

Compliance Position Paper

HOCHTIEF: Active worldwide against corruption and price-fixing

Code of Conduct lays down ethical principles for all employees – Membership of Transparency International

HOCHTIEF is a leading advocate, nationally and internationally, of ethically correct business conduct in the construction sector. The Group applies the same strict stipulations governing relations with clients, contractual partners and competitors in all the national markets in which it is represented. Its Vision and Guiding Principles emphasize the obligation of all employees to act in accordance with high ethical standards. Detailed rules governing this are set out in the HOCHTIEF Code of Conduct, which forms part of all service contracts, and employees of all companies in the Group are obliged to adhere to these rules.

HOCHTIEF introduced an ethics management system as early as the 1990s. The company is a convinced champion of fair competition and greater transparency in the construction sector and has committed itself to a consistent anti-corruption program. The area Corporate Governance / Compliance reports directly to the Executive Board. It comprises a Chief Compliance Officer, a Corporate Compliance Counsel and a compliance organization which provides training and advice for employees throughout the HOCHTIEF Group. There is a separate compliance contact person for each of the six corporate divisions and for the fields of data privacy, health and safety, and environmental protection.

**CORPORATE
COMMUNICATIONS**

**Please contact:
Dr. Patricia Wischerhoff**

Opernplatz 2
45128 Essen
Germany
Tel.: +49 201 824-2653
Fax: +49 201 824-2585
presse@hochtief.de

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Ban on price-fixing and bribery

HOCHTIEF rejects any form of price-fixing or bribery. To ensure ethically correct business conduct throughout the Group, the Code of Conduct establishes precise rules on dealing with potentially difficult situations. For instance, employees are not allowed to accept any gifts which might be considered capable of influencing business decisions or transactions. Only small, occasional gifts worth up to 50 euros are excepted from this rule. There is a total ban on accepting money in any form. In addition, there are strict criteria governing the giving of presents to clients or the making of donations. Infringements of these stipulations can lead to penalty measures up to and including termination of employment.

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The Group also provides proactive support to help ensure that employees never become involved in prejudicial situations. On particularly sensitive compliance issues (e.g. corruption, bid rigging, accounting fraud and breach of trust), there is ongoing training. Since July 2008, HOCHTIEF employees can also – in addition to the internal training sessions – use the "Anti-Corruption" computer learning program, which is available in German and English on the company's intranet. The program interactively communicates the relevant legal basis, the economic background and the various forms of corruption, explains possible consequences resulting from infringements and outlines anti-corruption measures. This creates a high degree of awareness for this issue throughout the Group. HOCHTIEF's Chief Compliance Officer: Hartmut Paulsen: "We help our employees at a very early stage, when the first indistinct signs of corruption become evident. It is, after all, the little steps which can gradually make an individual of previously blameless character slip into corruption. That is something we set out to prevent."

HOCHTIEF employees can contact the Compliance Officer for their corporate division to seek advice. Employees and external third parties (clients, subcontractors etc.) can provide information/tip-offs on possible criminal offences or abuses; if they wish, this can be done anonymously / confidentially. For this, an internal HOCHTIEF hotline to the Chief Compliance Officer is available. In addition, there is an external telephone number via which HOCHTIEF employees can contact a law office which has expert experience in criminal law.

Adherence to social standards

HOCHTIEF guarantees that the relevant legal and social standards will be adhered to on all its building sites around the world. In 2000, HOCHTIEF became the first company in the construction industry worldwide to conclude a Social Charter with international labor organizations in which it guarantees standards for the employment of its own people and those of contractual partners at any of its building sites. Internal corporate guidelines ensure that these stipulations are adhered to everywhere. HOCHTIEF also ensures that individuals working on its building sites who are employed by others also receive the legal minimum wage. It does so, for instance, by demanding declarations from all its contractual partners that they will pay their employees the legal minimum wage. In addition, subcontractors and partners have to provide evidence that they submit all social insurance contributions to the relevant body.

To combat illicit employment, the Group cooperates closely with the appropriate national and regional authorities. On larger building sites, access control systems are used to curb illicit working.

Membership of Transparency International

As a Group, HOCHTIEF is active in numerous organizations in this field. By joining Transparency International (www.transparency.de) in 1999, the Group committed itself publicly to systematic anti-corruption policies. HOCHTIEF is today the only construction company in the German market which is a member

of this organization and in this respect thus plays a trailblazing role. In addition, the company is a founder member of the Compliance Network (www.netzwerk-compliance.de), launched in September 2007, in which German firms undertake to combat dishonest business practices such as bribery or money laundering. HOCHTIEF is also active internationally to promote ethically correct business conduct.

Internationally, too, HOCHTIEF champions ethically correct business conduct. The company is a member of the Partnering Against Corruption Initiative (PACI), which was founded in 2005 (www.weforum.org/en/initiatives/paci). In November 2008, HOCHTIEF also joined the Global Compact Initiative (www.unglobalcompact.org) of the United Nations. The goal of Global Compact is to promote worldwide a total of ten principles concerning human rights, working standards, environmental protection and combating corruption. By becoming a member, HOCHTIEF has committed itself to the organization's principles and actively supports them.

Ethical conduct as an entrepreneurial objective

HOCHTIEF's commitment to ethical standards has played a substantial role in enhancing the company's reputation among the general public, clients and partners, and in the capital market. The company regards a good reputation as an essential precondition for professional relations with its clients and for its own entrepreneurial success. A good reputation plays a key role in attracting future employees.

HOCHTIEF is one of the leading international providers of construction-related services. With more than 70.000 employees and a sales volume of EUR 20.16 billion in FY 2010, the company is represented in all the world's major markets. The Group's service offering in the fields of development, construction, services, concessions and operation covers the entire life cycle of infrastructure projects, real estate and facilities. In the USA, the biggest construction market in the world, HOCHTIEF is the No. 1 general builder via its subsidiary Turner and, with Group company Flatiron, ranks among the most important players in the field of transportation infrastructure construction. With its subsidiary Leighton (HOCHTIEF share around 55 percent), the Group is market leader in Australia. Because of its engagement for sustainability, HOCHTIEF has been listed in the Dow Jones Sustainability Indexes since 2006. Further information is available at www.hochtief.com/press.