly stated in the business purpose field of the requestor information. The FM Travel Center is not authorized to book travel without an approved ITR.

Additional IT specific requirements may be necessary before traveling to certain countries outside the US. These countries have been identified because of their targeted surveillance of business travelers. Please review the [updated mobile device](#) policy before traveling due to ongoing changes in information security protocols.

### **TRAVEL TO REMOTE SITE OPERATIONS**

The Company has a policy that mandates certain requirements are complete before traveling to our remote site operations and some other international locations. These requirements have been established in an effort to ensure your health and safety, while assisting our site operations in accommodating your travel plans.

Remote site requirements, when applicable, **must be completed before your departure** and protocols must be followed during your travel. Please note that pre-departure requirements, including medical, immigration and destination site reservations, may take a number of weeks to complete depending on your destination. Please make travel plans far enough in advance to avoid having to reschedule or cancel your trip. You can find detailed information on remote-site travel requirements online in the FM Travel Center section of FM Web or through an agent at the [FM Travel Center](#).

### **IMMIGRATION**

The FM Travel Center handles the processing of visas and passports for business travelers. Since these requirements vary by destination, the FM Travel Center will coordinate with the destination site in acquiring work permits at the time travel arrangements are made, as necessary. Detailed information regarding immigration requirements can be found on the FM Travel Center section of FM Web or by speaking with an FM Travel Center agent.

International businesses travelers are required to keep passport and visa information up to date with the FM Travel Center. To record your own information, login to the [Concur Travel and Expense tool](#) and update your **profile** or contact the FM Travel Center for assistance. If a travel visa has been processed for you, please provide an electronic copy to the FM Travel Center prior to departure.

Expenses for issuing or renewing passports and required visas are reimbursable expenses.

## **TRAVEL SECURITY**

To provide our international business travelers with the best care available while enroute, Freeport-McMoRan uses an international medical service coordinator called International SOS. ISOS has globally established alarm centers which have the ability to coordinate assistance on a regional level. All business travelers will be issued an ISOS card prior to departure.

Sometimes travelers find themselves in unfamiliar or uncomfortable situations. For this reason Freeport-McMoRan has established an emergency hotline for medical and security-related emergencies of employees traveling on business.

If you have a **medical or security related** emergency while traveling, please call the

**[Freeport-McMoRan Emergency Hotline at +1.215.942.5500.](tel:+12159425500)**

You will be asked a few qualifying questions before being transferred to a doctor or a security consultant. You can find the qualifying questions on the back of your ISOS business traveler card. Once your situation has been analyzed, the operator will advise you on necessary next steps and alert the appropriate managers to initiate any required responses.

If you have not received an ISOS card prior to departure, please contact the Travel Center or you can print a card [online](#) after entering '11BCPA000119' in the member number field.

## **AIR TRAVEL**

Employees are required to make all air travel reservations through the FM Travel Center or its online reservation tool. It is the responsibility of the FM Travel Center to guide travelers to preferred carriers and/or the lowest available airfare that satisfies the employee's travel requirements and the Company's travel policy. Employees are expected to purchase the lowest cost flight consistent with the guidelines listed below.

- Travelers are to specify the destination and preferred arrival and departure times based on reasonable business travel schedules.
- Please be advised that deviation from commonly booked routes for business destinations due to personal reasons will be accommodated as a lower priority.

Employees should fly coach class for all domestic flights and may fly business class on international flights. During the domestic segment of an international flight where business class has been purchased, the employee will generally travel via first class when there is no additional cost incurred or when the domestic segment is longer than two and ½ hours. The traveler can upgrade to a higher class of service only when there is no cost penalty to the Company, for example when using personal frequent flyer miles or a discount negotiated with the airline. For purpose of this policy, domestic travel is defined as travel within or between the United States, Canada and Mexico and Central America.

- Any frequent flyer upgrades/tickets utilizing the travelers own frequent flyer miles should be coordinated directly with the airline.
- Air travel reservations should be made round trip whenever practical and booked as far in advance as possible to obtain discounted fares.
- The purchase of non-refundable tickets is at the discretion of the traveler and should be based on the likelihood that the trip will occur.
- The cost of in-flight entertainment, upgrades from coach, airline club memberships and travel insurance are not reimbursable.

- All airline reservations are to be purchased using the Company T&E Card. If a traveler has not been issued a T&E Card, the Travel Agent will charge the airfare to the Company ghost account. The employee will need to provide the appropriate charge codes which may include company/district number, department code and project code (if any) for proper billing. Please contact your local accounting department with any questions concerning these codes.
- Employees may retain frequent flyer / guest lodging program benefits, but these programs should not adversely influence flight selections.
- Extra baggage charges are reimbursable when necessary for longer business trips and/or transport of business related materials.

Employees should notify the FM Travel Center immediately of any changes or cancellation in travel plans. If a trip is canceled after a non-refundable ticket has been issued, agents will use available credit for the passenger named on the tickets when making future reservations.

## **LODGING**

Employees are required to make lodging reservations through the FM Travel Center or its online reservation tool. Exceptions may be made for lodging reservations related to a conference or seminar where a discounted conference rate has been arranged with the hotel or when a hosting office has a preferred rate at a local hotel. In this case, it is the employee's responsibility to provide lodging information to the FM Travel Center for inclusion in the employee's travel itinerary to ensure Company travel safety protocols are being met. Whenever possible, the employee should use hotels recommended by the FM Travel Center, as in many cases it has negotiated special lower corporate rates or year-end rebate and will advise you of the best option, depending on the required proximity to business.

When traveling to Company site operations, the FM Travel Center will arrange your stay in company housing whenever possible in an effort to be cost effective.

The following guidelines will be applied to lodging expenses:

- Employees will be reimbursed for the cost of single-room accommodations. Luxury or resort hotels should be avoided unless there is no difference in cost. Suites and other higher priced accommodations are to be used only when essential to conducting business at hand.
- When travel plans change and provisions guaranteeing accommodations for late arrival have been made, it is the obligation of the traveler to notify the hotel/motel in order to avoid unnecessary charges.
- Costs for in-room movies, spa charges and excessive room service / **mini-bar charges are to be avoided whenever possible and will be reviewed accordingly.**

## **GROUND TRANSPORTATION**

Employees are required to select the most cost effective and efficient means of ground transportation. Before selecting ground transportation, employees should take into consideration the laws and security requirements of the city/site they are visiting and evaluate alternatives: Shuttle, taxi, rental car, personal vehicle, public transportation. If you are visiting one of the mine sites, the FM Travel Center will advise you on the particular requirements based on your itinerary.

Please note that the use of cellular telephones and other portable communication devices is prohibited while operating vehicles on business unless the vehicle is stationary or used with a hands-free device.

(<http://fmweb/sites/HSPro/Policies%20%20Guidelines/Cell%20Phone%20Guidelines.pdf>)

**In the event you are involved in an auto accident** while on company business, you should contact police officials to file a report and then contact the Company's reporting hotline at (800) 455-2405 as soon as reasonably possible in order to report the incident and obtain instructions on how to proceed with the claims process. If you have been injured in an accident, regardless of the type of ground transportation involved, you must also notify your supervisor as soon as reasonably possible. In addition, if there were any fatalities or serious injuries also advise Risk Management via email at [RiskManagement@fmi.com](mailto:RiskManagement@fmi.com)

**Rental vehicles** should be reserved through an agent at the FM Travel Center or through the Company's online reservation tool. The FM Travel Center will guide travelers to preferred vendors and/or the lowest available rate that satisfies the employee's travel requirements and our travel policy.

The following guidelines/procedures should be followed when renting a car:

- Employees traveling together are expected to keep the number of rental cars to a practical minimum.
- Rental cars should be refueled before returning to the rental car agency as pre-paid fuel service and fuel service options are not considered reimbursable expenses under this policy.
- The selection of the size of car to be rented should be intermediate or compact and practical based on need. If a large vehicle is required for business purposes, written justification must be included with the expense report.
- Renting of 4x4 or AWD vehicles, including trucks, is permitted when road conditions warrant such a vehicle or where it is required for business purposes (e.g. travel to Al Abra & Candelaria in Chile)
- The costs of luxury or sports cars are not reimbursable, unless they are essential to the conduct of business. If a luxury or sports car is required, written justification must be included with the expense report.
- To ensure you are covered by a corporate rental agreement with a preferred carrier (National/Enterprise & Hertz), please make your reservation with an FM Travel Center agent or through the Company's online reservation tool. When reserving a vehicle at the counter, please identify yourself as Freeport employee or consultant traveling on company business in order to obtain the negotiated rates and coverage. Should the rental agency be unable to identify the appropriate contract please contact the FM Travel Center to obtain the corporate ID number.
- This ID is required to obtain the approved insurance coverage in the US. Optional insurance should **not** be purchased from the rental car provider as the Company's risk retention and insurance program applies to employees' use of rental vehicles while on business travel. When picking up a vehicle please verify that the rental car provider's vehicle insurance card is in the car.
- The cost of damage on rental cars rented not thru FM Travel or its online tool will be charged to the respective department directly.

- Upgrade charges for satellite radio are not a reimbursable expense.

**Personal vehicle** use for Company business is reimbursed when it is determined to be the most cost effective or practical method of transportation. The reimbursement rate is equal to the IRS allowable rate in effect at the time of travel and includes the cost of insurance. Commuting to and from the employee's regular job site by personal vehicle is not reimbursable. However, the company will reimburse the employee for any additional miles driven in excess of their normal commuting miles as a result of business travel. For specifics please review the examples of allowable and non-allowable expenses on the [FSS T&E website](#).

A mileage calculator tool is provided in Concur when processing expense reports. If you choose not to use the tool please indicate if the mileage is for a round trip.

When an employee prefers to use his or her personal car on a trip where a plane or train is the typical means of transportation, the Company will reimburse the employee for mileage at the allowable rate, but not to exceed the equivalent economy class plane fare.

Specific coverage insurance carried by the employee to operate his personal vehicle on company business is not required other than the minimum statutory limits defined by each state.

If a vehicle is predominantly used for business (i.e. more than the occasional trip), it is recommended to request a 'Business Use Endorsement' on their personal auto policy. An alternative to this is would be for employees to use a company provided car where available.

In case of an accident while using a personal vehicle for business purpose, claims should be filed with the employee's insurance and Risk Management should be [notified](#).

**Company vehicles** may be available at certain locations to provide transportation to locations within a reasonable driving distance and should be used whenever available. All vehicles, as well as the authorized operators and their passengers, are covered by company provided insurance. Gasoline and other maintenance expenses incurred during the operation of a company car should be charged to the T&E card and will be reimbursed.

**Taxi Fees (including shuttle, Uber, Lyft, etc.)** are reimbursable. Employees are required to use a taxi if it is more cost effective than using a rental car for ground transportation. Certain areas have Company designated taxi services that comply with our safety and security standards. Please check with a Travel Center Agent prior to your visit.

Limousine and private car services generally should be avoided unless they are cost effective compared with other available ground transportation services, or considered necessary under the circumstances.

**Public transportation** is encouraged where it is safe and easily accessible; costs are reimbursable.

**Parking and toll fees** are reimbursable. **Traffic/parking violations** are not reimbursable.

## **MEALS**

The Company will reimburse employees for meal expenses while on business travel. Restaurants

featuring **reasonable** prices should be used. Dining options where atmosphere contributes to high prices should be considered only when necessary to carry out the purpose of the business assignment.

The Company will reimburse employees for employee meal expenses following these established guidelines:

- The actual, reasonable cost of meals, including tips, when out of town on Company business will be reimbursed when properly documented.
- The employee should attach the itemized receipt from the establishment including documentation of any tips.
- Meals are not reimbursable expenses when travel is in connection with an assignment or project that provides a Per Diem allowance.
- Luncheons or dinners that are part of a business program or that are officially sponsored by business or professional associations also are considered directly related to the active conduct of business.
- Tips are reimbursable and should be commensurate with services rendered and in line with local customs. Tips for meals should generally be included with the meal cost. Please note tip amount on receipt.

**Group meals** are defined as meals with two or more Company employees that are directly related to the accomplishment of a specific Company business objective. Such meal charges should be documented with the specific business purpose and a list of attendees on the Expense Report. These meals will be classified as "Group meals" with reimbursement being subject to the same provisions as travel meals.

Payment and reporting of the group meal should always be made by the most senior participant and the entire expenditure should be charged to the departmental cost center of the individual reporting the expenditure.

Note: Meals where non-employees are in attendance are discussed under Entertainment.

## **ENTERTAINMENT**

Entertainment expenses are the cost incurred by an employee for business meals, amusement or recreation for customers and business associates as part of a specific business discussion. These expenses are reimbursable when clearly necessary to advance the best interest of the Company. The following should be applied related to entertainment and gifts:

- Business meals should be conducted in an atmosphere conducive to the business discussion, such as in a restaurant, hotel dining room or similar place and are required to be **reasonable** and appropriate in the context of the entertainment's business purpose.
- As per IRS regulations, entertainment expenses must be substantiated with a list of attendees (name, company and title) and the specific business purpose. This information must be included in the Expense Report.
- To qualify as business expenditures, entertainment expenses cannot be **lavish or extravagant** and must be "directly related to" or "associated with" the Company's business.



Entertainment expenses (including amusement or recreation) are to meet the "directly related to" tests below:

- The Company must expect to derive income or some other specific business benefit other than goodwill at some future time.
  - The employee/Company must engage in the active conduct of the business during, or directly before or after the entertainment with the persons being entertained.
  - The active conduct of business must be the principal aspect of the combined business/entertainment activity.
- Detailed Receipts are required for all business entertainment expenses regardless of cost. Credit card slips rather than a tear tab or cash register receipt should be submitted whenever possible. At a minimum, the business purpose of the expense and the amount, time, place and participants must be included in the expense report.

### **SPECIAL NOTE REGARDING FOREIGN GOVERNMENT OFFICIALS**

Employees must familiarize themselves with the Company's [Anticorruption Policy and Guidelines](#) prior to any international travel. Company policy, and those of its affiliates in South America, limit the types, frequency, and expenditures when entertaining foreign government officials.

Foreign government official means any person qualifying as a public official or a "foreign official" under the laws of the host country or the United States, including but not limited to (a) a person holding an official position, such as an employee, officer, or director, with any Government, or agency, department or instrumentality thereof, including a state-owned-or-controlled enterprise; (b) any individual "acting in an official capacity", such as a delegation of authority, from Government to carry out official responsibilities, including a specific project assignment; or (c) an official of a Public International Organization such as the United Nations, the World Bank, the International Monetary Fund, or regional development banks, such as the Inter-American Development Bank.

While the entertainment of foreign government officials is not prohibited by company policy, additional controls and recordkeeping are required to ensure compliance with applicable laws in the host country and the United States. Therefore, prior to entertaining foreign government officials, employees are required to consult the designated local compliance officer or his/her designee.

### **ADDITIONAL REIMBURSABLE EXPENSES**

Employees are to use their corporate credit card for business related expenses whenever possible. Receipts are required for expenses that are **\$25.00 and greater**. In case of a missing receipt, a missing receipt form or a copy of your corporate card statement reflecting this charge must be submitted. The form can be found on the [FSS T&E website](#). **Detailed receipts** are required for the reimbursement of hotel, airfare, rental car, supplies, groceries, and entertainment expenses regardless of amount. **Missing receipts forms and corporate card statements are not allowed for these types of expenses.**

The Company will reimburse employees for other business/travel related expenditures as defined below.

- Reasonable laundry and valet services incurred while traveling for longer than five (5) consecutive days are reimbursable. Receipts are required regardless of the cost.

- Costs for hotel gym/sports facility use incurred while traveling for longer than five (5) consecutive days are reimbursable up to \$25.00 per day. This type of expense reimbursement requires a detailed receipt.

Necessary business calls and messages are reimbursable. When using a Company issued mobile device usage must be in compliance with the [Mobile Device Policy](#). Please review the updated mobile device policy due to ongoing changes in information security.

While traveling on Company business, personal telephone calls of reasonable number and duration are reimbursable. **Long distance charges should not be charged to a hotel room.**

- Prior to international travel, employees should submit a Help Desk Ticket to activate international service. International usage guidelines:
  - i. Wi-Fi access is preferred for data
  - ii. Landline or phone card is preferred for voice
  - iii. Tethering a Company mobile device or enabling hot spot for data is prohibited
- Employees who travel internationally will be reimbursed for fees incurred to exchange U.S. dollars into local currency. Employees are encouraged to exchange U.S. dollars at the airport, a local bank or licensed broker and should avoid using hotels as they generally provide the most unfavorable rate. Additionally, the T&E Card should be used whenever possible, as exchange rates used by credit card companies are usually more favorable.
- Reasonable Internet connection fees will be reimbursed.
- Fees for passports, visas and immunizations required by the Company for international travel are reimbursable. The FM Travel Center will provide details on requirements. Only required vaccinations, as outlined in the Freeport-McMoRan Medical Advisory for each country, are fully reimbursable.

Current Medical Advisories are listed by country under the international travel tab on the [FM Travel Center Website](#) or you may contact the FM Travel Center for details.

- Tips are reimbursable and should be commensurate with services rendered and in line with local customs. Tips for meals should generally be included with the meal cost.

Please see Attachment 2 for a comprehensive list of allowable and non-allowable expenditures.

## **TRAVEL INSURANCE**

The Company carries a Business Travel Accident Insurance policy that provides accidental death, dismemberment and medical reimbursement insurance protection for employees who are exposed to additional risk by traveling on behalf of the Company. Business travel coverage is provided while on trips to a point or points located away from the employees premises of permanent assignment or place of residence and continues until they return to either. This insurance does not include everyday travel to and from work and is in addition to that provided by the T&E Card. Additional traveler's insurance purchased by an individual will not be reimbursed.

## **COMBINING BUSINESS AND PERSONAL TRAVEL**

In conjunction with out-of-town business travel, it may be possible to plan side trips or other personal travel.

The additional costs of travel plans that vary from the required business itinerary are the responsibility of the employee.

When personal travel is combined with business travel, only the cost of the lowest fare routing at the ticketing date for the business portion of the trip will be reimbursed. The details of personal travel must be identified separately at the time of the booking and manager approval should be included in the Expense Reimbursement Report.

Please be advised that the FM Travel Center can only be utilized when booking trips to business destinations. Non-business related side trips or vacation travel must be planned, booked and purchased by the traveler.

Should there be a cancellation of the business trip, the employee is at risk for the pro rata amount of any penalty. The cost of travel for a spouse and/or other dependents is a personal expense. Employees must identify the personal portion of their trip charged to their T&E card as "Personal" when completing their Expense Report. This includes the personal portion of the hotel portfolio, rental car charges, mileage, gas, etc.

### **SPOUSE ACCOMPANIMENT**

Travel expenses related to a spouse who travels with an employee on a business trip are tax deductible for the Company only if the spouse performs services on the trip which are directly attributable to and necessary to the conduct of the employee's business on the trip.

The IRS interprets this rule very strictly.

The Company's policy therefore allows reimbursement of spouse's expenses:

- if they are valid business expenses;
- with prior authorization from a department head, division president or equivalent level supervision, which must be included in the Expense Report and
- when itemized on the expense report and substantiated with a valid itemized receipt.

Reimbursement will be treated as taxable compensation to the employee and reported on the employee's W-2 statement.

If an employee is eligible for Business Class airfare, but elects to fly economy class to apply the savings in cost toward airfare of an accompanying spouse on the business trip, the spouses airfare is reimbursed up to the amount of the difference between economy airfare and business class airfare that otherwise would be incurred for the employee. This will be included on the employee's W-2 as taxable income.

This downgrade rule cannot be used for the purchase of non-refundable tickets in order to remain below the original business class ticket price and can only be applied towards the purchase of one ticket for an immediate family member.

Spouse accompaniment is considered an exception and requires approval of the appropriate Department Head.

## **OTHER IMPORTANT INFORMATION**

It is the responsibility of each employee who is authorized to travel to become familiar and comply fully with this Policy. The Company assumes no obligations to reimburse employees for expenses that are not in compliance with this policy. Failure to comply with this Policy or the submission of expenses outside of policy guidelines could result in non-reimbursement of travel expenses and disciplinary action up to and including termination of employment.

**The Company does not reimburse any T&E Card fees such as annual reward programs or payment late fees.** It is the employee's responsibility to ensure T&E card charges are expensed timely to avoid late payment penalties charged by the card provider.

Since it is impossible to anticipate every situation that may be encountered while traveling on Company business, each employee is expected to exercise good judgment when incurring travel and entertainment expenses.

Any exceptions to this Policy must have prior supervisor approval and must be noted on the Expense Report. Any expenditure not covered elsewhere in this Policy that is significant or unusual in nature, should be approved by the manager that has such authority prior to the expenditure being incurred.

Judgment must be exercised when contemplating whether an expense is of a significant or unusual nature. When there is doubt, the matter should be referred to the proper party for decision. The FSS T&E department is available for clarification on such issues.

Many of the requirements contained in this Policy are directly related to IRS regulations, and are necessary in order to ensure compliance by the Company with such regulations. Failure to provide adequate accounting of reimbursed expenses may result in the employee being required to reimburse the company.

\_\_\_\_\_  
**NAME – PLEASE PRINT**

\_\_\_\_\_  
**Personnel #**

**Freeport-McMoRan Corporate Credit Card User Agreement (“Agreement”)**

For the purposes of this Agreement, the Freeport-McMoRan Corporate Credit Card, and Freeport-McMoRan Travel Card (collectively the “Corporate Credit Card”) are all the same and the terms and conditions of this Agreement shall apply to all such cards. In this Agreement “Company” means Freeport-McMoRan Corporation and its subsidiaries.

Use of the Corporate Credit Card is authorized only for travel and entertainment related expenses, including telecommunication charges, while on Company business. The use of the Corporate Credit Card is strictly prohibited for any other purpose. The Corporate Credit Card shall not be used for personal use, which will be considered misuse of the card and Company property, although incidental personal use while on business travel is acceptable. Examples of this could be in-room movies, personal phone calls or hotel gift shop purchases. Remember that any personal charges will not be reimbursable. Abuse of the Corporate Credit Card privilege or breach of the terms and conditions of this Agreement will result in your personal liability for any and all such actions and is grounds for disciplinary action up to and including termination of your employment.

You are responsible for promptly paying all charges and ATM cash withdrawals associated with your use of the Corporate Credit Card. A reasonable number of transaction fees for ATM use are reimbursable by the Company. Balances on the card are to be paid in full on or before the due date. This is a personal liability credit card with respect to your use of the card; you are personally responsible for all charges and fees, including late fees and interest charges, incurred on this card. Any payment delinquencies can affect your personal credit rating. Travel & Entertainment Administration will receive monthly reports detailing how the card was used and the outstanding balance.

Freeport-McMoRan Corporation makes available to every Corporate Credit Cardholder an expense processing, reporting, and reimbursement web-based software called Concur. Upon acceptance of this card you (or your designee) are agreeing to use Concur to process your expense report. In addition, you must sign up for direct deposit of related expense reimbursement amounts to participate in the program.

The issuer of the Corporate Credit Card (the “Card Issuer”) and Freeport-McMoRan have the authority and reserve the right to revoke credit card privileges and cancel the card in their sole discretion if the card is misused, abused, or if balances remain unpaid and become past due, or for any other reason. The card is to be surrendered upon request. By executing this Agreement you are specifically authorizing the Company to deduct from your wages, through payroll deduction, any amounts that may be necessary to pay off any and all outstanding and past due balances on your Corporate Credit Card. The Card Issuer will be instructed to refund all credit balances to Freeport-McMoRan.

Upon termination of employment, employees are required to surrender their card to their manager who will send the card to Travel & Entertainment Administration. Surrendered or revoked cards will be cancelled and the employee will be ineligible for restoration of credit card privileges.

By accepting and using the Corporate Credit Card you understand and agree that Freeport-McMoRan or its affiliates can: (i) advise the Card Issuer whether you have been reimbursed for charges incurred on your Corporate Credit Card; (ii) notify the Card issuer if your Corporate Credit Card has been revoked or cancelled; (iii) notify the Card Issuer of your social security number, mailing address and phone number; (iv) allow the Card Issuer to disclose information about you to computerized reservation systems, airlines and other suppliers of travel related services, and to the Card Issuer’s affiliate companies, including their appointed representatives and licensees; (v) disclose information about you and your Corporate Credit Card use to Freeport-McMoRan’s bank or the payment systems organizations selected by Freeport-McMoRan to permit invoicing and payment; and (vi) internally analyze and process information about your use of the Corporate Credit Card.

I have read, understand, and agree to the terms and conditions for the use of the Freeport-McMoRan Corporate Credit Card as set forth in this Agreement. I further understand and agree that by signing this Agreement I am agreeing to comply with the terms and conditions of the Freeport-McMoRan Copper & Gold Travel & Expense Policy (and any successor travel and expense policy) as may be adopted from time to time by the Company.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Manager’s Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Manager’s Name (Print)

### Travel and Entertainment Allowable/Non-Allowable Expenses (examples)

#### Allowable Expenses

Meals	Transportation
Lodging (single occupancy rate)	Rail
Telephone/Telegraph	Bus
Tips	Air
Parking	Taxi
Toll Charges	Rental Auto
Laundry (for trips longer than 5 days)	Allowance for use of personal auto
Memberships/Registrations	Passport/Visa Fees
ATM (corporate card only)	Immunizations required for international travel
Business Meeting Meal (appropriate IRS documentation required)	Traveler's checks fees

#### Non-Allowable Expenses

Aerobic Classes	Personal bank account service charges
Air Travel and other Personal Insurance	Personal Clothing Items
Animal kennels	Personal entertainment
Auto Rental Insurance (except for International and El Paso rentals)	Personal care or hygiene items
Ballgowns or other formal wear	Personal property stolen or lost
Barber, hairdresser or manicurist	Personal reading material
Bicycle Rental	Personal Transportation
Books	Pet Care/Boarding
Child Care	Racquetball
Clothing Rental	Rental Car Upgrades
	Rental Car - Fuel Service Options
	Rental Car – Satellite Radios
Concerts	Safes/Safekeeping
Credit Card Fees (personal)	Saunas
Film and Film Development	Service charges on unpaid balance of corporate-sponsored travel card
	Shampoo/Conditioner
First Class upgrade coupons	Shoe Shines
Gifts	
Gift Cards	
Golf	Spa/Nautilus
Health Club Facilities	Sporting Events
Horseback Riding or Livery Stable Fees	Spouse/Companion Travel
House-sitting Fees	Tennis
Housewares	Theatre Productions
Hunting/Fishing Trips	Traffic Fines and Court Costs
Lift Tickets/Ski Equipment	Tuxedos or Tuxedo Rentals
Magazines	Unauthorized Club Dues or Fees
Massages	Unauthorized Trips, Entertainment, Gifts or Donations
Medicine	Non-employee Expenses (consultant lodging or airfare)
Movies (including in-flight)	

**NOTE:** These are simply examples. There may be expenses allowed in rare circumstances that are listed here in the non-allowable list. If you have any questions about allowable expenses, please consult your manager

**Examples for Mileage Reimbursement – (all scenarios assume the employee is utilizing a personal vehicle)**

Scenario 1: An employee residing in El Paso, TX needs to fly to Phoenix for a business meeting. The employee lives five (5) miles from the El Paso Office and 15 miles from the airport. The employee is allowed to expense 10 miles on his expense report as business related miles. The five miles the employee normally drives to get to work are considered commuter miles and are non-reimbursable therefore the employee must deduct them from the total mileage driven to get to the airport. The employee would expense the same number of miles even if the trip to the airport was made on the weekend or after normal work hours.

Scenario 2: An employee who primarily works at the Corporate Office needs to attend a training class that is 10 miles east of the Corporate Office. The employee lives three miles west of work. The employee is allowed to request reimbursement for 20 miles – the round trip distance from the Corporate Office to the training class. The employee may not request reimbursement for the six miles they would have normally driven to work.

Scenario 3: An employee who lives 20 miles from the office agrees to stop at the store on their way into work to buy refreshments for an employee meeting. The store the employee stops at is on the way into work and no additional miles are driven. The employee may not request reimbursement for any of the miles driven as these are considered commuter miles.

Scenario 4: An employee who lives 15 miles from their primary work location needs to drop off an item to be repaired with one of our vendors. The vendor's store is located in between his home and primary work location, but two miles off the road (four round trip) the employee normally takes home. The employee decides to drop the item off on his way home. The employee is only allowed to request reimbursement for four miles, as these were the only additional miles driven for company business.

Scenario 5: An employee living in Safford needs to travel to one of the South American mine sites for a project. The spouse drives the employee to the Phoenix airport and then goes back to Safford. The spouse returns to Phoenix to pick up the employee at the end of the trip. Are both round trips reimbursable? The employee would want to ensure that he/she is using the most economical trip possible. To determine if this is the most economic, the employee would calculate the amount spent if he/she had traveled to Phoenix and parked in the Economy/long term lot. In this example assuming 170 miles one way at \$0.50/mile, \$10/day in long term/economy parking and trip length of 14 days the cost of the employee driving and paying for parking would be \$310.

Mileage (170*2*\$0.50) =	\$170.00
Parking (14*\$10) =	\$140.00
Total Cost =	\$310.00

The cost of the spouse's two round trips would be \$340.00 (\$170\*2). The employee would only be allowed to request reimbursement for \$310 in this example.

Scenario 6: An employee's primary work location is at the Administrative Building located away from the mine site. Once per month, the employee has to go to the warehouse to take inventory. The employee normally takes a company vehicle from the Administrative Building to the warehouse. However, this month no company vehicles are available and the employee must drive a personal vehicle to the warehouse which is 10 miles away from the Administrative Building. The employee goes to the warehouse and then comes back to the Administrative Building before his shift ends. In this case, the employee may expense 20 miles (10 miles to the warehouse and the return trip to Administrative Building).

If the employee had gone to the warehouse at the end of the day and then proceeded home from the warehouse, the employee would only be allowed to expense 10 miles. The miles from the warehouse to the employee's home are considered commuter miles according to the IRS. Reimbursing the employee for additional miles would result in taxable income to the employee.

If the employee had driven directly to the warehouse from home and then back to the Administrative Building, the employee would only be allowed to expense 10 miles – the number of miles from the warehouse to the Administrative Building. The miles driven from home to the warehouse are considered commuter miles according to the IRS. Reimbursing the employee for additional miles would result in taxable income to the employee.

In this example, the warehouse location serves as the "second job". According to the IRS, if you work at two or more places in one day you can claim the miles driven in getting from one workplace to another but not the miles driven from home to the job or from the job to home.