

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.

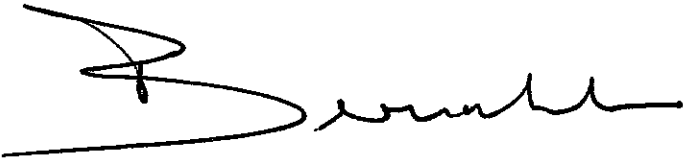
Integrity means proper and appropriate behaviour in the performance of our business and in daily life at the company.

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.

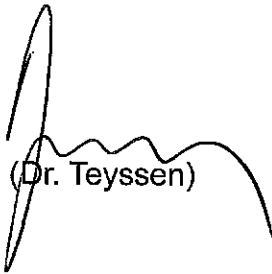
Infringements of laws and regulations are unacceptable; we would rather forgo business and fall short of achieving internal goals than contravene relevant laws or directives. In simple terms: No manager or member of staff will be held responsible for the loss of business if such business cannot be conducted 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.

E.ON AG
Board of Management



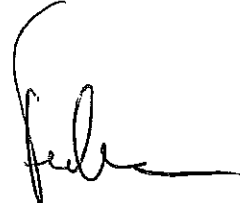
(Dr. Bernotat)




(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 his¹ area of work. This applies to the laws of all jurisdictions within whose framework the employee works. Every employee is therefore

¹ 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 Center² 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.

² 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 Center³ 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

³ 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.

Annex 1 to the Code of Conduct

Compliance Checklist

Check for yourself whether the actions you have planned are consistent with the integrity practiced by E.ON!

Ask yourself the following questions:

- Is the action compatible with the relevant laws and regulations?
- Is the action compatible with the Code of Conduct and internal policies?
- Is the action reasonable and compatible with E.ON's Values and the reputation?
- Can I justify the action to my supervisor and the E.ON Board of Management?
- Can I justify the action to my family?
- Would I be relaxed if information about the action was obtained by the public prosecution, anti-trust authorities or other third parties?
- Would I be relaxed if the media were to report on the action?

If you can, in good faith, answer all questions in the affirmative, you are acting in line with E.ON's Values and the Code of Conduct. If you have doubts or have answered one or more questions in the negative, you should contact your supervisor or the compliance officer responsible immediately.

The greatest care should be taken if, with respect to an action, you hear or yourself use one of the following (or similar) expressions:

- Yes, but just this once...
- Nobody need know about it...
- Everybody does it ...
- You/We shouldn't mention it ...
- Sometimes you have to turn a blind eye ...
- If we followed all the rules, we could no longer work efficiently and would not be in a position to achieve our internal goals ...

If you have any doubts whatsoever, be sure to contact your supervisor or the compliance officer responsible!

Annex 2 to the Code of Conduct

Anti-trust law guidelines

I. Basic principle

E.ON is committed to respecting open markets and fair competition. All employees including the members of the E.ON Board of Management and all other managers are obliged to observe anti-trust laws.

Any infringement of anti-trust laws may have serious consequences:

- a fine against E.ON amounting to up to 10% of the global sales revenue of the Group;
- invalidity of the infringing clause and possibly the entire contract concluded by E.ON;
- third party claims against E.ON claiming for the damage suffered as a result of the infringing behaviour;
- a fine, custodial sentence and exclusion from his profession for the person who acted in contravention to anti-trust laws (only in certain countries for certain infringements);
- high costs for clarifying the facts and legal advice, borne by E.ON;
- considerable damage to E.ON's reputation.

II. Overview of the anti-trust laws applying in the EU and in Germany

1. Horizontal agreements

Companies occasionally try to circumvent the harshness and uncontrollability of a competitively functioning market by entering into agreements which restrict competition. This may result in consumers having to pay higher prices and innovations being impeded.

Therefore, agreements and concerted practices between competitors (horizontal relationship, i.e. companies on the same level in the supply chain) which have as their object or effect the prevention or restriction of competition are prohibited. This principle is contained in Art. 101 of the Treaty on the Functioning of the European Union (TFEU) and Section 1 of the German Act Against Restraints of Competition (GWB).

Accordingly, the following are examples of agreements between competitors which restrict competition and are prohibited:

- Agreements on prices (including the fixing of minimum prices, individual price components, price increases),
- Agreements on market sharing (in respect of customers, territories or products),
- Agreements limiting outputs (e.g. production volumes),
- Agreements restricting investments (e.g. dispensing with new production facilities),
and
- agreeing bids during tendering procedures.

Under anti-trust law, the term “agreement” is defined very widely; the form and the legally binding nature of the agreement are not decisive. It is sufficient that the parties expressly or tacitly agree on a course of action.

The prohibition not only covers agreements but also concerted practices. Concerted practices may occur as a result of unilateral decisions (e.g. announcements of price increases with the intention of provoking similar reactions from competitors).

2. Vertical agreements

Agreements and concerted practices between parties in a vertical relationship (i.e. between companies at different levels in the supply chain, e.g. suppliers and traders) are prohibited if they have as their object or effect the prevention or restriction of competition. This principle is also contained in Art. 101 TFEU and Section 1 GWB.

Accordingly, in many cases the following agreements are considered prohibited:

- agreements through which the supplier sets the trader's prices;
- agreements which restrict the territory in which or the clientele to whom a trader may sell goods he has purchased; and
- long-term exclusivity agreements binding the trader exclusively to the supplier.

The permissibility of such agreements depends, among other things, on their duration and effect as well as the market position of the parties involved. Before such agreements are concluded the express prior consent of the anti-trust law department responsible is required.

3. Abuse of a dominant market position

A company is regarded as having a dominant market position when its market share or other circumstances (e.g. financial strength) enable it to act largely independently of its competitors and customers. Dominant companies have a special responsibility to behave fairly when competing. Some behaviour patterns which are generally permissible can therefore be deemed abusive and therefore prohibited if the company is regarded as having a dominant market position. The abuse of a dominant position is regulated in Article 102 TFEU and Section 19 et seq. GWB.

In order to determine whether one or more companies have a dominant market position, it is first necessary to define the relevant product and geographic market and then calculate the corresponding market share of the company in these markets; furthermore, the market strength of competitors, any structural advantages as well as the buying power of customers must also be taken into consideration. Complex economic analyses and legal appraisals are necessary. Such research is the sole responsibility of the respective anti-trust law department.

E.ON is regarded by the relevant anti-trust authorities as having a dominant market position in several power and gas markets. Therefore, the anti-trust law department must be consulted in advance of any conduct which may be regarded by the anti-trust authorities as an abuse of a dominant market position.

Any conduct by E.ON towards its competitors and customers, which is only made possible as a result of its size, is typically abusive. Prohibited behaviour includes, for example:

- price abuses (e.g. discriminatory pricing, i.e. similar customers are treated differently; predatory pricing to prevent new competitors entering the market; unreasonably high prices due to market dominance);
- entering into long-term exclusive arrangements (e.g. contracts covering entire supply requirements); and
- refusal to supply (as long as there is no justified cause for such a refusal).

4. Merger control

Merger controls are aimed at monitoring external company growth in order to prevent individual companies gaining dominant positions. A merger which qualifies for notification must not be implemented without the clearance of the competent anti-trust authority; in the event of an infringement of this prohibition, fines may be imposed and the transaction declared invalid or to be rescinded. Merger control is governed by the EU Merger Regulation and in Section 35 et seq. of GWB.

The anti-trust authorities are notified of a merger by the respective anti-trust law department. It is therefore vital that the anti-trust law department is informed about every transaction which could constitute a merger subject to merger control.

Mergers subject to merger controls include in particular

- acquisitions of essential assets of other companies (e.g. including the acquisition of a company's customer base and company leases),
- acquisition of shares in another company (even a minority shareholding of 10 % can be subject to merger control) and the establishment of a joint venture,
- otherwise acquiring control or a competitively significant influence in another company.

5. Exchange of information

The exchange of information can also restrict competition if it decreases uncertainty about the market behaviour of competitors and thus results in competition between the companies being reduced. This applies in particular to information in connection with prices and elements of pricing but can, for example, also apply to information concerning strategies, sales revenues and market shares. The amount of contact with competitors should be kept to the absolute minimum necessary.

In order to avoid any exchange of information in breach of anti-trust laws, an 'anti-trust clearing office' has been set up for the Corporate Center and each of the German market units. This office ensures that anti-trust laws are observed during any contacts with competitors. The clearing office guidelines on the exchange of information with competitors as well as its e-mail address are published on the Intranet. Every employee must abide by these rules. In cases of doubt, the clearing office should be informed of the intended contact as well as the content and purpose of the talk. Such notification should be provided a reasonable amount time before the intended contact with a competitor. Furthermore, to what extent the intended exchange of information is permitted under anti-trust law should also be agreed with the clearing office beforehand.

III. Enforcement of anti-trust laws

1. Request for information and investigations by the anti-trust authorities

The European Commission and the national anti-trust authorities are responsible for the enforcement of anti-trust laws and the investigation of infringements.

Occasionally an investigation is initiated by a letter from an anti-trust authority to the company asking the company to answer certain questions. Such letters should be passed on immediately to the anti-trust law department responsible; a response to such letters from an anti-trust authority should only be provided in consultation with or with the prior agreement of the anti-trust law department responsible.

An anti-trust authority may often initiate an investigation by way of an on-site inspection (dawn raid). This is an unannounced visit by anti-trust authority staff to the company's premises with the aim of obtaining information about a suspected infringement of anti-trust law. The anti-trust authority staff are authorised to enter the premises and make photocopies of the relevant documents as well as demand verbal explanations of questions which arise during the investigation or from the documents. Such an investigation can also be performed by the anti-trust authorities even when the company is in compliance with all anti-trust requirements and regulations.

In the event of an inspection, the anti-trust law department responsible must be informed immediately. The anti-trust law department should be the sole contact for the anti-trust authority officials conducting the investigation. Searches conducted on the premises and responses to investigating officials' questions must only occur in the presence of and with the agreement of the lawyers from the anti-trust law department, external lawyers or nominated third parties.

2. Document creation

Written documents are of particular importance in the context of anti-trust law investigations. This applies to internal records (e.g. e-mails, computer data, diaries, travel expense claims, phone lists, submissions to the Board of Management,

memos, handwritten notes etc.) and external correspondence (including e-mails).

When preparing written documents, special attention must therefore be paid to ensure that their contents comply with anti-trust laws and that this is also clearly documented. Such a requirement is already inherent through the general obligation on every employee to observe anti-trust law rules and regulations (see above under I.) If sensitive information about competitors is exchanged in an internal communication, the source should be named (e.g. sources accessible to the public such as media and annual reports or internal analyses of certain departments). Any wording which could be misinterpreted by third parties as an indication of possible unlawful conduct must be avoided.

As a general rule, each document must be written in such a way that if it was at anytime published in the press there would be no damage to E.ON's reputation.

IV. Principles of conduct

- Things you must NOT do:

- You must not speak with competitors about prices, market shares, capacities, investments, strategies, invitations to tender or similar and you must not reach any agreements in respect of these.
- You must not reach any agreements with customers which relate to their sales prices, sales territories or clientele or lead to a long-term exclusive arrangement without obtaining the express prior approval of the anti-trust law department responsible.
- On markets in which E.ON could be considered to have a dominant market position you must not take any action which could be regarded by the anti-trust authorities as abusive (e.g. conduct in respect of pricing, long-term exclusive arrangements or a refusal to supply) without clarifying in advance with the anti-trust law department responsible whether this action is permissible.

- Do not use any misleading wording in written documents which could possibly be misinterpreted by third parties as an indication of unlawful conduct.
- In the event of an investigation by an anti-trust authority, you must not destroy any relevant documentation and must not intentionally answer any questions posed by the anti-trust authority officials in an incorrect or misleading way.

- **What you should do:**
- Inform the relevant anti-trust law department of every transaction which might constitute a merger subject to merger control.
- Restrict your contacts with competitors to the absolute minimum and get in touch with the anti-trust law clearing office before any critical contact with competitors to agree the acceptable legal limits for the exchange of information.
- Pass on immediately any letter from an anti-trust authority to the relevant anti-trust law department; such letters should only be answered in consultation with the responsible anti-trust law department.
- In the event of an inspection by an anti-trust authority, you must inform the responsible anti-trust law department immediately and ask the anti-trust authority officials to wait for the in-house lawyers to arrive.

- **In all cases of doubt, the responsible anti-trust law department should be contacted immediately!**

Annex 3 to the Code of Conduct

Guidelines on Benefits

I. Basic principle

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 of the decision-making process intended or otherwise. It is essential that the interests of E.ON and the private interests of the employees are kept entirely separate.

The following principles on the acceptance and granting of benefits are designed to help to implement these basic rules into everyday business life. They apply to all employees including the members of the E.ON Board of Management and all other managers.

Even if a benefit is in line with these principles, there may nevertheless be tax implications for both for 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.

II. Dealings with business partners and competitors as well as government/public bodies and state-controlled companies (public officials)

The following principles on the acceptance and granting of benefits relate to dealings with business partners and competitors as well as public officials.

Benefits are, for example, gifts, discounts, 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 a member of the family, closely related associations, organisations or companies).

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, in certain markets, compete or may compete with companies belonging to the E.ON Group.

Public officials are, for example, ministry officials, secretaries of state, ministers, mayors, financial authority civil servants and municipal administration staff. Senior managers (e.g. managing directors) of companies which are majority-owned by the state or private persons who perform public administration tasks can also be regarded as public officials. Any benefits provided to public officials apart from token gifts of minimal value must be coordinated and agreed in advance with the compliance officer responsible (cf. details under IV.); this also applies when there is doubt as to whether a person should be classed as a public official.

III. Acceptance of benefits

1. Basic principle

Employees may only accept benefits if the acceptance of such benefits in no way creates an impression that certain conduct desired by the giver is expected in return. In the event of doubt, and particularly when a benefit is being granted at such a time when the recipient of the benefit is in a position to influence a business decision which affects the interests of the giver, the acceptance of a benefit is only permissible with the express prior approval of the relevant compliance officer. The compliance officer responsible may issue a blanket approval for certain types of benefits (e.g. hospitality or non-monetary gifts of minimal value or invitations to specialist conferences).

2. No demanding of benefits

Employees may only accept benefits which have been given voluntarily. The demanding of benefits is not permitted under any circumstances.

3. Monetary gifts and discounts

Employees may not demand or accept monetary gifts or non-standard discounts.

4. Non-monetary gifts

Employees may only accept non-monetary gifts as long as such gifts do not go beyond usual business practice and are proportionate to the donor's or recipient's normal standard of living. Business decisions connected with the benefit must in no way be influenced. The employee must not accept a benefit where its acceptance may result in the slightest impression that the employee is taking factors into consideration which are unconnected with the subject matter of the decision. If employees have any doubts or the gift is of a higher value, they have to consult their supervisor or the relevant compliance officer prior to accepting the gift. Gifts with a value of less than €50 are generally not considered to be of a significant value.

5. Invitations

Employees may only accept invitations for themselves and their immediate family (e.g. in connection with hospitality, events, trips away) when the invitations are usual business practice and are in proportion to the normal standard of living of the parties involved. The invitation must in no way result in the influencing of business decisions. The employee must not accept an invitation where its acceptance may result in the slightest impression that the employee is taking factors into consideration which are unconnected with the subject matter of the decision.

This means that an employee may only accept an invitation if it serves a justified business purpose, does not have an unreasonably high value, and any hospitality takes place within the scope of normal business practice (e.g. lunch during a meeting or a reception following an event). If employees have any doubts or the invitation is of a significant value, they have to consult their supervisors or the relevant compliance officer before accepting the invitation. Invitations with a value of less than €50 are generally not considered to be of significant value.

Employees may only attend sporting events, shows and other events as guests if such attendance is proportionate to the normal standard of living of the people involved. In addition, a representative of the host company must be present at the event. If employees have any doubts or the invitation is of a significant value, they have to consult their supervisors or the relevant compliance officer before accepting the invitation. Invitations with a value of less than €50 are generally not considered to be of a significant value.

6. Services

Offers by third parties to carry out private improvements or improvements at the employee's workplace at no cost or at a price that is not in line with market rates (for instance, offers to upgrade or decorate offices, other workplaces or event venues) and go beyond usual business practice should be declined.

IV. Granting of benefits

1. Basic principle

Employees may only grant benefits if the granting of such benefits in no way creates an impression that certain conduct desired by E.ON is expected in return. It must be conceivable that the benefit was intended for a purpose other than the influencing of a business or public authority decision. If a benefit is proposed to be granted close to the time of a business or public authority decision affecting the interests of E.ON and which could conceivably be influenced by the recipient of the benefit the possibility of any such influence must be checked and the credibility documented with particular care. There must be no appearance that a benefit is being granted to a decision-maker for the purpose of influencing forthcoming business or public authority decisions.

Benefits must be granted in a transparent manner and there must be no appearance of concealment. Therefore, benefits must only be sent to the private address of the recipient in exceptional cases and when there is sufficient justification.

In all cases of doubt, the express prior approval of the relevant compliance officer should be attained before any benefit is granted. The compliance officer may issue a blanket approval for certain types of benefits (e.g. non-monetary gifts of minimum value and invitations to specialist conferences).

2. Monetary gifts and discounts

Employees may not grant monetary gifts or non-standard discounts.

3. Donations

Donations are monetary or non-monetary gifts that are provided for the sole purpose of supporting non-profit causes and which are given without receiving anything in return from the recipient or a third party. 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 relevant compliance officer 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 sector who is providing a service for the E.ON Group.

4. 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.

5. Non-monetary gifts

a)

Employees may only give non-monetary gifts to third parties who are not public officials as long as they do not go beyond what is regarded as usual business practice, the gift is in proportion to the donor's or recipient's standard of living and does not have an unreasonably high value. In judging the appropriateness of a gift, not only the position of the person receiving the gift but also the occasion on which the gift is being presented should be taken into consideration. The benefit must not in any way be seen as influencing business decisions with which it may be connected. The employee must not grant a gift where its granting may result in the slightest impression that factors are being taken into consideration which are unconnected with the subject matter of the decision. If employees have any doubts or the gift is of a significant value, they must consult their supervisors or the relevant compliance officer before making the gift. Gifts with a value of less than €50 are generally not considered to be of significant value.

b)

In compliance with guidelines in force for civil servants, public officials may only accept simple presents as gifts, even on special occasions such as milestone birthdays or long-service anniversaries. Simple presents primarily include token presents of minimum value (e.g. mass-produced promotional items such as pens, calendars, or notepads). Gifts of higher value are permitted only in exceptional cases and a remark must be added to the effect that the approval of the public official's supervisor is presumed. If employees have any doubts or the value of the gift is more than that of a token present, they have to consult the compliance officer responsible before making the gift.

6. Hospitality

a)

Employees may extend hospitality to third parties as long as the hospitality serves a justified business purpose, does not have an unreasonably high value and takes place within the scope of usual business practice (e.g. lunch during a meeting or a reception following an event). Preferably a venue should be chosen which is located at the headquarters or a site of the company. The business rationale for the meeting should always prevail and care must be taken to avoid the appearance that the provision of the hospitality has influenced the business decision. The employee must not offer hospitality where it may result in the slightest impression that factors are being taken into consideration which are unconnected with the subject matter of the decision. If employees have any doubts or the hospitality concerned is of a significant value, they must first consult their supervisor or the relevant compliance officer. Hospitality with a value of less than €50 is generally not considered to be of significant value.

When extending hospitality to public officials which exceeds token refreshments (e.g. coffee, beverages, sandwiches etc.), employees must first consult the relevant compliance officer.

7. Invitations to events

a) Basic principles

Invitations to events improve the company's reputation and permit informal discussions with business partners and public representatives. The following principles apply to all event invitations extended by E.ON:

There must be no possibility that the invitation will in any way influence business decisions. The employee must not extend an invitation where it may result in the slightest impression that factors are being taken into consideration which are unconnected with the subject matter of the decision.

All invitations must be usual business practice and must be in proportion to the standard of living of the parties involved. In cases of doubt, the relevant compliance officer must be consulted in advance.

In cases where uninvolved third parties might get the impression that these rules of conduct may be affected or infringed, the participants of the event must make an appropriate contribution to the costs.

It must be ensured that competent contacts from E.ON are always available to assist guests. As a general rule, events are not allowed to be held without a company representative present on site.

The compliance officer responsible should be consulted before any public officials are invited to events. If necessary, the invitation should be extended with the remark that the approval of the supervisor of the person invited is presumed.

b) Informative meetings and further training events

Representatives of business partners and competitors may be invited to informative meetings and training events provided that it is clear that the main purpose of the event is the provision of information or training. To ensure transparency, the basis of the event must be sufficiently clear at all times and it must be possible for an uninvolved third party to be able to recognise the subject and purpose as well as follow the progression of the event. Therefore, the participants, order of events and issues addressed must be clearly documented.

Venues selection must be based exclusively on objective and logistical criteria and not on tourist attractions. Hospitality, events and travel unrelated to business purposes are not permitted.

The company bears the cost of the event and possibly also the hospitality costs during the event. The company may assume the necessary travel and accommodation costs of those invited; in such cases, the accommodation must not be unreasonably luxurious and must be proportionate to the participants' standard of living.

As a general rule, participants are not permitted to invite personal companions. Any exceptions are to be agreed with the responsible compliance officer before the invitation is extended.

c) Events of a generally social nature

Events of a generally social nature are, for example, sports events, cultural events, theatre performances and concerts. These also include events for which a certain number of entrance tickets are available because the company is sponsoring the event. Executives from the fields of politics, business (e.g. business partners and competitors), media and culture may be invited to encourage the informal exchange of information.

The company bears the cost of the event and possibly also the hospitality costs during the event. As a rule, the costs of travel to the event and accommodation should be borne by the guests themselves.

It is generally permissible for the participants to invite personal companions. The costs of travel to the event and the accommodation of these companions are to be borne by the guests themselves.

In exceptional circumstances, travel and/or accommodation costs for a guest and/or a personal companion of a guest may be borne by the company; however this must be agreed with the relevant compliance officer in advance.

8. Abroad

Exceptions to the aforementioned principles may be made in countries in which it is customary and courteous to give presents. This is subject in each case to the approval of the relevant compliance officer and the Board of Management or the management of the relevant market unit. However, gifts given with the intention of urging a foreign public official to act in a certain way so that the giver or a third party wins a contract or gains an unfair advantage are expressly forbidden.

9. Committee meetings

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. To ensure transparency, the basis of the event or meeting must be sufficiently clear at all times and it must be possible for an uninvolved third party to be able to recognise the subject and purpose as well as follow the progression of the event. Therefore, the order of events and issues addressed at such events must be documented in a clear and understandable manner (agenda, minutes, list of participants).

As a general rule, committee meetings should be 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.

These principles also apply to meetings and other committee events which are not regulated under company law (e.g. advisory boards).

V. Basic principles of conduct

- Things you must NOT do:

- You must not mix your private interests with the interests of E.ON.
- You must not give or accept monetary gifts or non-standard discounts.
- .
- You must not grant or accept benefits unless the acceptance or granting of such benefits in no way creates an impression that certain behaviour is expected in return.
- You must not give or accept significant non-monetary gifts or hospitality without first consulting your supervisor or the compliance officer responsible.

- You must not grant public officials any benefits other than token presents or basic hospitality (e.g. coffee, beverages, sandwiches, ballpoint pens, notepads etc.) without first consulting the compliance officer responsible.

- Things you should do:

- Notify your supervisor or the relevant compliance officer if a possible conflict arises between your private interests and the interests of E.ON.
- Work in such a way that your dealings with business partners and competitors as well as public officials are transparent and can be verified and checked at any time.
- In relation to all benefits granted, make sure you observe the limits of social adequacy, i.e. the benefit must be usual business practice and its value must be appropriate with regard to the normal standard of living of those involved!
- Inform your supervisor or the compliance officer responsible about organisational structures within the Group which might favour corruption.
- **In all cases of doubt, contact your supervisor or the relevant compliance officer immediately.**