

Freeport-McMoRan Copper & Gold Inc.

Corporate Governance Guidelines

The following Corporate Governance Guidelines have been adopted by the Board of Directors to assist the Board in the exercise of its responsibilities. These guidelines, along with the charters of principal Board committees, provide the framework for the governance of our Company and reflect the Board's commitment to monitor the effectiveness of policy and decision-making both at the Board and management level. These guidelines are subject to future refinement or changes as the Board may find necessary.

Director Qualification Standards

- 1. Board Size.** The Board currently has 11 members. The Board believes this is an appropriate size based on the Company's present circumstances, although adjustments will be made as vacancies occur or as an outstanding new candidate might become available. The Board will determine the appropriate size of the Board within the requirements of the Company's Certificate of Incorporation and Bylaws.
- 2. Selection Process.** In accordance with the policies and principles in its charter, the Nominating and Corporate Governance Committee is responsible for identifying and recommending potential director nominees on the Board for its approval. The Chairman of the Nominating and Corporate Governance Committee and the Chairman of the Board shall extend an invitation to the potential director nominee to join the Board.

Stockholders may propose candidates for consideration by the Nominating and Corporate Governance Committee by submitting the names and supporting information to: Secretary, Freeport-McMoRan Copper & Gold Inc., 1615 Poydras Street, New Orleans, Louisiana 70112. Supporting information should include (a) the name and address of each of the candidate and the proposing stockholder, (b) a comprehensive biography of the candidate and an explanation of why the candidate is qualified to serve as a director taking into account the criteria identified below, (c) proof of ownership, the class and number of shares, and the length of time the shares of the Company's voting securities have been beneficially owned by each of the candidate and the proposing stockholder, and (d) a letter in writing from the candidate of his or her willingness to serve, if elected as a director. Stockholders may also directly nominate directors for election at a meeting of stockholders pursuant to specific procedures provided in the Company's By-laws; those provisions are set forth in the appendix.

- 3. Board Membership Criteria.** In evaluating the suitability of individual Board members, the Nominating and Corporate Governance Committee will take into account many factors, including personal and professional integrity, general understanding of the industry, finance and other elements relevant to the success of a large publicly-traded company in today's business environment, educational and professional background, independence, and the ability and willingness to work cooperatively with other members of the Board and with senior management of the Company. The Committee evaluates each individual in the context of the Board as a whole, with the objective of recommending nominees who can best perpetuate the

success of the business, be an effective director in conjunction with the full board, and represent stockholder interests through the exercise of sound judgment using their diversity of experience in these various areas. In determining whether to recommend a director for re-election, the Nominating and Corporate Governance Committee also will consider the director's past attendance at meetings and participation in and contributions to the activities of the Board. The Committee will evaluate candidates proposed for nomination by the Company's stockholders using the same criteria by which it evaluates other types of nominees.

4. Independent Directors. At least a majority of the members of the Board must qualify as independent directors as defined by the listing standards of the New York Stock Exchange (NYSE). To be considered independent, a director must be determined by the Board to have no material relationship with the Company other than as a director. In making its determination concerning the absence of a material relationship, the Board adheres to all of the specific tests for independence included in the NYSE listing standards. Directors who do not meet the NYSE's independence standards also make valuable contributions to the Board and to the Company by reason of their experience and wisdom.

5. Independence of Committee Members. In addition to the requirement that a majority of the Board satisfy the NYSE independence standards, members of the Audit Committee must also satisfy additional statutory and NYSE independence requirements, such as not directly or indirectly receiving any compensation from the Company other than their directors' compensation. As a matter of policy, the Board will also apply these additional requirements to members of the Corporate Personnel Committee and to members of the Nominating and Corporate Governance Committee.

6. Term Limits. The Board does not believe it should limit the number of terms for which an individual may serve as a director. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's history, policies and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new viewpoints through the evaluation and nomination process described in these guidelines.

7. Retirement Policy. A director shall retire from the Board at the annual meeting of stockholders following the date he or she reaches the age of 72; provided that (a) any non-employee director who is an active consultant to senior management shall retire from the Board when his or her consulting services are terminated, and (b) any director who is an officer or employee of the Company shall retire from the Board at such time as he or she ceases to be an officer or employee of the Company. The Board, upon the recommendation of the Nominating and Corporate Governance Committee, may extend the term of a director over the age of 72 if it is deemed to be in the best interests of the Company.

8. Resignation. The Board believes that a director should offer his or her resignation if the director's principal occupation or business association changes substantially. The Board would then evaluate whether it should accept the resignation based on a review of whether the individual continues to satisfy the Board's membership criteria in light of his or her new

occupational status. The Board also believes that a director should offer his or her resignation if there is a substantial conflict of interest between the director and the Company or the Board and such conflict cannot be resolved to the satisfaction of the Board.

9. No Specific Limitation on Other Board Service. The Board does not believe that its members should be prohibited from serving on Boards or committees of other organizations, and the Board has not adopted any guidelines limiting such activities. Nonetheless, the Nominating and Corporate Governance Committee and the full Board will take into account the nature of and time involved in a director's service on other boards in evaluating the suitability of individual directors and making its recommendations to Company stockholders. Service on boards or committees of other organizations should be consistent with the Company's conflict of interest standards. Directors are expected to advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee promptly upon accepting any other public company directorship or any assignment to the audit committee or compensation committee of the board of directors of any public company of which such director is a member.

10. Recusal Upon Conflicts of Interest. Prior to any Board discussion or decision related to any matter that potentially affects a director's personal, business or professional interests, that director should (a) disclose the existence of the potential conflict of interest to the Chairman of the Board and (b) if the Chairman of the Board (in consultation with legal counsel) determines a conflict exists or the perception of a conflict is likely to be significant, recuse himself or herself from any discussion or vote related to the matter.

11. Chairman of the Board. The Board will appoint the Chairman of the Board who may be an employee of the Company. The Chairman of the Board will chair all regular sessions of the Board and (with input from the Chief Executive Officer to the extent appropriate) set the agenda for Board meetings, subject to the right of each director to suggest the inclusion of items on any agenda.

Director Responsibilities

Directors should exercise sound business judgment and act in what they reasonably believe to be in the best interests of the Company in a manner consistent with their fiduciary duties. Director responsibilities include the following functions:

- Oversee the conduct of the Company's business to evaluate whether the business is being properly managed;
- Review and, where appropriate, approve the Company's major financial objectives, capital and operating budgets, strategic plans and other significant policy and transactional issues;
- Assess major risk factors relating to the Company and its performance, and review measures to address and mitigate such risks; and
- Represent the interests of all stockholders of the Company.

All directors are expected to attend meetings of the Board and meetings of committees on which they serve. Directors are expected to be prepared for each meeting and to review all materials provided to them in advance of a meeting.

Board Committees

The Board has established the following principal committees to provide for effective direction and management of the Company's business: (1) audit; (2) corporate personnel; (3) nominating and corporate governance; and (4) public policy. The Board may establish other committees as it determines to be appropriate. Each of the Audit Committee, the Corporate Personnel Committee, the Nominating and Corporate Governance Committee and the Public Policy Committee will maintain written charters addressing each committee's purpose, duties and responsibilities as well as qualifications for committee membership, procedure for committee member appointment and removal, committee structure and operations, and committee reporting obligations to the Board. Each charter will be posted on the Company's website.

The Audit Committee has the exclusive authority to engage and terminate the Company's independent auditor. The Audit Committee also pre-approves all engagements of the independent auditor for all audit and non-audit services.

The Corporate Personnel Committee has exclusive authority to set the compensation of the Chairman of Board, the Chief Executive Officer and senior management, and administers the Company's annual incentive, long-term incentive and stock option plans.

The Nominating and Corporate Governance Committee has exclusive authority to engage and terminate any consultant or search firm utilized to identify or recruit director candidates, recommend individuals to the board for nomination as directors for election by stockholders, conduct annual board and committee evaluations, and make recommendations to the Board concerning the structure of the Board and other corporate governance issues.

The Public Policy Committee oversees the Company's (1) governmental and community relations and information programs, (2) compliance programs relating to the Company's social, employment and human rights policies, (3) safety and environmental programs, and (4) charitable and philanthropic contributions. In addition, the Committee makes recommendations to the Board regarding the implementation and improvement of these policies and programs.

Executive Sessions of the Board

Non-management directors will meet without management in executive session at each regularly-scheduled Board meeting, or more frequently if necessary. The chair of executive session meetings will rotate among the chairpersons of the four principal committees, except as the non-management directors may otherwise determine for a specific meeting.

Access to Independent Advisors and Company Employees

The Board and each of the four principal committees have the power and authority to engage independent legal, financial or other advisors as may be deemed necessary, without consulting or obtaining the approval of the Board or management of the Company in advance. Directors will also have access to the Company's legal, financial or other advisors following consultation with the Chairman of the Board or the Chief Executive Officer.

All directors have full and free access to employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chairman of the Board, the Chief Executive Officer or directly by the director. As a courtesy, directors should use judgment to ensure this contact would not be disruptive to the business operations of the Company and any written requests for information should be copied to the Chairman of the Board and the Chief Executive Officer.

Director Compensation

The Board will determine the form and amount of director compensation. The Nominating and Corporate Governance Committee, which may obtain the advice of such experts as the Committee deems appropriate, will annually review the form and amount of director compensation and recommend changes to the Board as appropriate. Director compensation may be paid in the form of cash, equity-based awards or other forms as the Board deems appropriate and will be at levels that are consistent with those in effect for directors of similarly situated businesses. Separate compensation may be provided to members of committees of the Board and additional compensation may be provided to the chairs of committees.

Director Orientation and Continuing Education

All new directors will receive an orientation package consisting of the Company's certificate of incorporation and by-laws, the Ethics and Business Conduct Policy, these Corporate Governance Guidelines, all SEC filings for the current and preceding calendar year, and any other pertinent information. The new director will meet with the Chairman of the Board and the Chief Executive Officer to be briefed on the Company's strategic plans, and its significant operational, financial, accounting, and risk management issues.

The Company encourages each director to attend at the Company's expense director education seminars in subjects relevant to the duties of a director, including the study of corporate governance, best board practices and ethics.

Management Succession and Development

The Board will approve and maintain a succession plan for the Chief Executive Officer and other senior executives, and also develop plans for interim succession for the Chief Executive Officer in the event of an unexpected occurrence. Succession planning shall be reviewed periodically by the Board as it deems warranted. In addition, the Chief Executive Officer is expected to address the Board periodically on the topic of management development.

Annual Performance Evaluation of the Board

The Nominating and Corporate Governance Committee is responsible for overseeing the annual evaluation of the performance of the Board as a whole and each committee of the Board. The Nominating and Corporate Governance Committee's report should generally include an assessment of the Board's compliance with the principles set forth in these guidelines, as well as identification of areas in which the Board and its committees could improve performance.

Ethics and Business Conduct Policy

The Board will maintain the Company's Ethics and Business Conduct Policy (the "Policy") for the directors, officers and employees of the Company in compliance with NYSE listing standards. The Policy will be posted on the Company's website. The purpose of the Policy is to focus the directors, officers and employees on areas of ethical risk, provide guidance in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and foster and maintain a culture of honesty and accountability.

Waivers of the Policy for any director or executive officer may only be made by the Board or by the Audit Committee, and must be posted on the Company's website.

Reports of Accounting Concerns

Any reports of concerns regarding accounting, internal auditing controls or other audit matters shall be reported, on a confidential basis, to the Company's compliance officer, outside legal counsel, or the Chairman of the Audit Committee. These reports may also be submitted anonymously, in an envelope marked "Confidential," to Chairman, FCX Audit Committee, c/o P.O. Box 531742, New Orleans, Louisiana 70153. The Board shall be notified of any accounting concerns at the next regularly-scheduled Board meeting or sooner, if necessary.

Stockholder Communications with Directors

A stockholder may communicate directly with the Board of Directors (or any individual director) by writing to the director or the Chairman of the Board of Freeport-McMoRan Copper & Gold Inc., c/o 1615 Poydras Street, New Orleans, Louisiana 70112. The Company or the Chairman will forward the stockholder's communication to the appropriate director or officer for response.

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Adopted by the Board of Directors on February 3, 2004, as amended on January 31, 2006.

Excerpt of the Company's By-Laws

(a complete copy of the Company's By-laws may be found on the Company's website)

ARTICLE IV, Section 11

11. Only persons who are nominated in accordance with the procedures set forth in the By-Laws shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the corporation may be made at a meeting of stockholders (a) by or at the direction of the Board of Directors or (b) by any stockholder of the corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 11. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the corporation. To be timely, a stockholder's notice must be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the 120th day nor earlier than the close of business on the 210th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 90 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and (b) as to the stockholder giving the notice (i) the name and address, as they appear on the corporation's books, of such stockholder and (ii) the class and number of shares of the corporation which are beneficially owned by such stockholder. At the request of the Board of Directors any person nominated by the Board of Directors for election as a director shall furnish to the Secretary of the corporation that information required to be set forth in a stockholder's notice of nomination which pertains to the nominee. No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth in the By-Laws. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by the By-Laws, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.