

FREEPORT-MCMORAN INC
Form DEF 14A
April 24, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Freeport-McMoRan Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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- (3) Filing Party:

- (4) Date Filed:

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LETTER TO STOCKHOLDERS

Dear Fellow Stockholders,

We appreciate the opportunity to provide you with our 2018 proxy statement and update you on our company's corporate governance, executive compensation, and other important matters.

Strong Execution of our Strategy. In 2017, management, with the board's oversight, achieved strong operating performance throughout our global operations. We remained focused on generating long-term value for stockholders through our large-scale and geographically diverse portfolio of long-lived copper reserves and resources. The following reflects 2017 and 2018 year-to-date highlights:

Effective, ongoing cost management and capital discipline

Generation of strong cash flow

Restoration of our balance sheet strength

Development of attractive organic options for future growth

Achievement of important progress for long-term stability for our Indonesian operations

Reinstatement of our common stock dividend and a financial policy to balance additional deleveraging, disciplined investments, and the return of excess cash to our stockholders

Your board remains committed to continuing its active oversight role, which includes a review of strategy both during our formal board meetings and throughout the year as we counsel management outside of the boardroom.

Responding to Feedback on Executive Compensation. Setting executive compensation and guiding the compensation process for the company is a core duty of the board. We must set effective incentives that motivate our executive team and align with our business strategy. We capture stockholder feedback through a board-led engagement outreach program and integrate that feedback into decisions regarding the company's governance, compensation, and sustainability practices. Over the course of the past year, we engaged in discussions with many of our investors to ensure that we identified appropriate responsive action following what the board viewed as a disappointing level of stockholder support for our 2017 say-on-pay proposal. As detailed in this proxy statement, the board has taken several actions to continue the evolution of our executive compensation program in order to respond to our stockholders' requests. The board greatly valued the substantive, thoughtful feedback our stockholders provided us, and we appreciate the time and attention our stockholders devoted to these extensive outreach efforts.

Social and Environmental Sustainability. We recognize that, as a mining company, our work impacts the environment and communities surrounding our operations. Maintaining strong community relationships at our operational sites while ensuring market access for our products throughout the value chain is vital for us to achieve our business goals. We do this by operating safely, respecting human rights, meeting responsible sourcing objectives of our customers and society, engaging with stakeholders, and investing in social programs. Our corporate responsibility committee assists the board in overseeing the management of risks associated with environmental management, community development, health and safety, human rights, climate-related impacts, and water management.

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We believe that the trend to develop sustainable solutions is an important business opportunity for us. Copper is a necessary component in many new technologies to bolster energy efficiencies, advance communications, and enhance public health, including high-efficiency motors, electric vehicles and renewable energy.

Your Vote and Voice Matter. At this year's annual meeting, we look forward to hearing your views and we ask for your continued support as we work together to maximize the long-term value of your investment in our company.

We believe the future will be Powered by Copper and we are focused on generating value for you, our stockholders, by delivering superior execution of our strategy. Thank you for being a stockholder and for your role in the long-term success of our company.

Respectfully yours,

GERALD J. FORD

Non-Executive Chairman of the Board

April 24, 2018

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NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS

Date:	Tuesday, June 5, 2018
Time:	10:00 a.m. Eastern Time
Place:	Hotel du Pont, 42 West 11th Street, Wilmington, Delaware 19801. You can obtain directions to the Hotel du Pont on the hotel's website at www.hoteldupont.com/map-and-directions-en.html .
Purpose:	Elect seven directors; Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018; Approve, on an advisory basis, the compensation of our named executive officers; and Transact such other business as may properly come before the annual meeting.
Record Date:	Only stockholders of record as of the close of business on April 10, 2018 are entitled to notice of and to attend or vote at the annual meeting.
Identification:	If you plan to attend the annual meeting in person, please bring proper identification and, if your shares of our common stock are held in street name, meaning a bank, broker, trustee or other nominee is the stockholder of record of your shares, please bring acceptable proof of ownership, which is either an account statement or a letter from your bank, broker, trustee or other nominee confirming that you beneficially owned shares of Freeport-McMoRan Inc. common stock on the record date.
Proxy Voting:	Your vote is very important. Whether or not you plan to attend the annual meeting in person, please promptly submit your proxy and voting instructions via the internet or sign, date and return a proxy card. Your cooperation is appreciated.

By Order of the Board of Directors.

DOUGLAS N. CURRAULT II

Deputy General Counsel and Corporate Secretary

April 24, 2018

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 5, 2018.**

This proxy statement and the company's 2017 annual report to stockholders are available at

www.eproxyaccess.com/fcx2018

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This summary highlights selected information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. For more complete information regarding our 2017 performance, please review our 2017 annual report to stockholders (2017 annual report). The 2017 annual report, including financial statements, is being made available to stockholders together with these proxy materials on or about April 24, 2018.

2018 Annual Meeting of Stockholders

Time and Date: 10:00 a.m. Eastern Time, Tuesday, June 5, 2018

Place: Hotel du Pont, 42 West 11th Street, Wilmington, Delaware 19801

Record Date: Tuesday, April 10, 2018

Voting: Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director position and one vote for each of the other proposals to be considered at our annual meeting.

Agenda and Voting Recommendations

Item	Description	Board Vote Recommendation	Page
No. 1	Election of seven directors	FOR each nominee	17
No. 2	Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018	FOR	57
No. 3	Approval, on an advisory basis, of the compensation of our named executive officers	FOR	58

Performance Highlights (page 24)

During 2017, we focused our efforts on productivity, cost and capital discipline, and generating cash flows to continue to successfully execute our plan to strengthen our balance sheet. As a result of a series of asset sale transactions during 2016 and early 2017, we refocused our business on our **leading position in the global copper industry**. For the year 2017, operating cash flows of \$4.7 billion exceeded capital expenditures of \$1.4 billion, which enabled us to reduce our consolidated debt, net of cash, by \$3.1 billion during 2017. Highlights included the following:

Solid operating performance throughout global operations.

Developed attractive organic options for future growth, including commencement of development of the Lone Star oxide project located near our Safford mine in eastern Arizona.

Important **progress for long-term stability in Indonesia.**

Our common stock price increased 44% during 2017, putting us in the top 15% in the S&P 500.

Reduced consolidated debt, net of cash, to \$8.7 billion 1.5x 2017 EBITDA compared with \$20.2 billion at the start of 2016.

As a first step in recognition of our company's improved financial strength, our board of directors **reinstated a cash dividend on our common stock**. The first quarterly dividend payment of \$0.05 per share will occur on May 1, 2018.

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Stockholder Engagement Highlights (page 5)

Our board was disappointed by the level of stockholder support for our say-on-pay proposal at our 2017 annual meeting, and recognized the importance of engaging in follow-up discussions with our stockholders to consider its next steps regarding our executive compensation program. Discussions with our stockholders about our compensation program included a focus on the alignment of our incentive plan with our long-term strategy. Other engagement topics included our business strategy, board composition, and our approach to sustainable development.

After reviewing stockholder feedback, market practices and the needs of the business, our compensation committee made several changes to our executive compensation program for 2018 to better align our incentive structure with our strategy and address concerns cited by stockholders, as discussed under **Executive Officer Compensation Compensation Discussion and Analysis Stockholder Engagement and Continued Evolution of Our Executive Compensation Program** on page 25.

Our board has continued its history of integrating insights from stockholder engagement efforts into boardroom discussions and decision-making. Over the past two years, we have implemented changes to our governance and compensation structures. These changes have been informed by views and insights gathered through our stockholder engagement program, including:

Appointed a **non-executive chairman of the board**.

Adopted a new long-term incentive program structure for 2018 that directly responds to stockholder perspectives, which includes performance share units (PSUs) based on a new return on investment (ROI) metric over a three-year performance period, a reduction in stock option grants, and the inclusion of restricted stock units (RSUs) that vest over a three-year period.

Revised director compensation program to **eliminate meeting attendance fees and reduce the value of annual equity awards**.

Amended by-laws to provide for a proxy access right developed and guided by stockholder input and overwhelmingly approved by stockholders at our 2016 annual meeting following a majority-supported proxy access stockholder proposal in 2015.

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Table of Contents**Executive Compensation Highlights (page 23)**

Majority of our executives' target direct compensation **is at risk and requires measurable performance and increases in stock price** under our annual and long-term incentive programs.

Payout of annual incentive awards for 2017 based on achievement of company performance metrics.

Forfeiture in 2017 and 2018 of PSUs valued at an aggregate of \$10.3 million on grant date for failure to satisfy performance conditions over 2014-2016 and 2015-2017 performance periods.

In direct response to stockholder feedback, we revised our long-term incentive (LTI) program in March 2018 to:

Incorporate **ROI as the primary metric** of our PSU awards (representing 50% of the LTI awards), while maintaining the total shareholder return (TSR) modifier, and **measure performance over full three-year period**.

Deliver the time-based portion of the LTI program in equal values of stock options and RSUs (instead of all stock options).

Base salary increases for certain executives in March 2017 **first increase for chief executive officer and chief financial officer in 10 years**.

Increase in chief executive officer's required stock ownership level from 5x to **6x base salary**.

Director Nominee Highlights (page 18)

			Principal			
Name	Age	Director Since	Occupation	Independent	Board	Committees
Richard C. Adkerson President and Chief Executive Officer	71	2006	Vice Chairman, President and			
			Chief Executive Officer	No		None
			Freeport-McMoRan Inc.			
Gerald J. Ford	73	2000				
			Non-Executive	Chairman of the Board		Audit
			Chairman	Hilltop Holdings Inc.		Executive (Chair)

				Nominating and Corporate Governance (<i>Chair</i>)
Lydia H. Kennard	63	2013	President and Chief Executive Officer	Corporate Responsibility
			KDG Construction Consulting	Nominating and Corporate Governance
Jon C. Madonna	74	2007	Retired Chairman and	Audit (<i>Chair</i>)
			Chief Executive Officer	Compensation
			KPMG LLP	Nominating and Corporate Governance
Courtney Mather	41	2015	Portfolio Manager	Audit
			Icahn Capital LP	Executive
Dustan E. McCoy	68	2007	Retired Chairman and Chief Executive Officer	Compensation (<i>Chair</i>)
			Brunswick Corporation	Corporate Responsibility
				Executive
Frances Fragos Townsend	56	2013	Executive Vice President of Worldwide Government, Legal and Business Affairs	Corporate Responsibility (<i>Chair</i>)
			MacAndrews & Forbes Holdings Inc.	Compensation
				Executive

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Corporate Governance Highlights (page 8)

Good corporate governance is a long-standing priority at our company. We are committed to effective corporate governance that is informed by our stockholders, promotes the long-term interests of our stockholders, strengthens board and management accountability, and engenders public trust in our company. Our commitment to good corporate governance is evidenced by the following practices:

Active board oversight of risk

Non-executive chairman of the board

Highly independent board and committees

Annual election of directors

Majority voting for directors

Stockholder right to call special meetings (15%)

Stockholder right to act by written consent

Stockholder proxy access

Stock ownership guidelines for directors and executive officers

Annual board and committee performance evaluations

Robust stockholder engagement program with active participation by non-executive chairman and compensation committee chair

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STOCKHOLDER ENGAGEMENT

We have an extensive stockholder outreach program through which we seek ongoing input regarding our governance practices and executive compensation program and implement changes based on this input. We value stockholder views and insights and we believe that constructive and meaningful dialogue builds informed relationships that promote transparency and accountability. We integrate the full scope of investor perspectives gathered through these engagements into our board's decision-making processes on issues ranging from strategy to governance, compensation and sustainability.

During 2017, our board and management conducted extensive engagement with stockholders and performed an in-depth review of our compensation program. We wanted to better understand stockholders' views, particularly with respect to executive compensation, and provide the opportunity for stockholders to offer detailed feedback on potential changes before implementation. In the fall of 2017, we sought meetings with 15 stockholders representing over 40% of our outstanding common stock and engaged with 10 stockholders representing 25% of our outstanding common stock. In order to establish a direct dialogue with our compensation committee, the chair of our compensation committee participated in many of these discussions, along with our non-executive chairman, and our deputy general counsel and corporate secretary. In response to stockholder feedback and based on market practices, the compensation committee made several changes to our compensation program to further align our incentive structure with our strategy and address concerns cited by stockholders, as discussed under **Executive Officer Compensation** Compensation Discussion and Analysis Stockholder Engagement and Continued Evolution of Our Executive Compensation Program on page 25.

History of Responsiveness to Stockholders

Our board values the open communication we have established and maintained with our stockholders. Many of the changes to our governance and compensation structures implemented over the last several years have been directly informed by views and insights gathered through these engagements and outreach efforts. Since 2013, our non-executive chairman, who also served as our lead independent director prior to 2016, has participated in these engagements. We are committed to being responsive to our stockholders as demonstrated by changes we made over the years based on stockholder feedback.

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Ongoing Dialogue Regarding Social and Environmental Sustainability

We recognize that, as a mining company, our work impacts the environment and communities surrounding our operations. We mitigate impacts through the development of infrastructure, supporting health, safety and education efforts, and providing local employment and business development opportunities. In addition to engagement regarding governance and compensation, we have a robust stakeholder communication program addressing corporate social responsibility. As part of this program, we regularly work with our stockholders and other stakeholders via in-person meetings and site visits, teleconferences, inquiries via email and through multi-stakeholder initiatives. Through these engagement efforts, our corporate sustainable development team and senior personnel address key industry topics, including:

Health, safety and fatality prevention

Community development

Human rights

Environmental management

Climate-related impacts

Transparency of government payments

Responsible production and sourcing of materials

In 2017, our corporate team engaged with over 70 investor organizations, sustainability analyst firms, banking institutions and non-governmental organizations regarding our sustainability programs and performance. Many of these organizations include multiple members or affiliations, thus expanding the reach of our engagement program. In addition, our operational-level teams regularly engage locally with community stakeholders, development institutions and civil society organizations. Our corporate team also works closely with our commodity sales departments to engage both downstream customers and international governmental agencies on sustainability programs and address specific environmental and social areas of interest that could affect access to markets for our various products within the value chain. We believe that effective stakeholder engagement can help reduce sustainability-related risks and enable us to continue to deliver positive contributions to society.

SUSTAINABILITY PROGRAM HIGHLIGHTS

Our sustainable development efforts include the following core elements:

Maintaining acceptance to operate at the local level in order to reinvest in our existing properties, as well as new ventures, thus **increasing the production of metals needed for a healthy and prosperous world**.

Meeting society's and our customers' responsible sourcing objectives in order to place our products into the global marketplace today and into the future.

Operating safely and respecting human rights by conducting our operations consistent with the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights.

Engaging openly and transparently with internal and external stakeholders on the fundamental environmental, social and economic aspects of our business.

Embedding community engagement and investment in our company's culture. Since 2007, we have invested over \$1.8 billion in social benefit programs.

Implementing the **International Council on Mining and Metals Sustainable Development Framework** at all operating sites in our portfolio, which includes:

- i Maintaining **site-specific** sustainable development risk registers to identify priority issues and implement action plans for those issues, and
- i Implementing **annual site and corporate-level external assurance programs** on our sustainability performance and external reporting.

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Key focus areas identified and managed through our sustainability program include:

Biodiversity We own, lease and operate large land holdings, some of which are in and adjacent to areas of high biodiversity value. Our operations are managed to identify potential impacts and, where practicable, implement actions that conserve and enhance biodiversity, including during reclamation activities.

Community Engagement and Development Our social and economic development programs are designed to be responsive to issues raised by communities, including vulnerable groups and indigenous peoples, and help us maintain good relations and avoid disruptions of operations. Nevertheless, social and political instability in the areas of our operations may adversely impact our operations.

Corruption As a U.S.-based mining company with substantial assets located outside of the U.S., our business may be adversely affected by issues related to corruption. Any violation of the U.S. Foreign Corrupt Practices Act and similar anti-corruption laws of jurisdictions in which we operate could result in significant criminal or civil fines and penalties, litigation, and loss of operating licenses or permits. We maintain a rigid anti-corruption training and reporting program.

Climate-related Impacts Carbon-based energy is a significant input to our operations and future regulation of greenhouse gas emissions may directly or indirectly increase our costs. Physical impacts to operations, while uncertain, could also result in temporary, deferred production. However, the expanded use of copper is critical to transitioning to a lower carbon future economy.

Human Rights We are integrating the United Nations Guiding Principles on Business and Human Rights into our business systems to continue to improve the management of potential human rights risks. Our operations may be adversely affected by impacts from security risks stemming from events or activities including political instability, labor strikes and civil strife. The Voluntary Principles on Security and Human Rights also serve as guidelines for our security and human rights programs.

Labor Relations As of December 31, 2017, approximately 40% of our global labor force was covered by collective bargaining agreements and approximately 15% of our global labor force was covered by agreements that have expired and are currently being negotiated or will expire during 2018. We engage openly with our employees and union leadership to successfully negotiate and uphold labor agreements, recognizing that prolonged strikes or other work stoppages at our operations can adversely affect our business, our workforce and regional stakeholders.

Product Stewardship Our product stewardship team engages downstream customers and international governmental agencies on operation and product-specific sustainability issues. We believe that proactive engagement on product stewardship issues can help reduce risks associated with market access while enabling continued delivery of positive contributions to society.

Safety and Health The safety of our global workforce is our highest priority. Through the implementation of our Fatality Prevention program, we aim to completely eliminate fatalities by identifying and implementing critical controls and delivering technical training and communications throughout the workforce.

Tailings Managing the volume of tailings, waste rock and leach material produced in our mining operations presents significant environmental, safety and engineering challenges and risks. We maintain large leach pads and tailings impoundments containing viscous material that must be engineered, constructed and monitored to assure structural stability and avoid leakages. Through our Tailings Stewardship Program we implement control systems, which include independent expert input and review to address these risks.

Water Supply and Management We recognize the importance of responsibly managing water resources at mining operations in both arid and wet regions. While all of our mining operations require secure and reliable quantities of water for mining and ore processing, most of our operations are located in arid regions of North America and South America. We maintain programs to promote efficient use of water and continue to implement and advance alternative water supply projects with external stakeholders.

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CORPORATE GOVERNANCE

Corporate Governance Guidelines; Principles of Business Conduct

Good corporate governance is a long-standing priority at our company. We are committed to effective corporate governance that is informed by our stockholders, promotes the long-term interests of our stockholders, strengthens board and management accountability, and engenders public trust in our company. Our corporate governance guidelines, along with the charters of our 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 levels.

We are also proud of our commitment to the highest level of ethical and legal conduct in all of our business operations. Our principles of business conduct highlight the core values on which our company has built its reputation—safety, respect, integrity, excellence and commitment. Our principles of business conduct provide guidance for the application of these values to our business and define the expected behavior of all of our employees and our board. Amendments to or waivers of our principles of business conduct granted to any of our directors or executive officers will be published promptly on our website.

Our corporate governance guidelines and principles of business conduct are available at www.fcx.com under About Us Corporate Governance Governance Documents and are available in print to any stockholder who requests a copy.

Board Composition and Board Refreshment

In accordance with our corporate governance guidelines, our nominating and corporate governance committee reviews annually the composition and size of the board. We recognize the importance of board refreshment to achieve the right blend of institutional knowledge and fresh perspectives on our board. Following constructive discussions with many of our largest stockholders, in 2015 we reconstituted and reduced the size of the board consistent with the needs of the company. Our reconstituted board continues to bring diverse and extensive professional, financial and business experience while balancing independence and tenure. Our board currently consists of seven members, six of whom the board has affirmatively determined have no material relationship with the company and are independent within the meaning of our director independence standards, which meet, and in some respects exceed, the independence requirements of the New York Stock Exchange (NYSE). Each of our current board members has been nominated to stand for reelection at our 2018 annual meeting.

On March 5, 2018, Andrew Langham resigned from the board. Mr. Langham was originally appointed to the board pursuant to the Nomination and Standstill Agreement dated October 7, 2015 (Nomination and Standstill Agreement), by and among the Company and Carl C. Icahn, High River Limited Partnership, Hopper Investments LLC, Barberry Corp., Icahn Partners Master Fund LP, Icahn Offshore LP, Icahn Partners LP, Icahn Onshore LP, Icahn Capital LP, IPH GP LLC, Icahn Enterprises Holdings L.P., Icahn Enterprises G.P. Inc., Beckton Corp., Andrew Langham and Courtney Mather (collectively, the Icahn Group). The resignation was tendered in accordance with the terms of the Nomination and Standstill Agreement following a decrease in the Icahn Group's share ownership. As a result, the board has decreased from eight to seven members.

Independent directors comprise 86% of our board, the average age of our directors is 63.7, and the average tenure of our directors is 8.5 years, compared to an average age of 63 and an average tenure of 8.2 years for all directors at S&P 500 companies according to the 2017 Spencer Stuart Board Index. In addition, 29% of the members of our board are women. We remain committed to an ongoing review of the board's composition to ensure that we continue to have the right mix of skills, background and tenure as we continue to address challenges and position the company for long-term success.

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Board Leadership Structure

The board believes that the decision to combine or separate the positions of chairman and chief executive officer is highly dependent on the strengths and personalities of the individuals involved. In addition, the decision must take into account current business conditions and the environment in which the company operates. While our by-laws and corporate governance guidelines do not require our chairman and chief executive officer positions to be separate, these positions have been separate at our company since 2003, and the board believes that having separate positions continues to be the appropriate leadership structure for the company at this time. Mr. Adkerson has served as Chief Executive Officer since December 2003 and as President since January 2008. In January 2016, the board appointed our former lead independent director, Gerald J. Ford, as non-executive chairman of the board, with responsibilities that include:

presiding at meetings of the board, including all executive sessions of the independent directors;

overseeing the management, development and functioning of the board; and

in consultation with the chief executive officer, planning and organizing the schedule and establishing the agendas for board meetings. The board believes this structure provides an effective balance between strong company leadership and appropriate safeguards and oversight by independent directors.

Board's Role in Oversight of Risk Management

The board takes an active role in risk oversight. The board as a whole is responsible for risk oversight at the company, with reviews of certain areas being conducted by the relevant board committees that regularly report to the full board. In its risk oversight role, the board reviews, evaluates and discusses with appropriate members of management whether the risk management processes designed and implemented by management are adequate in identifying, assessing, managing and mitigating material risks facing the company, including financial, international, operational, and environmental risks.

The board believes that full and open communication between senior management and the board is essential to effective risk oversight. Our non-executive chairman regularly meets and discusses with our chief executive officer a variety of matters, including business strategies, opportunities, key challenges and risks facing the company, as well as management's risk mitigation strategies. Senior management attends all regularly-scheduled board meetings where they conduct presentations on various strategic matters involving our operations and are available to address any questions or concerns raised by the board on risk management-related or any other matters. The board oversees the strategic direction of the company, and in doing so considers the potential rewards and risks of our business opportunities and challenges, and monitors the development and management of risks that impact our strategic goals.

In carrying out its risk oversight responsibilities, the board has taken a more active role over the past two years in overseeing the company's actions to enhance our financial position and refocus the business strategy on our leading position in the global copper industry. To ensure informed and effective oversight during a period of weak market conditions, the board instituted frequent conference calls with senior management to receive updates

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regarding management's execution of these plans. In addition, the full board has been actively involved in oversight of the protection of our long-term operating rights for our Grasberg operations in Indonesia. These informal calls continued throughout 2017 and early 2018 to provide updates as management continues to work with Indonesian Government officials to reach an agreement on a stable framework that benefits all stakeholders while protecting the interests of our stockholders.

The chart below provides an overview of the allocation of risk management responsibilities among the board committees.

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Succession Planning for Senior Executives

The board is focused on ensuring that the company has an emergency and long-term succession plan in place for key senior executive positions. In the event of an unexpected executive departure, the emergency succession plan allows for smooth transfer of responsibilities to an individual who may or may not be permanently tasked with the new role. In the event of a senior executive's departure, both internal and external candidates may be considered for permanent appointment to a given role.

The long-term succession plan is intended to develop a pipeline of qualified talent for key roles. The planning process includes a discussion of succession candidates, assessment of relevant skills and planning for professional development where necessary. The company's short and long-term business strategy will be considered when evaluating candidates and their skills. Multiple succession candidates may be identified for an individual role and provided with relevant growth opportunities. Where possible, the board gains insight through direct exposure to internal succession candidates from their presentations to the board, work with individual directors or board committees, and participation in board activities.

The fully independent executive committee of the board is responsible for overseeing the succession planning process for our chief executive officer and other key senior executives. The executive committee, which includes our non-executive chairman, reviews the company's succession plan for all key senior executives with input from the chief executive officer. The committee meets with all independent directors periodically to discuss and review our emergency and long-term succession plans. In 2017, in lieu of an executive committee meeting, all of the independent directors met in executive session to review the company's succession plan. In the event that the succession plan is triggered for any of these roles, the full board would participate in the discussion and consideration of any action with a final decision to be made by the independent directors of the board.

Director and Executive Officer Stock Ownership Guidelines

The nominating and corporate governance committee adopted stock ownership guidelines applicable to our non-management directors and the compensation committee adopted stock ownership guidelines applicable to our executive officers. Under the guidelines, each non-management director is expected to maintain ownership of company stock valued at five times his or her annual retainer, which retainer is currently \$75,000. Effective February 2, 2017, upon the recommendation of the compensation committee, the board approved an amendment to the stock ownership guidelines applicable to our executive officers to increase the target multiple for the chief executive officer from five times to six times base salary. Accordingly, Mr. Adkerson is expected to maintain ownership of company stock valued at six times his base salary. Each of our other executive officers is expected to maintain ownership of company stock valued at three times his or her base salary. The value of the stock ownership is calculated based on the one-year and five-year trailing average monthly stock price. Shares of our common stock currently owned and not pledged, including restricted stock units (but not performance share units), count as stock owned for purposes of the stock ownership guidelines. Shares held in trust may also be included; however, due to the complexities of the trust laws, the decision to include the shares is made on a case-by-case basis after reviewing the nature of the specific trust involved and considering whether the individual has maintained a pecuniary interest in the shares. Performance share units and shares owned on behalf of a spouse or children are not counted towards the target level. Stock ownership levels should be achieved by each non-management director and executive officer as soon as practicable or within four years of being appointed or elected to the board or becoming an executive officer. As of December 31, 2017, all of our non-management directors and all of our executive officers exceeded their target ownership levels except Mr. Conger, who became an executive officer effective February 2, 2016 and is required to achieve his target ownership level by February 2, 2020.

Director Nominations and Qualifications

In evaluating nominees for membership on the board, our nominating and corporate governance committee applies the board membership criteria set forth in our corporate governance guidelines. Under these criteria, the committee takes into account many factors, including the following:

personal and professional integrity,

general understanding of our industry,

corporate finance and other matters relevant to the successful management of a large publicly traded company in today's business environment,

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educational and professional background,

independence, and

the ability and willingness to work cooperatively with other members of the board and with senior management.

In selecting nominees, the committee seeks to have a board that represents a diverse range of perspectives and experience relevant to the company. The committee also evaluates each individual in the context of the board as a whole, with the objective of recommending nominees who can best advance the success of the business, be effective directors 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. For more information regarding the experience, qualifications, attributes and skills of director nominees considered by the board through the nominating and corporate governance committee, see the section titled "Proposal No. 1: Election of Directors" on page 17.

Our nominating and corporate governance committee reviews annually the composition and size of the board, and whether any vacancies on the board are expected due to retirement or other reasons. In the event that vacancies are anticipated, or otherwise arise, the committee will consider various potential candidates who may come to the attention of the committee through current board members, professional search firms, stockholders or other persons. Each candidate brought to the attention of the committee, regardless of who recommended such candidate, is considered on the basis of the criteria set forth in our corporate governance guidelines.

Board Evaluation Process

The nominating and corporate governance committee oversees the annual performance evaluation of the board as a whole and each committee of the board. Annually, each director completes an evaluation of the full board and of each committee on which the director serves. The evaluations are intended to provide the board and each committee with an opportunity to evaluate performance for the purpose of improving board and committee processes and effectiveness. The detailed questionnaires seek quantitative ratings and subjective comments in key areas of board practices, and ask each director to evaluate how well the board and committees operate and to make suggestions for improvements. The nominating and corporate governance committee reviews the results and the assessment of board performance is presented to the full board. The results of each committee evaluation are delivered to the respective chair of each committee. The results can then be leveraged by the board or relevant committee when considering issues such as board refreshment, committee operations, or board procedures.

Board Committees

The board has five standing committees: an audit committee, a compensation committee, a nominating and corporate governance committee, a corporate responsibility committee, and an executive committee, each of which is composed entirely of independent directors. Each committee operates under a written charter adopted by the board. All of the committee charters are available on our website at www.fcx.com under "About Us" "Corporate Governance" "Board Committees and Charters" and are available in print upon request. The following table identifies the current committee members.

Name of Director	Audit		Nominating and Corporate Governance Committee	Corporate Responsibility Committee	Executive Committee
	Committee	Compensation Committee			
Gerald J. Ford			Chair		Chair
Lydia H. Kennard					
Jon C. Madonna	Chair				
Courtney Mather					
Dustan E. McCoy		Chair			
Frances Fragos Townsend				Chair	

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Audit Committee. The audit committee assists the board in fulfilling its oversight responsibilities relating to (1) the effectiveness of the company's internal control over financial reporting; (2) the integrity of the company's financial statements; (3) the company's compliance with legal and regulatory requirements; (4) the qualifications and independence of the company's independent registered public accounting firm; and (5) the performance of the company's independent registered public accounting firm and internal audit firm. For more information on the audit committee, see the section titled "Audit Committee Report." The audit committee held four meetings in 2017.

Compensation Committee. The compensation committee assists the board in fulfilling its oversight responsibilities by (1) discharging the board's responsibilities relating to compensation of the company's executive officers; (2) overseeing the form and amount of director compensation; and (3) administering the company's cash-based and equity-based incentive compensation plans. For more information on the compensation committee, see the section titled "Corporate Governance Compensation Committee Procedures." The compensation committee held three meetings in 2017.

Nominating and Corporate Governance Committee. The nominating and corporate governance committee assists the board in fulfilling its oversight responsibilities by (1) identifying and formally considering and recommending to the board candidates to be nominated for election or re-election to the board at each annual meeting of stockholders or as necessary to fill vacancies and newly-created directorships; (2) monitoring the composition of the board and its committees and making formal recommendations to the board on membership of the committees; (3) overseeing the company's corporate governance practices and procedures, including identifying best practices and reviewing and recommending to the board for approval any changes to the documents, policies and procedures in the company's corporate governance framework, including maintaining the company's corporate governance guidelines and recommending to the board any desirable changes; (4) reviewing and as necessary, making recommendations to the board with respect to stockholder proposals; and (5) evaluating the effectiveness of the board, its committees and management. The nominating and corporate governance committee held two meetings in 2017.

Corporate Responsibility Committee. The corporate responsibility committee assists the board in fulfilling its oversight responsibilities with respect to the company's (1) environmental policy and implementation programs; (2) human rights policy and practices; (3) safety and health policies and programs; (4) community health programs and related public health and medical matters; (5) community policy and practices, governmental and stakeholder relations, and social investment and sustainable development programs; (6) programs to evaluate and address climate-related impacts and opportunities; (7) charitable contributions; and (8) political activity and spending practices. The corporate responsibility committee held three meetings in 2017.

Executive Committee. The executive committee assists the board in fulfilling its oversight responsibilities by acting on behalf of the board during periods between meetings of the board in order to enhance the board's ability to respond to time-sensitive matters. The members of the executive committee are the non-executive chairman (or lead independent director, as applicable) who is chair of the executive committee, and the chairs of the other standing committees of the board, who are all independent directors, and any other independent director as appointed by the board. The executive committee has all of the powers of the board except as limited by law. The executive committee did not hold any meetings in 2017.

Board and Committee Meeting Attendance

The board had a total of seven meetings during 2017 (four regular meetings and three special meetings). During 2017, each of our directors participated in 77% or more of the total number of meetings of the board and meetings held by each committee of the board on which each director served, with five of the seven directors participating in 100% of the meetings. Directors are invited but not required to attend annual meetings of our stockholders. Mr. Adkerson attended our last annual meeting of stockholders.

Board and Committee Independence; Audit Committee Financial Experts

In accordance with the rules of the NYSE, the board must make an affirmative determination that a director has no material relationship with the company and management for such director to be deemed independent. To assist the board in making determinations of independence, the nominating and corporate governance committee established director independence standards, which meet, and in some respects exceed, the independence requirements of the NYSE. In addition, members of the audit and compensation committees must meet heightened

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standards of independence in accordance with the requirements of the NYSE corporate governance listing standards and U.S. Securities and Exchange Commission (SEC) rules and regulations. The director independence standards are set forth in Appendix A to our corporate governance guidelines, which are available at www.fcx.com under About Us Corporate Governance Governance Documents.

On the basis of information solicited from each director, and upon the advice and recommendation of the nominating and corporate governance committee, the board has affirmatively determined that each of Messrs. Ford, Madonna, Mather and McCoy, and each of Ms. Kennard and Townsend has no material relationship with the company and is independent within the meaning of our director independence standards. In making this determination, the nominating and corporate governance committee, with assistance from the company's legal counsel, evaluated responses to a questionnaire completed annually by each director regarding relationships and possible conflicts of interest between each director, the company and management. In its review of director independence, the committee considered the commercial, industrial, banking, consulting, legal, accounting, charitable, and familial relationships any director may have with the company or management. The nominating and corporate governance committee recommended to the board that the six directors named above be considered independent, which the board approved.

The board also has determined that each of the members of the audit, compensation, nominating and corporate governance, and corporate responsibility committees has no material relationship with the company and satisfies the independence criteria (including the enhanced criteria with respect to members of the audit committee and compensation committee) set forth in the applicable NYSE listing standards and SEC rules. In addition, the board has determined that each of Messrs. Ford, Madonna and Mather qualify as an audit committee financial expert, as such term is defined by the rules of the SEC.

Compensation Committee Procedures

The compensation committee has the sole authority to set compensation for our executive officers, including annual compensation amounts and annual and long-term incentive plan criteria, evaluate the performance of our executive officers, and make awards to our executive officers under our stock incentive plans. The compensation committee also reviews, approves and recommends to the board any proposed plan or arrangement providing for incentive, retirement or other compensation to our executive officers and oversees our assessment of whether our compensation practices are likely to expose the company to material risks. In addition, the compensation committee annually recommends to the board the slate of officers for the company, periodically reviews the functions of our executive officers, and makes recommendations to the board concerning those functions.

To the extent equity awards are granted in a given year, the compensation committee's historical practice has been to grant such awards at its first meeting of that year, which is usually held in January or February. Each July or August, the board establishes a meeting schedule for itself and its committees for the next calendar year. Thus, the first meeting of each year is scheduled approximately six months in advance and is scheduled to fall within the window period following the release of the company's earnings for the fourth quarter of the previous year. The compensation committee has a written policy stating that it will approve all regular annual equity awards at its first or second meeting of each fiscal year, and that to the extent the committee approves any out-of-cycle awards at other times during the year, such awards will be made during an open window period during which our executive officers and directors are permitted to trade company securities.

The terms of our stock incentive plan provide that the exercise price of each stock option cannot be less than the fair market value of a share of our common stock on the grant date. Pursuant to the compensation committee's policies, for purposes of our stock incentive plan, the fair market value of our common stock will be determined by reference to the closing quoted per share sale price of our common stock on the composite tape for NYSE-listed stocks on the grant date. In addition, our stock incentive plan permits the committee to delegate to appropriate personnel its authority to make awards to employees other than those subject to Section 16 of the Securities Exchange Act of 1934, as amended.

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Our current equity grant policy provides that each of our chief executive officer, chief financial officer and chief administrative officer has authority to make or modify grants to such employees, subject to the following conditions:

No grant may relate to more than 20,000 shares of our common stock;

Such grants must be approved during an open window period and must be approved in writing by such officer, the grant date being the date of such written approval or such later date set forth in the grant instrument;

The exercise price of any options granted may not be less than the fair market value of our common stock on the date of grant; and

Any such grants must be reported to the committee at its next meeting.

The compensation committee is also responsible for the oversight of director compensation, including the authority to grant equity-based awards, and conducts an annual review and assessment of all compensation, cash and equity-based, paid to our non-management directors under our director compensation program. For more information regarding director compensation philosophy and procedures, see the section titled **Director Compensation** on page 60.

The compensation committee engages an independent executive compensation consultant to advise the compensation committee on matters related to executive and director compensation. Please refer to the section titled **Compensation Discussion and Analysis** for more information related to the independent executive compensation consultant. In addition, the board has its own independent legal counsel, with whom the compensation committee consults on an as needed basis.

Compensation Committee Interlocks and Insider Participation

The current members of our compensation committee are Messrs. McCoy and Madonna, and Ms. Townsend. In 2017, none of our executive officers served as a member of the compensation committee of another entity, or as a director of another entity, one of whose executive officers served on our compensation committee or as one of our directors.

Our insider trading policy prohibits our executives and directors from entering into any hedging arrangements with respect to our securities and limits the ability of our executives and directors to pledge our securities. For more information, see the section titled **Executive Officer Compensation** **Compensation Discussion and Analysis** beginning on page 23.

Director Candidates Submitted by Stockholders

Non-Proxy Access Nominations

Our nominating and corporate governance committee will consider candidates proposed for nomination by our stockholders. Stockholders may propose candidates by submitting the names and supporting information to: *Corporate Secretary, Freeport-McMoRan Inc., 333 North Central Avenue, Phoenix, Arizona 85004*. Supporting information should include (a) the name and address 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 in our corporate governance guidelines; (c) proof of ownership, the class and number of shares, and the length of time that the shares of our voting securities have been beneficially owned by each of the candidate and the proposing stockholder; and (d) a letter from the candidate stating his or her willingness to serve, if elected.

In addition, our by-laws permit stockholders to nominate candidates directly for consideration at next year's annual meeting of stockholders. Any non-proxy access nomination must be in writing and received by our corporate secretary at our principal executive office no later than April 6, 2019. If the date of next year's annual meeting is moved to a date more than 90 days after or 30 days before the anniversary of this year's annual meeting, the nomination must be received no later than the later of 60 days prior to the date of the 2019 annual meeting or 10 days following the public announcement of the date of the 2019 annual meeting. Any stockholder submitting a nomination under our by-law procedures must include (a) all information relating to the nominee that is required to be disclosed in solicitations of proxies for election of directors pursuant to

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Exchange Act of 1934, as amended (including such nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), (b) the name and address (as they appear on the company's books) of the nominating stockholder and the class and number of shares beneficially owned by such stockholder, and (c) all other information required by our by-laws. Nominations should be addressed to: *Corporate Secretary, Freeport-McMoRan Inc., 333 North Central Avenue, Phoenix, Arizona 85004.*

Proxy Access Nominations

At our 2016 annual meeting of stockholders, our stockholders approved a proxy access amendment to our by-laws that permits a stockholder, or a group of up to 20 stockholders, owning 3% or more shares of our common stock continuously for the three years prior to the date of submission of a notice nominating a candidate for director and continuing up to the date of the annual meeting, to nominate and include in the company's proxy materials stockholder nominees for election to the board constituting the greater of (a) two stockholder nominees or (b) 20% of the total number of directors in office as of the last day nominations of stockholder nominees may be submitted, rounded down to the nearest whole number, provided that the nominating stockholder(s) and the nominee(s) satisfy the requirements specified in our by-laws.

Any director nomination pursuant to our proxy access by-law must be in writing and received by our corporate secretary at our principal executive office no later than December 25, 2018. If the date of next year's annual meeting is moved to a date more than 30 days after or 30 days before the anniversary of this year's annual meeting, the nomination must be received no later than the later of 180 days prior to the date of the 2019 annual meeting or 10 days following the public announcement of the date of the 2019 annual meeting. Any stockholder submitting a nomination under our proxy access by-law procedures must comply with the procedure, notice and information requirements in Article IV, Section 12 of our by-laws. Nominations made pursuant to our proxy access by-law should be addressed to: *Corporate Secretary, Freeport-McMoRan Inc., 333 North Central Avenue, Phoenix, Arizona 85004.*

Communications with the Board

The board believes that senior management speaks for the company. Individual board members may, from time to time, meet or otherwise communicate with the company's stakeholders at the request of the board or senior management. Stockholders or other interested parties may communicate directly with one or more members of the board, or the independent directors as a group, by writing to the director or directors at the following address: *Freeport-McMoRan Inc., Attn: Board of Directors or the name of the individual director or directors, 333 North Central Avenue, Phoenix, Arizona 85004.* The communication will be forwarded to the non-executive chairman of the board or the appropriate director or directors for response.

Table of Contents**PROPOSAL NO. 1: ELECTION OF DIRECTORS**

The board currently consists of seven members. Upon the recommendation of our nominating and corporate governance committee, the board has nominated seven directors for election at our 2018 annual meeting to hold office until the next annual meeting and the election of their successors. All of the nominees are currently directors. Each agreed to be named in this proxy statement and to serve if elected. The persons named as proxies on the proxy card intend to vote your proxy for the election of each such nominee, unless otherwise directed. If, contrary to our expectations, a nominee should become unavailable for any reason, your proxy will be voted for a substitute nominee designated by the board or the board may reduce its size.

The experience, qualifications, attributes and skills that led the board and the nominating and corporate governance committee to conclude that each of the nominees should serve as a director for the company are set forth in the table below, which our nominating and corporate governance committee has used for the past two years.

Experience, Qualifications, Attributes & Skills							
	Adkerson	Ford	Kennard	Madonna	Mather	McCoy	Townsend
Senior leadership experience							
Accounting/financial expertise							
Public company board experience							
Operational management							
International business							
Capital markets/banking							
Environmental/sustainability/corporate responsibility							
Government, legal and regulatory compliance							
Diversity (gender, race)							

For more information regarding director nominations and qualifications, see the sections titled [Corporate Governance](#), [Director Nominations and Qualifications](#) and [Corporate Governance](#), [Director Candidates Submitted by Stockholders](#) beginning on pages 11 and 15, respectively.

Vote Required to Elect Director Nominees

Under our by-laws, in uncontested elections, directors are elected by a majority of the votes cast. In contested elections where the number of nominees exceeds the number of directors to be elected, directors are elected by a plurality vote, with the director nominees who receive the most votes being elected.

In an uncontested election, any nominee for director who receives a greater number of votes against his or her election than votes for such election will be required to promptly tender his or her resignation to the board. Our nominating and corporate governance committee will recommend to the board whether to accept or reject the tendered resignation. The board will act on the committee's recommendation and publicly disclose its decision within 90 days from the date of the annual meeting of stockholders. Any director who tenders his or her resignation will not participate in the committee's recommendation or the board action regarding whether to accept or reject the tendered resignation.

In addition, if each member of the nominating and corporate governance committee fails to be elected at the same election, the independent directors who were elected will appoint a committee to consider the tendered resignations and recommend to the board whether to accept or reject them. Any vacancies on the board may be filled by a majority of the directors then in office. Each director elected in this manner will hold office until his or her successor is elected and duly qualified. For more information on the voting requirements, see Questions and Answers About the Proxy Materials, Annual Meeting and Voting.

Board of Directors Recommendation on Proposal No. 1

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR ALL OF THE DIRECTOR NOMINEES LISTED BELOW.

Table of Contents**Information About Director Nominees**

The following table provides certain information as of April 10, 2018, with respect to each director nominee, including information regarding business experience, director positions with other public companies held currently or at any time during the last five years, and the experiences, qualifications, attributes or skills that led our nominating and corporate governance committee and the board to determine that such person should be nominated at our 2018 annual meeting of stockholders to serve as a director of the company. Unless otherwise indicated, each person has been engaged in the principal occupation shown for the past five years. Former public company directorships reflect positions held in the last five years.

Richard C. Adkerson

Business Experience: Chief Executive Officer of the company since December 2003. President of the company since January 2008 and from April 1997 to March 2007. Chief Financial Officer of the company from October 2000 to December 2003. Vice Chairman of the Board of the company since May 2013. Co-Chairman of the Board of McMoRan Exploration Co. from 1998 until acquired by the company in 2013. President and Chief Executive Officer of McMoRan Exploration Co. from 1998 to 2004. Vice Chairman of our former parent company from 1995 to 1997. Partner in Arthur Andersen & Co. from 1978 to 1989 where he served as a Managing Director and head of the firm's global oil and gas industry services. Professional Accounting Fellow with the Securities and Exchange Commission and Presidential Exchange Executive from 1976 to 1978.

Vice Chairman, President**and Chief Executive Officer****of Freeport-McMoRan Inc.**

Age: 71

Director since: 2006

Skills and Qualifications: Mr. Adkerson is a recognized business leader in the mining industry, making him highly qualified to serve as a Vice Chairman of the Board of the company. As President and Chief Executive Officer of our company, he has demonstrated exceptional leadership abilities in developing and executing a financial strategy that has benefited our stockholders and in building an operational, financial and administrative organization that efficiently supports our business. Mr. Adkerson is recognized as a mining industry leader, having served as past Chairman of the International Council on Mining and Metals and on the Executive Board of the International Copper Association. Mr. Adkerson's strong leadership skills and executive management experiences are instrumental in fostering strong relationships with business partners, key customers, suppliers and host governments, thereby enabling him to guide the company's business strategy. He holds a B.S. in Accounting with highest honors and an M.B.A. from Mississippi State University and completed the Advanced Management Program at Harvard Business School.

Former Public Company Directorships: McMoRan Exploration Co.

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Gerald J. Ford

Non-Executive Chairman of the Board of Freeport-

McMoRan Inc.; Chairman of the Board of Hilltop Holdings Inc.

Independent

Age: 73

Director since: 2000

Committees:

Audit

Executive (*Chair*)

Nominating and Corporate
Governance (*Chair*)

Business Experience: Non-Executive Chairman of the Board from January 2016 to present. Principal stockholder and Chairman of the Board of Hilltop Holdings Inc., a Texas-based, publicly traded, diversified financial holding company, since 2007, and a director of Hilltop Holdings Inc. since 2005. General Partner of Ford Financial II, L.P., a private equity firm, from 2010 to present and of Ford Financial Fund, L.P., a private equity firm, from 2010 to 2016. Chairman of the Board and Chief Executive Officer of Golden State Bancorp, Inc. and its wholly owned subsidiary, California Federal Bank, FSB, a Federal Savings Bank, from 1998 through its 2002 merger with Citigroup Inc. Chairman of the Board of First Acceptance Corporation from 1996 to 2010 and Chief Executive Officer of First Acceptance Corporation from 1996 to 2002.

Skills and Qualifications: Mr. Ford is a banking and financial institutions entrepreneur who has been involved in numerous mergers and acquisitions of private and public sector financial institutions over the past 35 years. In that capacity, he acquired and consolidated 30 commercial banks from 1975 to 1993, forming First United Bank Group, Inc., a multi-bank holding company for which he served as Chairman of the Board and Chief Executive Officer until its sale in 1994. During this period, he also led investment consortiums that acquired numerous financial institutions, forming in succession, First Gibraltar Bank, FSB, First Madison Bank, FSB and First Nationwide Bank. His extensive banking industry experience and educational background provide him with expertise in financial, accounting and regulatory matters, making him a valuable member of the board of directors. In addition, Mr. Ford's service on the board of directors and audit and corporate governance committees of a variety of public companies gives him a deep understanding of the role of the board and positions him well to serve as our non-executive chairman of the board, chair of our executive and nominating and corporate governance committees and as a member of our audit committee. He holds a B.A. in Economics and a J.D. from Southern Methodist University.

Current Public Company Directorships: Hilltop Holdings Inc. and Scientific Games Corporation

Former Public Company Directorships: Pacific Capital Bancorp, McMoRan Exploration Co. and SWS Group, Inc.

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Lydia H. Kennard

**President and Chief
Executive Officer of KDG
Construction Consulting**

Independent

Age: 63

Director since: 2013

Business Experience: President and Chief Executive Officer of KDG Construction Consulting, a construction and program management firm, from 2011 to present. Principal of Airport Property Ventures, LLC, a developer and operator of aviation facilities, from 2007 to present. Executive Director of Los Angeles World Airports, from 1999 to 2003, and again from 2005 to 2007. Member of the California Air Resources Board from 2004 to 2011.

Skills and Qualifications: Ms. Kennard's over 30 years of executive and operational experience in aviation, construction management and real estate development enables her to contribute to the board her leadership skills and her critical insights into the operational requirements of a large public company. As a result of her former involvement with the California Air Resources Board, she is able to share her understanding of environmental management and pollution control matters, which is valuable in enhancing the board's insight with respect to our company's environmental policies and practices. She holds a B.A. in Urban Planning and Management from Stanford University, a Master in City Planning from Massachusetts Institute of Technology and a J.D. from Harvard Law School.

Current Public Company Directorships: Prologis, Inc.

Committees:

Corporate Responsibility

Nominating and Corporate
Governance

Former Public Company Directorships: Intermec, Inc. and URS Corporation

Jon C. Madonna

**Retired Chairman and Chief
Executive Officer of KPMG
LLP**

Independent

Age: 74

Director since: 2007

Business Experience: Retired Chairman and Chief Executive Officer of KPMG LLP, an international accounting and consulting firm. Retired from KPMG LLP in 1996 having held numerous senior leadership positions throughout his 28-year career with KPMG LLP. Chairman of DigitalThink, Inc. from 2002 to 2004 and Chief Executive Officer of DigitalThink, Inc. from 2001 to 2002. President and Chief Executive Officer of Carlson Wagonlit Corporate Travel, Inc. from 1999 to 2000 and Vice Chairman of Travelers Group, Inc. from 1997 to 1998.

Skills and Qualifications: Mr. Madonna's long career in public accounting with an international accounting firm and his service as an executive and a director for several publicly traded companies provides him with extensive experience in addressing strategic, operational, financial, accounting, and regulatory matters at the board level. His depth of experience enables him to provide valuable insight to the board of directors and makes him highly qualified to serve as the chair of our audit committee. He holds a B.S. in Accounting from The University of San Francisco.

Former Public Company Directorships: Tidewater, Inc. and AT&T Inc.

Committees:

Audit (Chair)

Compensation

Nominating and Corporate
Governance

Executive

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Courtney Mather

Business Experience: Portfolio Manager of Icahn Capital LP, the entity through which Carl C. Icahn manages investment funds, from December 2016 to present. Managing Director of Icahn Capital LP from April 2014 to November 2016. Served multiple senior investment roles with leadership responsibility at Goldman Sachs & Co. from 1998 to 2012, including most recently Managing Director responsible for Private Distressed Trading and Investing, where he focused on identifying and analyzing investment opportunities for both Goldman Sachs and clients.

Portfolio Manager of Icahn Capital LP

Skills and Qualifications: Mr. Mather's significant business and financial experience and leadership roles in various companies provide him with the requisite set of skills to serve as a member of the board. Mr. Mather received a B.A. from Rutgers College and attended the United States Naval Academy. Mr. Mather holds the Chartered Alternative Investment Analyst and Chartered Financial Analyst professional designations.

Independent

Age: 41

Director since: 2015

Mr. Mather was initially appointed to the board of directors in October 2015 in accordance with the terms of the Nomination and Standstill Agreement. Mr. Mather has been nominated for election to the board at our 2018 annual meeting of stockholders in accordance with such agreement.

Committees:

Audit

Current Public Company Directorships: Herc Holdings, Inc., Conduent Incorporated and Newell Brands Inc., in each of which Carl C. Icahn has a non-controlling interest.

Executive

Former Public Company Directorships: Viskase Companies, Inc., American Railcar Industries, Inc., CVR Refining, LP and CVR Energy, Inc., each of which is indirectly controlled by Carl C. Icahn.

Dustan E. McCoy

Business Experience: Retired Chairman and Chief Executive Officer of Brunswick Corporation, a leading, publicly traded, global manufacturer and marketer of recreation products including marine engines, boats, fitness equipment and billiards equipment, having held such positions from December 2005 to February 2016. President of the Brunswick Boat Group from 2000 until 2005. Joined Brunswick in 1999 as Vice President, General Counsel and Corporate Secretary. Prior to joining Brunswick, served as Executive Vice President for Witco Corporation, a publicly traded specialty chemical products company, with operating responsibility for a variety of global businesses and functions and served as Senior Vice President, General Counsel and Corporate Secretary.

Retired Chairman and Chief Executive Officer of Brunswick Corporation

Skills and Qualifications: Mr. McCoy's extensive experience in legal and compliance matters generally, and more specifically his experience in corporate governance and disclosure matters for publicly traded companies makes him well-suited to serve on the board of directors. Mr. McCoy's executive management experience provides him with a broad understanding of the operational, financial and strategic issues facing large global companies, enabling him to chair our compensation committee and to provide valuable strategic advice to the board and management in advancing the company's interests. He holds a B.A. in Political Science from Eastern Kentucky University and a J.D. from Salmon P. Chase College of Law at Northern Kentucky University.

Independent

Age: 68

Director since: 2007

Committees:

Current Public Company Directorships: Louisiana-Pacific Corporation

Compensation (*Chair*)

Corporate Responsibility

Former Public Company Directorships: Brunswick Corporation

Executive

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Frances Fragos Townsend

**Executive Vice President of
Worldwide Government,
Legal and Business Affairs at
MacAndrews & Forbes Holdings
Inc.**

Independent

Age: 56

Director since: 2013

Committees:

Corporate Responsibility
(Chair)

Compensation

Executive

Business Experience: Executive Vice President of Worldwide Government, Legal and Business Affairs at MacAndrews & Forbes Holdings Inc. from 2013 to present and Senior Vice President from 2010 to 2013. Partner at Baker Botts L.L.P. from 2009 to 2010. Homeland Security and Counterterrorism Advisor to President George W. Bush from 2005 until 2008 and Chair of the Homeland Security Council from 2004 to 2008. Deputy Assistant to President George W. Bush and Deputy National Security Advisor for Combatting Terrorism from 2003 until 2004. Prior to serving the President, Ms. Townsend was the first Assistant Commandant for Intelligence for the U.S. Coast Guard. Before that, Ms. Townsend spent 13 years at the U.S. Department of Justice under the administrations of President George H.W. Bush, President William J. Clinton and President George W. Bush. Ms. Townsend is a member of the Council on Foreign Relations.

Skills and Qualifications: Ms. Townsend brings to the board over 25 years of domestic and international experience in legal, law enforcement and security. Her extensive public policy, government and regulatory experience enables her to provide valuable insight with respect to complex international and regulatory matters addressed at the board level. She holds a B.A. in Political Science and a B.S. in Psychology from American University and a J.D. from the University of San Diego School of Law.

Current Public Company Directorships: Scientific Games Corporation and The Western Union Company

Former Public Company Directorships: SIGA Technologies, Inc.

Table of Contents**EXECUTIVE OFFICER COMPENSATION****Compensation Discussion and Analysis**

This Compensation Discussion and Analysis, or CD&A, describes and analyzes our executive compensation philosophy and program in the context of the compensation paid during the last fiscal year to our chief executive officer, our chief financial officer, and each of our two other executive officers during 2017 (collectively referred to as our named executive officers or NEOs). Our named executive officers for 2017 are:

Name	Title
Richard C. Adkerson	Vice Chairman, President and Chief Executive Officer
Kathleen L. Quirk	Executive Vice President, Chief Financial Officer and Treasurer
Michael J. Arnold	Executive Vice President and Chief Administrative Officer
Harry M. Conger, IV	President and Chief Operating Officer Americas

This CD&A is organized into five sections:

Executive Summary (page 24)

Executive Compensation Philosophy (page 30)

Overview of Principal Components of Executive Compensation (page 31)

Post-Termination Compensation (page 37)

Compensation Processes and Policies (page 39)

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Executive Summary

Performance Highlights

During 2017, we focused our efforts on productivity, cost and capital discipline, and generating cash flows to continue to successfully execute our plan to strengthen our balance sheet. As a result of a series of asset sale transactions during 2016 and early 2017, we refocused our business on our leading position in the global copper industry. For the year 2017, operating cash flows of \$4.7 billion exceeded capital expenditures of \$1.4 billion, which enabled us to reduce our consolidated debt, net of cash, by \$3.1 billion during 2017. Highlights included the following:

Solid operating performance throughout global operations.

Developed attractive organic options for future growth, including commencement of development of the Lone Star oxide project located near our Safford mine in eastern Arizona.

Important progress for long-term stability in Indonesia.

Our common stock increased 44% during 2017, putting us in the top 15% in the S&P 500.

Reduced consolidated debt, net of cash, to \$8.7 billion 1.5x 2017 EBITDA compared with \$20 billion at the start of 2016.

As a first step in recognition of our company's improved financial strength, our board of directors reinstated a cash dividend on our common stock. The first quarterly dividend payment of \$0.05 per share will occur on May 1, 2018.

To further support our plan, our compensation committee (the committee) designed the annual incentive plan for 2017 to focus our executive team on the goals noted above. Specifically, the 2017 financial and operational metrics and targets under the annual incentive plan, and our results for 2017, which exceeded the targets under three metrics and fell slightly below target for three metrics, were as follows:

2017 Performance Against AIP Targets

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Table of Contents***Stockholder Engagement and Continued Evolution of Our Executive Compensation Program***

Our board has a history of seeking our stockholders' feedback regarding our practices, including our compensation program, and highly values the insights we receive through this open dialogue. Over the past year, the board led a multi-stage stockholder engagement program to ensure the continuation of this process of using stockholder feedback to inform the board's response to areas of inquiry.

In the lead-up to the 2017 annual meeting, **we engaged with 15 of our stockholders collectively holding over 45% of our outstanding common stock**. Most investors communicated positive feedback regarding management's execution of our long-term strategy to focus on our world-class copper portfolio and exercise capital and cost discipline. Although our stockholders were generally supportive of our compensation program's structure and quantum, there were two primary concerns regarding our executive compensation program that we sought to address. First, the use of special annual incentive and equity awards for 2016 performance and secondly, the use of annual metrics in our long-term incentive compensation program. The committee recognized the need for **responsive action following the disappointing outcome of our 2017 annual meeting vote on our say-on-pay proposal, which passed with 52% support**.

After our 2017 annual meeting, our committee executed **a comprehensive engagement outreach program** to gain additional insight into stockholders' views of our executive compensation program and discuss potential responsive actions. In the fall of 2017, we engaged with a significant cross-section of our institutional stockholder base and indicated our intent to integrate stockholder feedback into the committee's review of the executive compensation program as we considered changes for 2018. **We sought meetings with 15 stockholders representing over 40% of our outstanding common stock and engaged with 10 investors representing about 25% of our outstanding common stock**. In order to establish direct dialogue with our committee, the chair of the committee participated in many of these discussions, along with our non-executive chairman and our deputy general counsel and corporate secretary.

We conducted additional engagement calls with our largest stockholders **to preview the modifications to our executive compensation program and to seek any additional feedback**. Through this extensive engagement process, we received valuable input from our stockholders detailed below under Stockholder Feedback. This feedback directly informed the incentive compensation changes made for 2018 detailed under Adopted New Long-Term Incentive Program Structure for 2018 to Reflect Stockholder Perspectives on page 28.

What We Heard and What We Did

Compensation Element	Stockholder Feedback	Direct Response
Performance Share Units (PSUs)	Frequently cited return on investment (ROI) as a long-term metric to consider	Adopted ROI metric

	Generally supported TSR modifier	Maintained relative TSR modifier
	Preferred a metric that applied over three-year performance period	Vesting based on metric over three-year performance period
Other Equity Vehicles <i>(50% of LTI award)</i>	Suggested awarding restricted stock units (RSUs) in place of a portion of stock options	Adjusted program to include RSUs (25% of LTI award) and stock options (now 25% of LTI award instead of 50%)
Special Awards	Noted that 2017 say-on-pay votes reflected concerns regarding the special awards to executives, although many understood our rationale	Committed to no future special awards outside of regular compensation program except in extraordinary circumstances; did not grant any additional special awards in 2018

Table of Contents***Target Direct Compensation***

Our executive compensation program is significantly performance-based linking executive pay, company performance and results for stockholders and is appropriately balanced with short- and long-term measures. The primary components of our executive compensation program are (1) base salary, (2) annual incentive awards and (3) long-term incentive awards (which we collectively refer to as our executives' direct compensation). The annual incentive awards and long-term incentive awards, which comprise the majority of our executives' target direct compensation, are at-risk, with a significant percentage of the compensation based on measureable performance objectives, both annual and long-term (the performance share units, or PSUs), and increases in our stock price (stock options).

Using these compensation components, in February 2017 the committee established the following target compensation framework for our executive officers for 2017:

2017 Target Compensation Framework*

Executive	Annual Base Salary	Target Cash Annual Incentive	Target LTI Award Values		Total Target
		(0-175%)	Options	PSUs	Direct Compensation
Mr. Adkerson	\$1,600,000	\$2,400,000	\$4,000,000	\$4,000,000	\$12,000,000
Ms. Quirk	800,000	1,400,000	2,000,000	2,000,000	6,200,000
Mr. Arnold	550,000	962,500	1,375,000	1,375,000	4,262,500
Mr. Conger	550,000	962,500	1,375,000	1,375,000	4,262,500

* The 2018 target compensation framework remains the same except that the values reflected for options are split 50/50 between options and RSUs.

Prior to approving this framework for 2017, the committee reviewed data provided by its independent consultant indicating that Mr. Adkerson's total target direct compensation ranked below the bottom 25th percentile of each of our peer group and the S&P 250. The committee noted that it had reviewed similar data in 2016, and although the committee believed that adjustments may have been warranted at that time due to Mr. Adkerson's increased responsibilities following our elimination of the Office of the Chairman management structure, considering the market environment and the challenges facing our company, the committee determined not to alter Mr. Adkerson's compensation package in 2016. The above framework reflects the following changes to Mr. Adkerson's target direct compensation in 2017, and results in his target direct compensation ranking just below the median of the S&P 250:

Annual base salary increase of \$350,000;

Target annual incentive award increased to 150% of base salary from 100%; and

Target LTI award values increased to 5x base salary from 4x.

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**CEO 2016 and 2017 Compensation Determinations and Impact of SEC Reporting Rules Relating to
One-Time Special Award for 2016 Performance**

The below table reflects the committee's determinations for Mr. Adkerson's compensation for performance during both 2016 and 2017. As discussed below, due to the SEC's reporting rules, this table differs from the SEC-required Summary Compensation Table on page 42 of this proxy statement due to the impact the SEC's reporting rules have on the treatment of the one-time award the committee granted to our CEO for 2016 performance.

Name and			AIP	LTIP		Target Value of	
Principal Position	Year	Salary	Cash	PSUs	Stock Options	One-Time Special Award	Total

Richard C.

Adkerson	2017	\$ 1,541,667	\$ 2,704,800	\$ 4,306,806	\$3,919,150		\$ 12,472,423
Vice Chairman,	2016	1,250,000	1,385,000	6,874,440	2,864,400	\$4,000,000	16,373,840

President and CEO

Background: In early 2017, the committee granted Mr. Adkerson a \$4 million one-time special award of RSUs and cash in respect of his and the company's 2016 performance. This award was granted outside of our regular compensation program, and the committee believed it was appropriate in light of Mr. Adkerson's assumption of the duties of three of our senior officers following the 2015 elimination of our Office of the Chairman structure, the company's significant achievements during 2016 to restore the company's balance sheet strength and strategic focus on copper, and the fact that his target compensation ranked below the bottom 25th percentile of our peer group and the S&P 250. In lieu of granting the entire award as an additional cash bonus for 2016, however, the committee chose to deliver \$3 million of the target value of the award in the form of RSUs and \$1 million of the target value of the award in cash.

Stockholder Feedback: During 2017, stockholders provided feedback on the special award and indicated that their 2017 say-on-pay votes reflected their views on that award.

SEC Reporting Rules: SEC regulations require us to include in the Summary Compensation Table **equity awards granted during** the given year and **cash compensation earned for** performance associated with the given year.

Impact of SEC's Reporting Rules on One-Time Special Award: As a result of the SEC's reporting rules:

The Summary Compensation Table on page 42 of this proxy statement attributes the \$3 million **equity component** of the one-time grant to the Stock Awards column in the row detailing our CEO's 2017 compensation, because it was **granted during** 2017. This is despite the fact that it was granted in relation to 2016 performance and was fully disclosed in last year's proxy statement.

- i The \$1 million **cash component** of the one-time award appeared in the Bonus column for the row detailing our CEO's 2016 compensation in the 2016 Summary Compensation Table for last year's proxy statement because it was **earned for** performance in 2016. This amount remains in the same row for 2016 in the Summary Compensation Table on page 42 of this year's proxy statement.

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Table of Contents***Adopted New Long-Term Incentive Program Structure for 2018 to Reflect Stockholder Perspectives***

Based on stockholder feedback, our review of current market practices, as well as our committee's continual evaluation of our program in order to ensure we appropriately align our executives' incentives with our long-term strategy, we adopted a new LTI program structure for 2018. For a full description of our multi-stage stockholder engagement that informed these compensation program changes, please see *Stockholder Engagement and Continued Evolution of Our Executive Compensation Program* on page 25.

Summary of Key LTI changes:

PSUs (50% of our LTI) will now vest based on a three-year performance period

Adopted ROI metric for PSUs

Retained PSU relative TSR modifier

Stock options that vest over a three-year period will now represent 25% of our LTI (down from 50%)

RSUs that vest over a three-year period will now represent the remaining 25% of our LTI. The revised equity mix in our LTI program is consistent with S&P 500 companies with an average mix of 53% PSUs, 22% stock options and 25% RSUs. The committee believes these compensation program changes enhance the alignment between our incentive program and our evolving business, and are directly responsive to the concerns cited by our stockholders.

Changes Made to Our Long-Term Incentive Program for 2018 Versus Our 2017 Program

LTI Equity	2017	2018
Vehicle	LTI Program	LTI Program*
PSUs (50% of LTI award)	Payable in shares after three-year performance period Vesting based on annual financial and operational targets set each year over three-year period Relative TSR modifier adjusts final outcome	Payable in shares after three-year performance period <i>Adopted ROI metric</i> <i>Vesting based on ROI metric over three-year performance period</i>
Other Equity	Stock options (50% LTI Award)	Maintained relative TSR modifier Stock options (<i>now 25% of LTI award</i>)

Vehicles

(50% of LTI award)

i Time vested over four-year period

RSUs (25% of LTI award)

Stock options and RSUs vest over three-year period

* Changes for 2018 are indicated in bold italics

Compensation Governance and Best Practices

Our executive compensation program is designed and managed by the independent compensation committee of our board. Structuring a compensation program is a complex process that includes weighing various possible incentives and associated risks, assessing the competitive environment for executive talent, and understanding the views and perspectives of various constituencies. The committee is committed to incorporating stockholder perspectives in its review process. As noted above, the committee is aware of stockholder views through the broad feedback mechanism of our annual say-on-pay vote on executive compensation, but also actively solicits information through direct conversations with investors that allow the committee to gather more actionable insights. The committee also seeks input from its independent compensation consultant and strives to incorporate compensation best practices into our program design.

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Below is a summary of the compensation governance practices to which we are committed and which we believe enhance the performance of the company and long-term value for stockholders, and the practices that we reject.

We Are Committed To:

Responding to Stockholder Feedback since the extensive transformation of our executive compensation program in 2014, the committee has actively engaged with our investors in order to fully understand our stockholders' perspectives regarding our executive compensation program and has acted to respond to concerns raised. Most recently, we adopted a new long-term incentive program structure for 2018. Considering stockholder feedback and current market practices, the committee adopted a return on investment metric, maintained the relative TSR modifier, and replaced a portion of stock options with time vested RSUs.

Paying for Performance a significant portion of target direct compensation for our executive officers (86% for our CEO in 2017) is tied to performance of our company and our stock price. In addition, our executive officers forfeit awards when applicable performance conditions are not met, as evidenced by the forfeiture during the past year and a half of the 2015 and 2014 PSUs, which had an aggregate grant date value of \$10.3 million for our three executive officers who received these grants.

Clawback Policies we may recover incentive awards paid based on restated financial statements under certain circumstances.

Requiring Stock Ownership we require our executive officers and directors to maintain ownership of our securities through our use of equity-based compensation and our stock ownership guidelines. In February 2017, the committee increased Mr. Adkerson's required ownership multiple from 5x to 6x his base salary.

We Reject:

x Excise Tax Gross-Ups we do not provide any excise tax gross-ups to our executive officers.

x Single Trigger Vesting of Equity and Cash Payments our company's equity-based awards will only accelerate upon the recipient's actual or constructive termination of employment within one year of a change of control; similarly, change of control cash payments will only be payable upon the recipient's actual or constructive termination of employment within one year of a change of control.

x Hedging of Company Stock our insider trading policy prohibits our executives and directors from entering into hedging arrangements with respect to our securities.

x Excessive Pledging of Company Stock our insider trading policy limits the ability of our executives and directors to pledge our securities as follows:

our securities may not be pledged as collateral for a margin loan;

the executive or director must notify the company prior to execution of the pledge;

the executive or director must establish that he or she has the financial capacity to repay the loan without resorting to the pledged securities; and

any shares pledged will not be considered as owned for purposes of the stock ownership guidelines applicable to the executive or the director.

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Executive Compensation Philosophy

The fundamental principles of our company's executive compensation philosophy are to:

Pay for performance by emphasizing performance-based compensation that balances rewards for both short- and long-term results,

Align compensation with the interests of stockholders and the strategy of our business, and

Provide a competitive level of compensation to retain talent.

In order to achieve these goals, our committee believes that not only should a significant portion of the executive officers' compensation be performance-based, but also that such compensation should correspond to the key measures used by our stockholders in assessing our company's value and driving future growth.

Under our executive compensation program, the primary elements of the performance-based pay are (1) the awards under our annual incentive plan (AIP), which uses financial, operational, safety, environmental and social responsibility metrics to measure performance, and (2) awards under our LTI program, which in 2017 focused on our achievements with respect to certain financial and operational metrics, our response to market conditions and strategic considerations, and relative TSR. As noted above, this program was revised in 2018 to focus on a financial metric (ROI) and relative TSR for the full performance cycle.

Table of Contents**Overview of Principal Components of Executive Compensation**

The principal components of executive officer compensation for 2017 were (1) base salaries, (2) annual incentive awards and (3) long-term incentive awards in the form of PSUs and stock options. In addition, we provide our executives with certain personal benefits and perquisites, as well as post-employment compensation. The principal components are summarized as follows:

2017 Executive Compensation Program		
<i>Compensation Element</i>	<i>Characteristics</i>	
Base Salary	Fixed cash compensation	
	Used to calculate other compensation elements	
	Annual variable cash compensation based on pre-established performance metrics	
	Formula-driven plan using the following metrics (weighted as indicated) to determine target and earned awards:	
	Financial	50%
	(consolidated adjusted EBITDA; debt reduction; capital expenditures; total PTFI cash distributions)	
Annual Incentive Program (AIP)	Operational	25%
	(Americas copper sales and Americas net unit cash costs of copper)	
		15%

Safety

10%

Environmental & Social Responsibility

Annual cash awards capped at a multiple of base salary (for our CEO in 2017, target = 1.5x base salary; maximum = 1.75x target).

PSU award (50% of LTI Program awards) payable in shares of stock after a three-year performance period, all of which is at risk based on performance measured by a combination of annual achievement of financial and operational objectives during the performance period and TSR.

Long-Term

**Incentive
Program**

(LTI Program)

- Range of payout of the PSUs is 0% to 200% depending on our achievement of the performance goals.

Stock options (50% of LTI Program awards) vest over a four-year period from date of grant.

See page 36 for changes to LTI Program for 2018.

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Base Salaries

How base salaries support our compensation philosophy and objectives:

Base salaries help us meet the objective of attracting and retaining the key talent and executive officers needed to manage our business successfully.

Fixed compensation in the form of base salary represents a small portion of our executive officers' target compensation, reflecting our goal to allocate more compensation to the performance-based elements of the total compensation package.

Individual base salary amounts reflect our committee's judgment with respect to each executive officer's responsibilities, performance, work experience and the individual's historical salary level.

2017 Highlights: Base Salaries

Effective March 1, 2017, the committee increased the base salaries of certain executive officers, representing the first increase for most since 2007.

In February 2017, the committee reviewed the base salaries of our executive officers as part of its review of the total compensation for our executive officers, including our chief executive officer. The committee noted that base salaries had not been increased for 10 years (except for Mr. Conger). With respect to our chief executive officer, the committee also noted that following our elimination of the Office of the Chairman structure in 2015 and the departure of our two other former senior executives in 2015 and early 2016, Mr. Adkerson fully assumed the management responsibilities formerly held by three senior officers. Further, the committee noted that in early 2016, it reviewed data from its compensation consultant indicating that Mr. Adkerson's target compensation ranked below the bottom 25th percentile of each of our peer group and the S&P 250. Mr. Adkerson's compensation had been set at that level when the three members of the Office of the Chairman were all compensated at the same level, with the goal of maintaining their aggregate compensation near the average of aggregate compensation for the three most senior executives at peer companies. Although the committee believed that adjustments may have been warranted at the time, considering the market environment and the challenges facing our company, the committee determined not to alter Mr. Adkerson's compensation package in early 2016. In early 2017, the committee's compensation consultant once again presented information indicating that Mr. Adkerson's total compensation package continued to rank below the bottom 25th percentile of each of our peer group and the S&P 250. Based on its review, the committee approved base salary increases for our executive officers effective March 1, 2017, as follows: Mr. Adkerson \$350,000 (base salary of \$1,600,000); Ms. Quirk \$150,000 (base salary of \$800,000) and Mr. Conger \$50,000 (base salary of \$550,000).

Annual Incentive Awards

How the overall design of the 2017 AIP supports our compensation philosophy and objectives:

Our AIP is designed to provide performance-based cash awards to our executive officers, each of whose performance has a significant impact on our financial stability, profitability and future growth.

It encourages the alignment of executive management with stockholder objectives.

The 2017 AIP's financial and operational metrics reflect our business goals and objectives, while its inclusion of safety and environmental and social responsibility metrics promote the goals of operating the business in a responsible manner.

Our focus on generating cash flows to reduce debt and strengthen our balance sheet closely aligns management and stockholder interests.

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General Structure of the AIP for 2017. For 2017, the committee established target performance goals in three categories that it believes effectively measure the performance of the company, with each category accounting for a specific percentage of the target award. In these categories, the committee chose the following metrics to measure performance:

Performance Category	Performance Metrics	Purpose
Financial	Consolidated Adjusted EBITDA	Directly reflects our goal of generating cash flows
	Net Debt Reduction	Directly reflects our goal of strengthening our balance sheet
	Capital Expenditures	Directly reflects our focus on capital discipline and our goal of strengthening our balance sheet
	Total PTFI Cash Distributions	Directly reflects our goal of generating cash flows
Operational	Americas Copper Sales	Reflects our goal of generating cash flows
	Americas Net Unit	Reflects our goal of operating efficiently and controlling
	Cash Costs of Copper	production costs



Following the end of the year, each performance metric is evaluated against the target goal, with payout levels defined for threshold, target and maximum levels of performance. If performance falls within these levels, a sliding scale is used to determine the appropriate payout.

2017 Highlights: Annual Incentive Program

Under the 2017 program, each executive had a target award based on a multiple of salary, and was eligible to earn an annual cash award based on the company's performance relative to defined goals established by the committee.

- o The target annual incentive award for Mr. Adkerson was 150% of base salary, or \$2.4 million.
- o The target annual incentive award for each of Ms. Quirk and Messrs. Arnold and Conger was 175% of base salary.
- o Annual cash incentive payments for threshold performance started at 50% of target with maximum performance earning 175% of target, although the committee retained the discretion to reduce the payment to 0% of target.

Based on the company's performance relative to the pre-established goals, the executives earned a payout amount equal to 112.7% of the target award.

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Review of 2017 AIP Results. In February 2018, the committee evaluated the company's performance against the AIP targets, which were as follows:

Performance Category	Performance Metrics	Weighting	Threshold	Target	Maximum	2017 Results
Financial	Consolidated Adjusted EBITDA (\$ in billions)	10%	\$4.50	\$5.50	\$6.20	\$5.97
	Net Debt* Reduction (\$ in billions)	15%	\$1.20	\$2.00	\$3.00	\$3.11
	Capital Expenditures (\$ in billions)	10%	\$2.10	\$1.90	\$1.60	\$1.41
	Total PTFI Cash Distributions (\$ in billions)	15%	\$1.00	\$2.00	\$2.50	\$1.44
Operational	Americas Copper Sales (billion lbs)	12.5%	2.40	2.75	2.95	2.72
	Americas Net Unit Cash Costs (\$/lb)	12.5%	\$1.75	\$1.58	\$1.46	\$1.60
Safety	Reportable Rate (TRIR)	15%	0.79	0.63	0.57	0.75
Environmental/Social Responsibility	Environmental/SR (Score)	10%	1	3	5	3

* Net debt is calculated as gross debt less consolidated cash.

2017 Metrics and Goals

In establishing the metrics and goals in February 2017, the committee chose:

metrics designed to focus our executives' efforts on the critical elements of the company's strategic plans for 2017—focusing on production, cost and capital discipline, and generating cash flows, while strengthening the balance sheet and refocusing our business on our leading position in the global copper industry; and

target goals that were consistent with the company's budget for the year.

The committee also approved the method for calculating results under each metric. In connection with the committee's review of our results in early 2018, no adjustments were made to the reported results under the financial metrics. In connection with the calculation of net unit cash costs per pound of copper, we use the by-product method in our calculation in our Annual Report on Form 10-K for the year ended December 31, 2017. Under this method, gold, molybdenum and other metal revenues at copper mines are reflected as credits against site production and delivery costs. Our calculation of consolidated unit net cash costs per pound of copper excludes noncash and other costs, including stock-based compensation costs, start-up costs, inventory adjustments, long-lived asset impairments, restructuring and/or unusual charges. The committee determined that the company performed above the maximum levels for the net debt reduction and capital expenditures metrics, between target and maximum levels for the consolidated adjusted EBITDA metric, and near or below target for each of the other financial and operational metrics.

The consolidated adjusted EBITDA metric is a non-GAAP measure. Please refer to [Annex A](#) to this proxy statement for a reconciliation and other information regarding our calculation of consolidated adjusted EBITDA.

With regard to the safety metric, the company's TRIR resulted in a payout between target and threshold levels for that metric. With regard to the environmental and social responsibility metric, the committee evaluated the company's performance relative to a scorecard it approved in February 2017. The committee considered the environmental performance with respect to environmental penalties, reportable spills and releases, and notices of

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violation. With regard to the social responsibility category, the committee considered further integration of the United Nations Guiding Principles on Business and Human Rights into our programs, investment in community programs, and stakeholder feedback and recognition of sustainability programs. As a result of its assessment, the committee determined that the executives had earned 100% of the target level of the environmental/social responsibility metric.

Based on the company's overall performance relative to the metrics, the executives earned 112.7% of the target payout under the 2017 AIP.

Long-Term Incentive Awards

How our long-term incentive awards support our compensation philosophy and objectives:

Long-term incentives are a variable component of compensation intended to reward our executives for the company's success in achieving sustained, long-term profitability and increases in stock value.

PSUs granted in February 2017 pay out based in part on our achievement of operational and financial goals and in part on our relative TSR compared to our peers over a three-year performance period. This design directly links our executives' earnings to our performance and stockholders' returns. As described on page 36, as a result of stockholder engagement prior to and following our 2017 annual meeting in June 2017, we have revised the structure of our PSU awards for 2018.

Stock options align our executives' interests with those of our stockholders, as the stock option's value is dependent on the performance of our stock price. Our committee believes that stock options are an effective performance-based compensation vehicle that links executive compensation to stockholder return.

Equity-based long-term incentives also strengthen focus on stock price performance and encourage executive ownership of our stock.

2017 Highlights: LTI Program

As in prior years, target LTI award values were delivered in an **equal mix of PSUs and stock options**.

Total target LTI award values for each executive are based on a multiple of 5x salary.

Determination and Design of 2017 LTI Awards.

At its meeting on February 7, 2017, the committee determined the total target LTI award value for each of the executive officers based on five times the executive's base salary. The committee determined to award 50% of the total target LTI value in stock options and 50% in PSUs, and calculated the number of stock options and the target PSUs to be granted to each as follows:

Executive	Total Target LTI Award Value	Number of Options Granted (1)	Estimated Value of Options on 2/7/17 (2)	Target Number of PSUs Granted	Estimated Value of PSUs on 2/7/17 (3)
Mr. Adkerson	\$8,000,000	515,000	\$3,996,400	257,000	\$3,988,640
Ms. Quirk	4,000,000	257,000	1,994,320	128,000	1,986,560
Mr. Arnold	2,750,000	177,000	1,373,520	88,000	1,365,760
Mr. Conger	2,750,000	177,000	1,373,520	88,000	1,365,760

- (1) The stock options vest ratably over a four-year period.
- (2) Based on an estimated Black-Scholes-Merton value of \$7.76. The actual Black-Scholes-Merton value calculated as of the close of February 7, 2017 was \$7.61, which is reflected in the Summary Compensation Table on page 42.

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(3) Based on an estimated fair value as of February 7, 2017 of \$15.52 (reflecting the closing price on the grant date). The final fair value of the PSUs based on the Monte Carlo valuation increased to \$16.758, which is the amount reflected in the Summary Compensation Table on page 42.

The PSUs granted in 2017 were designed similarly to our 2016 PSUs. As previously disclosed, our PSU design for 2016 and 2017 was driven by (1) stockholder feedback supporting the use of metrics other than TSR in our performance award, and (2) the committee's recognition that challenges facing the company and our planned exit of the oil and gas business made it extraordinarily difficult to determine appropriate performance metrics that would apply over a three-year period as the company's business cycle unfolded. Thus, rather than establish performance metrics applicable for the entire performance period, the committee elected to use the annual financial and operational metrics of the annual incentive plan for each year in the performance period, which would be averaged together to determine the performance results. A TSR modifier is applied such that the preliminary payout amount can be increased or decreased by up to 25% of the target award based on our TSR over the performance period compared to the TSR of an eight-company peer group (consisting of the eight mining company peers listed on page 39), as follows:

FCX TSR Rank	Impact on Preliminary Earned PSUs
1-2	+25%
3-4	+12.5%
5	No Change
6-7	-12.5%
8-9	-25%

As previously disclosed in our proxy statement for our 2017 annual meeting, however, the committee viewed this design as a temporary approach, providing needed flexibility in setting metrics in order to create a more effective long-term program and reward executives in times of significant change for our company. The committee expected to return to the more traditional approach of establishing the relevant performance metrics at the beginning of the performance period for the full performance period, and did so in 2018, as described below.

Significant Changes to LTI Program in 2018.

As discussed in detail in the Executive Summary on page 25, in response to stockholder feedback and current market practices, the committee revised the design of our long-term incentive program in 2018. The 2018 LTI program can be summarized as follows:

2018	PSUs (50% of LTI Program awards) payable in shares of stock after a three-year performance period, which award is entirely at risk based on performance measured against goals set at the beginning of the performance period ROI and a relative TSR modifier.
LTI Program	<ul style="list-style-type: none"> - Cumulative ROI target is 9%, with threshold goal equal to 6% and maximum goal equal to 20%, with preliminary payouts based on this metric ranging from 0% to 200% of the target award

o In establishing the ROI target, the committee considered the most recent three-year ROI average of 6.64% and the most recent five-year ROI average of 7.25%

- The TSR modifier operates similarly to our 2017 PSUs, resulting in an increase or decrease to the preliminary payout of up to 25% of the target award based on our TSR over the performance period compared to the TSR of the peer group listed on page 39)

- Overall range of payout of the PSUs is 0% to 225% of the target award depending on our achievement of the performance goals.

Stock Options (25% of LTI Program awards) vest over a three-year period from date of grant.

RSUs (25% of LTI Program awards) vest over a three-year period from date of grant.

Table of Contents*Forfeitures of 2015 and 2014 PSU Awards.*

In February 2018, the committee certified the results of the PSUs granted in 2015 to our executive officers. These PSUs had a three-year performance period ending December 31, 2017, and vesting and payout was based on the company's TSR compared to the TSR of our peer group (see page 39 for information about the companies in the peer group applicable to the 2015 PSUs). The executives could earn between 0% and 200% of the target PSU award based on the company's rank compared to the peer companies. As of the end of the performance period, our TSR ranked 1st compared to our peer group; thus, the PSUs were forfeited. As reported in our 2017 proxy statement, the 2014 PSU awards were also forfeited in February 2017. The table below details the PSUs that were forfeited in 2018, including the amounts reflected in the Summary Compensation Table reflecting the grant date value of the PSUs. As the executives forfeited 100% of the award, **no value was realized for these awards.**

Executive	Value of Grant Reported as Compensation in 2014	Realized Value of 2014 PSUs	Value of Grant Reported as Compensation in 2015	Realized Value of 2015 PSUs
Mr. Adkerson	\$2,556,265	\$0	\$2,145,510	\$0
Ms. Quirk	1,652,220	0	1,370,743	0
Mr. Arnold	1,402,828	0	1,191,950	0
Mr. Conger*	n/a	n/a	n/a	n/a
Totals	\$5,611,313	\$0	\$4,708,203	\$0

* Mr. Conger became an executive officer effective February 2, 2016.

Personal Benefits and Perquisites

In addition to the primary elements of our compensation program discussed above, we also provide certain personal benefits and perquisites to our executive officers. In recent years, we have revised this program to discontinue certain benefits, and we will continue to monitor this program and adjust it, as we deem appropriate. The personal benefits and perquisites currently offered are reflected in the Summary Compensation Table. Most of these benefits are designed to provide an added level of security to our executives and increase travel efficiencies, thereby ensuring the executives' ready availability on short notice and enabling the executives to focus more time and energy on company matters and performance. Our committee also recognizes the high degree of integration between the personal and professional lives of these executive officers, and these benefits ensure the security of the company's proprietary information by enabling our executives to conduct business while traveling without concern that company information will be compromised.

Post-Termination Compensation

In addition to the compensation received by the executive officers during 2017 and benefits under our tax-qualified defined contribution plans, which we provide to all qualified employees, we also provide certain post-employment benefits to our executive officers, including a nonqualified defined contribution plan, as well as a supplemental executive retirement plan and change of control and severance benefits to certain executives.

Nonqualified Defined Contribution Plan

We maintain an unfunded nonqualified defined contribution plan for the benefit of our executive officers, as well as other employees. The plan provides those employees whose earnings in a prior year were in excess of the dollar limit under Section 401(a)(17) of the Internal Revenue Code the ability to defer up to 20% of their base salary after deferrals to the Employee Capital Accumulation Program (ECAP, our 401(k) plan) have ceased due to qualified plan limits. The company makes a matching contribution (up to 5% of the participant's base salary) equal to each participant's deferrals in this plan and the ECAP. In addition, the company makes enhanced contributions equal to 5% of eligible compensation (base salary plus 50% of annual cash incentive awards) in excess of qualified plan limits for each eligible employee, with employees who met certain age and service requirements in 2000 (including Mr. Adkerson) receiving an additional 5% contribution. The purpose of the nonqualified plan is to make total retirement benefits for our employees who earn over the qualified plan limits commensurate with those available to other employees as a percentage of pay.

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Supplemental Executive Retirement Plan

We established an unfunded supplemental executive retirement plan (SERP) for Mr. Adkerson in February 2004. The compensation committee, advised by its independent compensation consultant at the time, approved the SERP, which was then recommended to and approved by our board. The SERP provides for benefits payable in the form of a 100% joint and survivor annuity, life annuity or an equivalent lump sum, and Mr. Adkerson has elected to receive an equivalent lump sum payment. The annuity will equal a percentage of Mr. Adkerson's highest base pay for any three of the five calendar years immediately preceding his completion of 25 years of credited service, plus his average annual incentive award for those years, provided that such average amount cannot exceed 200% of average base pay. The percentage used in this calculation is equal to 2% for each year of credited service up to 25 years. Income associated with option exercises or the vesting of long-term incentive awards is not considered in determining the benefits payable under the SERP.

The SERP benefit will be reduced by the value of all benefits received under all other current and former retirement plans (qualified and nonqualified) sponsored by the company, by FM Services Company, one of our wholly owned subsidiaries, or by any predecessor employer (including our former parent company), except for benefits produced by accounts funded exclusively by deductions from Mr. Adkerson's pay. As of December 31, 2017, Mr. Adkerson was 100% vested under the SERP.

Change of Control and Severance Benefits for Continuing Executives

We provide Ms. Quirk with contractual protections in the event of certain terminations of employment outside of the change of control context, as well as in connection with a change of control. In addition, Mr. Conger is an eligible participant in certain severance and change of control severance plans maintained by the company and our subsidiaries for the benefit of officers and employees. We believe that severance protections, particularly in connection with a change of control transaction, can play a valuable role in attracting and retaining key executive officers by providing protections commonly provided in the market. In addition, we believe these benefits also serve the company's interest by promoting a continuity of management in the context of an actual or threatened change of control transaction. The existence of these arrangements does not impact our decisions regarding other components of our executive compensation program, although we consider these severance protections an important part of our executives' compensation packages.

We believe that the occurrence, or potential occurrence, of a change of control transaction would create uncertainty regarding the continued employment of our executive officers. This uncertainty results from the fact that many change of control transactions result in significant organizational changes, particularly at the senior executive level. In order to encourage certain executive officers to remain employed with the company during an important time when their prospects for continued employment following a transaction are often uncertain, we may provide certain executive officers with enhanced severance benefits if their employment is terminated by the company without cause or, in certain cases, by the executive in connection with a change of control. Because we believe that a termination by the executive for good reason may be conceptually the same as a termination by the company without cause, and because we believe that in the context of a change of control, potential acquirors would otherwise have an incentive to constructively terminate the executive's employment to avoid paying severance, we believe it is appropriate to provide severance benefits in these circumstances. **We do not provide excise tax gross-up protections under any change of control arrangements with our executive officers.**

We also do not believe that our executive officers should be entitled to receive cash severance benefits merely because a change of control transaction occurs. **The payment of cash severance benefits is only triggered by an actual or constructive termination of employment following a change of control (i.e., a double trigger).** In addition, our long-term incentive awards, including the stock options, RSUs and PSUs granted to the executives and all of our employees, provide for accelerated vesting of the award following a change of control only if the recipient also experiences an actual or constructive termination of employment within one year after a change of control.

Ms. Quirk is also entitled to severance benefits under her employment agreement in the event of a termination of employment by the company without cause or by her for good reason. Our committee determined that it is appropriate to continue to provide Ms. Quirk with severance benefits under these circumstances in light of her position with the company and as part of her overall compensation package. For more information regarding these benefits, see the section titled "Executive Officer Compensation" Executive Compensation Tables Potential Payments Upon Termination or Change of Control starting on page 50.

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Compensation Processes and Policies

Role of Advisors

Our committee has engaged Pay Governance LLC (Pay Governance) as its independent compensation consultant since February 2010. Consistent with our committee's longstanding policy, Pay Governance will not provide, and has not provided, any services to the company's management. As required by SEC rules, the committee has assessed the independence of Pay Governance and concluded that Pay Governance's work did not raise any conflicts of interest. A representative of Pay Governance attends meetings of our committee and communicates with our committee chair between meetings; however, our committee makes all decisions regarding the compensation of our executive officers. Pay Governance provides various executive compensation services to our committee, including advising our committee on the principal aspects of our executive compensation program and evolving industry practices and providing market information and analysis regarding the competitiveness of our program design, as discussed in more detail below.

Peer Group

In March 2016, in connection with the company's exit of the oil and gas business and refocus of our business on our leading position in the global copper industry, the committee, with input from Pay Governance, developed a new group of peer companies that we will use going forward to compare our performance. This group of peers consists solely of mining companies and is set forth below:

Anglo American plc
Antofagasta plc
BHP Billiton Limited
Glencore Xstrata plc
Rio Tinto plc
Southern Copper Corporation
Teck Resources Limited
Vale S.A.

Following our acquisitions of oil and gas companies in mid-2013, Pay Governance worked with the committee and management to structure a peer group that would better align with the company's transformation to a natural resources company. This prior peer group included companies engaged in international mining activities or oil and gas exploration and production activities, with a ratio of two-thirds mining companies and one-third oil and gas companies. The prior peer group consisted of the following companies, and is the peer group against which our performance was measured for purposes of the PSUs granted in 2015 (which were forfeited in early 2018 as noted above) and the peer group against which our CEO's compensation was compared in 2016 and 2017 (in addition to the S&P 250 companies): Anglo American plc, Antofagasta plc, Barrick Gold Corporation, BHP Billiton Limited, Glencore plc, Newmont Mining Corporation, Rio Tinto plc, Southern Copper Corporation, Teck Resources Limited, Vale S.A., Anadarko Petroleum Corporation, Apache Corporation, ConocoPhillips, Devon Energy Corporation, and Occidental Petroleum Corporation.

In February 2018, with input from Pay Governance, the compensation committee determined that while the mining company peer group above is appropriate for measuring our performance, because it is substantially comprised of non-U.S. based companies, it is not an appropriate group for compensation comparisons due to the following: (1) international companies have significantly different pay structures than U.S. based companies, and (2) international companies have different reporting requirements making it difficult to obtain comparable data. As such, the committee concluded that the S&P 250 was an appropriate peer group for purposes of comparing our compensation programs and pay levels.

Table of Contents***Stock Ownership***

We believe that it is important for our executive officers to align their interests with the long-term interests of our stockholders. With that philosophy in mind, we have structured our compensation program to ensure that a portion of our executive officers' compensation is delivered in the form of equity, such as stock options, PSUs, and beginning in 2018, RSUs.

Under our stock ownership guidelines, each of our executive officers is required to maintain ownership of company stock valued at a certain multiple of base salary. In February 2017, the committee increased Mr. Adkerson's ownership guideline from five to six times his base salary. Shares that the executive has pledged, shares held by a spouse or children, and shares due upon the vesting of PSUs are not counted as shares owned for purposes of the guidelines. As of December 31, 2017, all of our then current NEOs had exceeded their target ownership level, except for Mr. Conger, who became an executive officer on February 2, 2016 and has until February 2, 2020 to reach his target level.

Executive	Actual Ownership Level as of December 31, 2017	
	Current Ownership	(Using 1-year trailing average stock price)
Mr. Adkerson	6x base salary	21x base salary
Ms. Quirk	3x base salary	9x base salary
Mr. Arnold	3x base salary	8x base salary
Mr. Conger	3x base salary	<2x base salary

These ownership levels reflect the individual commitments of our executives to align their interests with those of our stockholders and provide our executives with an incentive to maximize the value of our stock over the long-term. For more information regarding the current stock holdings of our executive officers, please see the section titled "Stock Ownership of Directors and Executive Officers" on page 63.

Compensation Clawback Policy

Our committee has adopted an incentive compensation clawback policy that would enable the company to clawback all or a portion of incentive compensation in the event an executive's misconduct causes the company to issue a restatement of its financial statements, to the extent that such executive's incentive compensation was based on the misstated financials. Our committee will amend the clawback policy, as needed, once the SEC adopts the final implementing rules regarding compensation clawbacks mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act).

Risks Arising from Compensation Policies and Practices

After reviewing the company's compensation program, management and our committee believe that the risks arising from our compensation policies and practices for our employees, including our executive officers, are not reasonably likely to have a material adverse effect on the company. In reaching this conclusion, we have taken into account the purpose and structure of these programs and the following design elements of our compensation programs and policies: our balance and amount of annual and long-term compensation elements at the executive and management levels; our selection of performance metrics under our annual and long-term programs that focus our executives and management level employees on the critical elements of our strategic plan, which in turn drive performance; the multi-year vesting of equity awards and three-year performance period of our PSUs that promote focus on the long-term operational and financial performance of our company; and bonus arrangements for most employees that are not guaranteed and are ultimately at the discretion of either our committee (for our executive officers and senior management) or senior management (for other employees). These features, as well as the stock ownership requirements for our executive officers, result in a compensation program that aligns our executives' interests with those of our stockholders and does not promote excessive risk-taking on the part of our executives or other employees.

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Section 162(m)

Section 162(m) of the Internal Revenue Code generally places a \$1 million limit on the amount of compensation a company can deduct in any one year for certain executive officers. Until recent changes to the tax code, however, compensation that qualified as performance-based under Section 162(m) did not count against the \$1.0 million deduction limit. The committee's policy in the past has been to structure compensation awards that will be deductible where doing so will further the purposes of our executive compensation programs. The committee considered it important to retain flexibility to design compensation programs that recognize a full range of criteria important to our success, even where compensation payable under the programs may not be fully deductible.

Our 2017 AIP aligns with the AIP our stockholders approved in 2014. This plan provides the committee the ability to structure annual incentive awards designed to qualify as performance-based compensation under Section 162(m). With respect to the LTI awards granted in 2017, the committee also designed the stock options and PSUs to qualify for the exclusion from the deduction limitation under Section 162(m).

The performance-based exemption under Section 162(m) has been repealed, effective for taxable years beginning after December 31, 2017. Thus, compensation paid to our covered executive officers in excess of \$1 million will not be deductible unless it qualifies for transition relief applicable to remuneration pursuant to written binding contracts in place as of November 2, 2017. Despite the compensation committee's efforts to structure the awards described above in a manner intended to be exempt from the Section 162(m) deduction limitation, because of the uncertain scope of the transition relief under the legislation repealing the performance-based exemption, no assurance can be given that compensation originally designed to be deductible under Section 162(m) will qualify for the transition relief when paid.

Compensation Committee Report

The compensation committee of the board has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K, and based on such review and discussion, the compensation committee recommended to the board that the Compensation Discussion and Analysis be included in this proxy statement.

Submitted by the Compensation

Committee on April 18, 2018:

Dustan E. McCoy, Chair

Jon C. Madonna

Frances Fragos Townsend

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The table below shows the total compensation paid to or earned by our named executive officers. For a more detailed discussion of our executive compensation program, including recent changes to our program, see the section titled Executive Officer Compensation Compensation Discussion and Analysis beginning on page 23.

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Change					
				Stock Awards (1)	Option Awards (2)	Non-Equity Incentive Plan Compensation (3)	in Pension Value and Nonqualified Deferred Compensation Earnings (4)	All Other Compensation (5)	Total
Richard C. Adkerson	2017	\$ 1,541,667		\$ 7,286,646	\$3,919,150	\$2,704,800	\$2,201,935	\$741,839	\$ 18,396,030
Vice Chairman,	2016	1,250,000	\$ 1,000,000	6,874,440	2,864,400	1,385,000	2,029,631	579,195	15,982,660
President and Chief	2015	1,250,000		2,145,510	2,489,050		1,874,626	806,655	8,570,790
Executive Officer									
Kathleen L. Quirk	2017	775,000		4,131,584	1,955,770	1,577,800		111,668	8,551,822
	2016	650,000		4,468,386	1,861,200	1,260,350		69,637	8,309,573
Executive Vice President,	2015	650,000		1,370,743	1,634,000			109,089	3,763,832
Chief Financial Officer and									
Treasurer									
Michael J. Arnold	2017	550,000		1,971,344	1,346,970	1,084,738		128,568	5,081,620
	2016	550,000		3,780,942	1,570,800	1,066,450		95,790	7,063,982
Executive Vice President	2015	550,000		1,191,950	1,376,000			105,934	3,223,884
and Chief Administrative									

officer								
Harry M. Longner, IV	2017	541,666	1,474,704	1,346,970	1,084,738	129,091	4,577,169	
	2016	500,000	1,947,758	818,400	1,114,925	137,651	4,518,734	
resident and chief								
operating officer Americas								

Adjusted Summary Compensation Table CEO*

Name	Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation		Total
							Earnings	All Other Compensation	
				(1)	(2)	(3)	(4)	(5)	
Richard C. Adkerson	2017	\$1,541,667		\$4,306,806	\$3,919,150	\$2,704,800	\$2,201,935	\$741,839	\$15,416,197
	2016	1,250,000		9,854,280	2,864,400	1,385,000	2,029,631	579,195	18,962,506
			\$1,000,000						

* This table reflects an adjustment in the timing of the disclosure of certain RSU awards. As previously disclosed, during 2017, Mr. Adkerson received a special award in consideration of 2016 performance, with the award delivered partially in cash and partially in RSUs. In accordance with SEC reporting requirements, the cash and stock portions of the award are required to be reported in different years in the Summary Compensation Table. The adjusted table above reflects the entire award in 2016. For additional information, see the section titled "CEO 2016 and 2017 Compensation Determinations and Impact of SEC Reporting Rules Relating to One-Time Special Award for 2016 Performance" on page 27.

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- (1) The amounts reported in the table for 2017 reflect the aggregate grant date fair value of the PSUs and special grants of restricted stock units awarded on February 7, 2017, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 718. The grant date fair value of the restricted stock units was determined based on the closing price of the common stock on the grant date (\$15.52). The PSUs represent a contingent right to receive shares of our common stock, with the final number of shares to be issued based on the company's achievement of annual operational and financial metrics over a three-year performance period, subject to a TSR modifier, which may increase or decrease the payout by up to 25% of the target award based on our TSR relative to a peer group. The grant date fair value of the PSUs with respect to the operational and financial performance conditions was determined by reference to the closing price of the common stock on the grant date (\$15.52), and the TSR modifier was valued using a Monte-Carlo valuation model. The Monte-Carlo model utilizes multiple inputs to produce distributions of TSR for the company and each of the applicable peer companies to calculate the fair value of the TSR modifier component of each award. Specifically, for the 2017 awards, the simulation model applied a risk-free interest rate of 1.4% and an expected volatility assumption for the company's stock price of 64.72%. The risk-free rate is assumed to equal the yield on an approximate three-year treasury bond on the grant date. Volatility is based on historical volatility for the approximate three-year period preceding the grant date. Using these assumptions, the TSR modifier component of the PSUs was valued at \$1.238 per unit, which, when combined with the closing price of the common stock on the grant date (\$15.52), resulted in a per unit value of \$16.758, which is reflected in the table. The maximum aggregate grant date value of the 2017 stock awards for each of the named executive officers assuming maximum payout of the PSUs, and based on the closing stock price at the date of grant, is as follows: for Mr. Adkerson \$7,977,280, for Ms. Quirk \$3,973,120, for Mr. Arnold \$2,731,520 and for Mr. Conger \$2,731,520.
- (2) Reflects the aggregate grant date fair value of the options granted to the named executive officers in the year reflected, determined using the Black-Scholes-Merton option valuation model price of \$7.61 per option. For information relating to the assumptions made by us in valuing the option awards made to our named executive officers, refer to Notes 1 and 10 of our financial statements in our Annual Report on Form 10-K for the year ended December 31, 2017. For more information regarding options granted to the named executive officers, see the section titled "Executive Officer Compensation Compensation Discussion and Analysis" beginning on page 23.
- (3) Reflects the annual incentive award payments received under our annual incentive program based on the achievement of pre-established goals. See the section titled "Executive Officer Compensation Compensation Discussion and Analysis" beginning on page 23 for more information.
- (4) Includes the aggregate change in actuarial present value of our SERP for Mr. Adkerson. See the section titled "Executive Officer Compensation Executive Compensation Tables Retirement Benefit Programs" beginning on page 48 for more information.
- (5) The amounts reported for 2017 are shown in the table below and reflect all perquisites and other personal benefits and (A) amounts contributed by the company to defined contribution plans, which include amounts contributed to the ECAP and the nonqualified defined contribution plan; (B) the dollar value of life insurance premiums paid by the company; and (C) the dollar value of interest credited on dividend equivalents on outstanding RSUs (we discontinued crediting interest for awards granted after 2015).

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The perquisites and other personal benefits reported in the table below include (a) personal financial and tax advice under the company's executive services program, (b) for Mr. Adkerson, personal use of fractionally owned company aircraft, which includes the hourly operating rate, fuel costs and incidental fees directly related to the flight, and for Messrs. Arnold and Conger, spousal travel expenses, including commercial airline tickets and meals, paid by the company in connection with the spouse accompanying the executive primarily for international business travel, (c) security services, use of company cars, which includes driver compensation and vehicle repair, maintenance, and fuel costs, and other allocated personnel costs, and (d) the company's premium payments for personal excess liability insurance. The amounts in the table reflect the incremental cost to the company.

2017 All Other Compensation

Name	Perquisites and Other Personal Benefits				Additional All Other Compensation		
	Financial and Tax Advice	Aircraft Usage and Spousal Travel	Security, Cars and Personnel	Personal Excess Liability Insurance Premiums	Plan Contributions	Life Insurance Premiums	Interest Credited on Dividend Equivalents
Mr. Adkerson	\$20,000	\$102,942	\$162,088	\$6,184	\$339,025	\$29,700	\$81,900
Ms. Quirk	2,300			3,034	106,334		
Mr. Arnold	19,085	25,359	779	2,959	80,386		
Mr. Conger	7,500	37,158		3,034	81,361		38

2017 Grants of Plan-Based Awards

Grant	Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)		All Other Awards:		
		Threshold	Target	Maximum	Target (6)	Maximum	Number of Shares of Stock or Units (3)	All Other Awards: Number of Options Underlying (4)	Exercise or Base Price of Option Awards (5)
	02/07/2017	\$1,200,000	\$2,400,000	\$4,200,000					
Adkerson	02/07/2017				257,000	514,000			
	02/07/2017							515,000	\$15.52
n PSUs	02/07/2017						128,000		

n	Options	02/07/2017					64,000		
J Grant									
Performance RSUs									
. Quirk									
		02/07/2017	700,000	1,400,000	2,450,000				
n	PSUs	02/07/2017				128,000	256,000		
n	Options	02/07/2017						257,000	15.52
J Grant		02/07/2017					128,000		
Arnold									
		02/07/2017	481,250	962,500	1,684,375				
n	PSUs	02/07/2017				88,000	176,000		
n	Options	02/07/2017						177,000	15.52
J Grant		02/07/2017					32,000		
Conger, IV									
		02/07/2017	481,250	962,500	1,684,375				
n	PSUs	02/07/2017				88,000	176,000		
n	Options	02/07/2017						177,000	15.52

- (1) For 2017, under the annual incentive program, each executive had a target award based on a multiple of salary, with the amount to be earned based on the company's performance relative to defined goals established by the compensation committee. The amounts reported represent the estimated threshold, target and maximum possible annual cash incentive payments that could have been received by each named executive officer pursuant to the annual incentive program for 2017. The estimated amounts in the "Target" column were

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approved by the compensation committee and reflect 150% of base salary for Mr. Adkerson and 175% of base salary for each of Ms. Quirk and Messrs. Arnold and Conger. Achievement of the threshold level of performance would result in a payout of 50% of the target award, and a maximum performance would result in 175% of target. For more information, see the section titled "Executive Officer Compensation" Compensation Discussion and Analysis beginning on page 23.

- (2) These awards represent PSUs awarded to the executive officers as part of the 2017 LTI Program. Each of the named executive officers received 50% of their 2017 target LTI Program award in the form of PSUs based on estimated grant date fair values as of February 7, 2017. Each PSU granted in 2017 represents a contingent right to receive shares of our common stock, with the final number of shares to be issued to our named executive officers based on the company's achievement of annual operational and financial metrics and on our TSR compared to the TSR of our peer group during the three-year period ending on December 31, 2019. For more information regarding PSUs granted to the named executive officers, see the section titled "Executive Officer Compensation" Compensation Discussion and Analysis beginning on page 23.
- (3) These awards represent one-time special awards granted in 2017 for 2016 performance, including grants of time vested RSUs that vest in annual increments over four years and, for Mr. Adkerson, performance-based RSUs that will vest upon our board's approval of a performance condition prior to the fifth anniversary of the grant date. See the section entitled "Executive Officer Compensation" Compensation Discussion and Analysis Stockholder Engagement and Continued Evolution of Our Executive Compensation Program beginning on page 25.
- (4) Each of the named executive officers received 50% of their 2017 LTI Program award in the form of options based on the estimated grant date fair value as of February 7, 2017.
- (5) The exercise price of each stock option reflected in this table was determined by reference to the closing quoted per share sale price of our common stock on the composite tape for NYSE-listed stocks on the grant date.
- (6) For the 2017 PSU awards, the executives may receive between 0% and 200% of the target PSU award based on achievement of the applicable performance goals, thus there was no determinable threshold.

Table of Contents**Outstanding Equity Awards at December 31, 2017**

Name	Option Awards					Stock Awards			
	Option Grant Date	Number of Securities Underlying Unexercised Options (1)	Exercise Price (2)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (3)	Market Value of Shares or Units of Stock That Have Not Vested (4)	Equity Incentive Plan Awards:	Equity Awards:	
							Market or Payout	Value of	
							Unearned Shares, Units or Other Rights That Have Not Vested (5)	Unearned Shares, Units or Other Rights That Have Not Vested (5)	
							Unearned Shares, Units or Other Rights That Have Not Vested (5)	Unearned Shares, Units or Other Rights That Have Not Vested (5)	
Richard C. Adkerson	01/28/08	162,000	\$27.860	01/28/18	128,000	\$2,426,880	1,101,000	\$17,462,160	
	02/02/09	162,000	11.930	02/02/19					
	02/01/10	162,000	29.130	02/01/20					
	02/07/11	135,000	31.950	02/07/21					
	02/06/12	135,000	24.080	02/06/22					
	02/02/09	250,000	12.295	02/02/19					
	02/02/10	1,000,000	36.255	02/02/20					
	02/08/11	500,000	55.640	02/08/21					
	02/06/12	330,000	46.730	02/06/22					
	01/29/13	450,000	35.010	01/29/23					
	02/04/14	251,250	83,750	30.940 02/04/24 18.980 02/03/25					
	02/03/15	290,000	290,000	4.350 02/02/26					
	02/02/16	271,250	813,750	15.520 02/07/27					
	02/07/17	515,000							
Kathleen L. Quirk	01/28/08	40,500	27.860	01/28/18	128,000	2,426,880	633,000	9,821,280	

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	02/02/09	40,500		11.930	02/02/19				
	02/01/10	40,500		29.130	02/01/20				
	02/07/11	40,500		31.950	02/07/21				
	02/06/12	40,500		24.080	02/06/22				
	02/02/09	300,000		12.295	02/02/19				
	02/02/10	300,000		36.255	02/02/20				
	02/08/11	150,000		55.640	02/08/21				
	02/06/12	110,000		46.730	02/06/22				
	01/29/13	150,000		35.010	01/29/23				
	02/04/14	165,000	55,000	30.940	02/04/24				
				18.980					
	02/03/15	190,000	190,000		02/03/25				
				4.350					
	02/02/16	176,250	528,750		02/02/26				
				15.520					
	02/07/17		257,000		02/07/27				
Michael J. Arnold	02/02/09	180,000				32,000	606,720	518,000	7,925,280
				12.295	02/02/19				
	02/02/10	240,000							
				36.255	02/02/20				
	02/08/11	120,000							
				55.640	02/08/21				
	02/06/12	100,000							
				46.730	02/06/22				
	01/29/13	135,000							
				35.010	01/29/23				
	02/04/14	138,750	46,250						
				30.940	02/04/24				
	02/03/15	160,000	160,000		18.980	02/03/25			
	02/02/16	148,750	446,250		4.350	02/02/26			
	02/07/17		177,000		15.520	02/07/27			
Harry M. Conger, IV	01/28/08	30,000		42.650	01/28/18	5,000	94,800	258,000	4,891,680
	02/02/09	23,000							
				12.295	02/02/19				
	02/02/10	100,000							
				36.255	02/02/20				
	02/08/11	50,000							
				55.640	02/08/21				
	02/06/12	65,000							
				46.730	02/06/22				

01/29/13	65,000		35.010	01/29/23
			30.940	
02/04/14	28,125	9,375		02/04/24
			18.980	
02/03/15	37,500	37,500		02/03/25
			4.350	
02/02/16		232,500		02/02/26
			15.520	
02/07/17		177,000		02/07/27

- (1) The stock options become exercisable in 25% annual increments on each of the first four anniversaries of the date of grant and have a term of 10 years. The unvested stock options will become immediately exercisable if there is a qualifying termination of employment following a change in control.

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- (2) The exercise price of the stock options granted by the company was determined by reference to the closing price of our common stock on the grant date.
- (3) Represents RSUs held by the named executive officers, as set forth in the tables below, which will vest and be paid out in shares of our common stock, provided the applicable service conditions are satisfied, as set forth in the table below.

Name	RSUs	Vesting Date
Mr. Adkerson	128,000	02/15/21
Ms. Quirk	128,000	02/15/21
Mr. Arnold	32,000	02/15/21
Mr. Conger	5,000	02/15/18

- (4) The market value of the unvested RSUs and PSUs reflected in this table was based on the \$18.96 closing market price per share of our common stock on December 29, 2017.
- (5) Represents target PSUs held by the named executive officers, as set forth in the table below. The PSUs will vest following the end of the applicable performance period and be paid out in shares of our common stock based on satisfaction of the applicable performance goals. With respect to the 2015 PSU awards, the executives earned between 0% and 200% of the target PSU award based on the company's TSR compared to the TSR of the company's peer group. With respect to the 2016 and 2017 PSU awards, the executives will earn between 0% and 175% of the target PSU award based on the company's achievement of annual operational and financial metrics and up to an additional 25% of the target PSU award based on the company's TSR compared to the TSR of the company's peer group. Accordingly, the number of units reported in the table above represent the target value of all outstanding PSUs as of December 31, 2017, but the values reported reflect a 0% payout with respect to the 2015 PSU awards and a payout at the target amount with respect to the 2016 and 2017 PSU awards. In addition, Mr. Adkerson's total includes 64,000 special performance RSUs, which vest upon satisfaction of a performance condition provided such performance occurs before February 7, 2022.

Name	Grant Date	Threshold*	PSUs		Last Day of Performance Period
			Target	Maximum	
Mr. Adkerson	2/3/2015	72,000	180,000	360,000	12/31/17**
	3/30/2016	n/a	600,000	1,200,000	12/31/18
	2/7/2017	n/a	257,000	514,000	12/31/19
Ms. Quirk	2/3/2015	46,000	115,000	230,000	12/31/17**
	3/30/2016	n/a	390,000	780,000	12/31/18
	2/7/2017	n/a	128,000	256,000	12/31/19

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Mr. Arnold	2/3/2015	40,000	100,000	200,000	12/31/17**
	3/30/2016	n/a	330,000	660,000	12/31/18
	2/7/2017	n/a	88,000	176,000	12/31/19
Mr. Conger	3/30/2016	n/a	170,000	340,000	12/31/18
	2/7/2017	n/a	88,000	176,000	12/31/19

* For the 2016 and 2017 PSU awards, each executive may receive between 0% and 200% of the target PSU award based on achievement of the applicable performance goals, thus there was no determinable threshold.

**In February 2018, the compensation committee certified a 0% payout with respect to the 2015 PSU awards.

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Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise (1)	Number of Shares Acquired on Vesting	Value Realized on Vesting (2)
Richard C. Adkerson				
Kathleen L. Quirk				
Michael J. Arnold				
Harry M. Conger, IV	77,500	\$843,975	10,000	\$153,700

- (1) The value realized on exercise of options is based on the difference between the closing sale price on the date of exercise and the exercise price of each option.
- (2) The value realized on vesting of RSUs is based on the closing sale price on the date of vesting of the RSUs or, if there were no reported sales on such date, on the last preceding date on which any reported sale occurred.

Retirement Benefit Programs

Nonqualified Defined Contribution Plan. We maintain an unfunded nonqualified defined contribution plan (NQDC plan) for the benefit of our executive officers, as well as others. The NQDC plan provides those employees whose earnings in a prior year were in excess of the dollar limit under Section 401(a)(17) of the Internal Revenue Code the ability to defer up to 20% of their base salary after deferrals to the ECAP (our tax-qualified defined contribution plan or 401(k) plan) have ceased due to qualified plan limits. The company makes a matching contribution equal to each participant's deferrals in this NQDC plan and the ECAP limited to 5% of the participant's base salary. In addition, the company also makes enhanced contributions equal to 5% of eligible compensation (base salary plus 50% of annual incentive awards) in excess of qualified plan limits for each eligible employee, with employees who met certain age and service requirements in 2000 (including Mr. Adkerson) receiving an additional 5% contribution. Distribution is made in a lump sum as soon as practicable or if timely elected by the participant, on January 1st of the year following retirement, but no earlier than the date allowable under law following separation from service. The table below sets forth the balances under our NQDC plan as of December 31, 2017 for each named executive officer.

Deferred Restricted Stock Units. In connection with the termination of his employment agreement in December 2013, Mr. Adkerson received 1,000,000 RSUs. These RSUs represent the right to receive an equivalent number of shares of our common stock. The RSUs were vested at grant but payout of shares of our common stock is deferred until six months after Mr. Adkerson's retirement.

Nonqualified Deferred Compensation

Name	Plan
------	------

		Executive Contributions	Registrant Contributions	Aggregate Earnings	Aggregate Withdrawals/ Distributions	Aggregate Balance at
		in Last Fiscal Year (1)	in Last Fiscal Year (2)	in Last Fiscal Year (3)		Last Fiscal Year End (4)
Richard C. Adkerson	NQDC plan	\$114,750	\$303,025	\$1,112,456		\$28,187,785
	Deferred RSUs			7,819,713		21,009,713
Kathleen L. Quirk	NQDC plan	53,500	79,334	76,048		1,990,526
Michael J. Arnold	NQDC plan	25,500	53,386	169,659		4,314,061
Harry M. Conger, IV	NQDC plan	13,583	54,361	17,509		480,778

(1) The amounts reflected in this column are included in the Salary column for each named executive officer for 2017 reported in the Summary Compensation Table.

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- (2) The amounts reflected in this column are included in the All Other Compensation column for each named executive officer for 2017 in the Summary Compensation Table, although the Plan Contributions reflected in footnote (5) to that table also include contributions to the company's ECAP.
- (3) The assets in the NQDC plan are treated as if invested to produce a rate of interest equal to the prime rate, as published in the Federal Reserve Statistical Report at the beginning of each month. For 2017, that rate of interest was 3.75% during the period from January 1, 2017 to March 15, 2017; 4.00% during the period from March 16, 2017 to June 14, 2017; 4.25% during the period from June 15, 2017 to December 13, 2017; and 4.50% during the period from December 14, 2017 to December 31, 2017. None of the earnings were considered preferential. With respect to Mr. Adkerson's deferred RSUs, the amount represents (a) the number of deferred RSUs multiplied by the change in the price of our common stock from December 31, 2016 (\$13.19) to December 29, 2017 (\$18.96), and (b) accrued dividend equivalents and interest (calculated using the prime rate) on those RSUs of \$2,049,713.
- (4) The following amounts reflected in this column were included in the 2016 Total compensation for each named executive officer in the Summary Compensation Table : Mr. Adkerson \$243,400, Ms. Quirk \$77,450, Mr. Arnold \$57,950 and Mr. Conger \$47,162. The following amounts reflected in this column were included in the 2015 Total compensation for each named executive officer in the Summary Compensation Table : Mr. Adkerson \$300,275, Ms. Quirk \$105,888, and Mr. Arnold \$79,400.

Supplemental Executive Retirement Plan - Mr. Adkerson. In February 2004, we established an unfunded SERP for Mr. Adkerson. The compensation committee, advised by its independent compensation consultant at that time, approved the SERP, which was then recommended to and approved by the board. The SERP provides for benefits payable in the form of a 100% joint and survivor annuity, life annuity or an equivalent lump sum. The annuity will equal a percentage of Mr. Adkerson's highest average base pay for any three of the five calendar years immediately preceding Mr. Adkerson's completion of 25 years of credited service, plus his average annual incentive awards for the same three years; provided that such average amount cannot exceed 200% of the average base pay. The percentage used in this calculation is 2% for each year of credited service for the company and its predecessor beginning in 1981, but capped at 25 years. Mr. Adkerson has attained 25 years of credited service and his annuity was fixed as of January 1st of the year in which he completed 25 years of credited service, and will only increase at retirement as a result of mortality and interest adjustments.

The SERP benefit is reduced by the value of all benefits from current and former retirement plans (qualified and nonqualified) sponsored by the company, by FM Services Company or by any predecessor employer (including our former parent company), except for benefits produced by accounts funded exclusively by deductions from the participant's pay. The amount provided in the table below reflects these reductions. As of December 31, 2017, Mr. Adkerson was 100% vested under the SERP and has elected to receive his SERP benefit in a lump sum.

Pension Benefits

Name	Plan Name	Present Value of	
		Number of Years Credited Service (1)	Accumulated Benefit (2)
Richard C. Adkerson	Supplemental Executive Retirement Plan	25	\$34,835,248

- (1) The years of credited service under the SERP is the participant's years of service with the company and its predecessor beginning in 1981, but capped at 25 years.
- (2) The accrued benefit was fixed as of January 1st of the year Mr. Adkerson attained 25 years of credited service, but will continue to increase year to year due to actuarial increases based on (a) an assumed 6% interest component, and (b) a mortality adjustment based on the IRS mortality table (as published in Revenue Ruling 2001-62) and defined under the SERP. These actuarial increases compensate for the fact that the benefit is expected to be paid over a shorter timeframe (i.e., life expectancy). The actuarially increased benefit is then present valued to reflect a lump sum payment.

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Potential Payments Upon Termination or Change of Control

Employment Agreement Ms. Quirk. As of December 31, 2017, we had an employment agreement with Ms. Quirk, which was approved by our compensation committee and the board and which is described below. For additional information, see the section titled Executive Officer Compensation Compensation Discussion and Analysis beginning on page 23.

The employment agreement with Ms. Quirk provides for a base salary of at least \$650,000, and provides that she is eligible to participate in our annual incentive plan. Ms. Quirk continues to be eligible for all other benefits and compensation generally provided to our most senior executives. The term of the agreement continues through January 1st, with automatic one-year extensions unless prior written notice is given by the compensation committee that it does not wish to extend the agreement. In the event of a change of control, the agreement will expire three years following the change of control. The agreement also contains non-competition, non-disclosure and other provisions intended to protect our interests if Ms. Quirk ceases to be employed by us.

In addition to the post-employment benefits provided under the company's retirement benefit programs described above, Ms. Quirk's employment agreement entitles her to the following additional benefits.

Severance Benefits. If, during the term of her employment agreement, we terminate Ms. Quirk's employment without cause or she terminates employment for good reason, she will be entitled to the following:

payment of a pro rata annual incentive award for the year in which the termination of employment occurs, based on actual results under our AIP;

a cash payment equal to three times the sum of (a) her base salary plus (b) the average of the annual incentive awards paid to her for the immediately preceding three years;

continuation of insurance and welfare benefits for three years or until she accepts new employment, if earlier;

acceleration of the vesting and payout of all outstanding stock options and RSUs; and

under the PSU agreements, in the case of termination without cause, retention of outstanding PSUs, which will vest after the end of the applicable performance period based on the company's achievement of the performance goal.

Under Ms. Quirk's employment agreement, **cause** is generally defined as her (a) failure to perform substantially the executive's duties with the company, (b) breach of the agreement, (c) felony conviction, (d) unauthorized acts resulting in harm to the company, or (e) falsification of financial records. **Good reason** is generally defined as (a) any failure by the company to materially comply with any of the provisions of the agreement or (b) the assignment to Ms. Quirk of any duties inconsistent in any material respect with her position, authority, duties, or responsibilities under the agreement.

If Ms. Quirk's employment terminates as a result of death, disability, or retirement during the term of her employment agreement, she (or her estate, as applicable) will be entitled to receive payment of a pro rata annual incentive award for the year of termination (based on actual results under our AIP) and, in the case of retirement, the continuation of insurance and welfare benefits for three years or until she accepts new employment, if earlier.

As a condition to receipt of these severance benefits, Ms. Quirk must retain in confidence all confidential information known to her concerning our business. Ms. Quirk has agreed not to compete with us for a period of six months after termination of employment.

Change of Control Severance Benefits. Ms. Quirk's employment agreement provides that the terms and conditions of her employment (including position, compensation, and benefits) will not be adversely changed until the third anniversary of the change of control. If Ms. Quirk is terminated without **cause**, as generally defined above, or if she terminates for **good reason** during the three-year period after a change of control,

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Ms. Quirk is generally entitled to receive the same payments and benefits that she would receive in the event of a similar termination under the employment agreement, described above, except that Ms. Quirk would receive a cash payment equal to three times the sum of her base salary plus the highest annual incentive award paid to her (rather than the average annual incentive award paid to her) for the immediately preceding three fiscal years. The term "good reason" includes the failure of the acquirer to provide the executive with substantially the same position, authority, duties, and responsibilities held prior to the change of control, in addition to the reasons generally provided above. The confidentiality and non-competition provisions continue to apply after a change of control.

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If employment terminates as a result of death, disability, or retirement following a change of control, Ms. Quirk will receive the same benefits described above under **Severance Benefits** in the event of death, disability, or retirement.

Severance and Change of Control Benefits – Other NEOs. We currently do not have severance or change of control agreements with any of Messrs. Adkerson, Arnold, or Conger. Mr. Conger is a participant in the company's executive change of control severance plan, which is available to certain senior executives of the company and provides benefits if a participant is terminated without cause or with good reason within two years following a change of control. Under this plan, Mr. Conger would be entitled to receive a cash payment equal to the sum of his base salary plus the highest annual incentive award paid to him for the immediately preceding three fiscal years, and continuation of insurance and welfare benefits for one year. For additional information regarding the impact of retirement on the various awards, see the footnotes to the **Potential Payments Upon Termination or Change of Control** table on pages 52 and 53.

Equity-Based Incentive Awards – Impact of Termination of Employment and Change of Control. The terms of our outstanding equity-based incentive award agreements (which include options, PSUs, and RSUs) generally provide that the subject award will be forfeited if the award recipient terminates employment prior to the vesting of the award, except under certain circumstances described below. In addition, a change of control alone will not automatically result in an acceleration of the vesting of outstanding awards.

Unless otherwise provided in a separate agreement, the following summarizes the effect of a termination of employment under certain scenarios on the outstanding equity-based incentives held by our NEOs:

Stock Options Upon a recipient's termination due to disability or retirement, any unvested stock options scheduled to vest within one year will vest as of the termination of employment, and the holder will have the lesser of three years or the remaining term of the option to exercise. Upon a recipient's death, the option will vest in full if not previously vested. In connection with a change of control, any unvested options will vest in full if the recipient is terminated by the company without cause or terminates with good reason within one year of the change of control.

Performance Share Units (PSUs) Upon a recipient's termination of employment due to death during the performance period of a PSU award, the award (and any related accrued dividend equivalents) will vest in full and pay out at the target level. If the termination of employment is due to disability or retirement, the award will not be forfeited nor accelerate, but will remain outstanding and vest following the end of the performance period, provided the applicable performance conditions are met. In the event of a change of control, outstanding PSUs will convert into an equivalent number of RSUs (at the target amount), which award (and any related accrued dividend equivalents) will vest on the earlier of the last day of the applicable performance period or the date the recipient is terminated without cause or terminates for good reason.

Restricted Stock Units (RSUs) Upon a recipient's termination due to death, any outstanding RSUs (and any related accrued dividend equivalents) will vest in full. If the termination is due to disability, any RSUs scheduled to vest within one year (and any related accrued dividend equivalents) will vest as of the termination of employment. In connection with a change of control, the RSUs (and any related accrued dividend equivalents) will vest in full if the recipient is terminated by the company without cause or terminates with good reason within one year of the change of control. With respect to the special RSU and performance RSU grants made to certain executive officers in February 2017, the RSUs will fully vest upon a recipient's termination due to death, disability or retirement, and the performance RSUs will fully vest upon a recipient's termination due to death or disability.

The letter agreement between the company and Mr. Adkerson in December 2013 provides that with respect to Mr. Adkerson's equity-based incentive awards, he will receive retirement treatment as set forth in the applicable award agreement following any termination of employment, except a termination due to death or termination by the company for cause.

No Excise Tax Gross-Ups. We do not provide excise tax gross-up protections in any of our change of control arrangements with our executive officers. Under Ms. Quirk's employment agreement, if any part of the payments or benefits received by Ms. Quirk in connection with a termination following a change of control constitutes an excess parachute payment under Section 4999 of the Internal Revenue Code, she will receive the greater of (a) the amount of such payments and benefits reduced so that none of the amount constitutes an excess parachute payment, net of income taxes, or (b) the amount of such payments and benefits, net of income taxes and net of excise taxes under Section 4999 of the Internal Revenue Code.

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The following table quantifies the potential payments to our named executive officers under the contracts, arrangements or plans discussed above for various scenarios involving a change of control or termination of employment of each of our named executive officers.

In addition to the benefits identified, our named executive officers would be entitled to receive the retirement and pension benefits described above under Executive Officer Compensation Executive Compensation Tables Retirement Benefit Programs, and outstanding vested stock options, which amounts are reflected in footnote (4) to the Potential Payments Upon Termination or Change of Control table below.

In accordance with SEC rules, the information below assumes a termination date of December 31, 2017 and reflects the arrangements in effect at that time. We have used the closing price of our common stock of \$18.96 on December 29, 2017, as reported on the NYSE, for purposes of calculating the value of the unvested and accelerated options, RSUs and PSUs.

Potential Payments Upon Termination or Change of Control

Name	Lump Sum Payment	Accumulated Restricted Dividends Performance						Total (4)
		Options (Unvested and Accelerated) (1)	Stock Units (Unvested and Accelerated) (2)	Interest Payable on Accelerated RSUs	Share Units (Unvested and Accelerated) (3)	Dividends Payable on Accelerated PSUs	Health and Welfare Benefits	
Richard C. Adkerson								
Retirement/Termination								
No Cause	n/a	\$4,405,863	\$2,426,880	n/a		n/a	n/a	\$6,832,743
Disability	n/a	4,405,863	3,640,320	n/a		n/a	n/a	8,046,183
Death	n/a	13,660,488	3,640,320		\$16,248,720	n/a		33,549,528
Qualifying Termination								
after Change of Control (5)	n/a	13,660,488	3,640,320	n/a	16,248,720	n/a	n/a	33,549,528
Kathleen L. Quirk								
Retirement	n/a	2,796,033	2,426,880	n/a		n/a	\$43,761	5,266,674
Disability	n/a	2,796,033	2,426,880	n/a		n/a	n/a	5,222,913
Death	n/a	8,609,118	2,426,880	n/a	9,821,280	n/a	n/a	20,857,278
Termination								
Good Reason	\$ 4,797,850	8,609,118	2,426,880	n/a	n/a	n/a	43,761	15,877,609
Termination	No Cause 4,797,850	8,609,118	2,426,880	n/a	n/a	n/a	43,761	15,877,609
Qualifying Termination								
after Change of Control (5)(6)	6,181,050	8,609,118	2,426,880	n/a	9,821,280	n/a	43,761	27,082,089
Michael J. Arnold								
Retirement	n/a	2,325,458	606,720	n/a		n/a	n/a	2,932,178
Disability	n/a	2,325,458	606,720	n/a		n/a	n/a	2,932,178
Death	n/a	7,128,593	606,720	n/a	7,925,280	n/a	n/a	15,660,593

Termination No Cause (7)	(8)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Qualifying Termination after Change of Control (7)(8)	n/a	7,128,593	606,720	n/a	7,925,280	n/a	n/a	15,660,593
Harry M. Conger, IV								
Retirement	n/a	1,284,495	n/a	n/a		n/a	n/a	1,284,495
Disability	n/a	1,284,495	94,800	\$1,303		n/a	n/a	1,380,598
Death	n/a	4,005,705	94,800	1,303	4,891,680	n/a	n/a	8,993,488
Termination No Cause (7)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Qualifying Termination after Change of Control (5)	1,664,925	4,005,705	94,800	1,303	4,891,680	n/a	27,077	10,685,490

* n/a means that the benefit is not provided to the executive or the executive did not have any of the referenced awards as of December 31, 2017.

- (1) The value of the accelerated options is determined by multiplying (a) the difference between the December 29, 2017 closing price of our common stock and the applicable exercise price of each option, by (b) the number of unvested and accelerated options under each scenario.
- (2) The values of the RSUs were determined by multiplying the December 29, 2017 closing price of our common stock by the number of RSUs to be vested under each scenario.
- (3) The values of the PSUs in connection with death or a qualifying termination after a change of control were determined by multiplying the December 29, 2017 closing price of our common stock by the target number of PSUs with performance periods ending after December 31, 2017. No value is reflected for awards of PSUs granted in 2016 and 2017 in the event of termination upon retirement or disability, or, for Mr. Adkerson, termination with no cause, because the PSU agreements do not provide for automatic vesting of outstanding PSUs and the related dividend equivalent credits in those circumstances. Instead, the awards will remain outstanding through the performance period and vest if the applicable performance conditions are met. For more information, see the Outstanding Equity Awards at December 31, 2017 table on page 46.

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- (4) In addition to the amounts reflected in this column, upon the occurrence of each event of termination listed in the table, each named executive officer would be entitled to the following additional benefits, as applicable: outstanding, in-the-money stock options that were vested at the time of termination, the executive's aggregate balance in the NQDC plan (as reflected on page 48), and, for Mr. Adkerson, the present value of his SERP (as reflected on page 49). The aggregate value of these additional benefits for each of our named executive officers, assuming a termination on December 31, 2017, is as follows: Mr. Adkerson \$71,450,356, Ms. Quirk \$6,849,754, Mr. Arnold \$7,686,998 and Mr. Conger \$634,073. These amounts do not include benefits under our ECAP or life insurance policies generally available to all employees. In addition to the standard life insurance policy generally available to employees, Mr. Adkerson has an executive life insurance policy providing for a death benefit of \$1.5 million.
- (5) With respect to the stock options and PSUs granted by the company in 2016 and 2017, the agreements provide for the benefits described in the table following a change of control only if the recipient is terminated without cause or terminated with good reason within one year after the change of control. The amounts stated in the rows titled "Qualifying Termination after Change of Control" assume the full vesting of options granted in 2014, 2015, 2016, and 2017 and full vesting and payout at target for PSUs granted in 2016 and 2017.
- (6) Pursuant to the terms of Ms. Quirk's employment agreement, the total payments may be subject to reduction if such payments result in the imposition of an excise tax under Section 280G of the Internal Revenue Code.
- (7) Each of Messrs. Arnold and Conger is entitled to certain severance benefits in the event of his termination without cause under the company's severance plan, which is generally available to certain eligible employees.
- (8) Mr. Arnold is entitled to certain benefits in the event of his termination following a change of control under the company's change of control plan, which is generally available to certain eligible employees.

CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our median employee and the annual total compensation of Mr. Adkerson, our CEO. We believe the pay ratio included in this information is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K.

We identified the median employee by examining the total earnings for the nine-month period ending September 30, 2017 for all individuals, excluding our CEO, who were employed by us and our consolidated subsidiaries on October 1, 2017, whether employed on a full-time, part-time, seasonal or temporary basis, with the following adjustments:

As of October 1, 2017, our employee population consisted of 25,124 individuals, with 43% of these individuals located in the United States, 30% located in Indonesia, 19% located in Peru, and the remaining 8% located in other foreign jurisdictions. To reduce administrative costs and as permitted by SEC rules, we have excluded from the calculation each foreign jurisdiction where we employ less than 100 individuals, namely the employees in each of Australia, Bulgaria, Canada, China, the Democratic Republic of the Congo, Germany, Japan, the Netherlands, the Philippines, the Russian Federation, South Africa, Taiwan and the United Kingdom. This adjustment resulted in the exclusion from the calculation of approximately 300 total employees, representing approximately 1% of our employee population.

With respect to permanent employees hired after January 1, 2017, we assumed for purposes of the calculation that those employees worked the full nine-month period in 2017.

With respect to employees in foreign jurisdictions, we applied a foreign currency to U.S. dollar exchange rate to the compensation paid in foreign currency based on an average exchange rate for the period from July 1, 2017 to September 30, 2017. We did not make any

cost of living adjustments.

Of the possible median employees, we selected the employee without atypical elements of pay in his or her earnings, such as disability payments or special earnings while on leave.

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After identifying the median employee, we calculated annual total compensation for such employee using the same methodology we use for our named executive officers as set forth in the Summary Compensation Table on page 42. The annual total compensation of our median employee (other than our CEO) for 2017 was \$66,490. As disclosed in the Summary Compensation Table, Mr. Adkerson's annual total compensation for 2017 was \$18,396,037. Based on the foregoing, our estimate of the ratio of the annual total compensation of our CEO to the median of the annual total compensation of all other employees was 277 to 1. Given the different methodologies that various public companies will use to determine an estimate of their pay ratio, the estimated ratio reported above should not be used as a basis for comparison between companies.

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AUDIT COMMITTEE REPORT

The audit committee is currently comprised of three directors. The board has determined that each member of the audit committee has no material relationship with the company and that each is independent and financially literate under the listing standards of the NYSE and under the SEC's standards relating to independence of audit committees.

We, the audit committee, operate under a written charter approved by the committee and adopted by the board. Our primary function is to assist the board in fulfilling the board's oversight responsibilities relating to (1) the effectiveness of the company's internal control over financial reporting, (2) the integrity of the company's financial statements, (3) the company's compliance with legal and regulatory requirements, (4) the qualifications and independence of the company's independent registered public accounting firm, and (5) the performance of the company's independent registered public accounting firm and internal audit firm.

We oversee the company's financial reporting process on behalf of the board. Our responsibility is to monitor this process, but we are not responsible for (1) developing and consistently applying the company's accounting principles and practices, preparing and maintaining the integrity of the company's financial statements, and maintaining an appropriate system of internal controls; or (2) auditing the company's financial statements and the effectiveness of internal control over financial reporting, and reviewing the company's unaudited interim financial statements. Those are the responsibilities of management and the company's independent registered public accounting firm, respectively.

During 2017, management assessed the effectiveness of the company's system of internal control over financial reporting in connection with the company's compliance with Section 404 of the Sarbanes-Oxley Act of 2002. We reviewed and discussed with management, Deloitte & Touche LLP, the company's internal audit firm (Deloitte & Touche), and Ernst & Young, LLP, the company's independent registered public accounting firm (Ernst & Young), management's report on internal control over financial reporting and Ernst & Young's report on their audit of the company's internal control over financial reporting as of December 31, 2017, both of which are included in our Annual Report on Form 10-K for the year ended December 31, 2017.

Appointment of Independent Registered Public Accounting Firm; Financial Statement Review

In February 2017, in accordance with our charter, we appointed Ernst & Young as the company's independent registered public accounting firm for 2017. We have reviewed and discussed the company's audited financial statements for the year 2017 with management and Ernst & Young. Management represented to us that the audited financial statements fairly present, in all material respects, the financial condition, results of operations and cash flows of the company as of and for the periods presented in the financial statements in accordance with accounting principles generally accepted in the United States, and Ernst & Young provided an audit opinion to the same effect.

We have received from Ernst & Young the written disclosures required by the Public Company Accounting Oversight Board Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence, regarding the company's independent registered public accounting firm's independence, and we have discussed with them their independence from the company and management. We have also discussed with Ernst & Young the matters required to be discussed by PCAOB Auditing Standard No. 1301 (formerly Auditing Standard No. 16) Communications with Audit Committees (PCAOB Rel. No. 2012-004, August 15, 2012), effective pursuant to SEC Release No. 34-68453 (December 17, 2012), and Auditing Standard No. 2410 (formerly Auditing Standard No. 18) Related Parties (PCAOB Release No. 2014-002, June 10, 2014), effective pursuant to SEC Release No. 34-73396 (October 21, 2014).

In addition, we have discussed with Ernst & Young the overall scope and plans for their audit, and have met with them and management to discuss the results of their examination, their understanding and evaluation of the company's internal controls as they considered necessary to support their opinions on the financial statements and on the internal control over financial reporting for the year 2017, and various factors affecting the overall quality of accounting principles applied in the company's financial reporting. Ernst & Young also met with us without management being present to discuss these matters.

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In reliance on these reviews and discussions, we recommended to the board, and the board approved, the inclusion of the audited financial statements referred to above in our Annual Report on Form 10-K for the year ended December 31, 2017.

Internal Audit

We also review the company's internal audit function, including the selection and compensation of the company's internal audit firm. In February 2017, in accordance with our charter, we appointed Deloitte & Touche as the company's internal audit firm for 2017. We have discussed with Deloitte & Touche the scope of their audit plan, and have met with them to discuss the results of their reviews, their review of management's documentation, testing and evaluation of the company's system of internal control over financial reporting, any difficulties or disputes with management encountered during the course of their reviews and other matters relating to the internal audit process. The internal audit firm also met with us without management being present to discuss these matters.

Dated: April 16, 2018

Jon C. Madonna, Chair

Gerald J. Ford

Courtney Mather

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**Fees and Related Disclosures for Accounting Services**

The following table discloses the fees for professional services provided by Ernst & Young in each of the last two fiscal years:

	2017	2016
Audit Fees (1)	\$11,995,000	\$16,733,000
Audit-Related Fees (2)	454,000	5,165,000
Tax Fees (3)	168,000	157,000
All Other Fees		

- (1) Audit Fees were primarily for professional services rendered for the audits of the consolidated financial statements and internal controls over financial reporting in compliance with Section 404 of the Sarbanes-Oxley Act of 2002, the review of documents filed with the SEC, consents, comfort letters and financial accounting and reporting consultations. Amounts related to oil and gas operations were approximately \$0.25 million and \$4.4 million of the total amounts reported for 2017 and 2016, respectively. Of the total amount reported for 2017, approximately \$144,000 is pending audit committee approval.
- (2) Audit-Related Fees were primarily for professional services rendered for the audits of disposed businesses and other attest services.
- (3) Tax Fees were for professional services related to general tax consultation, transfer pricing, tax compliance and international tax matters. The audit committee has determined that the provision of the services described above is compatible with maintaining the independence of our independent registered public accounting firm.

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Audit Committee Pre-Approval Policies and Procedures

The audit committee's policy is to pre-approve all audit, audit-related, tax, and permitted non-audit services to be provided by our independent registered public accounting firm. In accordance with that policy, the committee annually pre-approves a list of specific services and categories of services, including audit, audit-related and other services, for the upcoming or current fiscal year, subject to specified cost levels. Any service that is not included in the approved list of services must be separately pre-approved by the audit committee. In addition, if fees for any service exceed the amount that has been pre-approved, then payment of additional fees for such service must be specifically pre-approved by the audit committee; however, any proposed service that has an anticipated or additional cost of no more than \$30,000 may be pre-approved by the chair of the audit committee, provided that the total anticipated costs of all such projects pre-approved by the chair during any fiscal quarter does not exceed \$60,000.

At each regularly-scheduled audit committee meeting, management updates the committee on (1) the scope and anticipated cost of any service pre-approved by the chair since the last meeting of the committee and (2) the pre-approved fees for each service or group of services being provided by our independent registered public accounting firm. Each service provided by our independent registered public accounting firm has been approved in advance by the audit committee, and none of those services required use of the de minimis exception to pre-approval contained in the SEC's rules.

PROPOSAL NO. 2: RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2018

The audit committee is responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm retained to audit the company's financial statements. In February 2018, the audit committee appointed Ernst & Young to serve as the company's independent registered public accounting firm for 2018. Although stockholder ratification is not required, this appointment is being submitted to the stockholders for ratification as a matter of good corporate governance. The audit committee pre-approves the scope of all audit, audit-related, tax, and permitted non-audit services to be provided by Ernst & Young during the ensuing year and determines the appropriate funding to be provided by the company for payment of such services. The audit committee is also involved with the selection of the lead audit partner. Ernst & Young has been retained as the company's independent registered public accounting firm continuously since 2002. The audit committee and the board believe that the continued retention of Ernst & Young to serve as the company's independent registered public accounting firm is in the best interests of the company and its stockholders. If stockholders do not ratify this appointment, the audit committee will reconsider the appointment although it may determine the independent registered public accounting firm should continue. Even if stockholders ratify the appointment, the audit committee may, in its discretion, appoint a different independent registered public accounting firm at any time during the year if it believes such appointment is in the best interests of the company and the stockholders. A representative of Ernst & Young is expected to be present at our 2018 annual meeting and will have an opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

Vote Required to Ratify the Appointment of Ernst & Young LLP as our Independent Registered Public Accounting Firm For 2018

Approval of this proposal requires the affirmative vote of a majority of the common stock present in person or represented by proxy and entitled to vote thereon. For more information on the voting requirements, see Questions and Answers About the Proxy Materials, Annual Meeting and Voting on page 66.

Board of Directors Recommendation on Proposal No. 2

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2018.

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PROPOSAL NO. 3: ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

The board is committed to excellence in governance and recognizes the interest our stockholders have in our executive compensation program. As part of that commitment and in accordance with Section 14A of the Securities Exchange Act of 1934, our stockholders are being asked to approve an advisory resolution on the compensation of our named executive officers, as reported in this proxy statement.

This proposal, commonly known as the “say-on-pay” proposal, is advisory, which means that the vote on executive compensation is not binding on the company, the board, or the compensation committee of the board. Nonetheless, the board takes this vote and the opinions of our stockholders seriously and the compensation committee will evaluate the outcome of this vote in making future compensation decisions with respect to our named executive officers. The vote on this resolution is intended to address the company’s overall compensation of our named executive officers and our compensation philosophy and practices, as described in this proxy statement.

We are asking our stockholders to indicate their support for the compensation of our named executive officers as described in this proxy statement by voting in favor of the following resolution:

RESOLVED, That the stockholders of Freeport-McMoRan Inc. (the Company) approve, on an advisory basis, the compensation of the Company’s named executive officers, as disclosed in the Company’s proxy statement for our 2018 annual meeting of stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosures provided in this proxy statement.

Input from our investors informed many of the changes to our executive compensation program implemented over the last several years. Some highlights of our executive compensation program and recent compensation committee actions include the following:

Majority of our executives’ target direct compensation is at risk and requires measurable performance and increases in stock price under our annual and long-term incentive programs.

Payout of annual incentive awards for 2017 based on achievement of company performance metrics.

Forfeiture of PSUs for the 2015-2017 performance period for failure to satisfy performance conditions.

In direct response to stockholder feedback, we revised our LTI program in March 2018 to:

Incorporate ROI as the primary metric of our performance share unit awards (representing 50% of the LTI awards), while maintaining the TSR modifier, and measure performance over full three-year period.

Deliver the time-based portion of the LTI in equal values of stock options and restricted stock units (instead of all stock options).

Base salary increases for certain executives in March 2017 – first increase for chief executive officer and chief financial officer in 10 years.

Increase in chief executive officer’s required stock ownership level from 5x to 6x base salary.

In considering how to vote on this proposal, we urge you to review the relevant disclosures in this proxy statement, particularly the section titled “Executive Officer Compensation – Compensation Discussion and Analysis,” which contains detailed information about our executive

compensation program, including changes implemented over the last several years.

We currently hold our say-on-pay advisory vote every year. Accordingly, the next say-on-pay vote will occur at our 2019 annual meeting of stockholders.

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Vote Required to Approve, on an Advisory Basis, the Compensation of Our Named Executive Officers

Approval of this proposal requires the affirmative vote of a majority of the common stock present in person or represented by proxy and entitled to vote thereon. For more information on the voting requirements, see Questions and Answers About the Proxy Materials, Annual Meeting and Voting on page 66.

Board of Directors Recommendation on Proposal No. 3

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT.

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CERTAIN TRANSACTIONS

Our corporate governance guidelines provide that any transaction that would require disclosure under Item 404(a) of Regulation S-K of the rules and regulations of the SEC must be reviewed and approved, or ratified, by the audit committee or the disinterested members of the board. Any such related party transactions will only be approved or ratified if the audit committee or the disinterested members of the board determine that such transaction will not impair the involved person's service to, and exercise of judgment on behalf of, the company, or otherwise create a conflict of interest that would be detrimental to the company. The transactions described below have been reviewed and approved or ratified by the audit committee or the disinterested members of the board.

The Freeport-McMoRan Foundation executed in 2014 a gift agreement with the National World War II Museum, Inc., a tax-exempt organization, pursuant to which the Foundation agreed to donate \$4 million to the museum, payable in five equal installments of \$800,000 per year beginning in 2014. Richard C. Adkerson, our Vice Chairman, President and Chief Executive Officer, serves on the Board of Trustees of the National World War II Museum.

DIRECTOR COMPENSATION

Director Compensation Philosophy

We use a combination of cash and equity-based incentive compensation to attract and retain qualified candidates to serve on the board. In setting director compensation, the board is guided by the following principles:

Compensation should fairly pay directors for work required in a company of our size and scope, and differentiate among directors where appropriate to reflect different levels of work and responsibilities;

A significant portion of the total compensation should be paid in common stock to align directors' interests with the long-term interests of our stockholders; and

The structure of the compensation program should be simple and transparent.

Process of Setting Director Compensation

In February 2017, the board revised the charters of the nominating and corporate governance and compensation committees to transfer the oversight of director compensation to the compensation committee, including the authority to grant equity-based awards. The compensation committee conducts an annual review and assessment of all compensation, cash and equity-based, paid to our non-management directors under our director compensation program in light of the principles set forth under Director Compensation Director Compensation Philosophy. In December 2017, the compensation committee engaged Pay Governance, the board's independent compensation consultant, to conduct a market review of non-management director remuneration practices and evaluate the company's program in light of the review. After this review, the compensation committee decided to maintain the company's current director compensation program. The compensation committee will continue to seek advice from the board's independent compensation consultant at least every other year, or more often as needed, in connection with evaluating our program relative to relevant market data and formulating its recommendations to the full board.

In addition, under the 2016 Stock Incentive Plan, our stockholders have placed a limit on the cash and equity compensation that may be paid to a non-management director each year. Under the terms of the plan, an annual limit of \$750,000 per calendar year applies to the sum of all cash, equity-based awards (calculating the value of any such awards based on the grant date fair value of such awards for financial reporting purposes), and other compensation granted to each non-management director for services as a member of the board, although the maximum number of shares subject to equity-based awards that may be granted during a single fiscal year may not exceed \$500,000 of such annual limit.

Table of Contents**Cash Compensation**

During 2017, each non-management director received an annual fee consisting of, as applicable:

Board/Committee	Fee	
	Member	Chair
Board	\$75,000	\$50,000 *
Audit	12,500	25,000
Compensation	10,000	20,000
Nominating and Corporate Governance	7,500	15,000
Corporate Responsibility	7,500	15,000

* Paid in shares of our common stock.

In addition, each director was reimbursed for reasonable out-of-pocket expenses incurred in attending each board and committee meeting.

Non-management directors may elect to exchange all or a portion of their annual fee for an equivalent number of shares of our common stock on the payment date, based on the fair market value of our common stock on the date preceding the payment date. Non-management directors may also elect to defer all or a portion of their annual fee, and such deferred amounts will accrue interest at a rate equal to the prime commercial lending rate announced from time to time by JPMorgan Chase (compounded quarterly), and shall be paid out at such time or times as directed by the participant. See footnote (1) to the Director Compensation table for details regarding participation in this program by our non-management directors.

The compensation of Mr. Adkerson during 2017 for his service as an executive officer is reflected in the Summary Compensation Table included in this proxy statement. Mr. Adkerson does not receive any additional compensation for serving on our board.

Equity-Based Compensation

Under the equity-based component of our program in place during 2017, our non-management directors received annual equity awards payable solely in RSUs, with the number of RSUs granted determined by dividing \$170,000 by the closing sale price of our common stock on June 1st, the grant date, or the previous trading day if no sales occur on that date, and rounding down to the nearest hundred shares. The RSUs vest on the first anniversary of the grant date. Each RSU entitles the director to receive one share of our common stock upon vesting. Dividend equivalents are accrued on the RSUs on the same basis as dividends are paid on our common stock. The dividend equivalents are only paid upon vesting of the RSUs. In addition, in connection with an initial election to the board other than at an annual meeting, a director may receive a pro rata equity grant. On June 1, 2017, each non-management director was granted 14,800 RSUs.

Frozen and Terminated Retirement Plan

We previously adopted a retirement plan for non-management directors which entitled directors who had reached age 65 to a retirement benefit based on the annual director fees. In April 2008, we froze the benefit under this plan for our then existing directors and terminated the plan for any future directors. Under the plan, as revised, an eligible current director is entitled to an annual benefit up to a maximum of \$40,000 (the prior level of annual director fees), depending on the number of years the retiree served as a non-management director for us or our predecessors. As of December 31, 2017, Messrs. Ford, Madonna and McCoy are eligible to participate in the retirement plan and receive an annual benefit of \$40,000 upon retirement from the board. The benefit will be payable until the retiree's death.

Table of Contents**Director Compensation Table**

The table below summarizes the total compensation paid to or earned by our non-management directors during 2017.

Director Compensation

Name of Director	Fees Earned or Paid in Cash	Stock Awards	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
(1)	(2)	(3)	(4)	(5)	
Gerald J. Ford	\$152,500	\$169,460	\$7,002	\$ 277	\$329,239
Lydia H. Kennard	90,000	169,460	n/a	215	259,675
Andrew Langham (6)	92,500	169,460	n/a		261,960
Jon C. Madonna	117,500	169,460	42,238	5,793	334,991
Courtney Mather	87,500	169,460	n/a		256,960
Dustan E. McCoy	102,500	169,460	65,275	4,523	341,758
Frances Fragos Townsend	100,000	169,460	n/a	215	269,675

- (1) During 2017, each of Messrs. Ford and Mather elected to receive an equivalent number of shares of our common stock in lieu of 100% of his annual fee, and Mr. Langham elected to receive an equivalent number of shares of our common stock in lieu of 50% of his annual fee and to defer 50% of his annual fee to be paid in one installment after his separation from the board. The amounts reflected in this column include the fees used to purchase shares of our common stock and fees deferred by the directors. In addition, the \$50,000 fee paid to Mr. Ford in connection with his service as non-executive chairman of the board was paid in shares of our common stock.
- (2) On June 1, 2017, each non-management director was granted 14,800 RSUs. Amounts reflect the aggregate grant date fair value of the RSUs, which are valued on the date of grant, or the previous trading day if no sales occur on that date, at the closing sale price per share of our common stock.
- (3) Beginning in June 2013, our non-management directors received annual equity awards payable solely in RSUs. The following table sets forth the total number of outstanding RSUs (including vested but deferred RSUs) and stock options held by each non-management director as of December 31, 2017:

Name of Director	RSUs	Options
Gerald J. Ford	23,725	98,900
Lydia H. Kennard	24,675	

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Andrew Langham	14,800	
Jon C. Madonna	40,325	80,000
Courtney Mather	14,800	
Dustan E. McCoy	67,200	80,000
Frances Fragos Townsend	31,625	

- (4) Amounts reflect the aggregate change in the actuarial present value of each director's accumulated benefit under the revised retirement plan as calculated in accordance with Item 402 of Regulation S-K. As noted above, the director retirement plan was terminated in 2008 for any future directors.

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- (5) Includes (a) interest credited on dividend equivalents on unvested RSUs during 2017 (beginning with RSU grants in 2015, interest credits on dividend equivalents are no longer provided) and (b) the dollar value of life insurance premiums and the related tax reimbursement paid by the company pursuant to an arrangement assumed in connection with our acquisition of Phelps Dodge as follows:

Name of Director	Interest Credited on Dividend Equivalents	Life Insurance Premium and Tax Paid
Gerald J. Ford	\$ 277	
Lydia H. Kennard	215	
Andrew Langham		
Jon C. Madonna	4,517	\$1,276
Courtney Mather		
Dustan E. McCoy	3,786	737
Frances Fragos Townsend	215	

- (6) Mr. Langham resigned from the board effective as of March 5, 2018.

STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

We believe that it is important for our directors and executive officers to align their interests with the long-term interests of our stockholders. We encourage stock accumulation through the grant of equity incentives to our directors and executive officers and through stock ownership guidelines applicable to our directors and executive officers.

The table below shows the amount of our common stock beneficially owned as of April 10, 2018 by each of our directors, director nominees, our named executive officers and our executive officers and directors as a group. Unless otherwise indicated, all shares shown in the table below are held with sole voting and investment power.

Name of Beneficial Owner	Number		Number		Percent of Class (3)
	of Shares Not Subject to Exercisable Options or Vesting of RSUs	Number of Shares Subject to Exercisable Options (1)	of Shares Subject to Vesting of RSUs (1)	Total Number of Shares Beneficially Owned (2)	
Richard C. Adkerson	1,762,089	4,565,250	1,000,000	7,327,339 (4)	*
Michael J. Arnold	298,737	1,541,750		1,840,487 (5)	*
Harry M. Conger, IV	72,375	518,500		590,875	*
Gerald J. Ford	2,284,076	98,900	20,250	2,403,226 (6)	*
Lydia H. Kennard	32,675		20,250	52,925	*
Jon C. Madonna	35,555	80,000	36,850	152,405	*
Courtney Mather	199,595		14,800	214,395	*
Dustan E. McCoy	16,000	80,000	63,725	159,725	*

Kathleen L. Quirk	399,088	2,093,750		2,492,838	*
Frances Fragos Townsend	26,795		27,200	53,995	*
Directors and executive officers as a group (10 persons)	5,126,985	8,978,150	1,183,075	15,288,210	1.05%

* Ownership is less than 1%.

- (1) Reflects our common stock that could be acquired within sixty days of the record date upon the exercise of options, vesting of RSUs, and the termination of deferrals on previously vested RSUs.

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- (2) In addition to the RSUs included in Number of Shares Subject to Vesting of RSUs, each beneficial owner holds the following unvested RSUs and unvested PSUs, which are not included in the table above because they do not vest within sixty days of the record date.

Name of Beneficial Owner	Number of Shares Subject to Unvested RSUs	Number of Shares Subject to Unvested PSUs/ Performance-Based RSUs
Richard C. Adkerson	234,500	1,134,000*
Michael J. Arnold	68,500	491,000
Harry M. Conger, IV	36,500	331,000
Gerald J. Ford	3,475	
Lydia H. Kennard	3,475	
Jon C. Madonna	3,475	
Courtney Mather		
Dustan E. McCoy	3,475	
Kathleen L. Quirk	181,000	624,500
Frances Fragos Townsend	3,475	
Directors and executive officers as a group (10 persons)	537,875	2,580,500

* Includes 64,000 performance-based RSUs and 1,070,000 PSUs.

For more information regarding the RSUs and PSUs, see the sections titled Director Compensation and Executive Officer Compensation Compensation Discussion and Analysis, and the 2017 Grants of Plan-Based Awards table.

- (3) Based on 1,448,730,009 shares of our common stock outstanding as of April 10, 2018.
- (4) Includes (a) 20,330 shares held in his individual retirement account (IRA); (b) 350,000 shares held in a trust; and (c) 476,980 shares held in a foundation with respect to which Mr. Adkerson, as a member of the board of trustees, shares voting and investment power, but as to which he disclaims beneficial ownership. Total number of shares beneficially owned includes the 1,000,000 shares underlying the RSUs awarded in December 2013, which Mr. Adkerson will receive six months after his retirement; these RSUs were vested at grant.
- (5) Includes 6,186 shares held through our ECAP, which is the company's tax-qualified defined contribution plan.
- (6) Includes (a) 20,000 shares held as trustee of a trust and (b) 2,000,000 shares held by Diamond Family Investments LP, which is controlled by Mr. Ford.

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Table of Contents**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers and persons who own more than 10% of our common stock to file reports of their ownership and changes in ownership of our common stock with the SEC. Based solely upon our review of such reports and amendments thereto furnished to us during 2017 and written representations from our directors and executive officers, we believe that during 2017, all required reports were timely filed with the SEC.

STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The table below shows persons known to us, as of April 10, 2018, to be the beneficial owner of more than 5% of our outstanding shares of common stock.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Outstanding Shares (1)
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355	148,638,499 (2)	10.26%
Capital Research Global Investors 333 South Hope Street Los Angeles, CA 90071	94,095,063 (3)	6.50%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	90,899,249 (4)	6.27%

(1) Based on 1,448,730,009 shares of our common stock outstanding as of April 10, 2018.

(2) Based on Amendment No. 3 to Schedule 13G filed with the SEC on January 10, 2018, by The Vanguard Group on its own behalf and on behalf of its subsidiaries identified therein, reflecting beneficial ownership as of December 31, 2017. The Schedule 13G/A reflects 146,471,860 shares held with sole dispositive power, 2,166,639 shares held with shared dispositive power, 1,922,844 shares held with sole voting power, and 322,898 shares held with shared voting power.

(3) Based on Amendment No. 2 to Schedule 13G filed with the SEC on February 14, 2018, by Capital Research Global Investors, reflecting beneficial ownership as of December 31, 2017. The Schedule 13G/A reflects 94,095,063 shares held with sole dispositive and voting power.

- (4) Based on Amendment No. 8 to Schedule 13G filed with the SEC on February 8, 2018, by BlackRock, Inc. on its own behalf and on behalf of its subsidiaries identified therein, reflecting beneficial ownership as of December 31, 2017. The Schedule 13G/A reflects 90,899,249 shares held with sole dispositive power and 78,626,823 shares held with sole voting power.

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QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS, ANNUAL MEETING AND VOTING

Why am I receiving these proxy materials?

The board, on behalf of Freeport-McMoRan Inc., is soliciting your proxy to vote at our 2018 annual meeting of stockholders because you owned shares of our common stock at the close of business on April 10, 2018, the record date for the annual meeting, and, therefore, are entitled to vote at the annual meeting. This proxy statement, along with a proxy card or a voting instruction form and 2017 annual report, is being made available to our stockholders on or about April 24, 2018. We have made these materials available to you on the internet and, in some cases, we have delivered printed proxy materials to you. This proxy statement summarizes the information that you need to know in order to cast your vote at the annual meeting. You do not need to attend the annual meeting in person to vote your shares of our common stock.

Why did I receive a notice of internet availability of proxy materials instead of a full set of proxy materials?

In accordance with the rules of the SEC, we are permitted to furnish proxy materials, including this proxy statement and our 2017 annual report, to stockholders by providing access to these documents on the internet instead of mailing printed copies. Most stockholders will not receive printed copies of the proxy materials unless requested. Instead, the notice of internet availability of proxy materials provides instructions on how to access and review the proxy materials on the internet. The notice also provides instructions on how to submit your proxy and voting instructions via the internet. If you would like to receive a printed or email copy of our proxy materials, please follow the instructions provided in the notice to request the materials.

When and where will the annual meeting be held?

Our 2018 annual meeting of stockholders will be held at 10:00 a.m., Eastern Time, on Tuesday, June 5, 2018, at the Hotel du Pont located at 42 West 11th Street, Wilmington, Delaware 19801. You can obtain directions to the Hotel du Pont online at the hotel's website at www.hoteldupont.com/map-and-directions-en.html.

How can I attend the annual meeting in person?

If you plan to attend the annual meeting in person, please bring proper identification and, if your shares of our common stock are held in street name, meaning a bank, broker, trustee or other nominee is the stockholder of record of your shares, please bring acceptable proof of ownership, which is either an account statement or a letter from your bank, broker, trustee or other nominee confirming that you beneficially owned shares of our common stock on the record date, April 10, 2018.

Who is soliciting my proxy?

The board, on behalf of Freeport-McMoRan Inc., is soliciting your proxy to vote your shares on all matters scheduled to come before our 2018 annual meeting of stockholders, whether or not you attend in person. By completing, dating, signing and returning the proxy card or voting instruction form, or by submitting your proxy and voting instructions via the internet, you are authorizing the proxy holders to vote your shares at the annual meeting as you have instructed.

On what matters will I be voting? How does the board recommend that I cast my vote?

At our 2018 annual meeting, you will be asked to: (1) elect our seven director nominees; (2) ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018; and (3) approve, on an advisory basis, the compensation of our named executive officers.

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The Board unanimously recommends that you vote:

FOR all of the director nominees;

FOR the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018; and

FOR the approval, on an advisory basis, of the compensation of our named executive officers.

We do not expect any matters to be presented for action at our 2018 annual meeting other than the matters described in this proxy statement, which would require a proposal to be submitted in accordance with our amended and restated by-laws by April 7, 2018, the date specified by the advance notice provisions set forth in our amended and restated by-laws. However, by completing, dating, signing and returning a proxy card, or by submitting your proxy and voting instructions via the internet, you will give to the persons named as proxies discretionary voting authority with respect to any other matter that may properly come before the annual meeting about which we did not have notice at least 45 days before the anniversary date on which we first sent our proxy materials for the prior year's annual meeting of stockholders, and they intend to vote on any such other matter in accordance with their best judgment.

How many votes may I cast?

You may cast one vote for every share of our common stock that you owned on April 10, 2018, the record date for the annual meeting.

How many shares of common stock are eligible to be voted?

As of April 10, 2018, the record date for our 2018 annual meeting, we had 1,448,730,009 shares of common stock outstanding, each of which entitles the holder to one vote.

How many shares of common stock must be present to hold the annual meeting?

Under Delaware law and our by-laws, the presence in person or by proxy of a majority of the issued and outstanding shares of our common stock entitled to vote is necessary to constitute a quorum at our 2018 annual meeting. The inspector of election will determine whether a quorum is present at the annual meeting. If you are a beneficial owner (as defined below) of shares of our common stock and you do not instruct your bank, broker, trustee or other nominee how to vote your shares on any of the proposals, and your bank, broker, trustee or other nominee submits a proxy with respect to your shares on a matter with respect to which discretionary voting is permitted, your shares will be counted as present at the annual meeting for purposes of determining whether a quorum exists. In addition, stockholders of record who are present at the annual meeting in person or by proxy will be counted as present at the annual meeting for purposes of determining whether a quorum exists, whether or not such holder abstains from voting on any or all of the proposals.

How do I vote?

Stockholders of Record

If your shares of our common stock are registered directly in your name with our transfer agent, Computershare Shareowner Services LLC, you are the stockholder of record of those shares and these proxy materials have been made available or mailed to you by us. You may submit your proxy and voting instructions by internet or by mail as further described below. Your proxy, whether submitted via the internet or by mail, authorizes each of Richard C. Adkerson and Kathleen L. Quirk, as your proxies at our 2018 annual meeting, each with the power to appoint his or her substitute, to represent and vote your shares of our common stock as you directed, if applicable.

Submit Your Proxy and Voting Instructions via the Internet www.eproxyaccess.com/fcx2018.

Edgar Filing: FREEPORT-MCMORAN INC - Form DEF 14A

Use the internet to submit your proxy and voting instructions 24 hours a day, seven days a week until 11:59 p.m. (Eastern Time) on Monday, June 4, 2018.

Please have your proxy card available and follow the instructions to obtain your records and create an electronic ballot.

Submit Your Proxy and Voting Instructions by Mail If you have received printed materials, complete, date, and sign your proxy card and return it in the postage-paid envelope provided.

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If you submit your proxy and voting instructions via the internet, please do not mail your proxy card. The proxies will vote your shares of our common stock at the annual meeting as instructed, if applicable, by the latest dated proxy received from you, whether submitted via the internet or by mail. You may also vote in person at the annual meeting.

For a discussion of the treatment of a properly completed, signed and dated proxy card without voting instructions on any or all of the proposals, please see the question below titled *What happens if I don't submit voting instructions for a proposal? What is discretionary voting? What is a broker non-vote?*

Beneficial Owners

If your shares of our common stock are held in a stock brokerage account by a bank, broker, trustee, or other nominee, you are considered the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by your bank, broker, trustee or other nominee that is considered the stockholder of record of those shares. As the beneficial owner, you have the right to direct your bank, broker, trustee or other nominee on how to vote your shares of our common stock via the internet or by telephone if the bank, broker, trustee or other nominee offers these options or by completing, dating, signing and returning a voting instruction form. Your bank, broker, trustee or other nominee will send you instructions on how to submit your voting instructions for your shares of our common stock. For a discussion of the rules regarding the voting of shares held by beneficial owners, please see the question below titled *What happens if I don't submit voting instructions for a proposal? What is discretionary voting? What is a broker non-vote?*

Participants in our Employee Capital Accumulation Program

If you hold shares of our common stock through our ECAP, which is the company's tax-qualified defined contribution plan, you may only submit your voting instructions for your shares of our common stock by mail. Accordingly, please complete, date and sign your voting instruction form and return it in the postage-paid envelope provided to you.

What happens if I don't submit voting instructions for a proposal? What is discretionary voting? What is a broker non-vote?

If you properly complete, date, sign and return a proxy or voting instruction form, your shares of our common stock will be voted as you specify. If you are a stockholder of record and you make no specifications on the proxy card that you sign and return, your shares of our common stock will be voted in accordance with the recommendations of the board, as provided above.

If you are a beneficial owner and you do not provide voting instructions to your bank, broker, trustee or other nominee holding shares of our common stock for you, your shares of our common stock will not be voted with respect to any proposal for which the stockholder of record does not have discretionary authority to vote. Rules of the NYSE determine whether proposals presented at stockholder meetings are discretionary or non-discretionary. If a proposal is determined to be discretionary, your bank, broker, trustee or other nominee is permitted under NYSE rules to vote on the proposal without receiving voting instructions from you. If a proposal is determined to be non-discretionary, your bank, broker, trustee or other nominee is not permitted under NYSE rules to vote on the proposal without receiving voting instructions from you. A broker non-vote occurs when a bank, broker, trustee or other nominee holding shares for a beneficial owner returns a valid proxy, but does not vote on a particular proposal because it does not have discretionary authority to vote on the matter and has not received voting instructions from the stockholder for whom it is holding shares.

Under the rules of the NYSE, the proposal relating to the ratification of the appointment of our independent registered public accounting firm is a discretionary proposal. Accordingly, if you are a beneficial owner and you do not provide voting instructions on this proposal to your bank, broker, trustee or other nominee holding shares for you, your shares may still be voted with respect to the ratification of the appointment of our independent registered public accounting firm.

Under the rules of the NYSE, the proposals relating to election of directors and the compensation of our named executive officers are non-discretionary proposals. Accordingly, if you are a beneficial owner and you do not provide voting instructions on these proposals to your bank, broker, trustee or other nominee holding shares for you, your shares will not be voted with respect to those proposals. Without your voting instructions, a broker non-vote will occur with respect to your shares on each non-discretionary proposal for which you have not provided voting instructions, if the shares are voted on any other proposal.

Table of Contents**What vote will be required, and how will my votes be counted, to elect directors and to approve each of the other proposals discussed in this proxy statement?**

Proposal	Voting Options	Vote Required		Effect of Broker Non-Votes
		to Adopt the Proposal	Effect of Abstentions	
No. 1: Election of directors	For, against or abstain on each nominee	Affirmative vote of a majority of votes cast*	No effect	No effect
No. 2: Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018	For, against or abstain	Affirmative vote of a majority of the shares of common stock present in person or represented by proxy and entitled to vote thereon	Treated as votes against	N/A
No. 3: Approval, on an advisory basis, of the compensation of our named executive officers	For, against or abstain	Affirmative vote of a majority of the shares of common stock present in person or represented by proxy and entitled to vote thereon	Treated as votes against	No effect

* In uncontested elections, our directors are elected by the affirmative vote of the holders of a majority of the votes cast. In an uncontested election, any nominee for director who receives a greater number of votes against his or her election than votes for such election will be required to promptly tender his or her resignation to the board. In contested elections (where the number of nominees exceeds the number of directors to be elected), our directors are elected by a plurality of shares of our common stock voted, with the director nominees who receive the most votes being elected. In contested elections, shareholders may vote for or withhold voting authority for each director nominee, and selecting withhold with respect to one or more director nominees will have no effect on the election of such nominees. In addition, broker non-votes will have no effect on the election of director nominees in contested elections.

Can I revoke or change my voting instructions after I deliver my proxy?

Yes. Your proxy can be revoked or changed at any time before it is used to vote your shares of our common stock if you: (1) provide notice in writing to our corporate secretary before our 2018 annual meeting, (2) if you timely provide to us another proxy with a later date, or (3) if you are present at the annual meeting and either vote in person or notify the corporate secretary in writing at the annual meeting of your wish to revoke your proxy. Your attendance alone at the annual meeting will not be enough to revoke your proxy.

Who pays for soliciting proxies?

We pay all expenses incurred in connection with this solicitation of proxies to vote at our 2018 annual meeting. We have retained Innisfree M&A Incorporated, 501 Madison Avenue, 19th Floor, New York, New York 10022, for an estimated fee of \$20,000, plus reimbursement of certain reasonable expenses, to assist in the solicitation of proxies and otherwise in connection with the annual meeting. We and our proxy solicitor will also request banks, brokers, trustees and other nominees holding shares of our common stock beneficially owned by others to send these proxy materials and the 2017 annual report to, and obtain voting instructions from, the beneficial owners and will reimburse such stockholders of record for their reasonable expenses in so doing. Solicitation of proxies by mail may be supplemented by telephone, email and other electronic means, advertisements and personal solicitation by our directors, officers and employees. No additional compensation will be paid to directors, officers or employees for such solicitation efforts.

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Could other matters be considered and voted upon at the annual meeting?

The board does not expect to bring any other matter before our 2018 annual meeting and it is not aware of any other matter that may be considered at the annual meeting. In addition, pursuant to our by-laws, the time has elapsed for any stockholder to properly bring a matter before the annual meeting. However, if any other matter does properly come before the annual meeting, each of the proxy holders will vote any shares of our common stock, for which he or she holds a proxy to vote at the annual meeting, in his or her discretion.

What happens if the annual meeting is postponed or adjourned?

Unless a new record date is fixed, your proxy will still be valid and may be used to vote shares of our common stock at the postponed or adjourned annual meeting. You will still be able to change or revoke your proxy until it is used to vote your shares.

Where can I find the voting results of the annual meeting?

We will report the voting results in a Current Report on Form 8-K filed with the SEC within four business days of our annual meeting, a copy of which will also be available on our website at www.fcx.com under Investors Financial Information SEC Filings.

2019 STOCKHOLDER PROPOSALS

If you would like us to consider including a proposal in next year's proxy statement, you must comply with the requirements of the SEC and deliver it in writing to: *Corporate Secretary, Freeport-McMoRan Inc., 333 North Central Avenue, Phoenix, Arizona 85004* by December 25, 2018.

If you are an eligible stockholder, or group of stockholders, and would like us to consider including a proxy access director nomination in next year's proxy statement, you must comply with the requirements of our proxy access by-law and deliver the required notice and supporting materials in writing to: *Corporate Secretary, Freeport-McMoRan Inc., 333 North Central Avenue, Phoenix, Arizona 85004* by December 25, 2018.

If you would like to present a proposal at the next annual meeting but do not wish to have it included in our proxy statement, you must comply with the specific procedural requirements in our by-laws and deliver it in writing to: *Corporate Secretary, Freeport-McMoRan Inc., 333 North Central Avenue, Phoenix, Arizona 85004* by April 6, 2019. Failure to comply with our by-law procedures and deadlines may preclude presentation of your proposal at our 2019 annual meeting.

If you would like a copy of the requirements or procedures described above, please contact our corporate secretary as provided above, or access our by-laws on our website at www.fcx.com under Investor Center Corporate Governance.

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<i>(in millions)</i>	2017
Net Income Attributable to Common Stock Continuing Operations	\$ 1,755
Interest expense, net	801
Income tax provision	883
Depreciation, depletion and amortization	1,714
Gain on early extinguishment and exchanges of debt	(21)
Net gain on sales of assets	(81)
Accretion	124
Cerro Verde royalties and related net charges (credits)	203
Other net charges ⁽¹⁾	359
Other income, net	(49)
Net income attributable to noncontrolling interest	274
Equity in affiliated companies net earnings	(10)
Adjusted EBITDA Continuing Operations	\$ 5,952
Adjusted EBITDA Discontinued Operations	13
FCX Adjusted EBITDA ⁽²⁾	\$ 5,965

(1) Other net charges for the year 2017 primarily include mining-related charges for PT-FI workforce reductions (\$125 million) and net charges to environmental obligations and related litigation reserves (\$210 million).

(2) Adjusted EBITDA is a non-GAAP financial measure that is frequently used by securities analysts, investors, lenders and others to evaluate companies' performance, including, among other things, profitability before the effect of financing and similar decisions. Because securities analysts, investors, lenders and others use Adjusted EBITDA, management believes that our presentation of Adjusted EBITDA affords them greater transparency in assessing our financial performance. Adjusted EBITDA should not be considered as a substitute for measures of financial performance prepared in accordance with GAAP. Adjusted EBITDA may not necessarily be comparable to similarly titled measures reported by other companies, as different companies calculate such measures differently.

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FREEPORT-McMoRAN INC.

**Proxy Solicited on Behalf of the Board of Directors for
Annual Meeting of Stockholders to be Held on June 5, 2018**

The undersigned hereby appoints each of Richard C. Adkerson and Kathleen L. Quirk as proxies with full power of substitution to vote the undersigned's shares of common stock of Freeport-McMoRan Inc. at the annual meeting of stockholders, to be held at the Hotel du Pont located at 42 West 11th Street, Wilmington, Delaware 19801 on Tuesday, June 5, 2018, at 10:00 a.m., Eastern Time, and at any adjournment thereof, on all matters coming before the annual meeting. You can obtain directions to the Hotel du Pont online at the hotel's website at www.hoteldupont.com/map-and-directions-en.html. **The proxies will vote your shares: (1) as you specify on the back of this proxy card, (2) as the board of directors recommends where you do not specify your vote on a matter listed on the back of this proxy card, and (3) as the proxies decide on any other matter properly coming before the annual meeting.**

If you wish your shares to be voted on all matters as the board of directors recommends, simply sign, date and return this proxy card. If you wish your shares to be voted as you specify on a matter or all matters, please also mark the appropriate boxes on the back of this proxy card.

**PLEASE SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY
IN THE ENCLOSED ENVELOPE**

(continued on reverse side)

p **FOLD AND DETACH HERE** p

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Please mark
your votes as
indicated in
this example

The board of directors recommends a vote **FOR** Proposal Nos. 1, 2 and 3.

		FOR	AGAINST	ABSTAIN
Proposal No. 1	Election of seven directors. Nominees are:			
	01 Richard C. Adkerson			
	02 Gerald J. Ford			
	03 Lydia H. Kennard			
	04 Jon C. Madonna			
	05 Courtney Mather			
	06 Dustan E. McCoy			
	07 Frances Fragos Townsend			

FOR AGAINST ABSTAIN

Proposal No. 2	Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018.
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FOR AGAINST ABSTAIN

Proposal No. 3 Approval, on an advisory basis, of the compensation of our named executive officers.

Signature(s) _____
Dated: _____, 2018

You may specify your voting instructions by marking the appropriate boxes on this side. You need not mark any boxes, however, if you wish your shares to be voted on all matters in accordance with the board of directors' recommendation. If your voting instructions are not specified, your shares will be voted FOR Proposal Nos. 1, 2 and 3.

p **FOLD AND DETACH HERE** p

FREEPORT-McMoRAN INC. OFFERS STOCKHOLDERS OF RECORD

TWO WAYS TO SUBMIT YOUR VOTING INSTRUCTIONS

Your Internet submission of voting instructions authorizes the named proxies to vote your shares of common stock in the same manner as if you had returned your proxy card. We encourage you to use this cost effective and convenient way of submitting your voting instructions, 24 hours a day, 7 days a week.

SUBMITTING VOTING INSTRUCTIONS

VIA THE INTERNET

Visit www.ivselection.com/freeport18. Have your proxy card ready and follow the instructions on your screen. You will incur only your usual Internet charges. Available 24 hours a day, 7 days a week until 11:59 p.m., Eastern Time, on June 4, 2018.

SUBMITTING VOTING INSTRUCTIONS BY MAIL

Simply sign and date your proxy card and return it in the postage-paid envelope to *Secretary*, Freeport-McMoRan Inc., P.O. Box 17149, Wilmington, Delaware 19885-9808. If you submit your voting instructions via the Internet, please do not mail your proxy card.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 5, 2018.**

The accompanying proxy statement and the company's 2017 annual report to stockholders are available at

www.eproxyaccess.com/fcx2018