

B A R E E S C E N T U A L S

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CODE OF BUSINESS CONDUCT AND ETHICS

TABLE OF CONTENTS

	PAGE
LETTER FROM THE CEO	1
INTRODUCTION	2
Purpose	2
Seeking Help and Information	2
Reporting Violations of the Code.....	2
Policy Against Retaliation	3
Waivers of the Code	3
Enforcement	3
CONFLICTS OF INTEREST.....	3
Identifying Potential Conflicts of Interest.....	4
Disclosure of Conflicts of Interest.....	5
CORPORATE OPPORTUNITIES	5
CONFIDENTIAL INFORMATION	5
Confidential Information/Nondisclosure Policy.....	5
Third Party Confidential Information and New Employee Guidelines.....	6
INVENTION ASSIGNMENT POLICY.....	7
COMPETITION AND FAIR DEALING.....	7
Relationships with Customers	7
Relationships with Suppliers	8
Relationships with Competitors.....	8
PROTECTION AND USE OF COMPANY ASSETS.....	8

INFORMATION TECHNOLOGY ACCEPTABLE USE POLICY	9
Policy.....	9
Monitoring and Audits.....	10
Personal Use.....	10
Unacceptable Use	11
GIFTS AND ENTERTAINMENT.....	11
Providing Gifts and Entertainment to Customers.....	11
Accepting Entertainment and Gifts.....	12
Foreign Countries.....	12
Government Employees.....	13
COMPANY RECORDS	13
ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS	13
COMPLIANCE WITH LAWS AND REGULATIONS	13
COMPLIANCE WITH EMPLOYMENT LAWS.....	14
COMPLIANCE WITH INSIDER TRADING LAWS.....	14
THE FOREIGN CORRUPT PRACTICES ACT AND OTHER LAWS GOVERNING OUR BUSINESS INTERNATIONALLY	15
Foreign Corrupt Practices Act	15
Other Laws Governing our Business	16
POLITICAL CONTRIBUTIONS AND ACTIVITIES.....	16
COMPLIANCE WITH ANTITRUST LAWS	16
Actions that Violate U.S. Antitrust Laws	17
Meetings with Competitors	17
Professional Organizations and Trade Associations	18
Seeking Help	18

PUBLIC COMMUNICATIONS AND REGULATION FD	18
Public Communications Generally	18
Compliance with Regulation FD	18
CONCLUSION.....	20
BARE ESSENTUALS, INC. CODE OF BUSINESS CONDUCT AND ETHICS	
CERTIFICATION	21

LETTER FROM THE CEO

October 2008

Dear Bare Escentuals Employee:

Since 1976, Bare Escentuals has achieved its success by delivering the very best products and services to our customers. In order to accomplish these goals, Bare Escentuals is dedicated to conducting its business consistent with the highest standards of ethics. We have an obligation to our employees, stockholders, lenders, customers, suppliers and other business contacts to be honest, fair and forthright in all of our business activities.

It is critical to the continued success of our business that you carefully read the Code of Business Conduct and Ethics and understand its content. Please discuss any questions you may have with your supervisor, the Human Resources Department or the Legal Department directly.

The guidelines set out in this Code are to be followed at all levels of this organization by all of our directors, officers and employees. We are relying upon you to uphold our core values and conduct our business honestly, fairly and with integrity.

Sincerely,

A handwritten signature in cursive script that reads "Leslie A. Blodgett". The signature is written in black ink and is positioned above the printed name and title.

Leslie A. Blodgett
Chief Executive Officer

INTRODUCTION

Purpose

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code applies to all of our directors, officers and employees. We refer to all persons covered by this Code as “Company employees” or simply “employees.” We also refer to our Chief Executive Officer, Chief Financial Officer, Senior Vice President of Finance and our Controller as our “principal financial officers.” Although compliance with the matters addressed in this Code is mandatory, this Code is not a comprehensive listing of all Company rules and policies.

Seeking Help and Information

This Code is not intended to be a comprehensive rulebook and cannot address every situation that you may face. If you feel uncomfortable about a situation or have any doubts about whether it is consistent with the Company’s ethical standards, seek help. We encourage you to contact your supervisor for help first. If your supervisor cannot answer your question or if you do not feel comfortable contacting your supervisor, contact the Vice President of Human Resources or the General Counsel. The Company also has established an Ethics Hotline that is available 24 hours a day, 7 days a week at 1-866-553-4724. You may remain anonymous and will not be required to reveal your identity in calls to the Ethics Hotline, although providing your identity may assist the Company in addressing your questions or concerns.

Reporting Violations of the Code

All employees have a duty to report any known or suspected violation of this Code, including any violation of the laws, rules, regulations or policies that apply to the Company. If you know of or suspect a violation of this Code, immediately report the conduct to your supervisor. Your supervisor will contact the Vice President of Human Resources or the General Counsel who will work with you and your supervisor to investigate your concern. If you do not feel comfortable reporting the conduct to your supervisor or you do not get a satisfactory response, you may contact the Vice President of Human Resources or the General Counsel directly. You may also report any known or suspected violations of the Code on the Ethics Hotline which is available 24 hours a day, 7 days a week at 1-866-553-4724. You may remain anonymous and will not be required to reveal your identity in calls to the Ethics Hotline, although providing your identity may assist the

Company in investigating your concern. All reports of known or suspected violations of the law or this Code will be handled sensitively and with discretion. Your supervisor, the Vice President of Human Resources, the General Counsel and the Company will protect your confidentiality to the fullest extent possible, consistent with laws and regulations, and the Company's need to fully investigate your concern.

Policy Against Retaliation

Retaliation against an employee who, in good faith, seeks help or reports known or suspected violations of this Code, is prohibited. Any reprisal or retaliation against an employee because the employee, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment.

Waivers of the Code

Waivers of this Code (or any portion of this Code) for employees may be made only by a written document signed by an executive officer of the Company. Any waiver of this Code for our directors, executive officers or other principal financial officers may be made only by a written document signed by our Board of Directors and disclosed to the public as required by law or the rules of The Nasdaq Stock Market.

Enforcement

An employee who violates a provision of the Code, condones or knowingly fails to report a possible violation, intentionally makes a false report or fails to cooperate fully in any investigation of any violation will be subject to disciplinary action, up to and including termination of employment. An employee who violates the Code may also, in the discretion of the Company, forfeit any other benefits to which the employee may be entitled, subject to any applicable restrictions under state or federal law. This determination will be based upon the facts and circumstances of each particular situation and at the discretion of the Company. In addition to the foregoing, employees who violate the law or this Code may be subject to substantial civil damages, criminal fines and prison terms.

Because of the significant legal and ethical consequences of noncompliance with the Code, if you fail to prevent or report violations, through lack of diligence or supervision, you may be subject to disciplinary action.

CONFLICTS OF INTEREST

You must not engage in any conflicts of interest during your employment with the Company and the appearance of a conflict of interest should be avoided.

Identifying Potential Conflicts of Interest

A conflict of interest can occur when an employee's private interest interferes, or reasonably appears to interfere, with the interests of the Company as a whole. You should avoid any private interest that influences your ability to act in the interests of the Company or that makes it difficult to perform your work objectively and effectively.

Identifying potential conflicts of interest may not always be clear-cut. Although it is impossible to provide a complete list of all situations that create a conflict of interest, the following situations are illustrative:

- Outside Employment. No employee may be employed by, serve as a director of, or provide any services to a competitor of the Company, or to a company that is a material customer or supplier of the Company.
- Improper Personal Benefits. No employee may obtain any material (as to him or her) personal benefits or favors because of his or her position with the Company. Please see "Gifts and Entertainment" below for additional guidelines in this area.
- Financial Interests. No employee may have a significant financial interest (ownership or otherwise) in any company that is a competitor, a material customer, or a material supplier of the Company. A "significant financial interest" means (i) ownership of greater than 1% of the equity of a material customer, supplier or competitor or (ii) an investment in a material customer, supplier or competitor that represents more than 5% of the total assets of the employee.
- Loans or Other Financial Transactions. No employee may obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a competitor, a material customer, or a material supplier of the Company. This guideline does not prohibit arms-length transactions with banks, brokerage firms or other financial institutions.
- Actions of Family Members. The actions of family members outside the workplace may also give rise to the conflicts of interest described above because they may influence an employee's objectivity in making decisions on behalf of the Company. For purposes of this Code, "family members" include your spouse or domestic partner, brothers, sisters, parents, in-laws and children, whether such relationships are by blood or adoption.

For purposes of this Code, a company is a "competitor" if it sells, makes or distributes products that compete with any products of the Company. A company is a "material customer" if the company has made payments to the Company in the past year in excess of \$200,000 or 5% of the customer's gross revenues, whichever is greater. A company is a "material supplier" if the company has received payments from the Company in the past year in excess of \$200,000 or 5% of the supplier's gross revenues, whichever is greater. If you are uncertain

whether a particular company is a competitor, a material customer, or a material supplier, please contact the Vice President of Human Resources or the General Counsel for assistance.

Disclosure of Conflicts of Interest

The Company requires that you disclose all potential conflicts of interest and that you promptly take actions to eliminate the conflict when the Company requests that you do so.

CORPORATE OPPORTUNITIES

As an employee of the Company, you have an obligation to advance the Company's interests when the opportunity to do so arises. If you discover or are presented with a business opportunity through the use of corporate property or information, or because of your position with the Company, you must present the business opportunity to the Company before pursuing the opportunity in your individual capacity. No employee may use corporate property, information or his or her position with the Company for personal gain, nor should any employee be in competition with the Company.

CONFIDENTIAL INFORMATION

Confidential Information/Nondisclosure Policy

Employees may have access to a variety of confidential information while employed at the Company. The Company will only disclose confidential information to employees on a "need to know" basis. Employees should not access or attempt to access confidential information that is not necessary to carry out their job duties.

It is impossible to provide a comprehensive list of all information that may constitute confidential information. However, by way of example, confidential information includes, but is not limited to, all non-public information that might be of use to competitors, or if disclosed, harmful to the Company or its customers or business partners.

All new and existing employees are required to execute an Employee Intellectual Property and Confidentiality Agreement (the "Confidentiality Agreement") in consideration of their new or ongoing employment with the Company. Under that agreement, and under this Code, employees have a duty to safeguard and maintain the confidentiality of all confidential information of the Company and third parties with which the Company conducts business, except in extremely limited situations as described in the Confidentiality Agreement. An employee's obligation to protect confidential information *continues after he or she leaves the Company*. Unauthorized disclosure of confidential information could

cause competitive harm to the Company or its customers and could result in legal liability to you and the Company.

You acknowledge that you have read and understand the Confidentiality Agreement and this Nondisclosure Policy. It is critical that you understand your obligations to the Company in this regard. If you are unsure about your obligations, or how the Confidentiality Agreement or this Nondisclosure Policy applies to a particular situation, it is your obligation to seek guidance from the Vice President of Human Resources or the General Counsel before you use Company information. If you become aware of a possible violation of the Confidentiality Agreement or this Nondisclosure Policy, you must immediately inform the Vice President of Human Resources or the General Counsel.

Third Party Confidential Information and New Employee Guidelines

Prospective employees must advise the Company if they are subject to any agreements with prior or existing employers that either: (a) relate to confidential or proprietary information; or (b) otherwise limit their ability to work with the Company. Prospective and existing employees must not disclose or use any third party's confidential or proprietary information for the Company's benefit under any circumstances. Disclosure of third party confidential information will not help any prospective employee obtain a job with the Company. Do not access your former employer's e-mail, voicemail or computer systems for any purpose (either directly, by receipt from a current employee, or by forwarding it to some other e-mail or voicemail address), unless your former employer has authorized such access in writing.

All employees, including new hires, must adhere to any prior agreements to maintain and preserve the confidentiality of a third party's information.

You must return all property of your former employer immediately upon hire by the Company. This includes all business, marketing, sales, technical, financial and other company documents, any keys, badges, equipment (including laptop computer, computer disks, CD-Roms, hardware, cell phones, etc.) or other tangible property, and any calendars, notebooks, contact lists in paper or electronic form, planners and other business papers concerning your former employer's business. Do not bring any property or papers of your former employer onto the Company's premises and do not use any such material for any purpose while working for the Company.

If you have any questions about your obligations under these guidelines relating to third party confidential information, or if you become aware of a possible violation of these guidelines, you must immediately contact the Vice President of Human Resources or the General Counsel.

INVENTION ASSIGNMENT POLICY

All new and existing employees are required to execute an Invention Assignment Agreement in consideration of their new or ongoing employment with the Company. Under that agreement, and under this Code, each employee agrees to assign and transfer to the Company his/her entire right, title and interest in and to all inventions, ideas, improvements, designs and discoveries that he/she makes or conceives during the period of his/her employment with the Company that (i) relate in any manner to the business of the Company, (ii) he/she develops in whole or in part on the Company's time or using the Company's equipment, supplies, facilities or Confidential Information, or (iii) result from or are suggested by any task assigned to him/her or any work performed by him/her for or on behalf of the Company, its affiliates or subsidiaries, or by the scope of his/her duties and responsibilities with the Company, its affiliates or subsidiaries.

If an employee has inventions, ideas, improvements, designs and discoveries that he/she made prior to his/her employment with the Company that relate to the Company's business, he/she must disclose these to the Vice President of Human Resources or the General Counsel at the time he/she commences his/her employment with the Company. Similarly, if an employee has inventions, ideas, improvements, designs and discoveries that he/she makes during his/her employment with the Company, but that he/she feels falls outside the scope of the invention assignment agreement, he/she must promptly disclose such inventions to the Vice President of Human Resources or the General Counsel.

An employee acknowledges that he/she has read and understands the Invention Assignment Agreement. Any questions or concerns regarding the Invention Assignment Policy should be promptly referred to the Vice President of Human Resources or the General Counsel.

COMPETITION AND FAIR DEALING

All employees must deal fairly with fellow employees and with the Company's customers, suppliers and competitors. Employees must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

Relationships with Customers

Our business success depends upon our ability to foster lasting customer relationships. The Company is committed to dealing with customers fairly, honestly and with integrity. Specifically, you should keep the following guidelines in mind when dealing with customers:

- Information we supply to customers must be accurate and complete to the best of our knowledge. Employees must not deliberately misrepresent information to customers.
- Employees must not refuse to sell, service or maintain products the Company has produced simply because a customer is buying products from another supplier.
- Customer entertainment must not exceed reasonable and customary business practice. Employees must not provide entertainment or other benefits that could be viewed as an inducement to or a reward for, customer purchase decisions. Please see “Gifts and Entertainment” below for additional guidelines in this area.

Relationships with Suppliers

The Company deals fairly and honestly with its suppliers. This means that our relationships with suppliers are based on price, quality, service and reputation, among other factors. Employees dealing with suppliers must carefully guard their objectivity. No employee may accept or solicit any personal benefit from a supplier or potential supplier that might compromise, or appear to compromise, his or her objective assessment of the supplier’s products and prices. Employees can give or accept promotional items of nominal value or moderately-scaled entertainment within the limits of responsible and customary business practice. Please see “Gifts and Entertainment” on page 11 for additional guidelines in this area.

Relationships with Competitors

The Company is committed to free and open competition in the marketplace. Employees must avoid actions that would be contrary to laws governing competitive practices in the marketplace, including federal and state antitrust laws. Such actions include misappropriation and/or misuse of a competitor’s confidential information or making false statements about the competitor’s business and business practices. For a further discussion of appropriate and inappropriate business conduct with competitors, see “Compliance with Antitrust Laws” on page 17.

PROTECTION AND USE OF COMPANY ASSETS

Employees should protect the Company’s assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company’s profitability. The use of Company funds or assets, whether or not for personal gain, for any unlawful or improper purpose is prohibited.

To ensure the protection and proper use of the Company’s assets, each employee is obligated to:

- Exercise reasonable care to prevent theft, damage or misuse of Company property;
- Report the actual or suspected theft, damage or misuse of Company property to a supervisor;
- Use the Company's telephone system, e-mail system, and other electronic communication services, written materials, and other property, primarily for business-related purposes;
- Safeguard all electronic programs, data, communications and written materials from inadvertent access by others;
- Use Company property only for legitimate business purposes, as authorized in connection with your job responsibilities; and
- Return all company property at the time of termination including, but not limited to, reports records, information, equipment, documents, materials, and items or data of any nature pertaining to your employment with the Company.

Employees should be aware that Company property includes all data and communications transmitted or received to or by, or contained in, the Company's electronic or telephonic systems. Company property also includes all written communications. These communications may also be subject to disclosure to law enforcement or government officials.

INFORMATION TECHNOLOGY ACCEPTABLE USE POLICY

The Company's information systems enable our employees to respond to customer needs more quickly and efficiently than ever before. However, with these systems comes the need for appropriate security and usage guidelines. While the e-mail and Internet systems can be excellent business tool, we must use all systems wisely.

Policy

The Company's computer systems and networks, and all electronic communications, data and records created on or stored in those systems and networks, are the property of the Company. The Company retains the right to access its computer systems and networks (including the contents of hard drives and back-up tapes of deleted items) whenever warranted by business needs or legal requirements.

In general, personnel will be granted access to e-mail, web browsing and necessary business systems to perform their jobs. At all times, the Internet and e-mail systems should be used judiciously and in accordance with all Company policies. All users of the computer systems must enter their assigned User ID and password to access IT systems. By logging into the system, all personnel acknowledge their acceptance of the terms and conditions of using Company's

information systems and agree to abide by the terms and conditions of this Acceptable Use Policy.

When using e-mail to communicate regarding Company business, all personnel should use the Company's e-mail system. The use of personal e-mail accounts maintained by other e-mail providers to communicate regarding Company business is prohibited. These policies apply to all personnel at all times, even if personnel are off-site or off-duty.

Improper use of the Company's communication systems can result in the revocation of system privileges and/or disciplinary action, up to and including termination.

Monitoring and Audits

All Company information technology systems are subject to periodic monitoring and/or audits to help maintain the integrity and proper operations of the systems, prevent security violations, and to determine compliance with this and other Company policies. Such monitoring and audits may include, but are not limited to reviewing e-mail, Internet, computer and voicemail usage. The Company therefore reserves the right to examine business and web-based e-mail, all file directories, and other information stored on Company computers at any time, and without prior notice or permission from the individual using the Company systems. Employees should not expect that their Company computers, and the communications and data they send and receive using those computers are private.

Personal Use

Use of Company's systems, data, applications, media, interfaces, and/or network systems, is intended for business purposes. A limited amount of personal usage that does not affect the productivity of users of the systems and/or the availability/performance of the information systems is acceptable. Users of the system should assume that any communications, whether business related or personal, that they create, transmit, access, receive or store on the Company's IT systems may be reviewed by the Company at any time. Any misuse or conduct that interferes with the normal and proper operation of the Company's information systems, or activity that adversely affects the ability of others to use these information systems, or that is harmful or offensive to others will not be permitted. Company maintains a zero tolerance policy for any communications that are obscene, vulgar, profane and/or sexually explicit. All of the provisions from this Code of Business Conduct and Ethics, as well as the Company's anti-harassment policies, apply to the use of its information systems. All messages and documents created on Company's systems belong to the Company and may be read and monitored by authorized personnel.

Unacceptable Use

Employees may not use the Company's computers – including its Internet and e-mail systems – in any way that is unlawful, that violates Company policy or that for other reasons may reasonably be interpreted as offensive to others. Forbidden transmissions include, but are not limited to, messages, images, cartoons or jokes with sexual connotations, ethnic or racial slurs, or any other message that could reasonably be construed by either an intended or unintended recipient to be discriminatory, disparaging or harassing towards an individual or group based on race, color, sex, religion, national origin, age, sexual orientation, gender identity, disability, marital status or other protected class status. If you have any doubt as to whether others might find the material offensive, you should conclude that it is inappropriate for use on your computer at the Company (or to send from your home computer to an employee of the Company).

The Company's computer systems shall not be used to send or receive copyrighted materials, trade secrets, proprietary financial information, confidential information, or similar materials without authorization of the Vice President of Human Resources or the General Counsel. Employees may not send any company documents to personal e-mail accounts or personal computers without authorization of the Vice President of Human Resources or the General Counsel.

The Company's computer systems may not be used to solicit for commercial ventures, chain letters, religious or political causes, charitable contributions, outside organizations or other purposes not related to the Company's business.

GIFTS AND ENTERTAINMENT

The giving and receiving of gifts is a common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should not compromise, or appear to compromise, one's ability to make objective and fair business decisions. As a general rule, you may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment would not be viewed as an inducement to or reward for any particular business decision.

Providing Gifts and Entertainment to Customers

The Company will not pay or offer anything of value to a customer, potential customer, supplier, or potential supplier in exchange for obtaining business or gaining any other business advantage.

We do not, however, discourage Company employees from entertaining current and prospective customers. Entertainment of reasonable value may

include food and tickets for sporting and cultural events if they are generally offered to other customers, suppliers and vendors. Extravagant gifts and entertainment are prohibited.

The key consideration in determining whether Company assets should be used to entertain a customer or potential customer is whether the expenditure will benefit the Company.

All gifts and entertainment expenses must be properly accounted for on expense reports.

Many of our customers maintain business ethics policies that proscribe the extent of entertainment and limit the value of any gifts that may be provided by a vendor to an employee. Company employees should take care to adhere to our customers' individual business ethics policies.

Accepting Entertainment and Gifts

The Company's relationship with its suppliers and vendors must be based on the value to the Company of their goods or services. Supplier and vendor relationships can only be maintained on the basis of merit.

No employee of the Company should accept any gift or benefit that is intended to or could reasonably be perceived as an attempt to influence a decision to purchase a supplier or vendor's goods or services. Customary business hospitality such as meals, tickets to sporting events, and the like may be appropriate. However, you may not accept extravagant entertainment, vacations, gifts or benefits from people who are attempting to influence your business decisions improperly. If you receive an extravagant gift, you must return it.

Nor should you accept any gifts or other items of value that would compromise, or appear to compromise, your ability to make objective and fair business decisions should be promptly returned. If you receive such a gift, you must immediately return it. In the event that you are uncertain about whether it is permissible to accept a gift or something else of value, contact your supervisor, the Vice President of Human Resources or the General Counsel for additional guidance.

Foreign Countries

If you conduct business in other countries, you must be particularly careful that gifts and entertainment are not construed as bribes, kickbacks or other improper payments. See the section of the Code entitled "The Foreign Corrupt Practices Act and Other Laws Governing Our Business Internationally" for a more detailed discussion of our policies regarding giving or receiving gifts related to business transactions in other countries.

Government Employees

Gifts and entertainment may not be offered or exchanged under any circumstances to or with any employees of the U.S., state or local governments. If you have any questions about this policy, contact your supervisor, the Vice President of Human Resources or the General Counsel for additional guidance.

COMPANY RECORDS

Accurate and reliable records are crucial to our business. Our records are the basis of our earnings statements, financial reports and other disclosures to the public and guide our business decision-making and strategic planning. Company records include payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of our business.

All Company records must be complete, accurate and reliable in all material respects. Undisclosed or unrecorded funds, payments or receipts are inconsistent with our business practices and are prohibited. You are responsible for understanding and complying with our record keeping policies. Ask your supervisor or Human Resources if you have any questions. If you are in doubt regarding your obligation to maintain documents, do not destroy or delete them until you receive approval from your supervisor or Human Resources.

ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS

As a public company, we are subject to various securities laws, regulations and reporting obligations. Federal law, State law and our policies require the disclosure of accurate and complete information regarding the Company's business, financial condition and results of operations. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

The Company's principal financial officers and other employees working in the Accounting Department have a special responsibility to ensure that all of our financial disclosures are full, fair, accurate, timely and understandable. These employees must understand and strictly comply with generally accepted accounting principles and all standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.

COMPLIANCE WITH LAWS AND REGULATIONS

Each employee has an obligation to comply with all laws, rules and regulations applicable to the Company. These include, without limitation, laws covering bribery and kickbacks, copyrights, trademarks and trade secrets,

information privacy, insider trading, illegal political contributions, antitrust prohibitions, foreign corrupt practices, wage and hour regulations, offering or receiving gratuities, unfair business practices, racketeering, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets. You are expected to understand and comply with all laws, rules and regulations that apply to your job position. If you have any doubt about whether a course of action is lawful, you must seek advice from your supervisor, the Vice President of Human Resources or the General Counsel.

COMPLIANCE WITH EMPLOYMENT LAWS

The Company is committed to complying with all applicable State and Federal laws regarding employees. This Code does not describe all of the obligations of and rules binding upon/relating to employees. For more information, employees should review the Company's "Employee Handbook" relevant to your position with the Company. Employees should direct any questions regarding employment laws or obligations to the Human Resources Department. If you feel that any of your rights as an employee have been violated, you have an affirmative obligation to report such concerns to the Human Resources Department.

COMPLIANCE WITH INSIDER TRADING LAWS

All employees are prohibited from trading in the stock or other securities of Bare Escentuals while in possession of material, nonpublic information about Bare Escentuals. In addition, employees are prohibited from passing on Bare Escentuals' material, nonpublic information to friends, relative or others. Employees must also specifically avoid recommending, "tipping" or suggesting that anyone else buy or sell stock or other securities of Bare Escentuals on the basis of material, nonpublic information. Employees who obtain material nonpublic information about another company in the course of their employment are prohibited from trading in the stock or securities of the other company while in possession of such information. Employees are also prohibited from passing material nonpublic information on to others and from "tipping" others to trade on the basis of such information. Violation of insider trading laws can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment.

It is often difficult to determine what its "material, nonpublic information." Information is "non-public" if it has not been made generally available to the public by means of a press release or other means of widespread distribution. Information is "material" if a reasonable investor would consider it important in a decision to buy, hold or sell stock or other securities. As a rule of thumb, any information that would affect the value of stock or other securities should be

considered material. While it is impossible to list all types of “material” information, examples of information that is generally considered “material” include:

- Financial results or forecasts, or any information that indicates a company’s financial results may exceed or fall short of forecasts or expectations;
- Important new products or services;
- Pending or contemplated acquisitions or dispositions, including mergers, tender offers or joint venture proposals;
- Possible management changes or changes of control;
- Pending or contemplated public or private sales of debt or equity securities;
- Acquisition or loss of a significant customer or contract;
- Significant write-offs;
- Initiation or settlement of significant litigation; and
- Changes in the Company’s auditors or a notification from its auditors that the Company may no longer rely on the auditor’s report.

The laws against insider trading are specific and complex. Any questions about information you may possess or about any dealings you have had in the Company’s securities should be promptly brought to the attention of the Vice President of Human Resources or the General Counsel.

THE FOREIGN CORRUPT PRACTICES ACT AND OTHER LAWS GOVERNING OUR BUSINESS INTERNATIONALLY

Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act (the “FCPA”) prohibits the Company and its employees and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any governmental official, political party, candidate for political office or official of a public international organization. Stated more concisely, the FCPA prohibits the payment of bribes, kickbacks or other inducements to foreign officials. This prohibition also extends to payments to a sales representative or agent if there is reason to believe that the payment will be used indirectly for a prohibited payment to foreign officials. Violation of the FCPA is a crime that can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment.

Certain small facilitation payments to foreign officials may be permissible under the FCPA if customary in the country or locality and intended to secure routine governmental action. Governmental action is “routine” if it is ordinarily and commonly performed by a foreign official and does not involve the exercise of discretion. For instance, “routine” functions would include setting up a telephone

line or expediting a shipment through customs. To ensure legal compliance, all facilitation payments must receive prior written approval from the Chief Financial Officer and the General Counsel and must be clearly and accurately reported as a business expense.

Other Laws Governing our Business

The Company's business is subject to various U.S. and international trade control regulations, including licensing, shipping documentation, import documentation and reporting and record retention requirements. Employees with significant responsibilities in our international business units have an additional responsibility to understand and comply with such applicable laws. These employees are expected to have a working knowledge of the laws and regulations applicable to their job positions. Questions and requests for assistance should be directed to the Vice President of Human Resources or the General Counsel.

The Company and its employees is also subject to U.S. anti-boycott laws and regulations, which prevent U.S. companies and certain of their subsidiaries from taking action in support of a boycott imposed by a foreign country upon a nation that is friendly with the United States. Boycott laws often change and must be closely monitored. To ensure compliance, any boycott issue must be referred to the Chief Financial Officer or the General Counsel.

POLITICAL CONTRIBUTIONS AND ACTIVITIES

The Company encourages its employees to participate in the political process as individuals and on their own time. However, federal and state contribution and lobbying laws severely limit the contributions the Company can make to political parties or candidates. It is Company policy that Company funds or assets cannot be used to make a political contribution to any political party or candidate, unless prior approval has been given by the Chief Executive Officer or Chief Financial Officer and such political contribution is made in accordance with the law.

Any political activity you pursue is done voluntarily and on your own resources and time, and may not be done on behalf of the Company. Please contact the Vice President of Human Resources or the General Counsel if you have any questions about this policy.

COMPLIANCE WITH ANTITRUST LAWS

Antitrust laws of the U.S. and other countries are designed to protect consumers and competitors against unfair business practices and to promote and preserve competition. Our policy is to compete vigorously and ethically while

complying with all antitrust, monopoly, competition or cartel laws in all countries, states or localities in which the Company conducts business.

Actions that Violate U.S. Antitrust Laws

In general, U.S. antitrust laws forbid agreements or actions “in restraint of trade.” All employees should be familiar with the general principles of the U.S. antitrust laws. The following is a summary of actions that are violations of U.S. antitrust laws:

- Price Fixing. The Company may not agree with its competitors to raise, lower or stabilize prices or any element of price, including discounts and credit terms, in any manner that would violate U.S. Antitrust Laws.
- Limitation of Supply. The Company may not agree with its competitors to limit its production or restrict the supply of its services.
- Allocation of Business. The Company may not agree with its competitors to divide or allocate markets, territories or customers.
- Boycott. The Company may not agree with its competitors to refuse to sell or purchase products from third parties. In addition, the Company may not prevent a customer from purchasing or using non-Company products or services.
- Tying. The Company may not require a customer to purchase a product that it does not want as a condition to the sale of a different product that the customer does wish to purchase.

Meetings with Competitors

Employees should exercise caution in meetings with competitors. Any meeting with a competitor may give rise to the appearance of impropriety. As a result, if you are required to meet with a competitor for any reason, you should obtain the prior approval of the Vice President of Human Resources or the General Counsel. You should try to meet with competitors in a closely monitored, controlled environment for a limited period of time. The contents of your meeting should be fully documented in writing. Specifically, you should avoid any communications with a competitor regarding:

- Prices;
- Costs;
- Market share;
- Allocation of sales territories;
- Profits and profit margins;
- Supplier’s terms and conditions;
- Product or service offerings;
- Terms and conditions of sale;
- Production facilities or capabilities;
- Bids for a particular contract or program;

- Selection, retention or quality of customers;
- Distribution methods or channel

You should not share any information about the Company with any of Company's competitors unless you are positive that the competitor has already signed a copy of Company's official nondisclosure agreement.

Professional Organizations and Trade Associations

Employees should be cautious when attending meetings of professional organizations and trade associations at which competitors are present. Attending meetings of professional organizations and trade associations is both legal and proper, if such meetings have a legitimate business purpose. At such meetings, you should not discuss pricing policy or other competitive terms, plans for new or expanded facilities or any other proprietary, competitively sensitive information.

Seeking Help

Violations of antitrust laws carry severe consequences and may expose the Company and employees to substantial civil damages, criminal fines and, in the case of individuals, prison terms. Whenever any doubt exists as to the legality of a particular action or arrangement, it is your responsibility to contact the Vice President of Human Resources or the General Counsel promptly for assistance, approval and review.

PUBLIC COMMUNICATIONS AND REGULATION FD

Public Communications Generally

The Company places a high value on its credibility and reputation in the community. What is written or said about the Company in the news media and investment community directly impacts our reputation, positively or negatively. Our policy is to provide timely, accurate and complete information in response to public requests (media, analysts, etc.), consistent with our obligations to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. To ensure compliance with this policy, all news media or other public requests for information regarding the Company should be directed to the Company's Chief Financial Officer. The CFO will work with you and the appropriate personnel to evaluate and coordinate a response to the request.

Compliance with Regulation FD

In connection with its public communications, the Company is required to comply with a rule under the federal securities laws referred to as Regulation FD (which stands for "fair disclosure"). Regulation FD provides that, when we disclose material, non-public information about the Company to securities market

professionals or stockholders (where it is reasonably foreseeable that the stockholders will trade on the information), we must also disclose the information to the public. "Securities market professionals" generally include analysts, institutional investors and other investment advisors.

To ensure compliance with Regulation FD, we have designated the following officials as "Company Spokespersons":

- Chief Executive Officer
- Chief Operating Officer
- Chief Financial Officer
- VP, Investor Relations
- SVP, Finance

Only Company Spokespersons are authorized to disclose information about the Company in response to requests from securities market professionals or stockholders. If you receive a request for information from any securities market professionals or stockholders, promptly contact the Chief Financial Officer or the Vice President of Investor Relations to coordinate a response to such request.

Company employees who regularly interact with securities market professionals are specifically covered by Regulation FD and have a special responsibility to understand and comply with Regulation FD. Contact the Chief Financial Officer or the General Counsel if you have any questions about the scope or application of Regulation FD.

CONCLUSION

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If you have any questions about these guidelines, please contact your supervisor, the Vice President of Human Resources or the General Counsel. We expect all Company employees to adhere to these standards.

This Code of Business Conduct and Ethics, as applied to the Company's principal financial officers, shall be our "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

This Code and the matters contained herein are neither a contract of employment nor a guarantee of continuing Company policy. We reserve the right to amend, supplement or discontinue this Code and the matters addressed herein, without prior notice, at any time.

BARE ESSENTUALS
san francisco

Bare Escentuals, Inc. Code of Business Conduct and Ethics

I have received, reviewed, and understand the above-referenced Code of Business Conduct and Ethics, and agree as a condition to my present and continued employment at Bare Escentuals Beauty, Inc., to comply fully with the guidelines contained therein. I acknowledge that this document does not constitute a contract for employment and that my employment with the Company remains "at-will."

I further acknowledge that it is my duty to raise any questions or concerns I have regarding the policies contained in this Code, and that I will raise all such questions or concerns with the Vice President of Human Resources or the General Counsel prior to acting in a manner that may violate this Code.

I further acknowledge that I have a duty to report any known or suspected violations of this Code, including any violation of the laws, rules, regulations or policies that apply to the Company.

Signature

Date

Print Name