Selective Criteria relating to Online Sales

In order to maintain the consistency of JEAN PATOU's selective distribution network, any provision of the Agreement concerning the authorized distributor (hereafter the "Distributor") and its point of sales (hereafter the "Point of Sale") are also applicable, *mutatis mutandis* and unless otherwise stipulated hereunder, to the Distributor's website (hereafter the "Website").

For sake of clarity, JEAN PATOU's products distributed by the Distributor are referred to as the "Products" and JEAN PATOU is referred to as "JEAN PATOU" or the "Brand".

1. <u>Conditions relating to the Website specifications</u>

a. Identification of the Website

Only JEAN PATOU is entitled to register Internet domain names comprising any present or future name in which JEAN PATOU has rights or legitimate interests, in particular domain names including (exclusively or partially) the Brand, the company name, the trade name, trademarks or service marks of JEAN PATOU, the name of a product, or a line of products, included but not limited to JEAN PATOU, PATOU, JP, PATOU GRAND SOIR, GRAND SOIR, PATOU ESSENTIELS and their transliteration in other languages (if any) (hereafter the "JEAN PATOU Distinctive Signs").

Accordingly, the Distributor cannot register a domain name comprised exclusively or partially of names or signs that are identical or similar to JEAN PATOU Distinctive Signs or to the name of a Product or a line of Products, regardless of the prefix or suffix used and irrespective of any modifications made by the Distributor.

In addition, in order to maintain the consistency of the JEAN PATOU's selective distribution network, the Distributor shall make every effort to ensure that the Website's domain name is unambiguously connected to the shop sign used by its Point of Sale.

In any event, the Website's domain name must not infringe upon JEAN PATOU Distinctive Signs (including JEAN PATOU's intellectual property rights) or that of any third parties and must be compatible with the aura of prestige of JEAN PATOU and with the nature and quality of the Products.

Should the Distributor wish to make a change to the Website's domain name for any reason whatsoever, it must first inform in advance JEAN PATOU, which shall then determine whether or not the new domain name is compatible with JEAN PATOU's aura of prestige and with the nature and quality of the Products.

b. Website architecture and content

The Website's overall graphic quality shall at all times reflect the market's most advanced techniques and highest standards [and must also be consistent with the Brand's graphic guidelines].

This means that both the architecture and content of the Website shall be perceived by the public as being in harmony with the aura of prestige embodied by the Brand and the Products as well as the conditions in which they are sold (consistent and user-friendly navigation for effortless browsing on the Website, no intrusive pop-ups when the user enters the Website, no images that are pixelated, out of focus or of mediocre quality, *etc.*). The Website shall give the consumer access to the world of luxury, as well as the artistic and creative dimension of the Brand and of the Products.

The Distributor may only sell the Products and reproduce the Brand:

- on a Website offering merchandise for sale that is also normally sold at its Point of Sale or which is in accordance with JEAN PATOU's aura and prestige; Distributors are reminded that any other merchandise sold must be in complete harmony with the Products and the Brand;
- in a section of the Website specifically dedicated to the similar positioned brands, which should include a minimum of 5 competitors from the ones listed in Annex A; the Distributor shall refrain from combining the Products with products from other brands available in the Website (silhouette shot to illustrate the products should be either total looks composed of JEAN PATOU products or styled with products from brands from the same competitive environment (listed in Annex A)
- and may not under any circumstances display or offer for sale on the Website any products or brands that could potentially tarnish, as a result of their proximity or their presentation, the image of prestige and luxury embodied by the Products and the Brand.

Unless first approved in writing by JEAN PATOU, the Distributor may not feature hypertext links on the Website directing the user to or creating an association with an aggressive content, violent content or porn content, such a list not being limitative and that could adversely affect the aura and image of the Brand and/or of the Products.

A hypertext link directing the user to the official website of JEAN PATOU may be featured on the home page of the section dedicated to the Brand on the Website.

c. Procedures for online sales operations relating to the Products

The Website must be operated by the Distributor itself.

In this respect, any offer of Products or any use of the Brand is expressly prohibited on websites which are not operated by the Distributor, in sections of websites and on web pages hosted or accessible via platforms, the image and organization of which are not consistent with the quality and image of the Brand and the Products, or their usual environment, and/or that are exclusively engaged in online sales, without a genuine commercial presence through brick-and-mortar points of sale.

The Distributor shall bear all of the direct and indirect costs and expenses associated with the creation, technical hosting, maintenance, operation and protection of the Website.

Unless it has first received written authorization from JEAN PATOU to do so, the Distributor shall not be entitled to enter into partnership or collaboration agreements with a third party, whether or not in exchange for any type of consideration, and that enables this third party – via a hypertext link or by means of any other technical process – to proceed with or to participate in the sale, presentation and listing of JEAN PATOU products, either directly on the Website, As an independent distributor, the Distributor has sole responsibility for the content (information, images, videos, audio files, texts, *etc.*) that may be accessed on the Website. Accordingly, the Distributor undertakes to ensure that this content is:

- in compliance with all applicable regulations;
- lawful, in particular with respect to intellectual property rights and reproduction rights;
- reliable, given the specific nature of the Products.

In order to maintain the consistency of the selective distribution network, the Distributor shall ensure that all Products offered for sale in the Point of Sale are also offered for sale on the Website.

In order to promote the unity and homogeneity of the JEAN PATOU's brand image and distribution network, the Distributor undertakes to expressly submit to JEAN PATOU's prior approval any advertising documents for any planned advertising or promotional event relating to the Brand and/or the Products sold on the Website that it intends to implement, with the understanding that the Distributor shall remain free at all times to set the resale prices of the Products.

The Distributor undertakes not to make use of selling techniques of the Products that would adversely affect the aura of prestige and quality of the Brand and/or of the Products. Such techniques include, with the understanding that this list must not be construed as exhaustive, grouped purchase techniques and online auctions, advertising banners, the placing of third-party ads on the pages displaying the Products without JEAN PATOU's prior approval, and the bulk transmission of unsolicited e-mails ("spamming").

2. Conditions relating to the Website's technical characteristics

The Website's special features and technical characteristics shall at all times be consistent with those usually expected of a high-quality website presenting and selling luxury goods.

a. Website accessibility

The Website shall at a minimum adhere to the guidelines and standards established by the Web Accessibility Initiative (WAI) of the World Wide Web Consortium (W3C) for Level AA accessibility (the minimum level of conformance) [Web Content Accessibility Guidelines (WCAG) 2.0 – W3C Recommendation, 11 December 2008 – <u>http://www.w3.org/TR/WCAG20</u>].

Each of the Website's pages shall have a download size no larger than 300 KB, excluding videos and items viewed via streaming or progressive download.

The Website's hosting shall ensure quick response and loading times and minimal interruptions:

- the Website's availability rate shall exceed 99.70%, which represents a total interruption of no more than 2 hours and 10 minutes in any given month;
- the response time on detection of an incident by automatic monitoring shall be less than 15 minutes. Automatic monitoring measures must automatically detect any problems, including server breakdowns, service interruptions and Internet access failures;

However, the Distributor may not be held liable for the inaccessibility of the Website in the event of *force majeure* and during planned maintenance periods.

b. Website security

The Website must have implemented a payment security solution (SSL type) and must keep all agreements entered into with customers in amounts exceeding [one hundred and twenty (120)] euros on file for a period of [ten (10)] years.

The Website's level of security must be sufficient to avoid any intrusion, modification of the site's appearance (defacement) or misappropriation of customer data.

JEAN PATOU reserves the right to carry out a security audit of the Website after having first informed the Distributor at least [ten (10)] days in advance.

c. Updating of the Website

From a technical standpoint, the Distributor undertakes to continually ensure that the latest standards are applied for the operation of the Website, such that it is always able to offer its clientele a quality of service compatible with the luxury image and renown of the Brand and of the Products. Any notable change to the Website planned by the Distributor must be specified and submitted to JEAN PATOU's prior approval four (4) weeks prior to the date when the change is due to be published online.

From a commercial standpoint, the Website shall be updated on a regular basis to ensure that the Website offers for sale online at all times the latest Products or most recently listed items offered for sale in the Point of Sale, as soon as these become available, as well as to withdraw those products that are no longer sold. To this end, the Distributor undertakes to include on the Website only those Products available in stock or for which it is able to ensure delivery – save for any possible unforeseen circumstances or force majeure situation – to the consumer within the time limits and in the conditions set forth in Article 3.3.c hereunder and in any case, within a period of time that cannot be longer than the period of time applicable to the other products of other brands featured on the Website.

d. The Website's search engine

If the Website has a semantic search engine, only the Brand's Products should appear on the pages of results corresponding to the precise keywords entered: "JEAN PATOU" and "PATOU".

The Distributor shall not display on the Website the name or logo of the search engine provider, if any. Similarly, the Distributor undertakes to ensure that if the consumer carries out a search on the Website, the results of the search for the Products will appear in a manner that is compatible with the image of luxury and high quality embodied by the Brand and/or the Products. The Distributor shall therefore refrain from installing on the Website any search engine displaying third-party advertising alongside the relevant search results obtained from the content of the Website.

The presentation of the search results shall be accurate in relation to the wording of the descriptions and the corresponding images displayed.

e. Referencing and sponsored links

The Distributor must obtain JEAN PATOU's prior and written approval before listing its websites (including the Website) and/or bidding for the first position, either directly or indirectly, through referencing or sponsoring systems (including Pay per Click systems), specialized providers and/or search engines(such as but not limited to Google, Bing, Yahoo, Naver, Yahoo Japan, Baidu or Yandex), on signs that are identical and/or similar – either visually, conceptually or phonetically – to JEAN PATOU Distinctive Signs or on associations of terms comprising JEAN PATOU Distinctive Signs and other fashion terms, categories of products and/or design terms, including (but not limited to) the following associations of terms: "Patou + dress", "Patou + Women", "Patou + Fashion" etc.

In addition, retailers shall get JEAN PATOU's prior approval for bidding on associations of terms comprising JEAN PATOU Distinctive Signs and commercial terms and/or practices, such as, but not limited to the following associations of terms: (« Patou + discounts », « Patou + sale », « Patou + reductions », « Patou + Markdown » etc.

Furthermore, Distributor shall ensure that (i) the terms, words, associations of terms and /or expressions used in online advertising campaigns, as well as the manner in which these campaigns are targeted, by geographic location or type of clientele; and (ii) the title and text of the advertisement, any photograph or video associated with it, as well as the advertisement's display URL are compatible with the luxury language, reputation and renown of JEAN PATOU, its Products and/or its Product's lines when Distributor is carrying out online advertising campaigns with the assistance of providers of paid referencing systems.

Distributor shall refrain, in particular, but not exclusively, from using signs that are identical or similar to JEAN PATOU Distinctive Signs, for referencing purposes on the search engines in association with:

(i) product brands that are not in the same category as the JEAN PATOU Products and/or that would diminish JEAN PATOU, its Products and/or Products' lines in the perception of web users;

(ii) na entity other than the Distributor's entities; and/or

(iii) terms, words and/or expressions not having a direct link with JEAN PATOU Products and not consistent with the high-end, luxury image embodied by JEAN PATOU, its Products and/or Products' lines.

For the avoidance of doubt, the present referencing and biding restriction apply globally.

3. Conditions relating to the Website's service quality

a. Information provided to Internet consumers

Given the specific nature and high value of the Products, they shall not be offered for sale on the Website unless consumers are provided with complete and accurate descriptions, together with a full range of services and adequate assistance.

In this respect, the offers relating to the Products published on the Website shall be detailed, shall faithfully reflect the physical and qualitative characteristics of the Products and shall adequately inform consumers, particularly with regard to the use, dimensions, weight, name, nature and quality of said Products.

Any photographs, videos, logos or animated graphics accompanying said offers must be appropriate, faithful and compatible with the image of luxury and high quality embodied by the Brand and the Products.

Offers relating to the Products published on the Website shall be presented, at a minimum, in the official language of the country where the Points of Sale are located. If a Distributor operating in the EEA zone wishes to offer Products for sale on its Website to consumers whose usual place of residence is in an EEA or Switzerland country other than the country where its Point of Sale are located, the Distributor shall first have all web pages of the section of its Website dedicated to the Brand and to the Products translated by a professional translator in English or in any additional language of a country imposing a translation in its national language. To the extent admitted by local law, the Distributor undertakes not to use the Website to offer Products for sale to final consumers with delivery outside the Distributor's attributed zone (EEA, Americas, APAC, Middle East or Africa), being understood that the attributed zone refers to a zone where the Distributor realizes more than 50% of its turnover.

b. Interactive information and advice service

The Distributor undertakes to offer an appropriate interactive information and advice service relating to the Brand and the Products, in order to provide personalized assistance to the Website user.

The interactive information and advice service must be accessible to the consumer by e-mail or by telephone – via a toll-free number – and conducted by a member of the Distributor's staff having the necessary professional qualifications so that they may offer personalized information that is appropriate in response to any request received.

Information and assistance via telephone must be available during the usual business hours of the Point of Sale. Responses via e-mail or telephone shall be done within [twenty-four hours (24h)] maximum, if the consumer's request is made on a business day and within [thirty-six (36) hours] for requests made on a public holiday or on a Sunday.

In order to enhance the complementarity of its sales channels thus establishing a connection between its Point of Sale and its Website, the Distributor undertakes to specify on the Website that consumers may visit any Point of Sale operated by the Distributor to obtain additional personalized assistance, to test and try out the Products, as well as to return, exchange or obtain a reimbursement for a purchased Product.

The list of the Distributor's Point of Sale, including their addresses and contact information, must be easily accessible from the Website's home page.

c. Delivery of the Products

The Distributor undertakes to deliver the Products in perfect condition within time limits stated on its Website.

The Distributor shall implement shipment and delivery procedures that do not adversely impact the image of the Brand and the Products and that prevent any damage to the Products. Accordingly, the Products must be suitably packaged and shipped by the Distributor in their original presentation without being modified in any way and in accordance with the instructions, if any, given by JEAN PATOU (highquality packageing, gift package option, etc.).

d. Distance selling

The Distributor undertakes to ensure that its Website complies at all times with regulations applicable to distance selling via the Internet.

In order that the online sale of a Product be conducted in a fully way for consumers, the Website must meet, in particular, the following criteria:

- it shall clearly mention the identity of the Distributor offering the Products for sale, indicating its company or trade name, telephone and e-mail contact information, the address of its registered office, its share capital, the address of the Website's responsible entity, the trade register in which it is listed, its registration number, or equivalent means of identification appearing in this register, and, if applicable, its EU VAT identification number;
- the offer of the Products for sale and the contractual terms and conditions of this offer (in particular, the Website's standard terms of sale) shall be accessible at all times;
- prices shall be clearly indicated in the consumer's local currency on the Website, alongside the descriptions of the Products. The customer's order receipt shall indicate the prices of Products purchased. Prices shall be stated both exclusive and inclusive of all taxes. It shall be specified whether or not prices include delivery costs. The latter, as well as any other additional costs in respect of the order – with the exception of any duties and taxes to be paid directly by the customer – shall also be clearly indicated;
- the customer shall be able to review and to confirm on the Website the details of his/her order (including his/her last name, first name, delivery address, e-mail address and order reference number, together with the brief description, quantity and price of the Product(s) ordered) before finalizing and processing the order, so that corrections can be made before confirming and accepting the order. By confirming their orders, customers accept to enter into the purchase agreement with the Authorized Retailer;

- the customer shall receive confirmation of the order in the form of an e-mail message containing the information he/she transmitted via the Website and including notification of the means by which the order may be cancelled, the contractual terms for conducting the order, and the contractual terms for taking back the Product in the event of a visible defect or non-conformity of the Product(s) delivered;
- the Website shall mention any other information required by current law and regulation, in particular regarding information that must be provided to consumers;
- the Website shall be declared to the competent authorities in accordance with applicable regulations;
- personal information communicated by consumers on the Website shall be treated as confidential by the Distributor, and, more generally, in a manner fully consistent with European Regulation 2016/679 of 27 April (General Data Protection regulation), the French freedom of information act (*Loi informatique et libertés* no. 78-17 of 6 January 1978), as well as with provisions governing direct marketing, such as those resulting from the French postal and electronic communications code (*Code des postes et des communications électroniques*) or any equivalent domestic or foreign regulations applicable in this regard.
 - e. Relations with end consumers

The Distributor undertakes to sell the Products on its Website exclusively on a retail basis, to end consumers for delivery in its attributed zone (EEA, Americas, APAC, Middle East, or Africa). It is understood that the Distributor is prohibited from selling these Products in any form whatsoever, to any purchasing group, local or foreign merchant, or wholesaler as well as to any unauthorized retailer.

Without prejudice to the right to sell the Products to another Distributor, the Distributor must have taken every reasonable technical measure to avoid delivering any online order that does not correspond to the personal consumption and direct usage by end consumers.

This includes:

- any order that exceeds the norm of an individual retail sale under e-commerce standard;
- any order for more than [five (5)] Products, within a limit of [two (2)] identical product references over a period of [fifteen (15)] days;
- any repeat order by the same individual that could be analyzed as an unlawful "collection" of Products.

Whenever an order of this kind is observed on its Website, the Distributor undertakes to send immediate notification to JEAN PATOU accompanied by all information relating to this order.

ANNEX A

ALEXANDER MCQUEEN AMIRI BALENCIAGA BALMAIN CELINE CHLOE CHRISTIAN DIOR DRIES VAN NOTEN GIVENCHY GUCCI **ISABEL MARANT** JACQUEMUS JW ANDERSONLOEWE MAISON MARTIN MARGIELA MARINE SERRE MIU MIU N21 OFF WHITE PROENZA SCHOULER STELLA MCCARTNEY VALENTINO SAINT LAURENT ZIMMERMANN