

### Memorandum of Agreement

This Memorandum of Agreement (“MOA”) is between ASARCO, LLC (“ASARCO”) and the United Steelworkers (“USW”) and is dated February 9, 2010. USW enters this MOA on behalf of itself and the labor organizations identified at Article 1, Section A (1) of the parties’ collective bargaining agreement dated January 1, 2007 (“2007 Agreement”).

1. The Termination Date of the 2007 Agreement shall be modified from June 30, 2010 to June 30, 2011, and all references to the Termination Date throughout the 2007 Agreement shall be modified to reflect the terms of this MOA. All terms of the 2007 Agreement shall remain in force and effect except as modified herein.
2. The USW shall be authorized to designate one member of ASARCO’s Board of Directors. All matters concerning the designation of such individual, the service of such individual upon ASARCO’s Board of Directors, and the USW’s rights to designate a replacement shall be governed by Article 11, Section A of the 2007 Agreement.
3. Confirm that Article 11, Section B(2) of the 2007 Agreement, consistent with the March 20, 2007 letter from Terry Bonds to Joseph Lapinsky, which letter was filed in ASARCO’s Chapter 11 case on March 28, 2007 as Docket 4283, provides, as follows:

*The Company agrees that, except during maintenance and repair outages and temporary production outages or shortfalls, it will not directly or indirectly replace the product which could have been produced at any facility covered by this Agreement with product obtained from other than producers that provide base wages and other economic benefits (including holidays, vacation pay, premium pay, overtime, and health and welfare benefits) that are substantially equivalent to those provided in this Agreement, unless it is operating the relevant facility covered by this Agreement at full capacity.*

4. Article 2, Section E – Neutrality. Without either party waiving any prior position with respect to the Neutrality clause of the 2007 Agreement, Article 2, Section E(4) shall be modified as follows:

*Definitions and Scope of this Agreement*

a. *Rules with Respect to Affiliates*

- i. *For purposes of Section E (Neutrality), the Company includes (in addition to the Company) any entity which is an Affiliate;*
- ii. *An Affiliate shall mean any business enterprise that the Company controls, directly or indirectly, by (a) ownership of more than 50% of the common stock; (b) control over more than 50% of the voting power; (c) possession, directly or indirectly, of fifty percent (50%) of the equity of the enterprise; or (d) the power to direct the management and policies of said enterprise.*

b. *Rules with Respect to Existing Affiliates*

*The Company agrees to cause all of its existing Affiliates to become a party/parties to the provisions in this Section E (neutrality) and to achieve compliance with its provisions.*

c. *Rules with Respect to New Affiliates*

- i. *The Company agrees that within 30 days of the completion of any transaction that results in the creation of a new Affiliate, the Company will notify the Union in writing of the existence of the new Affiliate, and provide a detailed description of that Affiliate that includes the names, locations, and union status of any facilities, plants or offices which employ employees;*
- ii. *If at any time after six months from the completion of any transaction that results in the creation of a new Affiliate, the Union notifies the Company in writing of its intent*


*to organize any of the facilities of the Affiliate, then within ten days of such notification the Company shall cause the Affiliate to become a party/parties to the provisions in this Section E (Neutrality) and to achieve compliance with its provisions.*

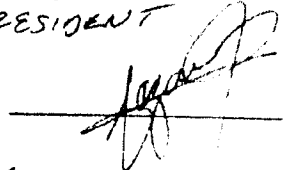
c. *Rules with Respect to Ventures*

- i. *For purposes of Section E (neutrality), a Venture shall mean any business enterprise in which the Company owns a substantial and material interest.*
- ii. *The Company will inform the Union of any existing Ventures, and of any investments that create new Ventures, and agrees to use its reasonable best efforts to cause any existing or new Ventures of the Company to adopt the provisions in this Section.*

5. ASARCO agrees that (i) the payments required under the Letter of Understanding on Effective Date of Pension Multiplier shall be made as soon as administrative practicable and (ii) the Hourly Pension Plan shall be amended (or has already been amended) to address the provisions set forth in said Letter of Understanding.

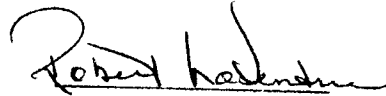
ASARCO, LLC

  
\_\_\_\_\_  
PRESIDENT

  
\_\_\_\_\_  
Executive Vice President

Legal.

UNITED STEELWORKERS

  
\_\_\_\_\_  
Robert Henderson