

CODE OF CONDUCT

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PREFACE

STRABAG is a European-based technology group for construction services working world-wide, and a leader in innovation and financial strength.

Our success story is based on our reputation rooted in fundamental ethical values.

The people working in the group fill our company-specific core values with life every day: a spirit of partnership, trust, solidarity, innovative acumen, commitment, modesty, sustainability, respect, reliability.

It is our ambition to create high added value for our customers and attractive returns on investment for our stockholders, to be a preferred employer for our employees and a respected member of society at large.

Reaching this goal requires a maximum of integrity and professionalism.

Our success in business depends on the trust all our stakeholders place in us – our customers, our stockholders, our employees, our vendors, our contractors, governmental and regulatory authorities, competitors, the media and society as a whole.

Therefore, it has always been imperative for management as well as our employees to consider compliance with legal requirements and internal policies of paramount importance and to know and adhere to our company-specific core values.

In addition to this Code of Ethics, a special Business Compliance Policy was developed to prevent any kind of white-collar crime.

We also expect our customers, vendors, subcontractors and their employees, as well as all other parties doing business with us to act in accordance with this Code of Conduct and the Business Compliance Policy, which is why we also adopted a Business Compliance Policy for Business Partners.

This Code of Conduct helps us reinforce the foundations on which we build, maintain and further enhance the confidence of our stakeholders. Moreover, the Code of Conduct supports us as we seek to ensure a common system of values.

The values and principles in this Code of Conduct are reflected in the policies and instructions of the STRABAG companies and divisions. Not only do we expect the members of our Board of Management and our Supervisory Board to adhere to these values and principles; they also apply to everyone in middle management and all employees.

As we are a group of companies with global orientation, multi-cultural and characterised by incredible diversity, it is all the more important to have a common understanding of honest and ethically flawless business practices at the highest executive level. We endeavour to

continuously adapt our Code of Conduct to the developments of the business and regulatory environment and our fundamental ethical values.

We, the members of the Board of Management and the Supervisory Board of STRABAG are personally committed to the values in the Code of Conduct.

We undertake to create an environment which ensures optimum conditions enabling employees and business partners alike to comply with the Code of Conduct and its goals in their day-to-day work.

The Board of Management and Supervisory Board of STRABAG SE
Vienna, October 2014

THE FUNDAMENTAL VALUES OF STRABAG

1. Our fundamental ethical principles

Integrity

The way in which we behave vis-à-vis our stakeholders (customers, stockholders, employees, vendors, contractors, governmental and regulatory authorities, competitors, media) and society at large is flawless.

Responsibility

We fulfil our obligations and assume personal responsibility for our actions. We make no promises we cannot deliver on. We do not mislead our stakeholders.

Fairness

We treat our stakeholders politely and in keeping with their interests. We foster equal opportunities and an environment characterised by fairness and freedom from all harassment of any kind whatsoever.

Compliance

We acknowledge the importance of all relevant laws as well as internal and external policies, guidelines and standards, and we adhere to these. We call on our executives to be role models and we undertake to create a first-class environment of control and compliance.

Transparency

With our stakeholders, we engage in a constructive, transparent and open dialogue based on respect and professionalism.

2. Our values

A spirit of partnership

Our motto TEAMS WORK. is the essence of what the construction industry is about: people at work and their smooth co-operation. Filling the spirit of partnership with life both on the large and small scale, in external and internal relations, across brands, organisations and national borders, we can accomplish together what individuals cannot. – We can achieve more for the benefit of our stakeholders if we bundle our strong points, our know-how, our ideas and our experience. The spirit of partnership is also in line with equal rights and based on honesty, fairness and appreciation. We make it stronger by putting relations first: for example, we are active listeners in the dialogue with our present or future customers so we can live up to their expectations when we make their projects materialise.

Trust

Just like a spirit of partnership, trust is built upon appreciation and honesty – in addition, it also needs transparency and a sense of responsibility of every individual involved. We bank on trust in all areas: it is one of our most important leadership principles that a strong sense of responsibility is needed from each employee. In much the same vein, we rely on long-term business relations, working with selected, time-tested contractors which we cooperate with in a spirit of confidence. Our relations with investors are no different: they can count on us using the funds we have been entrusted with honestly.

Solidarity

Solidarity means to vouch for each other. Therefore, success is not about your own advantage only, and failure requires a sense of responsibility. Community spirit is the key when it comes to sharing success and standing together in the face of failure.

Innovative acumen

The flexibility which enables us to quickly adapt short-term changes in market conditions are rooted in our financial strength and what is more, our innovative acumen: innovation is the key to meeting future challenges. This is why it is important to us to continue developing our processes, systems, products and know-how. We are not only technical innovators: our *teamconcept* partnership model is a pioneering feat in innovative contract drafting for the construction sector.

Commitment

We offer complete packages in construction and, tendering guidelines permitting, we also actively offer solutions to optimise quality and costs for our customers. In this context, we appreciate the commitment of everyone who contributes to our success.

Modesty

Our own demands – not matter whether they are material or immaterial, whether they concern individuals or the enterprise in its entirety – must always remain reasonable. We must never forget what our success depends upon: the trust of our stakeholders, in particular our customers and stockholders, and we must win this trust again and again. Therefore, our thoughts and actions, our plans and their implementation will focus on our stakeholders and their wishes and expectations.

Sustainability

Construction leaves its unmistakable marks on our habitat. Its impacts on environment and human life are diverse and – just like our buildings – lasting. Knowing this, we are obliged to act every day: by developing solutions and intelligent technologies, and by bringing everyone involved in construction together. We are all responsible and we can achieve much together. This is how we safeguard an environment worth living in for generations to come.

Respect

Respect means considering the justified wishes and needs of others – it is a matter of course in relations between customer and contractor, employee and supervisor, enterprise and stockholder but by no means sufficient. Respect must also go hand in hand with fairness. We expect a mutually equitable approach in all relations, including those between supervisors and employees, as well as between the genders. We foster equal opportunities and an environment characterised by fair treatment and freedom from harassment, and we put much emphasis on environmental protection as well as health and safety at work, not only in our enterprises and for our employees, but also in our partners.

Reliability

All the people in and around the group of companies must be able to count on each other: Every building is unique and comes with its own requirements in terms of calculation, planning, execution and operation. We are disciplined workers, so our customers can expect us to complete complex construction projects reliably, within the agreed quality, timing and cost framework. Longer-term reliable partnerships can only be guaranteed by high ethical standards. We reject every form of corruption.

PART I: PRINCIPLES**1. Purpose and Scope of Application**

The purpose of the Code of Conduct is to summarise the shared principles of STRABAG, our management and our employees. Our Code of Conduct is to prevent mistakes and foster the values and principles described below.

Although the policies, instructions, directives and manuals used by the enterprises and divisions of STRABAG are not part of the Code of Conduct, they reflect the values and principles contained in the present document.

We expect the members of the Board of Management and of the Supervisory Board, middle management and all employees to adhere to these values and principles.

As a matter of principle, the scope of application of this Code of Conduct includes all companies and divisions of STRABAG, provided that this is permitted under local legislation. In this context, we will take care to safeguard legal positions requiring protection.

2. General Principles

2.1 Laws and Standards of Conduct

STRABAG adheres to legislation and other essential rules, both domestic and foreign.

Moreover, STRABAG fosters the dissemination of the “ICC Rules of Conduct and Recommendations for Combating Extortion and Bribery” and the “ICC Code on Combating Corruption” published and amended by the International Chamber of Commerce. Moreover, STRABAG supports efforts for more transparency and ethical standards of conduct in lobbying as can for example be found in the code of conduct issued by the Austrian Lobbying & Public Affairs Council.

2.2 Business Principles

We seek to act responsibly, so it is our goal to run our business profitably, to maintain a strong financial basis and to keep our risks at a reasonable level. However, profits must never be a justification for non-adherence to laws and standards of conduct.

2.3 Responsibility

These are the areas of responsibilities we have identified and the goals we seek to achieve:

- **Vis-à-vis our customers:** Our services are geared to fulfilling the requirements and expectations customers may rightly expect us to fulfil. We meet market needs by offering customer orientation, professionalism, innovative acumen and value-for-money. When talking to our customers, we communicate information and experiences openly whilst ensuring confidentiality and discretion as needed.
- **Vis-à-vis our employees:** To reach our corporate goals, we bank on the performance and skills of our employees. We foster knowledge building in the group by continuing education and training, we support our employees’ personal development, ensure an appropriate flow of information and suitable working conditions. Individuals will actively seek to obtain information. They will align their own objectives with the corporate goals, giving priority to corporate interests
- **Vis-à-vis our stockholders:** We use our stockholders’ funds responsibly, seeking to achieve sustained returns. We commit to transparency in our information policy and to good and responsible corporate governance.

- **Vis-à-vis vendors and contractors:** As we focus on delivering high-quality and cost-effective services, we also rely on the experiences and capabilities of select vendors and contractors and their staff.
- **Vis-à-vis regulatory and governmental authorities:** We strictly observe the laws, regulations, guidelines, standards and customs of the countries which we work in.
- **Vis-à-vis business partners:** The factors which speak in favour of our enterprise are price, performance, quality and suitability of the products and services we offer. We play fair with all our business partners. All our employees are bound to honesty and transparency in the drafting of contract, calculation of prices and in billing. All our employees will be honest and open at all stages of building execution and ensure that the warranties they give are reliable.
- **Vis-à-vis the media:** We recognise the role played by the media, we keep channels with journalist open in a dialogue, supporting them in their task to report objectively about our enterprise.
- **Vis-à-vis society at large:** We respect human rights and foster the common good. We adhere to applicable laws and commit to fairness in trade. We are aware of our responsibility towards the environment. As we provide goods and services, we seek to use energy and raw materials efficiently and to reduce emissions and waste.

2.4 Confidentiality

Trade and corporate secrets must be kept confidential. This also applies to other information the non-disclosure of which is in the interest of STRABAG, its contractual partners and customers. Such information must not be passed on to unauthorised persons without first obtaining approval from the person in charge of releasing information. This is an obligation surviving the end of employment or other contractual relations.

2.5 Sustainability

In our business decisions, we consider the environment and social issues, as we do in managing our resources and our infrastructure.

2.6 Community and Social Engagement

We welcome the community engagement of our employees, as appropriate. We support selected organisations and institutions with humanitarian, social, charitable, educational or cultural goals.

3. Top Managers as Role Models

The top managers of our enterprise are role models. Members of governing and supervisory bodies and management set examples in their conduct. Essentially, flawless behaviour at work means honesty and fairness in dealing with employees and customers, vendors, competitors, authorities and the public. The integrity and reputation of our enterprise are of the utmost importance for our success.

4. Principles of Human Resource Policy

4.1 Our Employees' Achievement Potential and Skills

As we seek to reach our corporate goals, we bank on the achievement potential and skills of our employees. This is why we foster and steer their personal and professional development by regular appraisal interviews and open communication, ensuring an appropriate level of information and suitable working conditions. Health and safety at work are another central concern of ours.

Employer-employee relations rest on the following pillars:

- the common understanding that adherence to ethical and legal standards and this Code of Conduct in business are in the interest of the enterprise and its employees;
- an environment that attracts highly qualified people, promotes them and retains them in the enterprise;
- equal opportunity employment, regardless of race, nationality, gender, sexual orientation, religion, disability or age;
- a working climate free from discrimination, harassment or reprisals;
- a policy of "open doors" which gives all employees access to management;
- a performance oriented corporate culture with competitive pay and periodical fair and objective appraisals which consider every individual's contribution to the achievement of goals and team performances as well as to the adherence to the values and principles of the Code of Conduct.

4.1.1 The STRABAG Academy

The STRABAG Academy offers training events which are developed in close cooperation with in-house and external experts and correspond to employees' needs so everyone gets optimum support in preparation for future tasks and additional professional and methodological know-how. Training offerings are target-group oriented and extensive, ranging from fundamentals to specialised skills and methodological training, with specific focus on technology, law, economics, IT, business compliance as well as methodological and social skills. Content is taught in on-site seminars and via e-learning channels.

4.1.2 The Trainee Programme

We aim at discovering, advancing and retaining young talents in the future; with this in mind, STRABAG has introduced a largely standardised Trainee Programme for young specialists and executives in the countries where the company has subsidiaries. Apart from cross-border trainee exchange which is in line with the growing internationalisation of the enterprise, we also cooperate with selected universities, particularly those in Central and Eastern European countries, to identify young up-and-coming executives early on.

4.1.3 The Executive Development Programme

Leadership and management potentials within STRABAG are evaluated in an objective, neutral and professional manner on any ongoing basis, using suitable instruments of behavioural diagnostics. This is done via specialised external consultants who prepare so-called Management Potential Analyses (MPA) and by means of our in-house IT-based Behavioural Potential Analysis (BPA). Intensive familiarisation of executives with the tool and the training of in-house experts ensures that the BPA results are translated into action in the companies at a high level of quality. The potential analyses are addressed to all executives from area managers to the members of the Management Board. The analysis results form the basis of the Executive Development Programme of STRABAG.

4.2 Respect and Honesty vis-à-vis Executives, Peers and Employees

The quality of cooperation among executives, peers and employees is of essential importance for our corporate success. Impeccable behaviour in interpersonal relations, characterised by respect and openness and avoiding unfair actions, ensures communication and quality in corporate culture, it also has an impact on how the enterprise is perceived by the outside world. Such conduct, guaranteed by appropriate institutional measures, will result in trust. For this reason, we undertake to settle conflicts in a matter-of-factly, respectful manner which shows respect and appreciation for the persons involved and builds confidence in keeping with our corporate mission statement.

4.3 Social Responsibility for our Employees

The “STRABAG Work and Social Fund” is a private foundation created for cases of hardship, in particular to mitigate the impact of occupational and leisure time accidents, long-term illness, death, disasters and job loss.

5. Responsibilities of Members of Governing/Supervisory Bodies, Management and Employees

Every member of a governing or supervisory body, manager and employee is responsible for the following:

- adhering to legislation, guidelines and regulations as well as the internal policies of STRABAG, including the values and principles of the Code of Conduct;
- being familiar with the policies, manuals and customary business practices in the relevant area of activity, and applying them to the best of their ability;
- addressing issues and intervening whenever the standards of conduct are not observed;
- engaging in the team and contributing the optimum so common goals can be reached;
- contributing to a work climate where trust, professionalism, performance, respect and self-respect are fostered;
- always acting in good faith, with a sense of responsibility, with due diligence and skill, without misrepresenting facts;
- acting objectively without leaving aside personal judgment;
- protecting the assets and resources of STRABAG, encouraging their efficient use, and taking appropriate organisational measures – actions to monitor if these are observed – so as to rule out that STRABAG will be held liable;
- acting honestly and ethically, i.a. when faced with actual or potential conflicts of interest;
- dealing fairly with customers, vendors, competitors and other employees, and never to benefit from acts which violate legal provisions or the requirements of this Code of Conduct;
- reporting violations of legislation and other misconduct under the STRABAG policies and procedures to ensure that these matters can be dealt with in an appropriate manner;

- participating regularly in the training events offered by STRABAG;
- as a manager, showing leadership by requiring clear customer orientation, by being a role model in terms of personal commitment, credibility and delivery on promises, by running compliance checks and by creating a corporate environment in which employees can be top performers.

6. Responsibility vis-à-vis our Stockholders

Adherence to capital market legislation is a matter of course for STRABAG; this is reflected in a compliance organisation in keeping with capital market laws which is applied alongside the STRABAG Business Compliance System, a separate Compliance Policy as well as extensive communication and training. For further details please refer to the (Capital Market) Compliance Policy of the company.

Moreover, STRABAG has committed itself to good and responsible corporate governance and the adherence and evaluation of the Austrian Corporate Governance Code. The related Corporate Governance Report is prepared by an independent third-party institution and is published regularly.

In this context, we also make sure that our listed subsidiaries observe local capital market legislation and corporate governance principles.

7. Specific Principles of Conduct in Essential Matters of Business Policy

7.1 Compliance

We expect all members of governing/supervisory bodies, management and employees as well as business partners to observe applicable domestic and foreign law and other rules and regulations as they take business decisions and actions.

7.2 Business Compliance

In addition to this Code of Conduct the special rules contained in the group's Business Compliance Policy must be adhered to. In particular, the latter policy deals with corruption, bribery and fairness in trade.

7.3 Avoiding Conflicts of Interest and Secondary Employment

Employees must report in writing any secondary employment and holdings in enterprises, in particular with or in business partners and/or competitors of the enterprise and must have such secondary employment or holding approved by the Board of Management.

This duty to report does not apply to the acquisition of marketable securities or mere financial investments in negligible quantities. Members of the Board of Management and the Supervisory Board are subject to the rules governing conflicts of interest and self-interested transactions as set forth in legislation, the Austrian Corporate Governance Code and special contractual provisions.

7.4 Donations and Sponsoring

Donations must remain within the limits imposed by legislation; to the extent that STRABAG makes such donations, they are exclusively subject to the decisions of the Board of Management. This also includes sponsoring as part of social and community engagement.

Donations and sponsoring by our business partners are equally subject to applicable legislation.

7.5 Rejecting Illegal Employment

It is self-evident that all provisions and standards of labour and social law are observed throughout the enterprise. We also expect our business partners to do this. This is why all employees are instructed to demand adherence to this principle from business partners and run checks to the extent that this is legally possible. In case of contraventions, orders must not be placed or be revoked.

PART II: IMPLEMENTATION

1. Communication

1.1 Principles

The members of the governing/supervisory bodies and management will ensure that the employees concerned will observe the relevant laws and regulations. Such relevant legislation and the principles contained in this Code of Conduct are regularly communicated to all employees in the enterprise. Adherence to the principles is expressly called for.

We continue to make sure that communication with our stakeholders is respectful, professional and timely. In particular, the information which we submit to the authorities or communicate to the public will be complete, fair, correct, objective, timely and comprehensible.

In the implementation of these principles, we undertake to observe the laws and regulations applicable to our companies and divisions.

Communication is based on the following principles:

- We communicate openly, transparently and proactively.
- We inform our employees prior to or simultaneously with our stakeholders.
- We designate clearly defined contacts for the media, investors as well as analysts.
- As a matter of principle, we do not disclose information on customer relations, matters concerning individual employees, competitors or ongoing investigations.
- We do not comment on rumours.

1.2 Specific Measures to Communicate the Content of the Code of Conduct

STRABAG has envisaged the following measures so as to communicate the content of the Code of Conduct to all employees and thus to ensure optimum adherence to the rules set forth in the Code of Conduct:

- The Code of Conduct is available in eighteen languages (Bulgarian, Croatian, Czech, Dutch, English, French, German, Hungarian, Italian, Montenegrin, Polish, Romanian, Russian, Serbian, Slovak, Slovene, Spanish and Swedish) ;
- The Code of Conduct forms a basis of employment contracts and if this is legally possible, it becomes an integral part of the employment contracts. Employment

contracts oblige all employees to obtain information about the applicable compliance rules and the documents provided.

- The Code of Conduct is published on the Intranet and the company website in all available languages;
- The content of the Code of Conduct and the way in which it is put into practice, in particular via the Business Compliance policy, are taught in training events;
- Any and all policies and rules as amended are accessible to employees via the STRABAG Intranet (STRANET).

2. Contacts for the Whistle-blower System/Ombudspersons

Support from employees is indispensable for the implementation of this Code of Conduct. This is why contacts for the whistle-blower system, so-called ombudspersons, have been designated. The regional ombudspersons are available to all employees and third parties, such as contractors and the latter's employees.

Ombudspersons are contacts for employees in all unresolved internal matters regarding labour law and discrimination of any form, such as incorrect pay or sexual harassment.

Ombudspersons also act as confidants in job-related personal matters such as burnout, alcohol and drug problems, questions of meaning, or bullying; they will invariably treat these matters in complete confidence ("confessional secrecy").

Based on the requirements outlined by the coordinator of regional ombudspersons, the latter decide if they want to pass information they have received straight on to the coordinator or other persons equally bound to secrecy for resolving the issue. Information may only be passed on in the interest of resolving matters; other than that, information on the reporting employee or third party must be treated in complete confidence.

The current list of contacts for whistle-blowers/ombudspersons can be found on the STRABAG website at www.strabag.com, for employees it is additionally available on the STRABAG Intranet (STRANET).

3. Sanctions

Whenever the company's code of conduct and legislation are breached, the required organisational self-purification processes as well as disciplinary measures and sanctions under (labour) law – from warning to dismissal without notice - will be taken. Notwithstanding consequences under criminal law, this is a reasonable response to the misconduct identified and a way of preventing future misconduct.

4. Continuous Development

Although this Code of Conduct neither creates any legally binding obligations for STRABAG nor grants legal entitlements to employees or other persons, we regularly review it and our behaviour in the past, analysing our experiences so as to be able to improve the way in which we adhere to the values and principles set forth in the Code of Conduct.