

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: 11-08-10

Supersedes: 09-21-06

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, or receiving a bribe from, ANY third party, public or private.
1. Control: The effective 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, or authorizing to give, anything of value or any other advantage to improperly influence actions. Bribes can include money, gifts, hospitality, expenses, reciprocal favors, business or employment opportunities, political or charitable contributions, or any other direct or indirect benefit or consideration to improperly influence actions. Improper influence involves the intent to secure a *quid pro quo*, to buy the misuse of someone's position.
- B. Compliance with this policy is mandatory. No employee will suffer adverse consequences for refusing to pay or receive 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 (the "FCPA") of the United States, the Bribery Act 2010 of the United Kingdom (the "UK Bribery Act"), and the applicable anti-bribery laws of all foreign countries in which the Company operates (together, the "Anti-Corruption Laws"). Anti-Corruption Laws criminalize the paying and/or receiving of bribes to a foreign government official (broadly defined – see Section F below for more information) and/or to many private sector employees, either directly or indirectly.

The Company is committed to observing the standards of conduct set forth in Anti-Corruption Laws. 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 applicable Anti-Corruption Laws.

It is the personal responsibility of all employees to acquaint themselves with the legal standards and Company policies applicable to their assigned duties, including all applicable Anti-Corruption Laws, 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 any Anti-Corruption Laws may subject an employee to civil and criminal penalties. Employees should be aware of issues possibly related to bribery activities and should contact the Law

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Department with any questions or concerns they may have. See Section L below for further information on obtaining guidance from the Law Department or reporting a suspected violation to the Law Department or the Compliance and Ethics Hotline.

E. THIRD PARTIES

1. **Applicability:** The Company may be liable under the terms of Anti-Corruption Laws not only for the actions of its direct employees, but also for the actions of third parties in certain circumstances. The Company can be liable if it knew, or should have known, that its agent, joint venture partner, intermediary, contractor, distributor, supplier or other third party over which the Company has control was going to pay a bribe, or failed to take the appropriate steps to attempt to prevent such payment and thus implicitly authorized the bribe.
2. **Agreements:** All agents, representatives, officials, officers, directors, and employees, and any other individuals, intermediaries, contractors, distributors, suppliers, or other third parties over which the Company has control must, as appropriate, acknowledge an understanding of and agree to comply with applicable Anti-Corruption Laws and Fluor's Business Conduct and Ethics Expectations for Suppliers and Contractors. The Company should retain the right to terminate its relationship if the third party is not fulfilling these requirements. Any violations or any solicitations by a third person that would result in a violation should be reported immediately to the Law Department.
 - a. **Special Requirements for Agents:** The Company's Guidelines for Handling 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 Law Department. Authority to enter into an agency agreement is provided exclusively by the Company's Approval Matrix.
3. **Due Diligence and Monitoring:** It is the Company's policy to do appropriate due diligence and monitoring of agents, joint venture partners, suppliers, contractors and other third parties before and while conducting business with them. Elements of "appropriate" depend on the appearance of any "red flags," including but not limited to the location and nature of the services provided by Fluor (high risk countries require special diligence); transactions with foreign governments or their agencies; transactions involving high dollar value projects; and agents, joint venture partners, suppliers or contractors who are based in countries that do not prohibit bribery. The Company's Law Department has established due diligence procedures for agents and joint venture partners, and must review all agreements. The Company's Procurement and Contract functional groups have established due diligence procedures for suppliers and contractors as part of the prequalification of bidders or request for proposal processes. Procurement and Contracts employees must always be involved in any dealings with our suppliers or contractors. The Company requires that all results of due diligence reviews be documented and recorded.

F. Caution with respect to Public Officials, including Employees of Government Agencies and National or State-Owned Companies: Many Anti-Corruption Laws, including the FCPA, specifically prohibit bribes to any officer or employee of:

1. a foreign government, or any department, agency or instrumentality thereof, such as National Oil Companies (NOCs), state-owned mining companies or departments of transportation;

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2. a government-owned or government-controlled company;
3. a public international organization, such as Import/Export Banks or development banks; or
4. a political party, or a political candidate, such as party members in China or Vietnam.

Employees should be extremely cautious when dealing with these officials because violations of such Anti-Corruption Laws have serious penalties. Notwithstanding the foregoing, other Anti-Corruption Laws, such as the UK Bribery Act, prohibit bribes among the private sector as well, without any involvement of officials. For any questions regarding whether an individual might be covered by an applicable Anti-Corruption Law, contact the Law Department.

G. ACCURATE BOOKS AND RECORDS

The Company must make and keep books, records and accounts that accurately and fairly reflect its transactions and disposition of assets in sufficient detail to facilitate a full understanding and audit trail. 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.

H. LIMITED EXCEPTIONS

1. **Facilitating Payments:** Anti-Corruption Laws often prohibit facilitation payments. Among its extremely limited exceptions, the FCPA does, however, allow “facilitating or expediting” payments intended to expedite or to secure the performance of routine governmental action. Generally, these are small payments to “speed up” or “encourage” an otherwise routine government action, such as processing visas or work permits, customs clearances, adequate police protection or providing phone or water service. Routine government action does not include any discretionary action, such as a decision whether, or on what terms, to enter into a business arrangement or approve a permit, or any action taken by someone to influence such a decision. Fluor strongly discourages any such payments. Any facilitating payment requested should be promptly reported to the Law Department.

The distinction between an illegal bribe and a legal facilitation payment is often difficult to define. Accordingly, “facilitating or expediting” payments on behalf of the Company are prohibited, unless:

- a. pre-approved in writing by the Law Department;
- b. allowed under all applicable Anti-Corruption Laws; and
- c. properly and accurately accounted for in the Company’s records (a general ledger account with the heading “Facilitating Payments” is the proper place to account for facilitation payments, not in “fees” or “miscellaneous” expenses).

If there is an immediate and credible threat to an employee’s physical safety or security and it is not reasonably possible to get advance approval for a proposed payment demanded, the payment may be

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made without prior approval. In such circumstances, it is very likely that the payment is not the type of business-related payment prohibited by Anti-Corruption Laws. Even so, if such payment is ever made, the presence of an immediate and credible threat must be promptly documented in writing and reported to the Law Department.

2. **Expenditures in Connection with Government Officials:** Under limited circumstances, certain Anti-Corruption Laws may allow for bona fide expenditures in connection with government officials. For example, some travel and training expenses, when directly related to program evaluation and performance, may be permissible. Employees should consult with the Law Department before proceeding to assume responsibility for any payments on behalf of any official. This will allow proper documentation, in addition to evaluating whether such travel or entertainment is allowed.

I. 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. As always, employees should consult with the Company's Government Affairs and Community Relations functional groups before proceeding to make any political or charitable contributions on behalf of the company, respectively. Proper recording and accounting of contributions is essential.

J. EMPLOYEE TRAINING

All relevant employees will receive training on 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.

K. REVIEW AND AUDIT

The Company's audit approach includes consideration and review of Anti-Corruption Laws and issues. The Annual Audit Plans include a risk assessment analysis of elements related to these issues, including, as appropriate, independent surveys.

The Company's Internal Audit group is also available to undertake appropriate special audits related to Anti-Corruption Laws and issues.

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 Law Department or contact Fluor's Compliance and Ethics Hotline (who will refer you to a Company subject-matter expert in this area) with questions about particular circumstances that may implicate the provisions of this policy.

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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 to the Law Department or to the Compliance and Ethics Hotline. Any reports 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