

Code of Conduct - Jan 2022

for

**MLC Black Forest GmbH and ADA Cosmetics International GmbH
and all its associated companies**

(Together called "ADA")

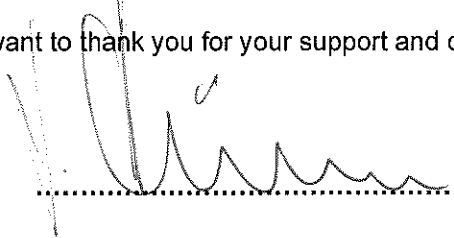
Foreword of the Management Board

The reputation of our association and of the entire ADA Group as well as the confidence of our business partners, our staff and the public all depend on the specific conduct of each ADA employee. It is up to every individual to play a part in ensuring that the positive expectations associated with the ADA name are met. Our Code of Conduct is therefore a binding set of guidelines intended to provide a reliable source of guidance in day-to-day dealings, laying down the legal and ethical demands towards all ADA employees.

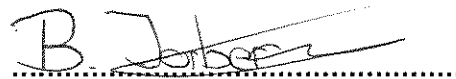
Whoever violates this Code of Conduct harms the reputation of ADA, potentially causing serious economic damage to us.

The following rules apply to all of us. The Management Board of ADA abides by these principles in the same manner expected of all other ADA personnel. They also extend to Third parties representing ADA (such as agents, sales representatives, distributors, consultants). We are confident and put full trust in every ADA-employee to embrace this Code of Conduct and to play an active role in fully implementing it.

We want to thank you for your support and contribution towards ADA's long-term success.



Lutz Hubner
Chief Executive Officer



Benjamin Jorberg
Chief Financial Officer

Table of Contents

1.	Scope of application	2
2.	Vision and mission statement.....	2
3.	Compliance with the law	3
4.	Protection of human rights.....	3
5.	Environmental responsibility	3
6.	Fair working conditions.....	3
7.	Fair competition / ban on cartels	4
8.	Anti-Corruption.....	4
9.	Equal opportunities and ban on discrimination.....	4
10.	Avoidance of Conflicts of Interest.....	4
11.	Public appearances	5
12.	Safeguarding of assets and duty of confidentiality	5
13.	Acquisition of shares and prohibition on insider trading	5
14.	Proper bookkeeping principles	6
15.	Social Media Compliance / Personal Opinions & Views	6
16.	Compliance Management System.....	7
 <u>Attachment 1: ADA-Antitrust Code of Conduct.....</u>		<u>8</u>

Scope of application

1. This Code of Conduct applies to MLC Black Forest GmbH as well as to all ADA Group companies within the meaning of §§ 15 et seq. AktG [German Law on Public Companies] (hereinafter together called "ADA"). It applies worldwide to all ADA employees, including management boards, directors and executives (hereinafter "ADA Employees"), as well as third persons acting on behalf of ADA (e.g., agents, consultants and distributors).

2. **Vision and mission statement**

ADA is constantly endeavouring to provide top quality to its customers and to satisfy the demands of both, the market and public in general, whilst fulfilling its responsibility for staff and consumer safety. ADA makes every effort to ensure the occupational safety of all jobs within the group and to protect ADA Employees from risks. Occupational safety, health care and health protection are integral part of company policy and are constantly subject to improvement.

The chief criteria when selecting suppliers, service providers and other third parties are their performance and quality awareness. ADA expects its suppliers, service providers and other third parties to apply the same high standards as those put forward in this Code of Conduct.

ADA consequently promotes fundamental values such as human rights, employment standards, environmental protection and the zero tolerance for corruption within its sphere of influence.

3. Compliance with the law

ADA sets a high standard of integrity in their dealings. ADA and ADA Employees are obliged to observe relevant legislation. This includes, along with anti-trust and competition law, rules addressing bribery, illegal money transfers and corruption as well as relevant provisions governing protection of employment and data, plus environmental rules. The principle of compliance with the law expressly applies even if ADA would sustain a supposed advantage because of breaches of legislation. Every ADA Employee is compelled to familiarize himself/herself with the regulations applicable in his/her area of work.

If any of the provisions contained in this Code of Conduct are less restrictive than those in the local legislation, the spirit and contents of the local legislation shall prevail. Similarly, if any provisions contained in this Code of Conduct is contrary to any local legislation, regulation or ordinance, the local legislation, regulation, or ordinance shall be complied and adhered with.

4. Protection of human rights

ADA supports and respects, within its sphere of influence, the protection of international human rights set out in the United Nations' Universal Declaration of Human Rights and the International Labour Organization's fundamental conventions. In particular ADA supports the effective elimination of all forms of compulsory labour and child labour as defined by the ILO. It will make this a criterion in the choice and management of its suppliers and sub-contractors.

5. Environmental responsibility

ADA supports a precautionary approach to environmental challenges, and, within its sphere of influence, undertakes initiatives to promote greater environmental responsibility and encourages the development and diffusion of environmentally friendly technologies & practices.

6. Fair working conditions

ADA provides an adequate remuneration for its employees and warrants to pay the appropriate statutory minimum wage at least.

Equal pay and the law. By law, all genders must get equal pay for doing 'equal work' (work that equal pay law classes as the same, similar, equivalent or of equal value). This means someone must not get less pay compared to someone with a different gender doing equal work for the same employer.

7. Fair competition / ban on cartels

The relevant provisions governing fair competition must be observed, same as the rules of anti-trust and competition law. Every ADA Employee as well as all third Persons acting on behalf of ADA are obliged to observe the rules of fair competition and must not take any measures aimed at unlawfully restricting competition and/or infringing the statutory rules. Therefore, ADA does not tolerate any infringement of provisions of anti-trust law during committee procedure or at other meetings within ADA. The basic principle is that all arrangements between competitors and decisions by associations of undertakings, aiming at preventing competition, are prohibited. The term 'arrangements' encompasses both formal agreements and decisions as well as concerted practices that tacitly arise. The following are prohibited:

- Arrangements with competitors concerning prices and/or capacity
- Agreements not to compete
- The submission of sham bids
- The allocation of customers, territories, production programmes or according to other segmentation criteria
- Agreements on terms and conditions of sale.

When making any (verbal or written) statements, all ADA Employees are obliged to ensure that they cannot be misunderstood or interpreted in a way that may construe an unlawful act under anti-trust law.

Details are laid out in the *ADA-Antitrust Code of Conduct – Attachment 1*.

8. Anti-Corruption

ADA and ADA Employees do not tolerate immoral trade practices and reject any form of corruption, bribery and dishonesty in order to take advantage. Further details are set out in the *ADA Anti-Corruption Guideline*.

9. Equal opportunity and ban on discrimination

Nobody may be harassed, discriminated against, or prejudiced on grounds of nationality, ethnic origin, gender, religion or belief, disability, age or sexual orientation and identity. These principles apply to all ADA companies in accordance with local legislation.

10. Avoidance of Conflicts of Interest

ADA aims to avoid any conflict of interest. Conflicts of interest may cast doubt on ADAs integrity and professionalism. Conflicts of interest must therefore be identified and avoided early on. For this reason, ADA Employees are contractually not allowed to carry out work for third parties during the term of their employment which might jeopardise the impartiality of their work for ADA or contradict the corporate philosophy stated in paragraph 2. Contractual relations with members of the family (parents, children as well as any other relatives – including life companions living in the same household as the ADA Employee) are explicitly prohibited, since conflict of interest is inherent in such dealings, which could impair the impartiality required in the process of procurement.

Exceptions to these principles are only possible if they are permitted by the management of the ADA company concerned or by the appropriate board.

11. Public appearances

ADA Employees must ensure that ADA 's reputation is not harmed by their conduct in public. Any externally oriented information (e.g., to the press or to authorities) is only to be given by accordingly authorised ADA Employees. In topics affecting the reputation of ADA, the marketing communication department needs to be involved.

12. Safeguarding of assets and duty of confidentiality

Both ADA and all ADA Employees are responsible for ensuring that tangible and intangible assets belonging to ADA and its providers are properly used, maintained and protected. The use for personal purposes without the consent of the owner is prohibited.

Confidential information, e.g., regarding customers and trade terms, are important assets belonging to ADA, its clientele and principals. It is therefore essential that trade and business secrets be kept confidential. ADA Employees are also required not to disclose information that is expressly termed confidential or the confidentiality of which is ascertainable.

Patents, inventions and other technical and scientific know-how belonging to ADA, or third parties made accessible to ADA are all of particular significance. This intellectual property must not be passed on to unauthorised third parties or used for an individual's own business purposes. This intellectual property in the form of sketches, drawings, data media, documentation or any other means of storage must be protected from unauthorised third-party access.

All ADA's, customers' and employees' information are strictly private and confidential, and must be always treated as such. It must not be disclosed to anybody without proper authorization. There shall be no release of such information through the internet or any other means of information dissemination without proper authorisation.

The duty of confidentiality remains applicable to all ADA Employees after leaving the company.

13. Acquisition of shares and prohibition on insider trading

All ADA Employees are privately, in principle, allowed to trade in shares and other financial instruments on stock exchanges and optimise their individual wealth. However, this freedom is restricted by law if so-called insider information is used for such dealings.

Insider information is specific information on circumstances that are not public knowledge, which relate to an issuer of insider documents or to insider documents themselves and are liable to materially influence the stock exchange or market price of insider documents on becoming public knowledge. This is the case when a knowledgeable investor would take account of the information when deciding to invest. 'Circumstances' means those matters where it can be assumed with sufficient probability that they will occur in the future. This insider information must not even be passed on to third parties to enable them to make the acquisition. In-sider information might relate, for example, to:

- new product developments and patents
- sales and profit forecasts
- operational changes



- the sale or purchase of major assets
- takeovers and mergers

The ban on insider dealings applies to trading in shares of any quoted company, if ADA Employees hold important undisclosed information about that company, including information that such ADA Employees have obtained during their employment or work at ADA.

14. Proper bookkeeping principles

ADA is obliged to keep books and records that provide a clear and correct picture of its business and financial position.

All ADA Employees, who are working in the areas of Accounting, Reporting, Finance, Controlling, etc., are obliged to observe and comply with the relevant legislation and storage requirements due to regulatory or legal rules. Those ADA Employees shall ensure that all business transactions are carefully, correctly and comprehensively booked and documented. The following is assured in this respect:

- no secret or unrecorded credit balances or assets are established for any purpose:
- no faked or fictitious entries are made in ADA's books in any circumstances:
- no payment is approved or made where there is an intention or assumption that the payment is to be wholly or partly used for purposes other than stated.

15. Social Media Compliance

ADA employees must always be respectful towards the company, the staff, the customers and partners. They show appropriate consideration when the privacy of other people is involved and avoid making comments of a derogatory nature, especially in relation to gender, ethnic origin, age, sexual orientation, political opinion, religion, or physical disability. Disagreements should always be verbalized in a mutually respectful way. Opinions cannot be forced on anyone.

Care needs to be taken when posting pictures of others online, including via social media sites. The Cyber Crimes Law in some of our entities makes it an offence to use any IT means to breach someone else's privacy, including taking pictures of others, or publishing or displaying those pictures. A person who takes a picture of another cannot distribute or publish such picture without the consent of the person appearing in the picture.'

To create transparency, an ADA employee always identifies himself as such when posting something about the company on the Internet and points out that the post reflects only his/her own opinion and not that of ADA. No posts should be edited without making an appropriate reference to this.

Confidential corporate information may under no circumstances be disclosed or discussed online. Strictly avoid disclosing information about ADA or a third party (customer, competitor, etc.) that is not already public, such as reports on product developments, market shares, pricing policy or business development. Journalists should be referred to the ADA's Marketing Communication Team.

ADA does not allow any online platform to be used to conduct hidden marketing. Accordingly,

neither slander/libel/bad-mouthing of a competitor nor anonymous posts on third-party websites are allowed. This applies also to anonymously praising an ADA product in online platforms, blogs (social media) and websites. No one is anonymous online: Contributions of ADA employees can be traced back and thus not only damage ADA's reputation, but also may entail legal consequences for the ADA employee as well as the company.

Opinion & Views

ADA employees must always observe the boundaries between expressing their own valid opinion (such as religious or political views) and asserting facts. The latter may on no account be incorrect, defamatory, or offensive. An ADA employee has a "duty of fidelity/loyalty" to ADA that can also extend to his/her private life. ADA reserves the right to remove defamatory and pejorative contributions (known as "flaming") if the reputation of the company, its legal integrity, conformity with the compliance and IT Policies could be harmed or violated. ADA employees respect intellectual property (IP) rights. Third-party material (photos, videos, literary works) may not be used deliberately free of charge or circulated without the consent of the author (IP rights holder).

Protection of trade secrets forms part of an ADA employment contract and thus also has an impact on (private) online activities in relation to ADA on online platforms, blogs (social media) and websites. Unauthorised disclosure of data, incorrect factual assertions and non-compliance with the ADA policies can have consequences under local employment law. ADA employees have an obligation, as a secondary contractual duty, to provide information on imminent damage or risks for the company that become known to them. The officer responsible for social communications should immediately be informed about statements that are negative or derogative to the company image.

To be able to pursue an effective and consistent social media strategy and to offer a uniform and coherent online presence, employees are not allowed to create profiles, accounts or similar representations with ADA identifying marks on social media platforms. An ADA employee already running this kind of profile or who is aware of an unofficial profile must get in contact immediately with the officer responsible for Marketing Communication.

Personal accounts on platforms used for more "professional" purposes (e.g., Xing, LinkedIn) where information on the employer or the job position is given are excluded from this regulation.

16. Compliance Management System

16.1 Compliance Organisation

Any ADA Employees meeting with difficulties in the application of this policy – for instance if they are uncertain about the correct way to proceed - may – in the first place - consult the local Compliance Officer personally or via compliance@ada-cosmetics.com.

16.2 Reporting Compliance incidents

If he/she so wishes the identity of the ADA Employee will be kept secret provided the report is made in good faith. ADA will not tolerate any retaliatory action against persons making such reports. ADA Employees reporting in good faith shall not be subject to detriments of any kind.

Due to the fact, that anonymous reports hamper investigations of the situation and enquiries are

not possible, open reports are preferred. In case of anonymous reports, these reports shall be provided with comprehensive information concerning the situation.

16.3 Consequences of misconduct

ADA Employees make all appropriate and reasonable efforts to constantly implement and apply the values and principles enshrined in this Code of Conduct. Breach of the Code of Conduct can result in employment-law measures including the termination of the employment contract. Severe matters could lead to claims in damages and/or result in criminal charges to the authorities. Third persons may also be subject to civil-law measures

This Code of Conduct enters into force on 1st January 2022

Attachment 1

ADA-Antitrust Code of Conduct

1. PURPOSE OF THE DOCUMENT

Competition rules (also referred to as antitrust rules) hold a central role in regulating the activity of businesses operating in all sectors of the economic sphere. Infringement of competition rules may expose businesses to very high administrative penalties and to orders for damages in civil proceedings, in addition to severely harming their reputation.

Employees may be exposed to criminal sanctions, including imprisonment. Undertakings must therefore operate on the market in full compliance with competition rules and must avoid putting in place collusive behaviours aimed at market sharing or price fixing (agreements) and unilateral behaviours which, by exploiting market power, are aimed at excluding competitors from the market or at making extra profits detrimental to consumers (monopolisation conducts or abuses of dominance).

In this context, all managers and employees employed by the ADA Group companies will have to commit themselves to fully comply with antitrust rules in the performance of their activities.

The Antitrust Code of Conduct constitutes an integral part of the compliance programme and aims to provide a general overview of problems relating to the application of European antitrust principles, with specific reference to agreements restricting competition and abuses of dominant position.

2. THE PURPOSE OF COMPETITION LAW

The purpose of competition rules is to make sure companies vigorously and fairly compete. This encourages enterprise and efficiency, creates a wider choice for consumers and helps reduce prices and improve quality. To achieve this result, companies are supposed to act independently of each other on the market, without limiting their freedom to compete and without sharing commercially sensitive information that would make their future moves more predictable to competitors. For these reasons, all contacts with competitors are in principle seen as suspicious.

Additionally, companies holding a monopoly or dominant position should not take advantage of the weaker competition on that market to strengthen their position by imposing unfair conditions to its customers or end-users, or by using tactics that undermine rivals' survival or potential entry in the market. In sum, competition rules aim at punishing any conduct that may subvert "competition on the merits" in any market. Their main driver is promoting market economics and healthy competition to enhance welfare of consumers, who should be able to purchase goods and services of the best quality and at the lowest possible price. This very purpose also justifies, in exceptional instances, cooperation (such as Research & Development agreements) between competitors or unilateral conducts by dominant firms that can clearly enhance efficiency and benefit consumers, e.g., by favouring innovation or increasing choice in the market.

3. BASIC NOTIONS OF ANTITRUST

Antitrust rules may apply to any entities carrying out an independent economic activity, irrespective of their legal status or the way in which they are financed. This concept may include all companies which respond to a single coordination and management centre, effectively depriving (or significantly limiting) them of decisional independence on issues of strategic importance (as may occur, for example, in ADA Group of companies).

This "extended" concept of undertaking implies that antitrust rules do not in principle apply to agreements between companies that belong to the same group.

Relevant markets: When assessing the anticompetitive effect of any form of conduct, be it an agreement or an abuse of a dominant position/monopolization attempt, we must refer to a specific market in both its product and geographic dimension which represent the appropriate frame of reference to assess the conduct in question. Regarding the products, the relevant market comprises all those products and/or services which are regarded as interchangeable or substitutable by the consumer, because of their characteristics, prices, or intended use.

The relevant geographic market comprises the area in which the companies concerned are involved in the supply and demand of products or services, and where conditions of competition are sufficiently homogeneous compared to those existing in neighbouring areas.

Restrictive Agreements/Practices: This notion covers any form of agreement or collusion between two or more companies finalized at coordinating their market strategy. Only behaviours that can be traced back to independent decisions fall outside of this notion. More specifically, this notion covers:

- All forms of agreements, whether formal or informal, binding, or non-binding, such as informal agreements and gentlemen's agreements that may restrict competition:
- So-called "concerted practices", a form of coordination which, without being embodied in a tangible agreement, constitutes a conscious collaboration between parties despite competition. The notion of concerted practice requires: i) the presence of some form of "contact" between companies that allows them to gain knowledge of their respective business strategies, and ii) a direct and tangible impact of such contact on the conduct of involved companies, i.e., that the latter will consider the information which was exchanged when making their business decisions.
- Trade association decisions - competition laws do not prohibit companies from attending meetings with competitors in the context of trade associations. However, resolutions are deemed to be agreements restricting competition whenever they induce associates to effectively coordinate their market behaviour.

Horizontal Relations / Restrictions: This covers relationships between firms that actually or potentially compete on the same market. Horizontal restrictions are the most harmful to competition, e.g., if the parties agree to fix prices or output or to share markets, or if the co-operation enables the parties to maintain, gain or increase market power and thereby is likely to give rise to negative market effects with respect to prices, output, product quality, product variety or innovation. Any form of coordinated behaviour related to participation in tenders potentially represents a horizontal restriction of competition. Horizontal cooperation may however result in precompetitive outcomes in specific circumstances and is allowed under certain strict circumstances: notable examples are in the field of research and development, joint production, joint purchasing, product standardisation.

Special attention must be paid to ensure compliance with antitrust regulations whenever participating in a tender, especially if participating in a consortium (e.g., by establishing temporary company associations).

In effect, an agreement between two competing companies regarding joint participation in a tender is potentially capable of leading to a coordination of their competitive behaviour. The immediate consequence of this form of coordination is a reduction of the number of tender participants. Joint participation in tenders is discouraged; especially whenever it involves two or more companies that, by themselves, could meet the technical and financial requisites needed to participate in the tender on a stand-alone basis. Of course, apart from these considerations of a general nature, it is necessary to proceed to a case-by-case analysis.

Vertical Relations / Restrictions: These relations are between firms that operate at different levels of the production or distribution chain, for instance distribution agreements between manufacturers and wholesalers or retailers. Though in general they are less harmful than horizontal agreements, vertical agreements may include provisions that are forbidden if there is some degree of market power at the level of the supplier or the buyer or both, insofar as they restrict the commercial freedom of any of its parties without any justification. The most common vertical agreements are however considered pro-competitive even if they limit to some extent the parties' ability to freely compete. Common examples include licensing, distribution (exclusive and selective), purchase and franchising agreements.

Dominant position: An "undertaking/firm" is deemed to be in a "dominant position" whenever it is in the condition to:

- behave independently of competitors, clients and consumers by the position it holds on the relevant market;
- significantly influence the actions of competitors on the relevant market and/or hinder the entry of new players into the same market. The existence of a dominant position is usually indicated by the presence of large market shares. The holding of a dominant position is not unlawful. Only its abuse is sanctioned by competition law (see below).

Abuse of dominant position: A dominant firm, by its powerful position, is burdened with a special responsibility to guarantee and maintain competition within the relevant market it dominates. In practice, this means that:

- it cannot impose unfair terms on its customers, either by exploiting its position (e.g., excessive prices) or by extending its position into other markets, for instance through strategies consisting of tying (i.e., by making the sale of the dominated product conditional upon the purchase of another product) or bundling the products.
- it cannot discriminate among customers; although it can lawfully compete against its competitors, it cannot act too "aggressively", in a way that could prevent as efficient competitors from profitably operating in the market, e.g., by applying below cost ("predatory") prices or discounts, or by preventing them from having access to essential inputs or to a large portion of customers.

Merger Control Review: The following are transactions typically subject to merger control review by competition authorities, provided they meet given jurisdictional criteria:

- mergers between independent firms;
- acquisitions of a business;
- acquisition of control or significant interests conferring a certain degree of influence on commercially strategic decisions;
- creation of structured joint ventures. The parties are not allowed to exchange information or to implement the transaction until clearance is received by the relevant competition authorities. Infringing this rule can result in serious penalties for the companies involved. Where the proposed transactions lead to significant lessening of competition, antitrust authorities can either prohibit them or impose conditions and amendments to remedy their anticompetitive effects.

4. POWERS OF INQUIRY OF COMPETITION AUTHORITIES

Enforcement of competition rules is generally performed by independent and highly sophisticated public authorities, with ample powers of investigation including:

- the power to conduct inspections without notice on any company premises, individual or legal persons that are deemed to be in possession of any documents that may be relevant to a preliminary investigation. When executing an inspection, competition authorities usually avail themselves of the collaboration of police officers which, in case of resistance, have the power to force access to offices, rooms, cabinets, computers etc. Furthermore, they may also affix seals whenever deemed necessary to ensure performance of an inspection, or to prevent any potential tampering (e.g., when inspections last more than one day). Managers and employees of ADA subject to inspection must cooperate with officers. The unjustified refusal to supply information or disclose documents that are relevant to the preliminary investigation, or the rendering of untruthful information is punishable by specific sanctions and can be deemed an aggravating circumstance in the assessment of competition law infringements:



- the power to request information - any company receiving such request must reply in a full and truthful manner or face sanctions. Since requests are largely used as a tool to obtain information aimed at opening or carrying out an investigation, replies should be studied with care:
- Exchange of information between competition authorities:
- Leniency programmes - most competition authorities grant benefits to those companies that supply information for the identification and sanction of secret cartels (which aim at fixing prices, sharing markets, or following through with other serious forms of anticompetitive conduct). This has proved a powerful tool to unveil cartels.

5. CONSEQUENCES OF THE INFRINGEMENT OF COMPETITION RULES

Any company responsible for infringement of competition law is subject to the penalty of considerable monetary sanctions. In some jurisdictions, this can reach 10 % of the value of turnover of the last year at corporate group level.

ADA managers and employees can be held accountable for breach of competition rules. This can result in either monetary penalties or, in most serious instances, in their imprisonment.

Depending on the jurisdictions, agreements infringing competition law may be null and void and therefore ineffective.

Violation of these rules may also lead to claims for damages filed by customers, competitors or consumers damaged by the unlawful conduct, as well as by a party to the anticompetitive agreement that is deemed not to be accountable for the offence (for example, the licensee of a company wielding significant market power). Damages are normally calculated as a percentage of the value of the sales/projects concerned by the anticompetitive conducts and in some jurisdictions (such as US), are even enhanced to increase the deterrent effect of competition rules.

A growing perception of the gravity of infringement of competition rules entails that these have a negative impact on company image and reputation both vis-à-vis customers and the public. Decisions that ascertain infringements are generally widely broadcasted by mass media and are normally published by the relevant authorities.

6. GUIDING PRINCIPLES

Principles of conduct when dealing with competitors:

a) Prior submission to the Compliance Officer or the external legal advisor of ADA of all issues potentially relevant to competition law.

b) Careful verification of the form and content of any communication and/or unilateral statement (e.g., letters, e-mails, internal memos). These must not be susceptible to being interpreted as evidence of the presence of anticompetitive agreements; for example, by raising suspicion of having received and/or having transmitted confidential information to competitors.

c) In meetings with competitors, even when they take place in the context of trade associations or other legitimate contexts, always follow a previously agreed agenda. Discussions must never deal with:

- issues concerning prices, discounts or refunds, costs, quantities produced and sold, supply sources, or any other element referable to the future marketing strategies of such parties;
- issues relating to confidential profiles (economic terms, etc.) inherent to relations with resellers, suppliers, or distributors;
- information relating to the identity of clients and any other confidential information relating to clientele;
- business, investment, or advertising strategies;
- collective actions (e.g., collective refusals to contract with a specific client and collective refusal to accept certain contractual terms are prohibited).

d) Should any such issue be dealt with during a meeting, immediate opposition must be raised against the same, insisting that it not be discussed (and it be removed from the agenda). If opposition fails, the meeting must be abandoned immediately, making sure that both objections and abandonment of the meeting are formally recorded. Otherwise, a company may be held responsible for breaches arranged by others if it was aware of collusion and nonetheless accepted the consequences.

e) Coordination between competing companies is forbidden when it concerns participation in tenders: any exchange of information concerning bidding terms, as well as the decision of whether to participate in the tender, is prohibited. However, the following are generally allowed:

- Discussion of issues relating to client solvency and reliability with competitors:
- Acquisition of data relating to prices applied by competitors by visiting resellers or distributors:
- Use of data relating to prices made known to the public and any other information relating to competitors that is freely available:
- Exchange of statistic information when it contains aggregate data that does not allow for the identification of the source company.

Principle of conduct in vertical relations:

The following standards of conduct should be complied with:

a) abstaining from imposing minimum resale price:

b) abstaining from exerting pressure (or supplying incentives) aimed at making the distributor comply with a recommended retail price:

c) refraining from following up on complaints concerning excessive price discounts applied by other distributors (of the same products/services of the same producer):

d) verification if the web site of the company or if other communications directed to distributors contain indications which could be considered as a prohibition of promoting and selling products via internet:

e) where ADA holds more than 30% market shares, the inclusion in the contract of non-competing clauses or similar provisions must be carefully assessed:

f) whenever a system of selective distribution is adopted, verification of criteria for the selection of distributors:

Principles of behaviour for the company holding a dominant position:

In relation to products or services sold in the market dominated by the company, the following rules of behaviour should be complied with:

a) do not force clients to buy exclusively or mostly from the company:

b) do not grant discounts or incentives which are:

- not connected to quantitative aspects only
- granted on a timeframe of more than three months
- retroactive
- not connected to cost savings

c) do not grant incentives or discounts not pre-emptively approved by ADA:

d) avoid groundless discrimination between clients or between ADA Group companies and third-party companies:

e) ensure that discounts or more advantageous business terms granted to certain clients of ADA Group companies are justified by cost savings or gains in efficiency and based on real and transparent criteria;



f) pre-emptively verify any method of promotion that entails the sale of tied products:

g) pre-emptively evaluate any potential refusal to supply to current clients or to companies that require such supplies to operate on a market where they are in competition with ADA Group companies:

h) pre-emptively evaluate the methods used to determine prices for products or services whenever such prices are excessively high or excessively low compared to production costs and/or market value:

i) in any of the cases above and where the circumstances so require, refer to the Corporate Affairs Officer, if present, or the external legal advisor of the company.

Principles of behaviour pending merger control review:

Even after the signing of a transaction agreement, but until antitrust clearance is obtained and the deal is closed, the parties must operate independently in a "business as usual" mode and any commercial, marketing and operating steps taken must be the result of unilateral decisions. Moreover, exchange of competitively sensitive information is not allowed:

- Do not communicate or suggest that the other party must be considered as part of your group:
- Do not avoid competing for any contracts for which you would have competed absent the transaction;
- Do not direct a customer or potential customer to the other party:
- Do not refrain from soliciting new customers that you would have solicited or competed for in the absence of the transaction:
- Do not negotiate new agreements with the other party without prior advice from the Corporate Affairs Officer, if present, or the external legal advisor of the company.

Principles of behaviour during competition authorities' inspection:

In the event of investigation by a competition authority, any employee should:

- immediately inform the Corporate Affairs Officer if present, or the external legal advisor of the company and the head of the company department subject to investigation. Where possible, an external counsel must promptly reach the offices subject to inspection and follow the entire inspection proceedings:
- ascertain (in the event of delay of intervention by Corporate Affairs Officer and/or of the external counsel) the subject matter, purpose and, above all, the parties addressed by the proceedings who must be indicated in the document that the officers must produce and deliver a copy at the beginning of the mentioned proceedings.
- watch over proceedings to ensure, during each stage of the proceedings, full identity between subject matter and the parties addressed by the proceedings and the single acts of the proceedings (for example, in the event of inspection proceedings that address restrictive practices relating to product A, the examination of documents relating to product K would not be allowed).
- grant competition authority access to any documents that have been lawfully requested, including photocopies or digital copies of the same.