

Board of Management

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26. January 2010

## **Code of Conduct**

Dear Sir or Madam,

Dear Colleagues,

One of the key contributors to our success on the way to becoming the world's leading power and gas company is our corporate culture. Strongly rooted in our corporate culture are our Values of integrity, openness, trust and mutual respect, courage and social responsibility.

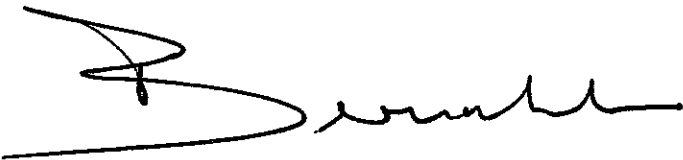
Integrity is a major requirement for the reputation and economic success of a global energy company which is continually in the public eye. Integrity means proper and appropriate behaviour in the performance of our business and in daily life at the company.

Compliance with the laws and regulations of the countries in which we operate has top priority for us. In addition, internal policies, which specify our Values and detail the legal requirements, must be observed.

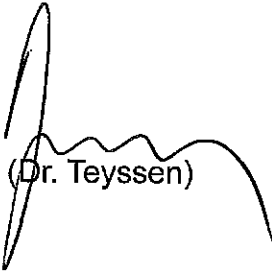
Infringements of laws and regulations are unacceptable; we would rather forgo business and fall short of achieving internal goals than contravene relevant laws or directives. In simple terms: No manager or member of staff will be held responsible for the loss of business if such business cannot be conducted without violating laws or directives.

This Code of Conduct is aimed at providing you with the main principles and rules for lawful and responsible conduct. It is the duty of us all to live according to the Values laid down in our Code of Conduct and the relevant policies and to use them as a benchmark for our actions. This way we not only protect E.ON's reputation but also safeguard its economic success.

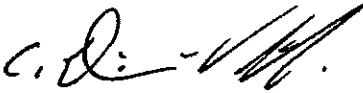
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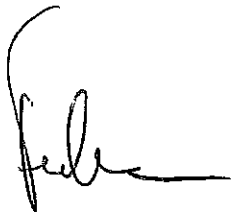
(Dr. Bernotat)



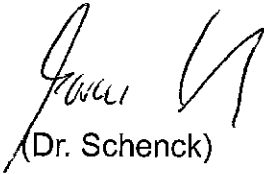
(Dr. Teysen)



(Dänzer-Vanotti)



(Feldmann)



(Dr. Schenck)

## **Our Vision**

Through effort and commitment, we are on course to making our Vision a reality: E.ON as the world's leading power and gas company.

## **Our Values**

### **Integrity**

We act honestly, ethically and legally in everything we do. We honour our commitments and take personal responsibility for our actions.

### **Openness**

We are open to new ideas and change. We are open and candid with one another and promote knowledge-sharing freely across all barriers and boundaries.

### **Trust and Mutual Respect**

We treat everyone with fairness and dignity. We trust our colleagues and are trustworthy in all that we do.

**Courage**

We have the courage to act on our convictions. We sacrifice individual self-interest when necessary to preserve these values. We do and say what we think is right and engage constructively in all discussions.

**Social Responsibility**

We are responsible to our colleagues, customers and suppliers, the environment and the communities where we live and work. We seek to improve lives everywhere we operate, aiming for a healthy, safe and sustainable environment. We consider the needs of the present generation and also anticipate the needs of future generations.

**Our Code of Conduct**

Our Code of Conduct reinforces our Values and provides general principles against which our conduct should be measured.

## E.ON Code of Conduct

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## **I. Scope of the Code of Conduct**

This Code of Conduct applies to all companies of the E.ON Group. The market units may supplement the Code of Conduct by including more specific provisions for their field of business as long as such supplementary provisions are in line with the principles set forth herein. The market units shall ensure that the business units for which they are responsible also meet the requirements of this Code of Conduct. To the extent national laws are stricter than the principles laid down here, they shall take precedence.

This Code of Conduct applies to all employees of E.ON Group companies including the members of the E.ON Board of Management and all other senior managers. The members of the E.ON Board of Management and all other senior managers will act as role models with regard to the adherence to this Code of Conduct. They are required to ensure compliance within their area of responsibility. Any additional approvals required by the E.ON Board of Management and other senior managers from Supervisory Board members, their committees and representatives as well as similar corporate bodies and committees are in no way affected by the provisions of this Code of Conduct.

Violations of this Code of Conduct will not be tolerated and particularly strict standards will be applied when assessing the conduct of members of the Board of Management and other senior managers.

## **II. General Conduct Requirements**

### **1. Lawful conduct**

We act with the utmost integrity. Compliance with all applicable laws and regulations is E.ON's top priority. Every employee must observe the legal requirements which are of relevance for his<sup>1</sup> area of work. This applies to the laws of all jurisdictions within whose framework the employee works. Every employee is therefore

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<sup>1</sup> For the sake of simplicity, the male form has been used throughout this Code of Conduct. No disrespect to or discrimination against female employees is intended.

responsible for familiarising himself and complying with the legal rules and regulations relevant for his area of work. E.ON will do everything necessary to support the employees and provide suitable training courses and/or information.

## **2. Sharing responsibility for E.ON's reputation**

E.ON's public image is largely determined by the conduct and behaviour of its employees. Therefore, every employee is obliged during the performance of his work to bear in mind the effects of his actions on E.ON's reputation. When expressing private opinions in public, an employee should not refer to his position at E.ON.

## **3. Equal opportunities and mutual respect**

E.ON is committed to equal opportunities and diversity. No one is discriminated against as a result of gender, age, disability, nationality, ethnical origin, religion or worldview or sexual orientation. All employees are expected to interact with one another based on mutual respect and honour everyone's right to privacy and dignity. Discrimination, harassment and insults will not be tolerated.

## **III. Dealing with Business Partners, Third Parties and Government/Public Bodies**

### **1. Compliance with anti-trust laws**

#### 1.1.

E.ON is committed to respecting open markets and fair competition. Every employee is bound to comply with anti-trust laws. Infringements may result in fines or punishment. Infringements of anti-trust laws may also lead to the invalidity of the relevant agreement and may cause considerable and lasting harm to the assets and reputation of E.ON.

#### 1.2.

In particular, agreements and concerted practices which have as their object or effect the prevention or restriction of competition are prohibited. If in contact with

competitors, employees must ensure that no information is received or dispensed which permits conclusions to be drawn about the present or future market behaviour of E.ON or its competitors. Contacts with competitors should be kept to the absolute minimum necessary; when contacting competitors, employees must observe rules and regulations detailing the involvement of a clearing office.

Due to its strong position on many markets, E.ON is often subject to specific rules. In particular the abuse of a dominant market position is prohibited. Whether a company will be classed as having a dominant market position depends not on the individual case but also on the boundaries of permissible conduct.

### 1.3.

The Guidelines on Anti-trust Laws enclosed as Annex 2 apply to the Corporate Center<sup>2</sup> and the Germany based market units. In consultation with the anti-trust law department of the Corporate Center, the market units based in Germany can supplement these guidelines with regulations which are more specific for their field of business. The market units which are based outside Germany should draw up their own appropriate guidelines.

If in doubt, the employee must contact the relevant anti-trust law department as soon as possible.

## **2. Corruption**

As a member of Global Compact, E.ON is committed to combating all forms of corruption on a worldwide basis. Corruption is prohibited by international conventions and national laws. Statutory bans apply not only to dealings between companies but also contacts with politicians and public officials. Infringements are punishable by fines or penalties and may cause significant and lasting harm to the assets and reputation of E.ON.

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<sup>2</sup> Including the Group companies which are directly assigned to the Corporate Center and which do not belong to a market unit.



Corruption is the abuse of the power or trust given to a person by the public or by private persons through that person's willingness to make the exercising of this power and authority contingent on benefits from third parties. A public official must not, in the performance of his duties, demand or accept any consideration in the form of a benefit for himself or a third party. A representative of a company must not, in the context of a business relationship, demand or accept consideration in the form of a benefit either for himself or a third party in return for an unfair preference when purchasing goods or services. Both the granting and the accepting of benefits in order to influence decision-making processes are prohibited and prosecutable offences.

### **3. Granting and accepting benefits**

#### **3.1.**

When dealing with business partners and competitors as well as government/public bodies, employees may only accept or grant benefits if the acceptance or granting of such benefits in no way creates an impression of influencing the decision-making process, intended or otherwise. Business partners are, for example, customers, suppliers and service providers as well as third parties with whom E.ON intends to establish business relations. Competitors are companies which compete or may compete with E.ON Group companies in certain markets. Benefits are, for example, gifts, hospitality, invitations to events, the payment of travelling costs and services that go beyond what is market standard; it is irrelevant whether they are granted directly or indirectly (e.g. to an immediate family member or closely related associations, organisations or companies).

The following principles must be observed when accepting and granting benefits in dealings with business partners and competitors as well as government/public bodies. The details for implementation in everyday business life are regulated in the "Guidelines on Benefits" enclosed as Annex 3 which apply to the Corporate Center<sup>3</sup> and the market units located in Germany. In consultation with the chief compliance officer, the market units based in Germany can supplement these guidelines with

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<sup>3</sup> Including the Group companies directly assigned to the Corporate Center which do not belong to a market unit

regulations which are more specific to their field of business. Market units based outside Germany should draw up their own guidelines based on the principles described here insofar as the legal rules and regulations of the respective jurisdiction require such deviations.

If in doubt, the employee should seek the approval of his supervisor or the relevant compliance officer prior to accepting or granting a benefit. Even if a benefit is in line with this Code of Conduct, there may nevertheless be tax implications for both E.ON and the employee. Any questions or doubts with reference to benefits both received and granted must be clarified in advance with the relevant tax department.

### 3.2.

Under no circumstances is it permissible for an employee to ask for a benefit.

### 3.3.

Employees are not allowed to grant or accept monetary gifts or non-standard discounts.

### 3.4.

Employees may only grant and accept non-monetary gifts, hospitality, invitations and other benefits as long as they do not have an unreasonably high value, do not go beyond usual business practice and are proportionate to the donor's or recipient's normal standard of living. If in doubt, the employee should seek the approval of the relevant compliance officer prior to accepting or granting a benefit.

### 3.5.

Particularly stringent rules apply when granting benefits to public officials. Public officials are, for example, ministry officials, secretaries of state, ministers, mayors, civil servant of financial authorities and municipal administration staff. Senior managers (e.g. managing directors) of companies that are majority-owned by the state or private persons who perform public administration tasks can also be regarded as public officials. In respect of any benefits be granted to public officials which go beyond token gifts of minimum value the employee should seek the approval of the relevant compliance officer prior to granting the benefit; advice should

also be sought when there is doubt as to whether a person should be classed as a public official.

### 3.6.

Benefits of a higher value may, in exceptional cases, be allowed in countries in which it is customary and courteous to give such gifts. In each case, the approval of the relevant compliance officer and the Board of Management or the management of the relevant market unit is required.

### 3.7.

All meetings and other events held by E.ON Group company committees must serve to further the business purpose of the company as set out in its articles of association. As a general rule, committee meetings are held at either the company's headquarters, an E.ON Group site, or another location determined by the chairman of the committee based on other objective and logistical criteria.

## **4. Involvement of intermediaries**

### 4.1.

The involvement of brokers, agents and advisors (hereinafter collectively referred to as intermediaries) is in many countries an important and indispensable means to success on the market. On the other hand, the involvement of such third parties may be used as a means of disguising illegal payments and circumventing bans on corruption. When concluding contracts with intermediaries, care should be taken not to give any impression of impropriety.

The principles below must always be observed when selecting and instructing intermediaries. Full details are set out in the Group Policy on Intermediary Agreements.

### 4.2.

Intermediary agreements should only be concluded with persons or companies who possess the requisite credentials to reasonably be expected to contribute to the development of specific projects. The intermediary should be selected on the basis of

a detailed job specification and the selection process should be comprehensively documented.

4.3.

Intermediary agreements must be in writing and describe in detail the services to be performed. The amount of remuneration must be appropriate for the service provided. Payments to intermediaries shall never be made in cash and shall always be made after the provision of the agreed services or part(s) of those services.

## **5. Selection of suppliers and service providers**

5.1.

Suppliers and service providers should be selected using a pre-determined procedure and on the basis of objective and comprehensible criteria. Wherever possible, contracts are to be awarded through invitations to tender.

5.2.

Every employee who is involved in selecting suppliers and service providers who has a personal interest which might influence the selection procedure must inform his supervisor.

5.3.

No employee may have private contracts performed by a service provider with whom he has a business relationship with unless he has obtained the approval of his supervisor.

## **6. Donations**

E.ON is committed to recognising its social responsibility and is generally prepared, within the framework of the relevant legal system, to support non-profit causes through donations. Non-profit causes include scientific, cultural, social, sporting and social projects. Donations can be by way of monetary and non-monetary gifts used for the sole purpose of supporting non-profit causes and which are contributed without the recipient or a third party providing anything in return. In particular,

donations may not be offered or granted in return for the performance of a service by a public official or the making of a decision by a representative of a company. The prior approval of the compliance officer responsible must be obtained if there is any indication that the recipient of a donation is, in a legal or commercial sense, a public official or a group of persons including at least one public official or a person with a special commitment to the public or civil service who is providing a service for the E.ON Group.

## **7. Sponsoring**

Sponsoring is a contractual partnership with an organisation or an event organiser in which certain rights and benefits which promote the communications and marketing goals of the company are granted in return for an agreed amount of financial support. This includes, in particular, the promotion of E.ON's reputation and image as well as the development of the E.ON brand. When concluding such sponsoring contracts it must be ensured that there is a direct link between the payment by the sponsor and the economic purpose of the sponsorship. Sponsoring may not be offered or granted in return for the performance of a service by a public official or for a decision by a representative of a company. The prior approval of the compliance officer responsible must be obtained if there is any indication that the sponsoring partner is, in a legal or commercial sense, a public official or a group of persons including at least one public official or a person with a special commitment to the public or civil service who is providing a service for the E.ON Group.

## **IV. Avoidance of Conflicts of Interest**

### **1. General principle**

It is of great importance to E.ON that its employees are not involved in work related situations which present them with a conflict of interests or a conflict of loyalties. Every employee is bound to immediately notify his supervisor of any potential conflict between business and private interests. A conflict of interests may exist when an employee: (i) acts for a competitor of E.ON; (ii) takes on outside employment; (iii) has

a financial interest in another company; or (iv) concludes a material legal transaction with E.ON.

## **2. Non-compete obligation**

All direct or indirect work for a company which is in direct or indirect competition with an E.ON Group company is prohibited. In exceptional circumstances, such employment may be permissible subject to the prior approval of the relevant Human Resources department in consultation with the relevant compliance officer. No employee may exploit, for his own advantage or that of a third party, business opportunities which arise for an E.ON Group company.

## **3. Secondary employment**

### 3.1.

Secondary employment refers to any additional employment, including but not limited to employment:

- as a Board member or managing director,
  - as a Supervisory Board member or member of an administrative or advisory board,
  - as a normal employee, or
  - in any other position
- at a non-E.ON company.

### 3.2.

Unless otherwise agreed, employees are required to obtain the approval of the relevant Human Resources department prior to commencing any secondary employment with either a customer or supplier of E.ON or any other company with which said employee is in contact in the course of his work for E.ON. The Human Resources department must obtain the consent of the relevant compliance officer before issuing this approval.

### 3.3.

Any other secondary employment which might have a negative impact on the employee's performance at E.ON may only be commenced after prior consultation with the relevant Human Resources department.

#### 3.4.

In all other cases, employees are required to notify the relevant Human Resources department prior to commencing any secondary employment.

### **4. Material financial investments**

#### 4.1.

A material financial investment means any direct or indirect financial interest which results in the party holding more than a one-percent shareholding in a company.

#### 4.2.

Any material financial investment by an employee in a competitor, customer or supplier of E.ON or in another company with which the employee has contact in the course of his work for E.ON requires prior approval by the compliance officer responsible.

#### 4.3.

A material financial investment by an immediate family member in a competitor, customer or supplier of E.ON or in another company with which the employee has contact in the course of his work for E.ON must be reported to the compliance officer responsible.

### **5. Major legal transactions with E.ON**

#### 5.1.

Unless otherwise agreed, advance notification must be given to the compliance officer in cases where employees or their immediate family members wish to purchase, rent or lease land, buildings or other assets with a value of more than €2,500.00 (cost per month in the case of rental agreements or leases) from an E.ON Group company.

The foregoing also applies where employees or their immediate family members wish to sell, rent or lease out land, buildings, or other assets with a value of more than €2,500.00 (cost per month in the case of rental agreements or leases) to an E.ON Group company.

## 5.2.

Unless otherwise agreed, notification must be given to the relevant Human Resources department when an E.ON Group company wishes to grant loans, guarantees, or sureties to employees or their immediate family members.

## **V. Handling of Information**

### **1. Records and reports**

E.ON is committed to correct and truthful reporting to Group committees, investors, employees, business partners and the public. All records and reports must comply with the law. According to the principles of proper accounting, recorded data and other recorded information must always be complete, correct, timely and system-compatible.

### **2. Confidentiality**

#### 2.1.

Employees are prohibited from disclosing confidential business information or trade secrets (for example, financial data, business strategies, planned transactions) to unauthorized third parties, both during and after their employment.

#### 2.2.

Employees are prohibited from directly or indirectly using confidential business information for their own personal gain or that of third parties, or to the detriment of the E.ON Group, both during and after their employment.

#### 2.3.



All employees are responsible for actively ensuring that, in compliance with existing policies, third parties cannot gain access to confidential information.

### **3. Dealing with the media and analysts**

In order for the E.ON Group to present one face to the public and the capital market, employees are required to immediately forward to the Corporate Communications department and the Investor Relations department any enquiries they receive from the media or analysts.

### **4. Data protection**

All employees are bound to comply with data protection rules and regulations and in particular to actively help to ensure that personal data is sufficiently protected against unauthorised access. In cases of doubt or in the event of an infringement the data protection officer responsible should be contacted.

### **5. Insider trading rules**

All employees must observe the insider trading rules. According to these rules it is prohibited for employees to buy or sell securities if they have any insider information relating to these securities. It is also forbidden to make recommendations regarding such securities or to encourage third parties, in any other way, to buy or sell such securities.

Insider information is non-public information about circumstances and events relating to a listed company or securities and which may significantly influence the share price or market price of the security if it becomes public. Insider information may only be passed on to a third party if this is necessary for the performance of said third party's duties and suitable reference is made to the confidentiality of the information.

For further details, please refer to the E.ON Group's Insider Trading Policy.

## **VI. Dealing with the Property and Resources of the Company**

The abuse of company property and personnel resources for non-company purposes is prohibited.

## **VII. Environment, Health and Safety**

One of E.ON's top priorities is the protection of human life and the environment. Every employee shares responsibility for protecting his fellow man and the environment in his working environment. All laws, regulations, directives and policies on environmental protection and occupational safety are to be complied with. Every supervisor must instruct, support and supervise his staff in this respect.

For further details, please refer to the E.ON Group policies on environmental management and on health and safety protection management.

## **VIII. Compliance Organisation of the E.ON Group**

### **1. Chief compliance officer and compliance officers of the market units**

#### **1.1.**

Responsibility within the E.ON Group for the implementation of this Code of Conduct lies with the chief compliance officer and the compliance officers of the individual market units. The compliance officers are also responsible for regularly checking the level of compliance and updating the Code of Conduct.

#### **1.2.**

The compliance officers of each of the market units will notify the chief compliance officer about every reported infringement of the Code of Conduct and agree measures and other consequences necessary with him. The unit (Corporate Center or market unit) where the infringement has taken place bears operational responsibility for investigating, assessing, stopping and sanctioning infringements. Each individual market unit decides whether separate compliance officers should be

appointed for each of their business units, who will then report to the compliance officer of the market unit.

For further details, please refer to the E.ON Group Compliance Policy.

## **2. Questions on the Code of Conduct**

The Code of Conduct only describes the general principles for legally and ethically correct conduct. In the event of problems with the interpretation and questions regarding the application of the Code of Conduct, employees should contact their supervisor or the relevant compliance officer; the latter is also available as an advisor in all compliance matters. Every compliance officer and each member of his staff are required to treat compliance matters in the strictest confidence.

## **3. Confirmation of compliance with the Code of Conduct**

### **3.1.**

It is the task of the management to implement the Code of Conduct and ensure it is complied with. The members of the E.ON Board of Management and all members of top and senior management will discuss, particularly in the staff appraisal interviews they conduct, the Values of E.ON and the main principles and rules for lawful and responsible conduct as laid down in the Code of Conduct and ensure that these principles and rules are complied with in daily business.

### **3.2.**

The members of the E.ON Board of Management and all members of top and senior management will confirm in writing to their immediate supervisor at the end of each year that they, and those within their ambit of responsibility, have complied with the Code of Conduct. The members of the Boards of Management or managing directors will give their declaration to the chairman of the Supervisory Board responsible or the senior manager responsible as part of the functional management.

## 4. Reporting of infringements of the Code of Conduct

### 4.1.

Employees are asked to inform their supervisor or the compliance officer responsible should they become aware of an infringement of the Code of Conduct.

### 4.2.

Employees may also report infringements of the Code of Conduct to the chief compliance officer of E.ON AG:

Karl-Heinz Feldmann  
Head of Legal & Compliance  
E.ON AG  
E.ON Platz 1  
40479 Düsseldorf  
Germany  
T +49 211-45 79-789  
F +49 211-45 79-446  
karl-heinz.feldmann@eon.com

A special telephone number (+49 211-45 79-899) has been set up in order to facilitate reporting by phone.

Infringements of the Code of Conduct may also be reported anonymously, e.g. by way of a whistleblower report (see Whistleblower on the Intranet of E.ON AG under Quick Links).

### 4.3.

All information received will be checked by the chief compliance officer working together with the relevant bodies at E.ON. The information received will be treated as confidential. If the identity of the person making the complaint is known, it will not be disclosed. The person making the complaint will be given information about the handling of his complaint if he so requests.

#### 4.4.

No sanctions shall be imposed on an employee as a result of them reporting an infringement of this Code of Conduct. This also applies if the information proves to be incorrect so long as the information was provided in good faith.

### **5. Consequences of infringements of the Code of Conduct**

Infringements of the rules of this Code of Conduct may result in disciplinary measures or sanctions under labour law including dismissal and other legal sanctions.