

Anti-Corruption Guideline – August 2022

Executive Summary:

This guideline determines the frame of the responsible handling of Benefits of all kinds, like gifts, invitations favors, etc. to observe all applicable Anti-Corruption Laws and Regulations.

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1. **Purpose and Scope**

It is one of the fundamental principles of MLC Black Forest GmbH and of ADA Cosmetics International GmbH along with its subsidiary companies (both together: “**ADA**”) to strictly observe all national and international Anti-Corruption & Anti-money Laundry Laws and Regulations. These Laws & Regulations intend to prevent corruption to ensure fair competition. Bribery is considered a crime in many legislations. Compliance with Anti-Corruption Laws and Regulations is of outstanding importance for the reputation of ADA as a business partner of integrity committed to fair competition and responsible business conduct. ADA is committed to compete for business by the quality and price of its products and services. ADA employees and representatives may not offer, or accept, bribes, kickbacks or any other improper advantages or corrupt practices.

The present Anti-Corruption Guideline (“**Guideline**”) sets forth the Anti-Corruption Rules defined by the Management Board of ADA. It is intended to create a common understanding. The Guidelines supports ADA employees to deal with the granting of benefits according to the law and in compliance with the values of the company. It is binding for all directors, officers, and all employees of ADA (“**ADA-Employees**”). Third parties representing ADA (such as agents, sales representatives, distributors, consultants) must agree to represent ADA in a manner consistent with this Guideline as well as with all applicable laws and regulations. It is important that this Guideline is part of the contractual agreements with third parties that represent ADA, i.e., that they are aware of this Guideline and have read/agreed to it.

This Guideline sets forth the Anti-Corruption Rules defined by the Management Board of ADA to ensure that ADA is always regarded as a business partner of integrity. All ADA-Employees and third parties representing ADA must strictly comply with all applicable laws and regulations concerning corruption or bribery. **Attachment 1** shows the essential conditions of authorization for Benefits. It does not replace the detailed rules set forth in this Guideline.

2. **Compliance with Anti-Corruption Laws is to be observed**

It is the unconditional policy of ADA to fully comply with (all) applicable Anti-Corruption Laws and Regulations worldwide - **Attachment 3** and to enforce strict Compliance throughout ADA. Every ADA-Employee is personally responsible that the Anti-Corruption rules set forth in the Guideline and the Anti-Corruption or Anti-Bribery Laws and Regulations are kept for guidance in the department in which he/she works. Employees will not be punished for refusing to pay or take a bribe or kickback, even if the refusal results in a loss of business to ADA.

Compliance with the rules set forth in this Guideline and the relevant specific Anti-Corruption or Anti-Bribery Laws and Regulations is taken very seriously by the Management Board of ADA. Non-compliance may lead to personal consequences for the relevant ADA-Employee (including disciplinary action up to dismissal for cause as well as being subjected to claims for damages and/or to criminal proceedings).

3. **“Benefits”**

The term “Benefit” as used herein shall mean anything of value, including but not limited to, cash and cash equivalents (like checks, loans, moratoriums, waiver of debt), personal discounts and price reductions not generally available, gifts, invitations to cultural or sports events, favors, use of facilities, material or equipment, drinks, meals, transportation, lodging, promise of future employment.

4. Benefits to Public Officials

Bribery of domestic Public Officials has been regarded as a crime in most countries for a long time. Most countries in which ADA operates are already parties to this Convention. In all countries which are party to the OECD Convention bribery of foreign Public Officials constitutes a crime also.

Therefore, except as provided below, no ADA-Employee may, directly or indirectly, offer, promise, grant, authorize and/or approve the offer of any Benefit to a domestic or foreign Public Official (as hereinafter defined) to influence his or her decision making, to obtain an advantage in return or to give a consideration for a past advantage, irrespective whether such advantage has been or will be legal or illegal. Moreover, to ensure the high reputation of ADA, Benefits to Public Officials are also prohibited if the respective offer promise, grant, or approval of Benefits might only cause the impression to intend to influence the decision of a Public Official, or to intend to obtain an advantage or to intend to give a consideration for a past advantage.

As stated above it is prohibited to give any Benefit to members of the Public Sector or to Public Officials unless the Benefit has a value below EUR 5, - (e.g., Sales promotion items like pens) or is consistent with modest hospitality within ongoing business meetings in Germany with a value below EUR 35, - (under the conditions stated below). Provided it is allowed by the relevant local law the limit of EUR 35, - is applicable worldwide also.

The term "Public Official" as used herein is to be understood broadly and includes

- any Officer, Employee or Representative of, or any person otherwise acting in an official capacity for or on behalf of a Governmental Authority (for the purposes of the Guideline, the term "Governmental Authority" includes any national or local governmental institutions; associations; enterprises or companies owned or controlled by governments and any supra-national organizations),
- any Political Party and any Officer of, or individual who holds a position in, a political party, and any candidate for Political Office,
- any person who otherwise exercises a public function on behalf of any country.

In practice, this may include (but is not limited to) civil servants, inspectors, members of a political party, employees of a state university, judges, customs and immigration officials, ambassadors and embassy staff, and law enforcement personnel. Set forth in **Attachment 4** is a detailed list of persons who are deemed to be Public Officials.

The prohibition to offer, promise, grant, authorize or approve any Benefit to Public Officials extends to family members of the Public Official and to other third parties closely connected with, or related to, a Public Official.

Furthermore, the prohibition also extends to so-called Facilitation Payments. A Facilitation Payment is an unofficial payment to encourage the recipient or a third party to perform his/her existing obligation or role or expedite or refrain from performing a routine task he/she may otherwise have been obligated to do. This can be a payment to perform a routine task such as obtaining a permit, license, or another official document as well as to process governmental papers (such as visas or work orders). Facilitation payments are also prohibited if they are small or if they may be expected or customary.

No ADA-Employee shall provide any Benefit to a third party acting as an intermediate (e.g., “agent” or “consultant”) while “knowing” that all or part of the Benefit will be used for granting, approving, or promising a Benefit to a Public Official. The term “knowing” also includes the ADA-Employee showing “willful blindness” or “deliberate ignorance” to circumstances which make it likely or even only possible that the intermediate is going to grant a Benefit to a Public Official. Therefore, all payments to agents, consultants and similar persons must be made by wire transfer or check (not in cash) and the payment must not exceed the amount normally paid for the kind of service, were it legitimate.

The prior written approval of the respective Compliance Officer is mandatory for any Benefit offered, promised, granted, or approved to a Public Official except for the invitation to a business lunch or a drink under the named circumstances. For instance, the Compliance Officer may approve a Benefit if it has also been approved by the Public Official’s superior or his government agency. This notwithstanding the Public Officials may be invited to a business lunch or drink, if

- the Public Official has convincingly confirmed that he can accept such an invitation,
- the price is reasonable, i.e., as a rule of thumb the price does not exceed EUR 35, - per person (or the equivalent thereof in local currency),
- the invitation is issued in good faith and reflects normal business courtesy,
- the meal and / or drink is not lavish or extravagant in the provided context (considering that the limits when interacting with Public Officials may be considerably lower than the limits when interacting with another business partner),
- the invitation cannot reasonably be perceived in any way to be a bribe; and
- the invitation complies with all applicable laws and regulations.

5. Benefits to Persons other than Public Officials

ADA is committed to the principles of fair competition, which include competing for a business deal by price and quality of the products and services. Regardless of what is considered legal or socially acceptable or customary in local jurisdictions, ADA therefore expressly forbids commercial bribery, which in addition constitutes a crime in most jurisdictions where ADA operates.

Therefore, except as provided below, no ADA-Employee shall, directly or indirectly, offer, promise, grant, authorize or approve any Benefit to a business partner or prospective business partner (including, but not limited to, customers, suppliers, competitors) or their respective employees or persons closely connected with, or related to, them to induce or reward an improper performance of the person's relevant function. Moreover, for the sake of the high reputation of ADA, Benefits are forbidden if they could only be construed as an inducement or reward for an improper performance of the person's relevant function.

The term "relevant function" can include any function or activity connected with a business, any activity performed during a person's employment, or any activity performed by or on behalf of a company or enterprise.

Any such function is performed "improperly" by a person if the person performed the function in breach of what a reasonable person would expect from him/her regarding any applicable requirements of good faith, impartiality, or any position of trust which that person may hold.

For operational purposes, as a rule of thumb, a Benefit to persons other than Public Officials may be offered, promised, granted, authorized, or approved, if

- the value of the Benefit does not exceed EUR 50, - per person or the value of the Benefit for the same person does not exceed EUR 100, - per year,
- the Benefit does not raise the appearance of impropriety, corresponds to courtesy, meets local customs, is socially acceptable, and is not granted to gain an unfair business advantage; and
- the applicable statutory Anti-Corruption Laws and Regulations do not provide for stricter rules.

The limiting values of EUR 50, - and EUR 100, - are to be considered rules of the thumb for company purposes. It cannot be ruled out that Benefits below the value of EUR 50, - or EUR 100, - may be considered as bribery also. Therefore, to be on the safe side, the value of any Benefits granted to persons other than Public Officials should be below these limits.

Sales promotion items (like calendars, appointment books, mouse pads, coffee mugs, pens) have normally a value below EUR 50, - and fulfill the other above requirements also. Therefore, unless under extraordinary circumstances normal sales promotion is permitted. However, as a matter of principal, sales promotion items should not be given to the same person more than twice a year, and, for the sake of transparency, sales promotion items should not be mailed or delivered to the recipient's home.

The invitation to an ordinary business meal is permitted, provided that:

- the meal has a clear business purpose, which is well documented in the expense report,
- the meal is reasonable in cost (as a rule of thumb: does not exceed the value of EUR 100, - per person),
- the invitation is reasonable in frequency (as a rule of thumb: the same person should be invited not more than twice a year),
- the invited person can offer a similar business meal in return (to avoid the appearance that the invitation might induce the invited person to give an improper advantage to ADA in return for the invitation),
- the invitation meets local customs and is socially acceptable, especially that the location in question does not specifically offer the possibility of sexual interaction,
- the invitation does not take place during ongoing or imminent negotiations with a (potential) business partner (unless prior approval in writing by the Compliance Officer); and
- the applicable statutory laws and regulations do not provide for stricter rules.

In exceptional cases the cost of a business meal may exceed EUR 100, - per person. If the ADA-Employee expects that the limit of EUR 100, - will be exceeded he/she must get the approval of the CEO. The CEO may approve business meals and drinks up to amounts of EUR 150, -, in individual cases. For amounts higher than EUR 150, - the Compliance Officer must approve in advance. If the cost unexpectedly exceeded this limit, the ADA-Employee must inform the Compliance Officer or the CEO respectively after the meal in writing without undue delay and explain why the limit could not be kept.

For each invitation to a business meal an expense report must be made. The expense report must include the names of the participants, the names of the companies represented by the participants, the reason for the invitation, the location and date of invitation and the cost of invitation. The invitation to cultural or sports events must be viewed more critically than the invitation to a business meal because the legitimate business purpose (e.g., discussion of a business matter) is less apparent. An invitation to a cultural or sports event must be viewed even more critically if the family members of the (prospective) business partner are also invited or if the representative of ADA is not actually participating.

A (prospective) business partner may be invited to a cultural or sports event only, if

- the cost of the invitation does not exceed EUR 100, - (or the equivalent thereof in local currency) per person (in case that the invitation is extended to family members, the total cost for the business partner and his/her family members must not exceed EUR 100, - (or the equivalent thereof in local currency)),
- the event is in connection with a factual business meeting or other business event, which is clearly not feigned,
- both the ADA-Employee and the business partner are present at the event,
- the invitation meets local customs and is socially acceptable,
- the invitation does not appear to others to be offered with the expectation of gaining an unfair business advantage; and
- the invitation does not violate any statutory Anti-Corruption Laws or Regulations.

Exceptions can be granted in special circumstances (esp. if the costs are likely to exceed the amount of EUR 100, - per person), but always require the prior written approval of the Compliance Officer. In all cases the invitation to a cultural or sports event must be accurately and completely recorded in the books of ADA.

Traveling costs of a (prospective) business partner or their employees should be borne by the relevant business partner (or his/her company), not by ADA. Taking over or reimbursing such costs might be easily viewed as an attempt of ADA to gain an unfair business advantage. Exceptions are conceivable, but always require the prior written approval of the Compliance Officer of ADA. The granting of Benefits consisting of cash or cash equivalents (for example, checks, loans, moratoriums, waiver of debt) and granting Benefits of or with a sexual or immoral nature respectively is never permitted.

No ADA-Employee shall provide any Benefit to a 3rd party acting as an intermediate (e.g., “agent” or “consultant”) while “knowing” that all or part of the Benefit will be used for granting or promising a Benefit to a person to induce that person to, or reward that person for, an improper performance of his/her relevant function. The term “knowing” also includes such situations in which the ADA-Employee showed “willful blindness” or “deliberate ignorance” to circumstances which make it likely or even only possible that the intermediate grants a Benefit to a person to induce or reward for an improper performance of the relevant person’s function.

It is not legitimate to offer a private bribe either!!

6. Accepting Benefits

Fair competition and the reputation of ADA are also impaired if an ADA-Employee asks or accepts a Benefit in a way that suggests that he/she might be induced or be rewarded for an improper performance. Therefore, except as provided below, no ADA-Employee may use his/her job to, directly or indirectly, solicit, ask, demand, accept or be promised any Benefit for himself/herself or any person related to him/her from any person (including, but not limited to, suppliers, customers, or competitors of ADA). Moreover, each ADA-Employee must avoid any action which might give the appearance as if he/she is soliciting, asking, demanding, accepting, or being promised a Benefit.

ADA-Employees in most locations of our group may accept a Benefit only, if:

- the value of the Benefit does not exceed EUR 50, - or the value of the Benefit for the same person does not exceed EUR 100, - per year,
- the Benefit is not granted by the donor to reward an improper performance of the ADA-Employee’s function and the donor does not expect to induce the ADA-Employee to an improper performance of his/her function,
- the Benefit does not raise the appearance of impropriety, corresponds to courtesy, meets local customs and is socially acceptable; and
- the acceptance complies with the relevant statutory laws and regulations.

However, in some entities within our group, such as Malaysia the management does not allow ANY invitation unless obtaining prior approval from the local Management Team. Please speak to the Local Compliance officer if further clarification required.

Benefits consisting of cash or cash equivalents (like checks, loans, moratoriums, waiver of debt) and Benefits with a sexual or immoral nature may never be accepted by any ADA-Employee.

Benefits which exceed the value of EUR 50, - or EUR 100, - or which do not meet the other above-mentioned requirements must be refused or returned by the ADA-Employee. If the refusal or return is likely to insult or embarrass the donor or is not possible or socially acceptable for other reasons, the ADA-Employee may accept the Benefit, but must promptly inform the Compliance Officer of ADA.

The Compliance Officer will then decide whether the ADA-Employee can retain the Benefit or what to do with the Benefit (e.g., to use the Benefit for a charitable disposition).

Notwithstanding the above, each ADA-Employee must report to his/her supervisor if he/she has accepted a Benefit with a value more than EUR 50, - (other than invitations to an ordinary business meal in line with the rules of the Guideline, which must not be reported to the supervisor).

ADA-Employees may accept the invitation to an ordinary business meal, if

- the meal has a clear business purpose,
- (Taking the local circumstances & costs into account) the meal is reasonable in cost (as a rule of thumb: does not exceed the value of EUR 100, - per person),
- the invitation is reasonable in frequency (as a rule of thumb: the ADA-Employee has not been invited by the same person more than twice a year),
- the ADA-Employee can offer a similar business meal in return (to avoid the appearance that the ADA-Employee might be induced to improperly perform his/her function in return for the invitation),
- the invitation meets local customs and is socially acceptable, the relevant location does not offer the possibility of sexual interaction; and
- the invitation is in line with applicable statutory laws and regulations.

If during the meal, it turns out that the cost will exceed the value of EUR 100, - per person, the ADA-Employee is expected to convincingly offer the inviting person to share the bill. This offer should be justified by referencing the ADA Guideline.

ADA-Employees should be very reluctant to accept any invitations to cultural or sports events. This applies if the invitation is extended to family members, because then the business purpose can very often be easily questioned. In an exceptional case an invitation to a cultural or sports event can be accepted, if

- the cost of the invitation does not exceed EUR 100, - (or the equivalent thereof in local currency) per person (in case that the invitation is extended to family members, the total cost for the ADA-Employee and his/her family members must not exceed EUR 100, - (or the equivalent thereof in local currency)),
- the event is in the context of an objective business meeting or other business event, which is clearly not feigned,
- both the ADA-Employee and the business partner are present at the event,
- the invitation meets local customs and is socially acceptable,
- the invitation does not appear to others as if it is offered with the expectation of gaining an unfair business advantage; and
- the invitation fully complies with the relevant statutory laws or regulations.

If the cost of the invitation exceeds EUR 100, - (or the equivalent thereof in local currency) per person or if the other requirements are questionable, the ADA-Employee must obtain the prior approval of the Compliance Officer of ADA before accepting the invitation.

Costs for business travel and accommodation of ADA-Employees shall always be borne by ADA according to the relevant travel guidelines. This also applies for the cost for travel to a cultural or sports event to which an ADA-Employee might be invited (including transportation to the event, lodging for an event and meals not directly provided in conjunction with the event).

If a business partner provides “in-house” accommodation, the ADA-Employee should determine the fair market value, make the appropriate payment to the business partner, and arrange for reimbursement via the expense report. If a reimbursement is likely to insult or embarrass the business partner or is not possible for other reasons, the ADA-Employee must promptly inform the Compliance Officer of ADA, who will then decide on any necessary steps.

ADA-Employees may take advantage of discounts and other promotions offered by suppliers, customers, or other business partners of ADA, if (and only if) such discounts or promotions are available to all ADA-Employees.

No benefits – irrespective of their value must be accepted during ongoing or imminent negotiations with (potential) business partners unless they have been explicitly approved by the Compliance Officer. The invitation to a business lunch or drink is an exception if it complies with the rules stated above. Also exempted are minor offers with a value below EUR 5, - like promotional gifts like bios.

The following must never be accepted by an ADA-Employee: money or the like (e.g., cheques, loans, delay of payment, write-off) and benefits of a sexual and / or immoral nature.

7. **Selection and Monitoring of Representatives**

External Representatives of ADA (such as agents, distributors, sales representatives, consultants acting for or on behalf of ADA) (“Representatives”) must represent ADA in a manner consistent with this Guideline as well as with all applicable laws and regulations. All agreements with Representatives must contain a written confirmation of the Representative that

- the Representative has received a copy of the Anti-Corruption Guideline,
- he/she will abide by the Guideline and all applicable Anti-Corruption laws and regulations,
- ADA is entitled to terminate the agreement for cause if the Representative is in breach of this obligation; and
- ADA is entitled to monitor and audit such compliance.

Before selecting a Representative, the respective ADA-Employee must determine the commitment of the (prospective) Representative to legal and ethical business practices. Any behavior which may raise the slightest concern from the perspective of an objective third party that the (prospective) Representative may have an illegal or unethical business behavior disqualifies this person as an appropriate business partner of ADA.

To facilitate the selection process and the later monitoring process of the (prospective) Representative, a list of “Red flags” is set forth in **Attachment 2**. In case one or more of these Red Flags show up, each ADA-Employee should be warned with respect to enter or continuing a business relationship with the respective person. In any such case, the ADA-Employee should investigate further to ensure that the respective person meets the integrity requirements of a Representative of ADA.

Any Representative must be approved by the Compliance Officer of ADA beforehand.

8. **Political Contributions**

Political Contributions mean contributions of anything of value to support a political goal. Examples include local, regional, or national political funds raising events, providing goods or services to a political party or candidate for a political office, paying employees during working hours to work at a political function, or paying for political campaign expenses.

Political Contributions by companies are illegal in many countries and exposed to abuse. Therefore, each political contribution by or on behalf of ADA requires an explicit prior approval by the Management Board of ADA.

No direct or indirect pressure in any form may be directed toward any ADA-Employee to make a personal political contribution or to participate in the support of a political party or the political candidacy of any individual. The ADA-Employee, however, must ensure that he/she does not represent himself/herself in any way as representative of ADA in connection with such personal activities.

9. Donations

Donations are voluntary contributions in money or kind without consideration (i.e., where ADA is not paid and does not receive anything in tangible in return) to third parties for educational, scientific, environmental, cultural, or social purposes. To avoid any misuse, each donation must comply with the following requirements:

- each donation must be clear and visible. This means: the identity of the recipient and the planned use of the contribution must be clear and plausible, and its purpose must be justifiable. The identity of the recipient and planned use and purpose of the donation must be properly documented,
- donations must not be made to secure inappropriate competitive advantages for ADA or for improper purposes,
- donations must not be made for political or religious purposes (e.g., donations to politicians, political parties, churches, or priests),
- donations must not be made to individuals or for-profit organizations,
- donations must not be paid to any private accounts; and
- each donation must be signed off by at least one member of the Management Board of ADA or by the person formally designated by the Management Board to decide on donations. Donations more than EUR 1.000, - to the same recipient must be signed off by all members of the Management Board.

To the extent applicable under local law, donations must be made in a form that ensures their tax deductibility (e.g., against donation receipt).

10. Sponsoring

Sponsoring activities mean any contribution in money or in kind by ADA towards an event organized by a third party in return for the opportunity to display ADA's logo, advertise ADA's brands, being mentioned in the opening or closing addresses, or the participation of a speaker on a discussion panel, as well as tickets to the event. Each sponsoring activity must comply with the following requirements:

- A written sponsoring agreement must be concluded. The agreement must specify the name and address of the recipient, its banking details, the exact amount of the contribution, the event for which the funds are given and the consideration which ADA will receive in return.
- The sponsoring must be justified by a legitimate and plausible business purpose; it must not be made to secure an inappropriate competitive advantage for ADA.
- The contribution offered by ADA must be proportionate to the consideration ADA receives in return.
- Each sponsoring contribution must be signed off by at least one member of the Management Board of ADA or by the person formally designated by the Management Board to decide on sponsoring. Any sponsoring benefits more than EUR 1.000, - to the same recipient must be signed off by all members of the Management Board.

11. Local Anti-Corruption Law may be stricter

Every ADA-Employee has the continuing obligation to keep up to date with the Anti-Corruption and Anti-Bribery Laws and Regulations if this is relevant in the scope of his job. In case this Guideline is less strict than the relevant Anti-Corruption or Anti-Bribery Laws and Regulations in a jurisdiction, the stricter Anti-Corruption or Anti-Bribery Laws and Regulations shall prevail. In case this Guideline is stricter, the Guideline shall prevail. If in doubt, seek legal advice.

12. Value Limits

All value limits in EURO in this Guideline mean the equivalent thereof in local currency for those countries having a different local currency. Local circumstances should be considered for 'acceptable values.

13. Documentation

The Compliance Officer shall document every authorization or approval required in accordance with this Guideline. He/she shall also document the reasons for the authorization or the approval.

14. Questions / reporting concerns

If an ADA-Employee has any questions regarding the Guideline and/or wants to report concerns, he/she is encouraged to refer the question to the Compliance Officer by way of his/her contact details shown in item 15. Details of the procedure are set in the ADA-Whistleblowing Policy ("Policy") – **Attachment 5**.

15. Reporting of Violations and Actions upon Notification

If an employee should have indications that the Compliance Guideline is violated, then he / she may report this to the following institution:

- Compliance Officer via compliance@ada-cosmetics.com

Upon request, the identity of the ADA-Employee who reports in good faith will be kept confidential. ADA will not tolerate retaliation in any way against anyone who has reported a suspected violation in good faith. Particularly, ADA-Employees must not experience any disadvantage from the report issued in good faith. In this regard, the ADA-Whistleblower Policy is set forth in **Attachment 2**.

Attachment 1

Overview of conditions for granting authorization of Benefits

Benefit	Authorization by managing director	Authorization by Compliance Officer
Granting Benefits to Public Officials except for the invitation to a meal or drink	Yes, if the value exceeds EUR 5, --	Yes, if the value exceeds EUR 5, --
Invitation of a Public Official to a business meal or drink	Yes, if the value exceeds 20, - EUR per person	Yes, if the value exceeds 20, - EUR per person
Granting Benefits up to 100, - EUR to a business partner (with the following exceptions)	No	No
Granting Benefits over 100, - EUR to a business partner (with the following exceptions)	Yes	No
Invitation of a business partner to a meal or drink	Yes, if the value exceeds 100, - EUR per person	Yes, if the value exceeds 150, - EUR per person
Invitation of a business partner to a cultural or sports event	Yes, without regard to the value	Yes, if the value exceeds 100, - EUR per person
Traveling cost of a (prospective) business partner	Yes	No
Granting Benefits in connection with ongoing or imminent negotiations	Yes	Yes
Granting Benefits consisting of cash or cash equivalents	(Never permitted)	(Never permitted)
Granting Benefits of or with a sexual or immoral nature	(Never permitted)	(Never permitted)
Political contributions	Yes, without regard to the value	Yes, without regard to the value
Donations	Yes, without regard to the value	Yes, without regard to the value
Sponsoring	Yes, without regard to the value	Yes, without regard to the value

Note: even if no approval is required, the Benefit still must comply with all the rules of this Compliance Guideline.

Attachment 2

Red Flags

Each ADA-Employee should be alert, if the (prospective) business partner

- refuses to comply with the ADA Anti-Corruption Guideline of and the relevant Anti-Corruption Laws and Regulations,
- resides in a country with a reputation for high corruption and bribery (according to the Corruption Perception Index of Transparency International under “www.transparency.org”),
- works in an industry that has a history of corruption problems,
- has a principal that is, or is related to, a Public Official,
- refuses to disclose its ownership or provides documents that conceal the true identification of a representative or agent,
- conducts over-invoicing, issues false invoices, records payment to a wrong payee, or provides payment descriptions that do not correspond to the appropriate account,
- requires payment to unrecorded accounts or holds miscellaneous accounts that can be used to hide improper payments,
- provides travel and expense forms with incomplete or inaccurate information,
- refuses an audit or recertification,
- has been recommended by a Public Official, or by someone based on the business partner’s “friends in high places”,
- does not appear to be qualified to perform the duties for which the business partner is engaged to assist ADA,
- demands a compensation that is not commensurate with the fees and commissions normally paid for such services,
- requests that commissions be paid in a different country, to a different party or in cash or untraceable funds,
- relies heavily on political or government contacts as opposed to knowledgeable staff and the investment of time to promote ADA’s business,
- refuses or is unable to develop or implement a market strategy and to document efforts undertaken on behalf of ADA,
- refuses to accept anti-corruption safeguards in a contract that would set forth business terms,
- asks the representation to be kept secret; and/or
- has or had problems in its relationship with other foreign companies.

Attachment 3

Legal provisions ('selection' & 'examples', however local law prevails)

German Criminal Codex (StGB)

§§ 299, 300 StGB

§§ 331 - 336 StGB

Swiss Criminal Codex (StGB)

Art. 322 StGB

European Bribery Law

§§ 1, 2

International Bribery Law

§§ 1 - 3

US Foreign Corrupt Practices Act von 1977 (15 U.S.C. §§ 78dd-1, ff.)

<http://www.justice.gov/criminal/fraud/fcpa/docs/fcpa-english.pdf>

<http://www.justice.gov/criminal/fraud/fcpa/docs/fcpa-french.pdf>

UK Bribery Act von 2010

http://www.legislation.gov.uk/ukpga/2010/23/pdfs/ukpga_20100023_en.pdf

CONVENTION ON COMBATING BRIBERY OF FOREIGN PUBLIC OFFICIALS IN INTERNATIONAL BUSINESS TRANSACTIONS

http://www.oecd.org/daf/anti-bribery/ConvCombatBribery_ENG.pdf

UAE - Corruption and Bribery

Federal Decree No. 24 of 2018 has amended certain provisions of Federal Law No. 3 of 1987 (the "Penal Code") to strengthen anti-corruption legislation - Articles 234 to 239

Malaysian Anti-Corruption Commission Act 2009 (MACC Act) and the Malaysian Penal Code

Attachment 4

Persons deemed to be “Public Officials “

(This list is not exhaustive):

- Local and foreign Public Officials;
- judges, public servants, persons in a public service office;
- private persons independently performing public administrative functions;
- employees of companies which are publicly owned corporate entities or public cooperation (where the state holds more than 50 percent of the shares);
- a person with special public service obligations;
- Members of the National Parliament;
- Members of legislative bodies of a foreign country or Members of a parliamentary assembly of an international organization;
- health professionals, especially doctors.

- More Examples for Public Officials are:
 - federal and state officials;
 - administrative staff;
 - employees of savings banks and state banks;
 - employees of public hospitals;
 - employees in the water, gas, electricity supplies and waste disposal;
 - employees of public transport companies;
 - employees of municipal housing companies;
 - employees of state-owned lottery companies;
 - persons, are vested with public authority (“Beliehene”), (e.g., TÜV- or DEKRA-employees);
 - employees of Chamber of Industry and Commerce;
 - employees of Medical Chamber and Chamber of Architects;
 - employees of public broadcasters;
 - government officials;
 - parliamentary state secretaries;
 - representatives of international organisations and associations;
 - representatives of political parties and candidates for party post and members of parliament in Germany and abroad; and
 - employees of statutory insurance companies including private medical insurances etc.

Attachment 5

ADA-Whistleblowing Policy (“Policy”)

Purpose and scope

ADA is committed to creating and maintaining a culture of openness within our organisation so that individuals feel encouraged and confident to raise any concerns relating to suspected misconduct at an early stage.

ADA also recognises the negative effect which malpractice can have on the organisation, and therefore encourages you to raise genuine concerns, or any suspicions you may have concerning misconduct.

This Policy applies to all full and part-time ADA Employees, contractors, home workers and agency workers, except if they are genuinely self-employed.

This Policy is non-contractual and may be amended by ADA at any time.

Protection

We appreciate that those reporting concerns may be apprehensive. We want to reassure you that you will suffer no detrimental treatment because of voicing your concerns. ADA will not tolerate victimisation, harassment, bullying or any other detrimental treatment of any Employee who has made a disclosure under this Policy. Should you feel you have been subjected to any detriment because of raising a concern under this Policy you should notify Local Compliance Officer or via compliance@ada-cosmetics.com.

Disclosures under this Policy

You can make a disclosure under this Policy if you have genuine concerns relating to any of the following areas of malpractice, or suspected malpractice:

- Criminal activity;
- Practices endangering health and safety.
- Practices damaging the environment;
- Failure to comply with a legal obligation.
- Bribery;
- Financial malpractice, impropriety, or fraud.
- Serious failure to comply with any codes of practice or ethical rules covering the business; and
- Attempts to conceal any of the above.

The malpractice can be past, present, or prospective. It may have occurred inside or outside Germany.

You are encouraged to report suspected wrongdoing as soon as possible. No action will be taken against you if you raise genuine concerns even if the concern you raised is not confirmed by any subsequent investigation.

Confidentiality and anonymity

Any disclosure you make under this Policy will be treated as far as reasonably practicable in a confidential and sensitive manner. If confidentiality is not reasonably practicable, for instance, because of the nature of the information, this will be explained to you before the concern is made official

We hope you will feel comfortable to voice any concerns openly, however, you may make a disclosure anonymously. However, concerns expressed anonymously cannot be dealt with as effectively as open disclosures as they are often more difficult to investigate.

How to make a disclosure

In the first instance, you can bring the matter to the attention of your immediate manager, who will inform the HR Manager. If the disclosure contains allegations about your immediate manager or the malpractice occurs at this level, you may make the disclosure directly to the HR Manager, who will contact the Compliance Officer.

In all instances, you may make the disclosure directly to the Group Compliance Officer.

compliance@ada-cosmetics.com

Investigation

Once a concern has been raised, we will investigate this. If you have not made the complaint anonymously, you will be asked to attend a meeting as part of this investigation.

We will keep you informed as to the progress of the investigation, as far as is possible and appropriate bearing in mind any confidentiality obligations that apply any communication with you will normally be done verbally and in a confidential way to ensure the utmost privacy. Please note that you will not be given details of any disciplinary action taken unless we consider this appropriate.

Dissatisfaction with the outcome of the process

If you are dissatisfied with the outcome of the investigation, you should raise this with the Compliance Officer giving the reasons for your dissatisfaction. He/she will respond in writing notifying you of his/her acceptance or rejection of the need for further investigation and the reasons for this.

Breach of this Policy

ADA may invoke disciplinary actions if you are found to have subjected a whistle-blower to any form of detrimental treatment. These may also be invoked if you have intentionally misled us in respect of any matter, breached this Policy in any other way and/or if we believe that you have made a false allegation maliciously.