




FREEMPORT MCMORAN COPPER & GOLD INC

Meeting Date:	Wed, 09 Jun 2010 10:00	Type:	AGM	Issue date:	Fri, 28 May 2010
Meeting Location:	Hotel du Pont, 11th and Market Streets, Wilmington, Delaware 19801, USA				
Current Indices:	S&P500				
Sector:					

Company Overview

Freeport McMoRan Copper & Gold, Inc. is one of the world's largest copper, gold and molybdenum mining companies in terms of reserves and production. The company's principal asset is the Grasberg minerals district in Papua, Indonesia, which the company states contains the largest recoverable reserves of copper and gold of any mine in the world. The company's principal operating subsidiary is PT Freeport Indonesia, a limited liability company organized under the laws of the Republic of Indonesia and incorporated as a corporation in Delaware. Freeport McMoRan owns 90.64% of PT Freeport Indonesia, and the Indonesian Government owns the remaining 9.36%. The company also has six operating copper mines and one operating molybdenum mine in North America, and owns majority interest in four copper mines in Peru and Chile. In March 2007, the company acquired Phelps Dodge, a producer of copper and molybdenum, with mines in North and South America, processing capabilities for other by-product minerals and several development projects, including an interest in Tenke Fungurume in the Democratic Republic of Congo which began production in 2009.

At 31 December 2009, the Company employed approximately 28,400 people (approximately 11,900 in Indonesia, 8,400 in North America, 4,400 in South America, 2,900 in Africa and 800 in Europe and other locations). Additionally, it retains contractors that have personnel at many of its operations, including approximately 8,600 at the Grasberg minerals district, 4,900 at the South America operations, 2,100 at Tenke Fungurume, 600 in North America and 400 at Atlantic Copper.

PROPOSALS	ADVICE
1.01 Re-elect Richard C. Adkerson President and Chief Executive Officer.	For
1.02 Re-elect Robert J. Allison Jr. Non-Executive Director. Independent by company, not independent by PIRC as he has served on the board for over nine years. There is insufficient independent representation on the Board in our view.	Withhold
1.03 Re-elect Robert A. Day Non-Executive Director. Independent by company, not independent by PIRC as he has served on the board for over nine years. There is insufficient independent representation on the Board in our view.	Withhold
1.04 Re-elect Gerald J. Ford Non-Executive Director. Independent by company, not independent by PIRC as he has served on the board for over nine years. There is insufficient independent representation on the Board in our view. Furthermore, we have concerns about his aggregate time commitments.	Withhold
1.05 Re-elect H. Devon Graham Jr. Non-Executive Director. Independent by company, not independent by PIRC as he has served on the board for over nine years. There is insufficient independent representation on the Board in our view.	Withhold
1.06 Re-elect Charles C. Krulak Non-Executive Director. Independent by company, independent by PIRC.	For

1.07	<p>Re-elect Bobby Lee Lackey Non-Executive Director. Independent by company, not independent by PIRC as he has served on the board for over nine years. There is insufficient independent representation on the Board in our view.</p>	Withhold
1.08	<p>Re-elect Jon C. Madonna Non-Executive Director. Independent by company, independent by PIRC.</p>	For
1.09	<p>Re-elect Dustan E. McCoy Non-Executive Director. Independent by company, independent by PIRC.</p>	For
1.10	<p>Re-elect James R. Moffett Executive Chairman. There is not an independent non-executive chairman, contrary to best practice guidelines. We consider that the Chairman should be independent of management, at least upon appointment to the post. Mr Moffett is executive Chairman and a former CEO of the company, a position he held from 1995 until 2003. PIRC considers that, due to his long tenure as Chief Executive Officer of the company, there might be a de facto concentration of powers at the top of the company. There is insufficient independent representation on the Board in our view and, accordingly, we recommend a withhold vote.</p>	Withhold
1.11	<p>Re-elect B. M. Rankin Jr. Non-Executive Vice Chairman. Not independent by company, not independent by PIRC as he received total compensation of \$912,717 in 2009 under an agreement with FM Services Company for accounting, finance and business development services rendered. Also, he has served as a director for over nine years. There is insufficient independent representation on the Board in our view.</p>	Withhold
1.12	<p>Re-elect Stephen H. Siegele Non-Executive Director. Independent by company, independent by PIRC.</p>	For
2	<p>Re-appoint the auditors Ernst & Young LLP proposed. The non-audit fees were approximately 2% of audit and audit-related fees during the year under review. Non-audit fees over a three-year period were approximately 2% of audit and audit-related fees. Acceptable proposal.</p>	For
3*	<p>Approve the Amended and Restated 2006 Stock Incentive Plan The Board is seeking shareholder approval of the Amended and Restated 2006 Stock Incentive Plan ('the Plan'). Specifically, the amendment will allow for the participation of non-management directors and advisory directors in the Plan, and will amongst other things impose a cap on the availability of 'Other Stock-Based Awards' and extend the term of the Plan to 9 June 2020.</p> <p>The purpose of the amendment to allow participation of non-management directors and advisory directors is to obviate the need for the creation of a new plan in respect of these individuals, the share stock available under the existing 2004 Director Compensation Plan now being fundamentally exhausted (only 2,000 shares remain available as awards to participants); by contrast, 21 million shares remain available under the Plan (equivalent to 4.9% of the outstanding share capital).</p> <p>We are pleased to note that a cap has been set for the number of shares that may be granted to individuals as awards per year at 3,750,000; however, we would prefer the cap to be expressed in terms of a dollar amount rather an aggregate number as is the case of 'Other Stock-Based Awards' for which the cap has been set at \$5 million. We also remain concerned about a number of other aspects of the Plan.</p> <p>Participants under the Plan are determined at the discretion of the relevant administering Committee (the Nominating Committee in respect of non-management and advisory directors, the Corporate Personnel Committee for all other beneficiaries); the Committee also retains full discretion to attach performance criteria to awards. The Board indicates that approximately 256 individuals from the total workforce of 28,400 would be eligible for awards under the Plan, if approved. We have concerns too that stock options granted during the last fiscal year are not subject to performance targets, and that targets attached to restricted stock units are insufficiently challenging. Furthermore, we note that, should change-in-control payments become available, unvested</p>	Oppose

awards would be accelerated which we do not support.

For the reasons laid out above and in consideration of the fact that shareholders do not have a vote over compensation policy, we recommend an oppose vote on this proposal.

NOTE: Adoption of the Amended and Restated 2006 Plan requires an affirmative vote by the holders of a majority of the shares of common stock present in person or by proxy at the meeting and entitled to vote, and the total votes cast on the proposal must represent more than 50% of the outstanding common stock entitled to vote on the proposal as of the record date. For the purposes of approving this proposal under the NYSE rules, broker non-votes will be excluded from the tabulation of votes cast, and therefore will not affect the outcome of the vote (except to the extent such broker non-votes result in a failure to obtain total votes cast on the proposal representing more than 50% of all shares of common stock entitled to vote on the proposal) while abstentions will be included in the tabulation of votes cast and count as votes against the proposal.

4 Shareholder Proposal: Request for director nominee with environmental expertise For

Proposed by: Stichting Pensioenfonds ABP

The proponent requests that "as the terms in office of elected directors expire, at least one candidate shall be selected and recommended for election to the company's board who: (i) has a high level of expertise and experience in environmental matters relevant to mining and is widely recognized in the business and environmental communities as an authority in such field, in each case as reasonably determined by the company's board, and (ii) will qualify, subject to limited exceptions in extraordinary circumstances explicitly specified by the board, as an independent director under the standards applicable to the company as a New York Stock Exchange listed company." By approving this proposal, shareholders can hope to secure on the Board at least one director suited to assuming responsibility for environmental matters.

The Board argues that "the current process for the nomination, selection and election of directors is effective. As a corporate governance matter, our board does not believe that it is in our shareholders' best interests to require a particular type of specialist on our board. [The] nominating and corporate governance committee considers a variety of factors in evaluating nominees for membership on the board. We believe that our board of directors represents a diverse group of individuals with broad experience. Our board of directors believes that the sole standard suggested by the proponents is too narrow and would limit the board's ability to identify and recruit the most qualified candidates to serve on the board."

PIRC entirely rejects the Board's argument that candidates put forward pursuant to this resolution should be qualified solely with respect to independence and environmental criteria; there is no indication in the proponent's supporting statements that candidates should be assessed solely against these two factors and we believe that the proponent has considered it obvious that other factors would need to be assessed in determining a candidate's suitability for election to the Board. PIRC is sympathetic to the proponent's objectives and believes that, given the nature of the company's principal source of operating revenue, an independent environmental specialist on the Board could help the Board to follow a sustainable and responsible approach when conducting its affairs and so enhance long-term shareholder value. For the reasons laid out above, we recommend a vote for this proposal.

5 Shareholder Proposal: Adoption of policy for senior executives to retain shares until two years following termination of employment For

Proposed by: The Firefighter's Pension System of the City of Kansas City, Missouri, Trust

The proponent requests that the Board should "adopt a policy requiring that senior executives retain a significant percentage of shares acquired through equity compensation programs until two years following the termination of their employment (through retirement or otherwise), and to report to stockholders

regarding the policy before the Company's 2011 annual meeting of stockholders. The stockholders recommend that the Committee not adopt a percentage lower than 75% of net after-tax shares. The policy should address the permissibility of transactions such as hedging transactions which are not sales but reduce the risk of loss to the executive."

The Board argues that "[i]f our corporate personnel committee were to adopt a policy requiring executives to hold significant portions of their equity awards for two years beyond termination of employment, our senior executives and prospective executive candidates would be prohibited from realizing a substantial portion of the value of their compensation during the course of their employment...[and that]...the proposed retention policy could diminish our ability to attract and retain talented executives that are critical to our long-term success".

PIRC shares the proponents' view that equity compensation and mandatory equity ownership for executives promotes accountability and encourages them to enhance stockholder value and adopt a long-term strategy. For this reasons, we recommend a vote for the proposal.

*** = *Special Resolution***

Directors

- Although there is a separate Chairman and Chief Executive Officer, the fact that the Chairman is an executive raises questions about the lines of accountability at the top of the company.
- The Presiding Director for executive session meetings rotates among the independent directors who are chairpersons of the four principal board committees (audit, corporate personnel, nominating and corporate governance, and public policy), except as the directors may otherwise determine for a specific meeting.
- The Board retains four Non-Voting Advisory Directors who appear frequently throughout the company's annual filings and are often referred to as non-management directors without any suggestion they serve only in an advisory capacity; despite the Board's statement that they "are not considered a director of the company for any purpose", the lack of consistency and transparency on the issue raises concerns that they may nonetheless be intimately linked with the operation of the Board. For this reason, we consider each of the advisory directors to fulfil the role of a regular Non-Executive Director, but with the disadvantage that they do not stand for annual election.

Remuneration

- The Company has achieved: a market average level of disclosure; a below market average balance of rewards; and a below market average approach to contracts with executives.

Audit and reporting

- The non-audit fees were approximately 2% of audit and audit-related fees during the year under review. Non-audit fees over a three-year period were approximately 2% of audit and audit-related fees.

Share capital and shareholder relations

- The Company has blank cheque preferred stock which we do not support as it can be used as an anti-takeover mechanism or to entrench under-performing management.
- Until 16 May 2010, the company had a shareholder rights plan in place, which is triggered upon the acquisition of 20% of the company's equity. It is unclear whether plans exist to renew this Agreement.

1 DIRECTORS

1.1 Board of Directors

PIRC assesses a non-executive director's independence according to PIRC's shareholder guidelines. Comments represent PIRC's analysis based on information in the report and accounts. *A = audit committee, R = remuneration committee, N = nomination committee, C = CSR or Ethics Committee, * = committee chairman.*

Board changes during year (after previous AGM): There were no board changes during the year under review.

Richard C. Adkerson				Chief Executive	
Age:	63	Date Appointed:	2006	Term Expires:	Committees: None
Other Positions:	ex-Arthur Andersen & Co. [Partner, MD], ex-US Securities & Exchange Commission [Professional Accounting Fellow], McMoRan Exploration Company [co-Ch, ex-Pres, ex-CEO], ex-Freeport-McMoRan Inc. (the company's former parent) [VCh], ex-Stratus Properties Inc. [Ch, CEO, Pres]				
Comment:	President and Chief Executive Officer. He was appointed CEO in December 2003. He was formerly Vice Chairman of Freeport-McMoRan Inc. (the company's former parent) from 1995 to 1997.				

Robert J. Allison Jr.				Non-Executive Director	
Age:	71	Date Appointed:	2001	Term Expires:	Committees: R, N*, C
Other Positions:	Anadarko Petroleum Corporation [Ch Em, ex-Pres, ex-CEO]				
Comment:	Independent by company, not independent by PIRC as he has served on the board for over nine years.				

Robert A. Day				Non-Executive Director	
Age:	66	Date Appointed:	1995	Term Expires:	Committees: A*, N
Other Positions:	Trust Company of the West [Ch, CEO, Founder], TCW Group [Ch], McMoRan Exploration Co. [Dir], Oakmont Corporation [Ch], W.M. Keck Foundation [Ch, Pres, CEO], ex-Syntroleum Corporation [Dir], ex-Société Générale [Dir], ex-Fisher Scientific International [Dir]				
Comment:	Independent by company, not independent by PIRC as he has served on the board for over nine years.				

Gerald J. Ford				Non-Executive Director	
Age:	65	Date Appointed:	2000	Term Expires:	Committees: A, N
Other Positions:	Diamond-A Ford Corp. [Ch], McMoRan Exploration Co. [Dir], Hilltop Holdings Inc. [Dir], Scientific Games Corporation [Dir], Ford Financial Fund, L.P. [General Partner], First Acceptance Corporation [Dir, ex-CEO], ex-Golden State Bancorp, Inc. (merged with Citigroup, 2002) [Ch & CEO], ex-Americredit Corp. [Dir], ex-Affordable Residential Communities [Dir], ex-Liberté Investors Inc. [Dir]				
Comment:	Independent by company, not independent by PIRC as he has served on the board for over nine years. We have concerns about his aggregate time commitments.				

H. Devon Graham Jr.				Non-Executive Director	
Age:	75	Date Appointed:	2000	Term Expires:	Committees: A, R*
Other Positions:	R.E. Smith Interests [Pres], McMoRan Exploration Co. [Dir], ex-Arthur Andersen & Co. [Ch]				
Comment:	Independent by company, not independent by PIRC as he has served on the board for over nine years.				

J. Bennett Johnston				Non-Executive Director	
Age:	77	Date Appointed:	1997	Term Expires:	Committees: C
Other Positions:	Johnston & Associates, LLC [Ch], Johnston Development Co. LLC [Ch], ex-US Senate [Senator]				
Comment:	Non-Voting Advisory Director. Not independent by company, not independent by PIRC as he is party to an agreement with FM Services Company, renewable annually, under which he provides consultation on international relations and commercial matters, in return for which he receives \$300,000 plus out of pocket expenses. Furthermore, his son-in-law is an executive of the company who received less than \$350,000 in 2009. In addition, he has served on the board for over nine years.				

Charles C. Krulak				Non-Executive Director	
Age:	68	Date Appointed:	2005	Term Expires:	Committees: R, C
Other Positions:	Union Pacific Corporation [Dir], Aston Villa Football Club [Dir], ex-MBNA Corp. [Exec VCh, Head - M&A, CEO - MBNA Europe, Snr VCh - MBNA America], ex-U.S. Marine Corps [Commandant], ex-ConocoPhillips [Dir], ex-Phelps Dodge Corporation (merged with the company, 2007) [Dir]				
Comment:	Independent by company, independent by PIRC. We note Mr Krulak served as a director of Phelps Dodge from December 2005 until it merged into the company in March 2007.				

Bobby Lee Lackey				Non-Executive Director	
Age:	72	Date Appointed:	1995	Term Expires:	Committees: R, C
Other Positions:	Consultant, ex-McManus-Wyatt-Hidalgo Produce Marketing Co. [Pres, CEO], ex-McManus Produce Co., Inc. [Ch, CEO], ex-McManus Cotton Gin, Inc. [Ch, CEO], ex-McManus Ice Co., Inc. [Ch, CEO]				
Comment:	Independent by company, not independent by PIRC as he has served on the board for over nine years.				

Jon C. Madonna				Non-Executive Director	
Age:	66	Date Appointed:	2003	Term Expires:	Committees: A
Other Positions:	AT&T Inc. [Dir], Tidewater Inc. [Dir], ex-KPMG [Ch, CEO], ex-Travelers Group, Inc [VCh], ex-Carlson Wagonlit Corporate Travel, Inc. [Pres, CEO], ex-DigitalThink, Inc. [CEO, Ch], ex-Jazz Technologies, Inc. [Dir], ex-Phelps Dodge Corporation (merged with the company, 2007) [Dir], ex-Albertson's, Inc. [Dir], ex-Visa Inc. [Dir]				
Comment:	Independent by company, independent by PIRC. We note Mr Madonna served as a director of Phelps Dodge from March 2003 until it merged into the company in March 2007.				

Dustan E. McCoy				Non-Executive Director	
Age:	60	Date Appointed:	2006	Term Expires:	Committees: C
Other Positions:	Louisiana-Pacific Corporation [Dir], Witco Corporation [Exec VP], Brunswick Corporation [Ch, CEO, ex-Pres - Brunswick Boat Group], ex-Phelps Dodge Corporation (merged with the company, 2007) [Dir]				
Comment:	Independent by company, independent by PIRC. We note Mr McCoy served as a director of Phelps Dodge from May 2006 until it merged into the company in March 2007.				

Gabrielle K. McDonald				Non-Executive Director	
Age:	67	Date Appointed:	1995	Term Expires:	Committees: C
Other Positions:	Iran-United States Claims Tribunal [Judge], McMoRan Exploration Co. [Adv Dir], ex-International Criminal Tribunal for the Former Yugoslavia [Judge]				
Comment:	Non-Voting Advisory Director. Not independent by company, not independent by PIRC as she is party to an agreement with FM Services Company, renewable annually, under which she provides consultation on international relations and commercial matters, in return for which she receives \$300,000 plus out of pocket expenses for consulting services rendered in her capacity as Special Counsel on Human Rights. The annual consulting fee includes her annual fee for serving on the board and the public policy committee. She has served on the board for over nine years.				

James R. Moffett				Chairman (Executive)	
Age:	71	Date Appointed:	1992	Term Expires:	Committees: None
Other Positions:	McMoRan Exploration Co. [co-Ch], ex-McMoRan Oil & Gas Co. {Founder}, ex-Freeport-McMoRan Inc. (the company's former parent) [Ch, CEO]				
Comment:	Executive Chairman. He was the CEO of the company from 1995 until 2003.				

B. M. Rankin Jr.				Non-Executive Director	
Age:	80	Date Appointed:	1995	Term Expires:	Committees: C
Other Positions:	Private Investor, McMoRan Exploration Co. [VCh], ex-McMoRan Oil & Gas Co. [Founder]				
Comment:	Non-Executive Vice Chairman. Not independent by company, not independent by PIRC as he received total compensation of \$912,717 in 2009 under an agreement with FM Services Company for accounting, finance and business development services rendered. Also, he has served as a director for over nine years.				

J. Stapleton Roy				Non-Executive Director	
Age:	73	Date Appointed:	2001	Term Expires:	Committees: C
Other Positions:	Kissinger Associates, Inc [VCh, Snr Advisor], Woodrow Wilson International Center for Scholars [Dir - Kissinger Institute on China and the United States], ex-US Dept. of State [Assistant Secretary of State - Intelligence and Research], ex-United States Ambassador to Indonesia				
Comment:	Non-Voting Advisory Director. Not independent by company, not independent by PIRC as he has a business relationship with the company. He is the Vice Chairman of Kissinger Associates Inc., which has entered into an agreement with the company, renewable annually, and receives an annual fee of \$200,000 for advice and consultation services rendered. Furthermore, we note that, in 2008, the company agreed to contribute \$150,000 to the Kissinger Institute on China and the United States at the Woodrow Wilson International Center for Scholars, to be paid in three equal installments in each of				

Stephen H. Siegele				Non-Executive Director	
Age:	50	Date Appointed:	2006	Term Expires:	Committees: A, C*
Other Positions:	Private investor, ex-Advanced Delivery & Chemical Systems, Inc. [Founder, CEO], ex-Advanced Technology Materials, Inc. [VCh], ex-Fluorine On Call, Ltd. [Founder, Exec]				
Comment:	Independent by company, independent by PIRC.				

J. Taylor Wharton				Non-Executive Director	
Age:	72	Date Appointed:	1995	Term Expires:	Committees: C
Other Positions:	ex-University of Texas [Prof - M.D. Anderson Cancer Center, Special Asst to the Pres]				
Comment:	Non-Voting Advisory Director. Not independent by company, not independent by PIRC as he is party to an agreement with FM Services Company, renewable annually, under which he provides consultation on international relations and commercial matters, for which he will receive an annual fee of \$400,000 in 2010. Also, he has served on the board for over nine years.				

1.2 Board Composition (after AGM)

Directors	Number	% of board
Executive Directors	2	12.50
Independent NEDs	4	25.00
'Connected' NEDs	10	62.50
Other	0	0.00
Total	16	100.00

1.3 Board Committees (after AGM)

	Number of members	% indp Co. View	% indp PIRC View	Meetings last year
Whole Board	16	56.25	25.00	6.00
Audit	5	100.00	40.00	5.00
Remuneration	4	100.00	25.00	4.00
Nomination	3	100.00	0.00	2.00

Number of NED-only meetings in year: n/d

1. At the conclusion of the forthcoming AGM the board will be comprised of 2 executive officers and 14 non-executive directors.
2. We consider 4 of the 14 non-executive directors to be independent.
3. The Audit Committee is comprised of 5 members, 2 of whom are considered independent by PIRC.
4. The Compensation Committee is comprised of 4 members, 1 of whom are considered independent by PIRC.
5. The Nomination Committee is comprised of 3 members, 0 of whom is considered independent by PIRC.

1.4 Board Best Practice

This table sets out PIRC's assessment of the company's compliance with standards of best practice as set out in PIRC's Shareholder Voting Guidelines. n/d = Not Disclosed.

BEST PRACTICE PRINCIPLE AND CRITERIA: DIRECTORS	ANALYSIS
A. There should be a clear division of responsibilities at the head of the company a) There is a separate chairman and chief executive b) The chairman has not previously been chief executive c) There is a lead director who is considered independent by PIRC d) The lead director has a formal power to add items to the agenda of full board meetings	Yes No No n/a
B. The board should contain sufficient numbers of independent non-executives e) At least 50% of the board are independent by PIRC guidelines f) At least two thirds of the board are independent by PIRC guidelines	No No
C. All directors should be accountable to shareholders by facing regular re-election g) All directors are required to seek regular re-election h) All directors face election every year	Yes No

1.5 Board Analysis

Comments on principle A	<p>Although there is a separate Chairman and Chief Executive Officer, the fact that the Chairman is an executive raises questions about the lines of accountability at the top of the company.</p> <p>The Presiding Director for executive session meetings rotates among the independent directors who are chairpersons of the four principal board committees (audit, corporate personnel, nominating and corporate governance, and public policy), except as the directors may otherwise determine for a specific meeting.</p>
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Comments on principle C	<p>The Board retains four Non-Voting Advisory Directors who appear frequently throughout the company's annual filings and are often referred to as non-management directors without any suggestion they serve only in an advisory capacity; despite the Board's statement that they "are not considered a director of the company for any purpose", the lack of consistency and transparency on the issue raises concerns that they may nonetheless be intimately linked with the operation of the Board. For this reason, we consider each of the advisory directors to fulfil the role of a regular Non-Executive Director. These four Non-Voting Advisory Directors are elected directly by the Board.</p>
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2 COMPENSATION

2.1 Compensation Comparison

Comparative Analysis	2009		2008		2007
		% change		% change	
CEO Compensation (USD)	21,477,083.00	-35.67	33,386,017.00	-54.92	74,057,702.00
Diluted EPS (USD)	5.89		-29.72		8.12
Earnings before tax (USD)m	5,816.00		-13,309.00		6,133.00

2.2 Compensation Best Practice

This table sets out PIRC's assessment of the company's compliance with standards of best practice as set out in PIRC's Shareholder Voting Guidelines. It is based on disclosure in the report and accounts. n/d = not disclosed.

BEST PRACTICE PRINCIPLE AND CRITERIA: COMPENSATION	ANALYSIS
Executive remuneration should be determined by a formal and independent procedure	
1.1 Compensation committee is comprised of wholly independent directors.	No
1.2 There is no evidence that executives can unduly influence the process by which the Compensation Committee determines their pay and performance.	Yes
There should be full and transparent disclosure of compensation policies	
2.1 Peer groups used for the purpose of pay comparison are fully disclosed.	No
2.2 Specific performance targets that determine the award of annual bonuses are disclosed.	No
2.3 Specific performance targets that determine the award of other performance-based awards are disclosed.	Yes
Restricted share units vest provided that average return on investment over a five year period exceeds 6%.	
2.4 Shareholders can determine the pension entitlement of each NEO as of the end of the last fiscal year.	Yes
The Committee should establish compensation policies in accordance with best practice.	
3.1 The Compensation Committee's statement on how total compensation levels are determined makes reference to the company's comparative performance.	No
3.2 Pay elsewhere in the Company is considered in determining executive pay.	No
There should be a reasonable balance between reward and performance for annual bonus awards	
4.1 Performance targets attached to the annual bonus are considered challenging by PIRC guidelines.	n/a

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| 4.2 | The achievement of performance targets is the sole determinant of award. | Yes |
| 4.3 | Non-financial performance measures influence the award of annual bonuses.
Safety performance is considered in establishing annual bonus awards. | Yes |
| 4.4 | Variations in the performance criteria used since the previous year are adequately explained. | n/a |

There should be a reasonable balance between reward and performance for long-term compensation.

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| 5.1 | A minimum three-year performance period precedes the vesting of stock options or SARs.
Options vest ratably over the first four anniversaries of the date of grant. | No |
| 5.2 | A minimum three-year performance period precedes the vesting of share awards or cash equivalents.
Restricted Stock Units vest ratably over the first four anniversaries of the date of grant. | Yes |
| 5.3 | There are performance targets attached to stock options or SARs, other than share price appreciation, which are considered challenging by PIRC guidelines. | No |
| 5.4 | Performance targets attached to share awards or cash equivalents are considered challenging by PIRC guidelines.
During the five year period ending in 2009, the average return on investment was 19%. | No |
| 5.5 | Performance measures attached to long-term incentives do not duplicate those attached to other incentive awards. | Yes |

Contracts policy should balance potential costs to the company with executives' interests.

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| 6.1 | Severance pay agreements are disclosed for each NEO. | Yes |
| 6.2 | Disclosed severance and change-in-control awards are either restricted to 3 times base salary and target bonus, or have been approved by shareholders.
Cash lump sum payments would be available "equal to three times the sum of (a) the executive's base salary plus (b) the average of the bonuses paid to the executive for the immediately preceding three years" | No |
| 6.3 | Change-in-control payments will only be made if an executive is dismissed without cause or resigns for good reason. | Yes |
| 6.4 | Contracts define good reason in an appropriate manner.
"Good reason" is generally defined as (a) any failure by the company to materially comply with any of the provisions of the [employment] agreement or (b) the assignment to the executive of any duties inconsistent in any material respect with the executive's position, authority, duties or responsibilities under the agreement. | n/d |
| 6.5 | Accelerated vesting of long-term incentives is not automatically triggered by a change-in-control. | No |
| 6.6 | Does the company have a compensation recoupment 'claw-back' policy in place? | No |

2.3 Compensation Analysis

Disclosure Rating: C

Comments on disclosure rating There is insufficient information to determine the specific financial and non-financial performance targets used for awarding future bonuses.

Reward Balance Rating: D

Comments on Incentive reward balance rating There is insufficient information to assess the extent to which performance targets attached to the annual bonus awards and the long-term incentive awards are challenging.

Contracts Rating: D

Comments on contracts rating There is potential for excessive payments in the event of a change in control.

Overall Remuneration Rating:CDD

Comments on overall remuneration rating The Company has achieved: a market average level of disclosure; a below market average balance of rewards; and a below market average approach to contracts with executives.

3.1 Auditor's Remuneration

Auditors: Ernst & Young LLP

Date appointed: 01 June 2003

\$m	2009	2008	2007
Statutory audit fee	8.25	8.43	11.61
Non-audit work undertaken by the auditors - PIRC category 1			
Audit-related, mandatory or regulatory	0.01	0.23	0.26
Tax compliance			
Other non-audit work undertaken by the auditors - PIRC category 2			
Other tax services	0.14	0.14	0.16
Acquisition-related			
Other services	0.00	0.00	0.00
Total non-audit fees (ex. category 1 work)	0.14	0.14	0.16
Total PIRC category 2 non-audit as percent of the audit fees	1.67%	1.57%	1.35%
Average over 3 years	1.51%		

3.2 Audit and Reporting Best Practice

This table sets out PIRC's assessment of the company's compliance with standards of best practice as set out in PIRC's shareholder voting guidelines. n/d = not disclosed.

BEST PRACTICE PRINCIPLE AND CRITERIA: AUDIT	ANALYSIS
A. The auditors should be independent of the company and management	
a) No directors have a significant connection with the auditors	Yes
b) Audit firm is subject to regular fixed-term rotation	No
B. Non-audit fees should be disclosed and should not potentially affect independence	
c) An adequate breakdown of the nature of non-audit fees is provided	No
d) Level of non-audit fees do not raise independence concerns	Yes
C. Independent audit committee demonstrates accountability and expertise	
e) A fully independent audit committee exists comprising at least three members	No
f) Audit committee includes at least one member with significant financial experience	Yes
g) The audit committee report on its activities complies with PIRC guidelines	No
h) Audit committee's policy on awarding non-audit work is fully described	Yes

3.3 Audit and Reporting Analysis

Comments on principle B The non-audit fees were approximately 2% of audit and audit-related fees during the year under review. Non-audit fees over a three-year period were

approximately 2% of audit and audit-related fees.

4 SHARE CAPITAL AND SHAREHOLDER RELATIONS

4.1 Share Structure

Type	Nominal Currency	Issued (millions)	Authorised (millions)	Par value
Ordinary shares	USD	430.56	1,800.00	0.10
Limited voting ord shares	USD			
Non-voting ord shares	USD			
Preference shares	USD	30.00	50.00	0.00

Significant changes in issued capital:

4.2 Disclosed Shareholdings (at 13 April 2010)

Directors' interests	1.8%
Blackrock, Inc.	7.6%

4.3 Share Capital and Shareholder Best Practice

This table sets out PIRC's assessment of the company's compliance with standards of best practice as set out in PIRC's shareholder voting guidelines. n/d = not disclosed.

BEST PRACTICE PRINCIPLE AND CRITERIA: SHAREHOLDERS	ANALYSIS
A. Shareholders have an opportunity to vote on dividend policy	
a) Declared dividend or policy is put to the vote	No
B. Shareholders should have adequate information and access to all directors	
b) Sufficient biographical information on all directors is disclosed	Yes
c) Justification for new director appointments is provided	n/a
d) Meetings between NEDs and shareholders are reported	No
C. All ordinary shares should have equal rights	
e) Each ordinary share has equal voting rights	Yes
f) There is no controlling shareholder	Yes
g) No persons have the right to designate directors to the board	No
D. Voting Systems	
h) What type of voting system does the company use?	Plurality Plus
i) There is no cumulative voting system	Yes
D. Share Structures	
j) The company does not have a shareholder rights plan	No
k) The rights under the plan are distributed to all shareholders on an equitable basis	Yes
l) Holding figure at which the rights are triggered	20.00%

m) The rights are redeemable by shareholders within an acceptable term following their distribution	No
n) The current and future directors of the company can redeem the rights at any time following their distribution	Yes
o) The company does not have blank check preferred stock	No
p) Voting rights for issued shares the same on all types of resolution	Yes

4.4 Share Capital and Shareholder Relations Analysis

Comments on principle C The four Non-Voting Advisory Directors are elected directly by the Board.

Comments on principle D Until 16 May 2010, the company had a shareholder rights plan in place, which is triggered upon the acquisition of 20% of the company's equity. It is unclear whether plans exist to renew this Agreement.

5 FINANCIAL PERFORMANCE

	2009	2008	2007
Year End	31 December	31 December	31 December
Earnings per share (\$)	6.10	-29.72	7.50
Dividend per ordinary share (\$)	0.15	1.38	1.25

6 ADVISORS AND COMPANY CONTACT

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