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I. APPLICABILITY OF THE CODE OF CONDUCT

For the future success of the Bayerngas Group, it is crucial that all employees consider and consistently implement the Bayerngas company values in a reliable, dynamic, honest and respectful manner in the course of their day-to-day work.

The following code of conduct reflects the **corporate values** within the Bayerngas Group. The basis of the Bayerngas Group's daily operations comprises the **values of honesty, integrity, trustworthiness, personal responsibility, mindfulness of ourselves and others, respect, transparency**, and also **loyalty, fairness** and **appreciation**.

The code of conduct provides the employees of the Bayerngas Group with a framework of economic, legal and moral guidance to correctly meet day-to-day business challenges.

It applies to the following companies of the Bayerngas Group: Bayerngas GmbH (BG), Bayerngas Energy Trading GmbH (BET), Bayerngas Vertrieb GmbH (BGVE) and bayernugs GmbH. The code of conduct cannot answer all questions arising in everyday work situations. Individual companies may supplement it with special regulations (e.g. BET principles, Group directives), provided that these regulations correspond with the principles laid out below. Individual companies shall ensure that the departments allocated to them meet all necessary requirements.

The **code of conduct applies to all employees** of the Bayerngas Group companies mentioned above. **Employees means all employees of the Group companies mentioned above, including all those on executive boards or in other managerial roles as well as part-time employees, student assistants, temporary employees and trainees.**

All members of the executive boards and employees in other managerial roles within the Group are responsible for this code of conduct and also ensure its compliance within their area of influence. **Compliance and communication are managerial duties.** Those in managerial roles also bear special responsibility as **role models** here. Therefore, they are subjected to particularly strict standards when evaluating their behaviour (see VIII., 3.1 and 3.2 in this regard).

All employees are obliged to follow the rules laid down in this code of conduct when performing their activities.

Derived from the existing central basic values, the code defines fundamental principles and regulations for legal and responsible behaviour - particularly when dealing with business partners and public officials.

Employees may refer to the wording of this code of conduct at any time.

The Group's Compliance Management department regularly reviews, updates and, if necessary, revises and amends this code of conduct.



Violations of the code of conduct are not tolerated (see also VIII. 5 in this regard).

II. GENERAL PRINCIPLES OF CONDUCT

1. LAWFUL CONDUCT

Due to its business model, the Bayerngas Group is not just subject to German legislation. Because of its activities in different countries with international business partners, it must also obey the laws of other countries. Foreign legal systems often impose significantly stricter sanctions and higher penalties. It is necessary to remain informed of the relevant legal position at all times. That implies a very close cooperation with the Legal department.

The Bayerngas Group obeys the laws and provisions of every country it is active in. Violations of the law cause long-term harm to employees and the company. Compliance with the law is ensured by involving the appropriate specialist department at an early stage. Legal violations must be avoided under all circumstances. The Bayerngas Group support its employees learning the applicable laws, regulations and provisions, and provides them suitable training and/or documents. Within their role, each employee is responsible for becoming acquainted with the legal regulations and internal directives (e.g. principles, guidelines, and operating agreements) relevant to their activities. This can occur, for example, via the notice-board, the Intranet, ad-hoc information, making contact with Compliance Management, and other media.

2. JOINT RESPONSIBILITY FOR THE REPUTATION OF THE BAYERNGAS GROUP

The good reputation of the Bayerngas Group is an essential part of its success. All employees contribute to the positive perception of the Group through their everyday work. The public image of the Group is fundamentally determined by the attitude and conduct of its employees. When performing their tasks, each employee is required to consider the effects of their actions on the Group's reputation. Employees are the Group's brand ambassadors.

For further details, please refer to Annex 1, the "Bayerngas Group Compliance Checklist".

3. EQUAL OPPORTUNITIES AND MUTUAL RESPECT

Within the Group and when dealing with business partners, all employees of the Bayerngas Group must ensure that nobody is disadvantaged, harassed and/or discriminated against on the grounds of their ethnic origin, their gender, their ethnic group, their religion or beliefs, their nationality, their sexual orientation, their political and/or trade union activities and/or views, their age, or their disability. In cases of doubt and in the event of violations, the responsible Equal Opportunities Officer ("AGG-Beauftragte" [in accordance with the Allgemei-



ne Gleichbehandlungsgesetz (AGG) [German General Equal Treatment Act]). All employees' dealings with one another must be characterised by respect, appreciation, fairness and mutual support. Unfair behaviour, threats, bullying and discrimination of any kind will not be accepted.

4. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Within the scope of our corporate responsibility, making a contribution to people and the environment (e.g. security of supply) is a priority for the Bayerngas Group. For several decades the Group, together with its municipal shareholders, has taken responsibility for ensuring a secure gas supply. When doing so, value is set on sustainable corporate behaviour (e.g. renewable energies and energy efficiency) and long-term relationships with business partners. All employees support this corporate responsibility through their sustainable everyday work.

III. DEALING WITH BUSINESS PARTNERS, THIRD PARTIES AND PUBLIC AUTHORITIES

1. COMPLIANCE WITH ANTITRUST LAW

The Bayerngas Group is fully committed to the principle of fair competition and to ensuring its business partners contracts based on fair terms. The most significant antitrust prohibitions refer to:

- Price-fixing agreements
- Agreements on market shares
- Agreements on capacity
- Allocation of regional markets
- Allocation of customers.

Any informal conversations and informal gentlemen's agreements with the objective or the effect of restricting competition are prohibited. The appearance of any such conspiratorial activities has to be avoided. All employees are to observe the antitrust regulations.

2. COMPLIANCE WITH REGULATORY LAW

The law governing the supply of electricity and gas (EnWG) holds particular requirements for the behaviour of the employees of vertically integrated energy suppliers and in particular for network employees. In order to ensure compliance with unbundling requirements, bayernets GmbH, as a so-called "independent transport network operator", is obliged to schedule a programme with mandatory measures for the non-discriminatory operation of the network (programme of non-discrimination) for those employees involved with network operation activities, to inform the employees and the regulatory authorities of this, and to monitor compliance by means of a person or departments (Equal Opportunities Officer). This is particularly important for the Bayerngas Group in terms of handling information because, as a network



operator, bayernets GmbH must handle network-relevant customer information as well as network information about its own activities which is relevant in terms of competition, with utmost confidentiality. The organisation Bayerngas Group must also fully comply with the requirements of sections 6 ff of the Energy Industry Law (EnWG) in order to ensure the independence of bayernets GmbH in terms of the organisation, decision-making powers and the operation of the network business.

For this reason the provisions within the Energy Industry Law also hold repercussions for all Bayerngas Group employees, who are to refrain from all behaviour which is critical to unbundling. This particularly refers to inquiries to bayernets GmbH employees regarding sensitive information which bayernets GmbH has gained through business operations as a network operator.

3. CORRUPTION

The Bayerngas Group places the utmost priority on the avoidance of economic and legal damages due to corruption.

Corruption is the misuse of the position of power or trust which has been conferred to a person officially or privately, where the willingness to practise this authority becomes dependent upon providing a benefit to a third party. Within the framework of providing a service, an official cannot require or accept any return services in the form of an advantage for him or herself or for a third party. The employees of the Bayerngas Group are prohibited from participating in any form of unfair favouritism during the course of business. Both the granting and acceptance of donations with the purpose of influencing a decision process is forbidden and liable to prosecution.

4. GRANTING AND ACCEPTING OF BENEFITS

Benefits in the form of gifts, hospitality and invitations are widespread in commercial relationships.

- 4.1 As long as these donations remain within reasonable limits they are generally to be regarded as legally permissible customer care, and there is no objection to this. However, corruption can occur if such donations exceed the reasonable limits and are misused in order to influence business partners.
- 4.2 Particularly strict regulations apply when granting benefits to officials. Officials can include, for example, ministry officials, state secretaries, ministers, mayors, tax inspectors, employees of local / municipal government, the Managing Directors of companies which are majority-owned by the state, supervisory boards of municipal as well as private enterprises which are performing public administrative tasks.



5. CHOICE OF SUPPLIERS AND SERVICE PROVIDERS

Care must be taken that payments are only made for consultation and other services which have actually been provided and the payments are made at a level which is appropriate to the services provided.

- 5.1 The choice of suppliers and service providers (e.g. consultants and agents) follows a process which has been established in advance and which complies with objective and achievable criteria. As far as possible, contracts will be provided on the basis of competitive offers.
- 5.2 Every employee who is involved in selecting suppliers, service providers shall inform the company if he has a personal interest which could compromise the selection procedure in terms of the choice of suppliers and service providers.

6. AVOIDANCE OF MONEY LAUNDERING AND THE FINANCING OF TERRORISM

Financial and commercial transactions are regarded as money laundering when illegally acquired liquid assets are infiltrated into the financial system. Explicit reference is made to the penal code regulations regarding the criminal nature of money laundering.

All employees must take care that the Bayerngas Group cannot be misused for money laundering or for other illegal purposes (e.g. the financing of terrorism). The employees shall inform themselves sufficiently about the commercial environment of the contracting party, the contracting party itself and the purpose of its intended business.

Employees must immediately inform the company in cases of doubt or the suspicion of irregularities.

IV. AVOIDANCE OF CONFLICTS OF INTERESTS

1. POLICY

The Bayerngas Group attaches great importance to the fact that employees should not be placed in a position where a conflict of interest or loyalty can arise when carrying out their duties. Each employee is obliged to immediately inform his or her manager where there is a possible conflict between business and private interests. The manager shall clarify the conflict of interest or loyalty and/or consult with Compliance Management regarding this.

2. NON-COMPETITION CLAUSE

Each direct or indirect activity for a company which is in direct or indirect competition with the Bayerngas Group is prohibited. Business opportunities which arise for the Bayerngas Group are not to be used by any employee for their own advantage or for the advantage of a third party.



3. SECONDARY EMPLOYMENT

A secondary employment involves the performance of an additional professional activity, especially

- as management or managing director
- as a member of a supervisory, administration or advisory board
- as an employee or
- in another function

for a company which is not part of the Group, or on a self-employed basis for one's own company.

The employer is to be informed of paid self-employed ancillary activities and ancillary activities in another employment and prior consent is required. Consent is to be granted if the employer has no justifiable objections.

V. HANDLING OF INFORMATION

The Bayerngas Group knowledge in the form of the valuable expertise of all employees as well as extensive trade and business secrets are an additional, essential basis for the long-term business success of the Group. The Group is aware of the value of this and carefully protects this knowledge.

1. INTERNAL COMMUNICATION

Information technology provides many tools which enable the employees of the company to communicate with each other and with third parties. However, not everything which is technically possible is practical or guarantees effective and coherent communication.

The common goals must be: the reduction of the flow of information as well as the optimization of communication through clarity and accuracy. In addition to this, awareness must be raised in terms of fairness and transparency and there must be increased personal responsibility.

2. COMMERCIAL DOCUMENTATION

The Bayerngas Group employees may not forward information such as technical data, financial data, operating data, information about customers and other matters regarding the business of the Group, to a third party or store it outside of the Group.

3. CONFIDENTIALITY

3.1 All employees of the Bayerngas Group are obliged to maintain strict secrecy on all Group matters of confidentiality and confidential information about customers and



business partners, during and after their employment has ceased. "Confidential information" refers to all information about the business, the assets and the financial situation or the estimates with reference to the future development of relevant markets.

3.2 The direct or indirect use of confidential business information during and after the termination of employment for the personal advantage of the employee or a third party or to disadvantage the Bayerngas Group is prohibited.

3.3 All employees are obliged to actively safeguard confidential information against access from a third party, in accordance with the policies (see also 5. Data protection).

4. HANDLING OF THE MEDIA

In order to ensure a consistent public representation of the Bayerngas Group, the employees are required not to respond independently to inquiries from the media but to direct any inquiries to the relevant department.

5. COMPLIANCE WITH DATA PROTECTION

Data protection and data security are extremely important for the Bayerngas Group. The Federal Data Protection Act (BDSG) also requires the Bayerngas Group to employ a company Data Protection Officer and to train the employees in data protection.

All employees are obliged to comply with the relevant rules relating to data protection and, in particular, to actively participate in the reliable prevention of unauthorised access to personal data by a third party. In cases of doubt or in the event of violation the relevant Data Protection Officer is to be informed.

6. INSIDER INFORMATION

Insider information refers to specific information which is not publicly known, which directly or indirectly affects one or several wholesale energy products and which, if were publicly known, would probably considerably influence the prices of the wholesale energy products. All employees are to comply with the insider rules.

VI. HANDLING COMPANY PROPERTY AND RESOURCES

The misuse of employees for non-company purposes and a misuse of company property are not permitted.



VII. THE ENVIRONMENT AND SAFETY

As part of its social responsibility, the Bayerngas Group also prioritises the protection of people and the environment. Each employee bears responsibility for this within his or her work environment. All laws, regulations and policies regarding safety at work, the protection of the environment and plant safety are to be observed. All members of the management are to provide the employees with instructions regarding this, and to support and supervise them.

VIII. COMPLIANCE ORGANISATION OF THE BAYERNGAS GROUP

1. DEFINITION AND CONTACT PERSON COMPLIANCE

1.1 **Compliance** requires the whole company and its employees to follow all statutory provisions (laws and regulations), contracts and other inherent bases of a contract, internal and external guidelines and regulations, voluntary agreements and codes, in terms of significant business ideals as well as moral principles and ethics.

The aim of compliance is to **avoid unlawful acts** which a company may commit and which could incur considerable disadvantages for the company, its institutions and its employees through criminal responsibility and civil liability or loss of reputation.

As an **integral part of the corporate governance** of the Bayerngas Group, the **compliance management system** is geared towards compliance with the regulations and the minimum standards within the company. It **defines the ideals of the company** and **encourages the employees to conduct business in an independent and moral manner** by establishing the appropriate regulatory environment. Due to the **great significance of compliance for the Bayerngas Group**, this role is under the direct authority of the management board.

Compliance management is the direct responsibility of the management with extensive significance for civil liability and criminal prosecutions for the management, the compliance officers and the supervisory boards.

1.2 The compliance management department is responsible for the development and implementation of compliance management throughout the whole Bayerngas Group. Therefore it undertakes governance, advisory and service tasks. It is responsible for the regular monitoring of the efficiency of compliance management and for updating the code of conduct and Group guidelines.

Due to the particularities according to the Banking Act (KWG) and the Law on Securities Trading (WpHG), **the Compliance Officer for Bayerngas Energy Trading GmbH, the central office**, is responsible for the **development and implementation of Bayerngas Group's compliance management within Bayerngas Energy Trading**



GmbH.**Bayerngas GmbH (Group)**

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Both Compliance Officers are appointed as money laundering and compliance officers for the respective institutions and represent each other in the event of an absence.

The BET Compliance Officer is supported by the **MaRisk Compliance Officer for BET**:

Bayerngas GmbH for BET**(Bayerngas Energy Trading GmbH)**

G-SO, Strategy & Organisation, MaRisk Compliance Officer for BET

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2. QUESTIONS CONCERNING THE CODE OF CONDUCT

The code of conduct describes the principles of legally and ethically correct conduct. When problems of interpretation and queries regarding the application of the code of conduct arise, the employees address themselves direct to the company (see VIII. 1.2). The Group compliance management team is also available for advice on all compliance management issues and is obliged to deal with all compliance situations confidentially.

3. CONFIRMATION OF COMPLIANCE WITH THE CODE OF CONDUCT

3.1 **It is the role of management to implement the code of conduct and to ensure its compliance with.** Members of the management board and the first and second tier management staff shall ascertain the effectiveness of the code of conduct as part of everyday work within the framework of personnel discussions which they shall hold with employees on this subject.

3.2 The management board for Bayerngas GmbH shall report to the appropriate supervisory body, the supervisory board of Bayerngas GmbH, regarding the compliance with



and implementation of the code of conduct within the Group. Compliance is a goal which is embedded within the target agreements of the first tier management staff.

4. REPORTING VIOLATION OF THE CODE OF CONDUCT

- 4.1 Each employee is required to inform the company if there has been a violation of the code of conduct (see VII. 1).
- 4.2 The information is treated confidentially and verified. Information in relation to the handling of what has been reported is provided to a known whistleblower if requested.
- 4.3 The whistleblower shall incur no sanctions due to his report. This also applies if the information proves to be incorrect insofar as the whistleblower has acted in good faith. In this way, confidentiality is maintained. However, intentionally incorrect information (e.g. denunciations) is not tolerated.

5. REPERCUSSIONS OF VIOLATION OF THE CODE OF CONDUCT

Violations of the regulations within this code of conduct can lead to disciplinary measures, sanctions according to employment law including a termination of employment and further legal measures. In the event of sanctions, compliance management works closely with the centre for human resources management and the legal department. The above measures are only possible if there has been a process of escalation with the involvement of the works council regarding the reproachable behaviour of the respective employee.

This code of conduct comes into effect when signed and is mandatory from the date of the signature.



Released, Munich 03.06.2014

Signed Günter Bauer

Managing Director of Bayerngas GmbH

Signed Claudia Zeimes

Head of Compliance Management

Signed Dr. Thomas Rupprich

Managing Director of Bayerngas Vertrieb GmbH

Signed Sascha Kuhn

Managing Director of Bayerngas Energy Trading GmbH

Signed Roland Jans

Managing Director of Bayerngas Energy Trading GmbH

Signed Ricarda Bergfeld

Compliance Officer

Signed Ulf Brenscheidt

Managing Director of bayernugs GmbH

Please order our code of conduct with handwritten signatures from Claudia Zeimes.
(Claudia.zeimes@bayerngas.de)



APPENDIX 1 “BAYERNGAS GROUP COMPLIANCE CHECKLIST”

Check to see whether the measures which you have planned are compatible with the integrity embraced within the Bayerngas Group!

Ask yourself the following questions:

- Is the measure compatible with the relevant laws and regulations?
- Is the measure compatible with the code of conduct and the internal guidelines?
- Is the measure appropriate and compatible with the reputation and values of the Bayerngas Group?
- Is my conduct free of all conflicts of interest?
- Can I take responsibility for my conduct in good conscience?
- Can the measure be justified to my superiors and the management board?
- Is the measure justifiable in terms of a partner/ the family/ friends?
- Would I feel confident if information about the measure were reported to a law enforcement agency or an antitrust authority or another third party or if the media became aware of the measure?

You are complying with the values of the Bayerngas Group if you are able to answer all questions with “yes”.



If you are in doubt or have had to answer one or several questions with “no”, please contact the company regarding this matter.

