

GUIDELINES
AND OBJECTIVE CRITERIA FOR SELECTIVE DISTRIBUTION
OF PRODUCTS C.P. COMPANY

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1. INTRODUCTION

Tristate International SA (hereinafter also referred to as "Tristate Int."), in its capacity as sub-licensor, and Altana Società Benefit Srl (hereinafter also referred to as "Altana"), in its capacity as sub-licensee of the "C.P. Company" brand (hereinafter referred to as the "Brand"), limited to the production, distribution and sale of the clothing line for children and boys/girls (hereinafter also referred to as the "Products") have been committed to spreading and protecting the image of the Brand, allowing it to reach a consolidated international prestige and to be recognised worldwide as a distinctive mark characterised by a strong and well-defined identity based on research, innovation and the very high quality of the products it distinguishes and a content in terms of style and design, but ever faithful to that philosophy of empathy and interpretation of the needs of communities that has established over time its success at the international level.

Tristate Int. and Altana have therefore adopted, for the distribution of "C.P. Company" branded products, a selective distribution system, with the aim of preserving the image, identity and prestige of the brand and its products, while allowing their authorized retailers (hereinafter referred to as "Customers") to benefit from all the benefits arising from membership of the selective distribution network of Tristate Int. and Altana (hereinafter referred to as "Distribution Networks") in terms of image and sales promotion.

For that purpose, Tristate Int. and Altana intend to apply the objective qualitative criteria of selective distribution (hereinafter, the "Objective Criteria") contained in these guidelines (hereinafter, the "Guidelines"), which are an integral and essential part of the General Conditions of Sale and determine the requirements and conditions that all Customers belonging to the Distribution Networks are required to meet and comply, being justified by the nature of the Products.

The Objective Criteria defined below therefore constitute the method of assessment of conformity and suitability of a company (hereinafter "Applicant") that requests for the first time the authorization to sell the Products through one or more of its points-of-sale, or through its website, or of a Customer already belonging to the Distribution Networks.

2. USE OF BRAND, ADVERTISING MATERIAL AND PRODUCT IMAGES

Tristate Int. and Altana adopt this policy relating to the use of the Brand, and the use of advertising material and images of the goods produced under the Brand in order to allow their Customers, who belong to the Distribution Networks, to make appropriate use legitimate and uniform of it, so as to protect the prestige and image of the Brand itself.

For that purpose Tristate Int. and Altana authorize their Customers to use exclusively the Brand related to the Products purchased and actually offered to the public through their sales channels and only within the limits settled here and in compliance with the conditions expressed in this document.

The authorization to use the Brand, within the limits set forth in these Guidelines, does not imply any waiver of all rights of ownership in the Brand, that shall remain with the owner of the same. Consequently, the Customer undertakes to comply with the brand usage policy established in these Guidelines and not to make and/or request, in any part and place, any record and/or registration of the Brand, or other similar or identical trademarks, or which, in any case, contain elements of the Brand's conception and/or evocation.

How to use the Brand and its logos

Except as provided for in the following section 5 (Guidelines for online sales), the use of the Brand relating to the Products purchased by the Customer is authorized only for the purposes, under the conditions and within the limits described below:

- the Brand cannot be used as a sign, as this use is granted exclusively to single-brand boutiques that are part of the Tristate Group;
- unless otherwise authorized in writing by Altana (e.g. "dedicated showcase"), the Brand can only be used as window dressing on the shop windows of boutiques authorised to sell the Products (hereinafter, "Boutique") and exclusively within a list of other brands offered for sale in the same Boutique, without any association to images, photos or other informative and/or promotional material;
- the Brand must not prevail, by position and size, on the other brands on the same list;
- in case of C.P. Company branded POS materials made available by Altana to Customers, these materials cannot be modified in any way without the prior authorization of Altana and must be kept in a state of excellent state of maintenance.

Except as provided in the following section 5, the use of the logos related to the Trademark (hereinafter, the "Logos"), may only take place with the prior written permission of Altana and exclusively according to the graphic representation reproduced below:

C.P. Company

C.P.
COMPANY

C.P. Company & Sailor



It is also expressly forbidden without the prior written permission of Altana:

- reproduce the Logos in a different way and with different characteristics from those indicated above;
- match the Brand or Logos of the Men's line with the products of the Undersixteen line and vice versa;
- display the Brand or Logos in unauthorized boutiques for the sale of the Products.

Images and videos of institutional advertising and sales campaigns

It is expressly forbidden to reproduce, broadcast or use in any way images and videos of the advertising and/or promotional campaigns "C.P. Company" and of the products presented and exhibited in showrooms or in any other premises of the Tristate Group or Altana or even on the websites of the Tristate Group or Altana in occasion of sales campaigns, of collections presentations or other similar event. In particular, by way of example, the Customer may not use these videos or images to insert them into catalogues, advertisements, display boards, invitations, websites or any other paper or digital medium (including pop-up, pop-under, banners, social media, etc.) except for material supplied directly by Tristate Int. or Altana or the use of which has been previously authorized in writing by the latter.

Images of the Products

The strong identifying character of the Brand implies as an inevitable consequence the easy recognition of the Products distinguished by this Brand and, therefore, the implicit association of the Products themselves to the Brand.

This identification of the Brand implies the need to use all the paper or digital images of the relevant Products, with prudence and appropriate caution, and in a careful way, in order to transmit and preserve the distinctive character that has always distinguished it. It is therefore forbidden to use photos and other images of the Products, whatever their nature, for any purpose other than the sale and promotion of the same, without the prior written permission of Altana. In order to maintain a high standard of communication and image uniformity, Altana allows its Customers to use institutional material in the manner and within the limits indicated from time to time by Altana itself.

3. COOPERATION AND TRADE RELATIONS

For the purpose of proper and effective management of their own Distribution Networks, Tristate Int. and Altana ask their Customers for maximum collaboration and constant exchange of any information necessary for a profitable development of the business relationship, providing any information or data useful for this purpose (including, where certain circumstances so require, sales results).

The Customer is obliged not to sell the Products to retailers that are not part of the Distribution Networks of Altana.

The Customer is also required to respect, according to principles of fairness and good faith, all the terms and conditions agreed with Altana and contained in the signed documentation.

Altana will provide its Customers with a list of suggested prices for the retail sale of the Products.

In order to uniformly protect the Brand's image according to the global commercial strategy, Altana will also inform the Customer of the end-of-season sales periods.

For the same purpose, Altana will provide Customers with a list of Products that recommends to put on sale during the aforementioned periods of sale at the end of the season, ordering those allowed by national legislation. This list will also contain the suggested discount percentages. Similarly, Altana will provide Customers with a list of Products that it recommends not to put on sale.

4. BOUTIQUE

In relation to Customer's own store (hereinafter "Boutique"), they must meet the following requirements to be part of the Distribution Networks of Altana.

Image and quality of the Boutique

In order to preserve the image and prestige of the Brand and Products, the Boutique must be a point of sale of premium or luxury sportswear clothing products or a dedicated department, whose internal and external environment must be adequate to the prestige and notoriety of the Brand and its products.

The quality of the external and internal environment of each Boutique is assessed on the basis of the following elements:

- geographical position appropriate to the prestige and notoriety of the Brand and Products, taking into account the peculiarities linked to the specific geographical area, the appearance of the building or shopping center in which is located the Boutique, the appearance of the surrounding streets, the accessibility, the prestige of the surrounding commercial activities;
- general appearance, cleanliness and maintenance of the premises of the Boutique, its entrance and windows;
- appearance and quality of the Boutique sign;
- appearance and general maintenance of the external facade of the Boutique;
- quality and maintenance of the interior furnishings of the Boutique;
- quality of the exposure zone, shelving and shop windows;
- quality and maintenance of floors, walls, ceilings, fixtures and lighting systems;
- adequacy of the representation of the Brand within the Boutique;
- arrangement and presentation of the Products within the Boutique also with reference to proximity and/or separation from competitor's products.

Presentation of Products

With particular regard to the presentation of the Products in their Boutique, each Customer is required to:

- represent in correct and complete form the collection "C.P. Company Undersixteen" for all categories of goods purchased;
- presenting the Products in an appropriately visible and impact manner, even if in a multi-brand area;
- avoid placing the Products next to other products that, for reasons of similarity, can create confusion in the perception of the brand by the end customer, nor next to items belonging to the fast fashion and casual sector;
- avoid placing on sale products whose proximity may detract from the image of the Trademarks;
- comply with the guidelines that will be provided by Altana for end-of-season sales periods;
- presenting the Products together with those of other reference brands in the premium or

luxury sportswear sector;

Sales staff

The quality of the sale assistance service, by the Boutique staff, and in general of customer shopping experience is assessed on the basis of the following elements:

- number, skills and image of sales personnel;
- experience gained by sales staff, in particular in the sale of premium or luxury sportswear items;
- training of sales staff about Products and Brand;
- quality of the reception and availability of the employees during the sales experience to provide information or advice on the Products and the Brand.

In particular, each customer is required to:

- ensure an adequate number of sales staff in relation to the size and sales volume of its Boutique;
- adequately train its staff to ensure courteous, competent, efficient and appropriate advice in response to any requests received.

Service and guarantee obligation

Each Customer is required to ensure to its customers all the warranties provided by the applicable law regarding defects and lack of conformity of the Products.

For this purpose, each Customer must have an after-sales service, which allows him to quickly and efficiently manage requests from end customers.

5. ON-LINE SALES

The sale of the Products through the online sales channel (hereinafter "On-line Sales") is permitted only in full compliance with the limits, requirements and methods indicated in this document, that ensure high quality standards and the correct and uniform disclosure of the image of the Brand and Products, in accordance with the provisions for sale in boutiques.

The On-line Sale is allowed provided that the Customer gives to Tristate Int. and Altana the possibility to verify the proposed domain name, the appearance and the contents of its website, in order to verify that they are in line with all the requirements expressed in these Guidelines.

The Customer must also:

- take all necessary measures to avoid confusion in the public between its own website and those owned and managed by the Tristate Group or Altana;
- avoid representing its website in such a way as to suggest that it is the official "C.P. Company" website;
- ensure that the URL of its website does not in any way violate and infringe the Brand and/or other distinctive signs belonging to the Tristate Group or Altana.

Customers are expressly required to use sales techniques that are compatible with the premium or luxury sportswear sector and suitable to guarantee the identity and prestige of the Brand.

Regarding to the sale of Products through e-commerce platforms (also called marketplace) or social networks, Altana and Customers share the need to avoid the use of marketplaces and social networks that are not suitable to guarantee high quality standards such as eBay and Amazon (marketplace) or Facebook (social network). For marketplaces and social networks such as Farfetch and Instagram, Customers are entitled to offer the Products for sale provided that it is done in such a way as not to damage the image and prestige of the Brand and Products.

Each Customer must ensure that the promotion and On-line Sales of the Products are fully compliant with all applicable legislation and must ensure that visitors to its website, users and consumers, receive all the information and safeguards required by law.

5.1 REQUIREMENTS FOR WEBSITES

The quality and appearance of the Customer's website shall be assessed on the basis of the following elements:

- from a technical point of view:
 - o the time taken to access the site and to navigate between pages,
 - o the security and payment system of the site,
 - o the functionality of the site and its compatibility with the various types of devices,
 - o positioning on the (natural and paid) search engines of the site;
- from the aesthetic point of view:
 - o the graphic quality of the site,
 - o the quality of the products presentation and the accessibility to the pages

- dedicated to them,
 - the quality of navigation within the site,
 - the quality of the images,
 - the quantity and quality of advertising published in the site;
- from the point of view of content:
 - the quality of the contents,
 - the frequency of their updating,
 - the graphic separation between the Products and other products offered for sale on the website,
 - the quality of the contact pages,
 - the quality of the after-sales service,
 - the timing of answering questions from visitors to the site,
 - information on the availability of the Products.

In particular, in order to ensure an adequate quality and image of the site, taking into consideration the evaluation criteria set out above, the website:

- shall be specially designed for the promotion and sale of premium or luxury products and shall be carried out in a professional manner;
- must ensure and maintain a graphic presentation and a quality that, in the perception of the consumers, are consistent with the image and prestige of the Brand and Products;
- does not contain material, text, banners or links to other websites that are not compatible with the image and prestige of the Brand and Products sold or that violate the rights of third parties;
- may contain only links to other websites of proven professional and commercial reliability, provided that they have similar content, high quality standards and high-level image characteristics.

Presentation of Products and Brand

In order to ensure the correct presentation of the Products and the Brand to the consumers, each website:

- must offer for sale a range of products that fully represent the collection purchased from the Customer;
- it must only allow the display of Products available in stock or for which the Customer can ensure timely delivery;
- must offer for sale the products of other reference brands in the fashion sector of premium sportswear or luxury;
- must use and allow the Brand and its Logos to be displayed in a manner consistent with the need to protect its image and prestige and in accordance with the provisions of these Guidelines (see *para. 5.2*);
- must have a Brand section and pages dedicated to the promotion and resale of the Products, separated from the section and pages in which the Customer promotes and sells other Brands. The coexistence of the Products with products of other brands is allowed in listing page of product categories (e.g. "jackets");
- must have a search function that allows to visualize only the Products pertaining to the Brand after the search of the words "C.P. Company";
- must enable the details of the Products to be displayed so that the end customer receives

adequate information, in particular regarding the characteristics, name, size and use of the Products;

- must present, through high-quality photographs and images, a faithful and accurate description of the Products themselves.

Consumer relations, assistance and transaction security

Any Customer who intends to sell the Products online:

- must have its own customer service that can be reached by e-mail and/or telephone, able to respond to the customers requests quickly and efficiently;
- must clearly explain its after-sales policy on the website;
- must ensure that every final consumer can have up-to-date information on the tracking of the Products shipment, until the moment of effective delivery;
- train or properly train customer service staff to ensure appropriate advice in response to any requests received;
- must deliver only Products in perfect condition, not altered even in their labelling;
- must ensure that the Product is always carefully packaged and adequately protected;
- must provide its site with a secure program for all transactions and provide secure payment features such as verified by Visa, Paypal, Google Pay, Apple Pay, Amazon Pay (bearing the respective logo) and encrypted (for example, https) or other technologies that are common practice throughout the area of online premium selling;
- without prejudice to Customer's right to resale the Products to other Customers who are part of the Distribution Networks, must undertake to ensure that each individual customer can purchase a limited amount of Products.

5.2 CORPORATE IDENTITY

The Customer must use the following text in relation to the background and history of the Brand without changing it (it is possible to select some phrases without making any changes):

"In 1971 Massimo Osti, a young graphic designer from Bologna who would go on to be recognized as the "godfather of urban sportswear," founded the brand Chester Perry, famous for its screen-printed t-shirts. In 1978 he changed the name in C.P. Company. This drier, more mature name inaugurated one of the most explosive and influential bursts of creativity in the history of sportswear.

Over the last decades the brand has continued to pioneer a connoisseurial hybrid style that combines the functionality of vintage military, work and sportswear with intense fabric research and innovation, heightened by using garment dyeing, a technique which C.P. Company was the first brand in the world to pioneer in the mid-1970s. This hybridization of functional menswear and Italian fabric innovation is the origin of C.P. Company and still today remains the basis of every piece of clothing to carry the C.P. Company label."

Altana will provide the graphical and descriptive elements that can be used by customers for online graphic representations.

The materials will consist of:

- LOGO in vector format
- SEASONAL REFERENCE IMAGE
- CORPORATE PROFILE

5.2.1 USE OF "C.P. Company" LOGO

Unless otherwise indicated in writing, the use of the "C.P. Company" Logo for On-line Sales is permitted only under the following conditions:

Versions of the Logo

C.P.
COMPANY

C.P. COMPANY

C.P.
COMPANY
undersixteen

Below is the area of respect to keep around the Logo:





General rules:

1. Do not change the color of the logo
2. Do not use logo with outline only
3. Do not apply transparencies, shadows or other effects
4. Do not distort the logo
5. Do not change the space between letters
6. Do not rotate the logo

Examples:

1



2



3



4



5.2.2 USE C.P. COMPANY & SAILOR LOGO

Unless otherwise stated in writing, the use of the "C.P. Company & Sailor" Logo for On-line Sales is permitted only under the following conditions:

Versions of the Logo



Below is the area of respect to keep around the Logo:



General rules:

1. Do not change the color of the logo
2. Do not use logo with outline only
3. Do not apply transparencies, shadows or other effects
4. Do not distort the logo
5. Do not change the space between letters
6. Do not rotate the logo

5.3 GUIDELINES FOR DIGITAL ADVERTISING

Assuming as shared the meaning that the "Digital Display Advertising" (hereinafter also only "Display Advertising") is that form of advertising that uses paid spaces within a content of interest to the user in which to promote a product/service and that under this macro category fall 4 large subcategories, namely Banner, Buttons, Pop-up and Pop-under, below are the rules and guidelines for the planning of the Advertising Display of Products by customers.

The planning of Display Advertising and the content of digital advertising must always be consistent with the image and prestige of the brand and suitable to promote appropriately the brand and the products.

In any case, it is forbidden to promote the Brand and the Products in association or in any case within the same advertising space inclusive of other products and brands.

Selection of Websites

The advertising related to the Products must be inserted in websites with an editorial quality recognized as high by the reference market and that are aimed at an audience in line with the type of Products presented. In general, Tristate Int. and Altana choose for the Brand to advertise on the following categories of websites: (i) fashion, (ii) lifestyle, (iii) information, (iv) general interest and (v) social networks.

Formats

Tristate Int. and Altana prefer the standard banner formats recognized by the IAB (Internet Advertising Bureau). Tristate Int. and Altana do not accept the use of formats that damage the Brand's image and tone of voice.

Devices "Mobile"

Tristate Int. and Altana follow the trend of the online display that provides that the schedules are "cross-device" by default, that is, that they appear simultaneously on all media that provide for the display of sites selected for the advertising campaign. For this reason, Advertising Display formats must be produced in programming languages suitable for "mobile" devices (e.g., HTML5 or responsive) that guarantee a quality "user experience" from any device.

Tests and creative materials

Regarding the body, the size and the graphic characteristics of the texts and the layout of the ads, please refer to the previous point 5.2.

In order to avoid confusion in the public between the advertising promoted by the Customer and the advertising promoted by Tristate Int. and/or Altana, Customers can use the Brand in digital advertising only and exclusively in association with the sign.

5.4 GUIDELINES FOR DIGITAL ADVERTISING ON SOCIAL NETWORKS

Assuming as shared meaning that for "Social Network Advertising", otherwise called "social media targeting", we mean all those forms of online advertising that are carried out on social media networks, the following are the guidelines and rules for the planning of the "Social Network Advertising" of the Products by the Customers.

The planning of Social Network Advertising and the content of digital advertising on social networks must always be consistent with the image and prestige of the Brand. Tristate Int. and Altana reserve the right to verify that the Social Network Advertising and the content of digital advertising on social networks are suitable to promote appropriately the Brand and Products. Customers must follow any instructions received from Tristate Int. and/or Altana about digital advertising on social media.

Selection of Social Media

The advertising related to the Products must be inserted only within the most important social networks according to the recognition of the reference market and where users are already used to view and share content related to fashion and sportswear premium.

The social networks approved by Tristate Int. are the following:

- Facebook
- Instagram
- Twitter
- Pinterest
- Wechat
- Sina Weibo
- Twitch
- Tik Tok
- Snapchat

The use of social networks not included in the list is not accepted.

Positioning and Formats

The content of digital advertising must always be consistent with the image and prestige of the brand.

Altana reserves the right to verify at any time that the criteria established by these Guidelines are actually met and continue to be met. If, after verification, it appears that the requirements of these Guidelines are not met, Altana will notify the Customer of the list of elements that do not comply and will require it to take all necessary measures in order to re-establish the conformity of its sales methods with the indications of Tristate Int. and/or Altana and these Guidelines.

If the Customer has not remedied the discrepancies notified within 30 (thirty) days, Altana will have the right to terminate the commercial relationship with the Customer or to withdraw the authorization to Sell On Line. Altana reserves the right to claim compensation for damages suffered (including image damages).

These Guidelines are valid until further additions and/or modifications.