

FLUOR HUMAN RESOURCES POLICY

POLICY/PROCEDURE

This Fluor Enterprises, Inc. policy is subject to modification or revision in part or in its entirety to reflect changes in conditions subsequent to the effective date of this policy.

SUBJECT: ANTI-BRIBERY AND CORRUPTION

HR-720

Effective Date: 09-21-06

Supersedes: New

I. POLICY

- A. Fluor's employees, officers, directors, and any agents, subsidiaries, joint ventures, consortiums, consultants, brokers; or other individuals, intermediaries, contractors, distributors, suppliers or entities over which the Company has control, are strictly prohibited from paying a bribe to ANY third party, public or private, with whom the Company does business.
1. Control: The contractual power of the Company to direct, manage, oversee, and/or restrict its relationship with and affairs of another entity.
 2. Bribe: An offer or promise to give, or the giving of anything of value to improperly influence actions by a third party. Bribes can include money, gifts, hospitality, expenses, reciprocal favors, political or charitable contributions, or any direct or indirect benefit or consideration.
- B. Compliance with this policy is mandatory. No employee will suffer adverse consequences for refusing to pay bribes even if this may result in the Company losing business.
- C. It is the policy of the Company to comply with all applicable anti-bribery laws such as the Foreign Corrupt Practices Act (FCPA) of the United States and the applicable laws of all foreign countries in which the Company operates. Most of the countries in which the Company operates have adopted rules and regulations prohibiting bribery activity, such as the Anti-Bribery Treaty of the Organization for Economic Cooperation and Development (OECD). These laws criminalize the paying of bribes to a foreign government official (broadly defined) and/or to many private sector employees, either directly or indirectly.

The Company is committed to observing the standards of conduct set forth in the FCPA, and applicable laws of foreign countries in which the Company operates. Compliance with such laws is particularly important since the Company may seek to do business in jurisdictions in which (i) government officials are engaged in commercial and financial activities, (ii) corruption and related problems are common, and (iii) legal standards and enforcement policies are developing, but are often unclear and inconsistently applied. In such circumstances, special vigilance is important to ensure compliance with the FCPA and applicable local legislation.

It is the personal responsibility of all employees to acquaint themselves with the legal standards and restrictions applicable to their assigned duties, including, where applicable, the FCPA, the standards of the employee's country of origin, and the standards of the county where the work is performed, and to conduct themselves accordingly in all respects.

D. VIOLATIONS

Violations of this policy may result in disciplinary action up to and including termination. In addition, breaches of the FCPA or the laws of other countries may subject an employee to civil and criminal penalties.

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Employees should be aware of issues possibly related to bribery activities and should contact the Legal Services Group with any questions or concerns they may have. See Section L below for further information on obtaining guidance from the Legal Services Group or reporting a suspected violation to the Legal Services Group or the Compliance and Ethics Hotline.

E. APPLICABILITY OF THE POLICY TO THIRD PARTIES

- 1. Applicability:** Employees must be sensitive to potential application of the FCPA and other anti-bribery rules not only in transactions involving agents or representatives of the Company, but also in situations such as joint ventures or consortiums between the Company and other contractors. The Company insists that all agents, representatives, officials, officers, directors, and employees, and any other individuals, intermediaries, contractors, distributors, suppliers or entities over which the Company has control strictly comply with the FCPA and any violations or any solicitations by a third person which would result in a violation should be reported immediately to the Legal Services Group.
- 2. Due Diligence and Monitoring:** It is the Company's policy to do appropriate due diligence and monitoring of agents, joint ventures, suppliers and subcontractors. Elements of "appropriate" include the location and nature of the services provided by Fluor (high risk countries require special diligence); transactions directly with foreign governments or their agencies, transactions involving high dollar value projects; and agents, joint ventures or vendors or subcontractors who are based in countries that do not prohibit bribery. The Company's Legal Services Group has established due diligence procedures for agents and joint ventures, and must review all agreements. The Company's Procurement and Contract functional groups have established due diligence procedures for suppliers and subcontractors as part of the prequalification of bidders or request for proposal processes. Procurement and Contracts personnel must always be involved in any dealings with our suppliers or contractors. The Company requires that all results of the due diligence review be documented and recorded.
- 3. Special Requirements for Agents:** The Company's Guidelines for dealing with agents and standard agreements, which clearly define the agent's services and code of conduct, are available to the appropriate sales and business line executives from the Legal Services Group. Authority to enter into an agency agreement is provided exclusively by the Company's Approval Matrix.
- 4. Liability for Third Parties:** The Company may be liable under the terms of the FCPA not only for the actions of its direct employees, but also for the actions of its agents in certain circumstances. The Company can be liable if it knew that its agent was going to pay a bribe, failed to take the appropriate steps to attempt to prevent such payment, and thus implicitly authorized the bribe.
- 5. Requirements of Third Parties:** All agents, representatives, officials, officers, directors, and employees, and any other individuals, intermediaries, contractors, distributors, suppliers, or other entities over which the Company has control must acknowledge an understanding of the Company's policy and, where appropriate, agree to comply with the FCPA, the applicable bribery laws of the country(ies) in which they operate, and the requirements of the Company's policy. The Company shall retain the right to terminate its relationship with any agent, representative, official, officer, director, employee, or any other individual, intermediary, contractor, distributor, supplier or entity over which the Company has control that is not fulfilling its responsibilities under this policy.

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F. ACCURATE BOOKS AND RECORDS

The Company requires that the records and books of account of the Company must accurately reflect each transaction recorded therein. No false or misleading entries should be made in the books and records of the Company for any reason. All contracts and other documents must accurately describe the transactions to which they relate. No payment on behalf of the Company should be approved without adequate supporting documentation or made with the intention or understanding that all or part of any such payment is to be used for any purpose other than that described by the documents supporting the payment.

G. LIMITED EXCEPTIONS

1. **Facilitating Payments:** Exceptions to the FCPA are extremely limited. The FCPA does, however, allow “facilitating or expediting” payments intended to expedite or to secure the performance of routine governmental action. (Processing government papers such as visas or work permits, customs clearances, adequate police protection or providing phone or water service are examples of such routine governmental action.) The laws of most countries, however, prohibit even these types of payments. In addition, the acceptance of facilitation payments by foreign officials is generally illegal in most foreign countries.

The distinction between an illegal bribe and a legal facilitation payment is often difficult to define. Accordingly, questions concerning whether a payment would qualify as a “facilitating or expediting” payment should be directed to the Legal Services Group. Any such facilitating payments must be properly and accurately accounted for in the Company’s records.

2. **Expenditures in Connection with Foreign Government Officials:** Under limited circumstances, the law allows for bona fide expenditures in connection with foreign government officials. For example, some travel and training expenses, when directly related to program evaluation and performance, may be permissible. Personnel should consult with the Legal Services Group before proceeding to assume responsibility for any payments on behalf of any foreign official.

H. POLITICAL AND CHARITABLE CONTRIBUTIONS

Contributions to political parties, party officials, candidates, organizations or individuals engaged in politics, or charities or sponsorships, whether direct or indirect, must not be a subterfuge for bribery or contrary to applicable law. Proper recording and accounting of contributions is essential.

I. CORPORATE COMPLIANCE OFFICER

The Company’s Corporate Compliance Officer’s responsibilities include consideration and oversight of FCPA and anti-bribery issues. .

J. EMPLOYEE TRAINING

All relevant employees will receive training in these policies and procedures at the time of the issuance of this policy or at the beginning of their employment and from time to time thereafter as appropriate.

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K. REVIEW AND AUDIT

The Company's audit approach will include consideration and review of FCPA and anti-bribery and corruption issues. The Annual Audit Plan will include a risk assessment analysis of elements related to these issues, including, as appropriate, independent surveys such as Transparency International's Corruption Surveys.

The Company's Internal Audit group will also be available to undertake appropriate specific projects related to FCPA and anti-bribery and corruption issues as requested by the Corporate Compliance Officer and/or the Audit Committee.

L. COMMUNICATIONS AND REPORTING

- 1. Encouraging Open Communication:** No policy can anticipate every situation that may arise. Accordingly, this policy is not meant to be all-inclusive, but rather is intended to serve as a source of guiding principles and to encourage communication and dialogue concerning standards of conduct addressed in the policy. Employees are encouraged to discuss with any member of the Legal Services Group or call the Compliance and Ethics Hotline (who will refer you to a Company subject-matter expert in his area) with questions about particular circumstances that may implicate the provisions of this policy.
- 2. Reporting Obligations:** Employees who believe that the Company's standards articulated in this policy are not being practiced are required to report the circumstance the Legal Services Group or to the Compliance and Ethics Hotline at 1-800-223-1544. Any calls to the Compliance and Ethics Hotline may be made anonymously, although employees are encouraged to identify themselves so that a full investigation is possible.
- 3. No Retaliation:** Retaliation for reports of misconduct by others made in good faith is prohibited by law, and the Company will not permit retaliation of any kind against any employee who reports misconduct in good faith.

II. EXCEPTIONS

None