LIFESTYLE GROUP

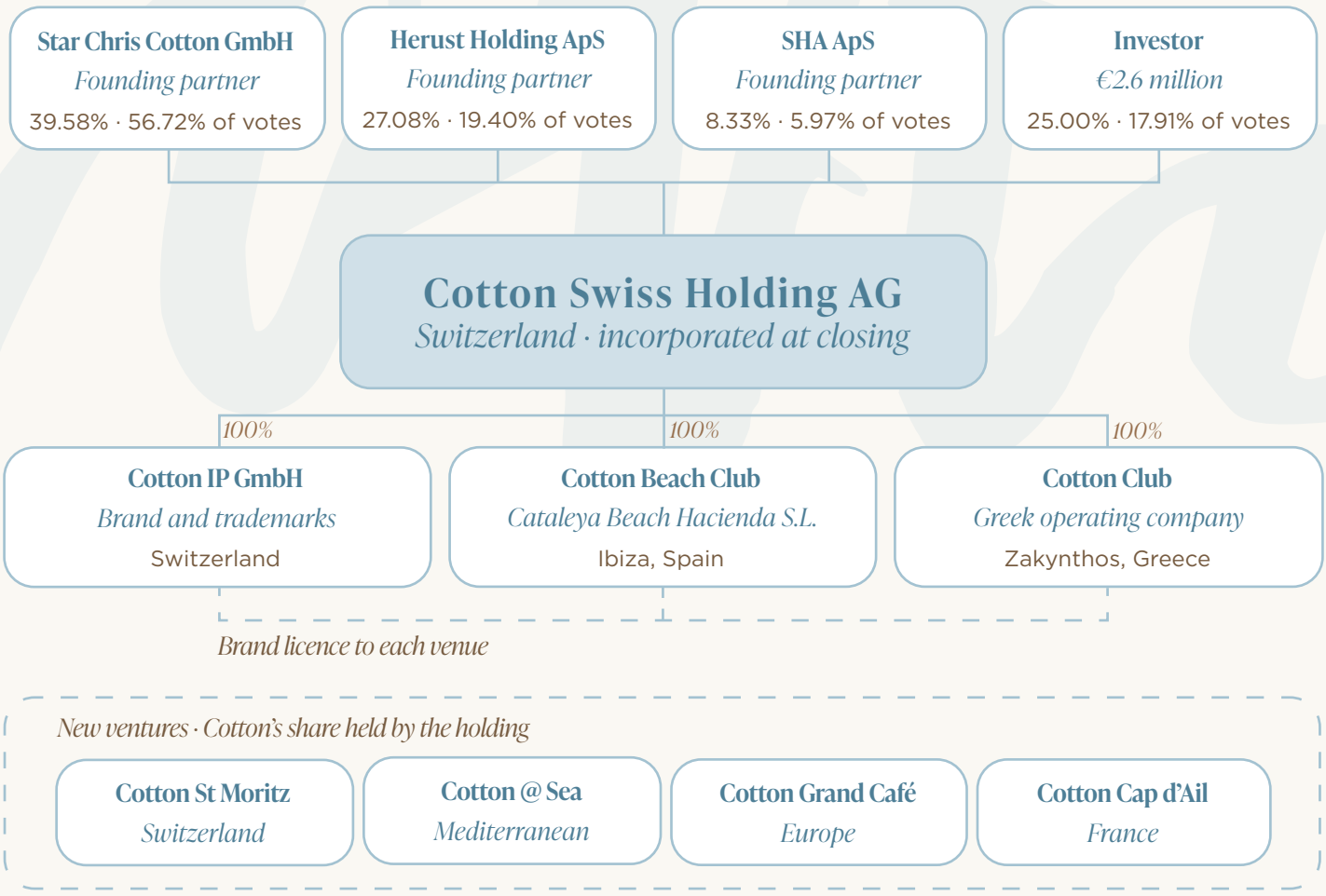
Group Structure, Ownership & Governance.

1. Purpose of this document

This document sets out the proposed structure of Cotton Lifestyle Group following the Investor's entry: the group entities, the share capital and ownership of Cotton Swiss Holding AG, the voting arrangements, the protections afforded to the Investor, and the board and reporting framework. All terms are proposed and remain subject to definitive agreements.

2. Group structure

All partners own the Swiss holding, which owns 100% of every Cotton company.



Cotton Swiss Holding AG will be incorporated in Switzerland at closing. All shareholders, including the Investor, will hold their shares directly in the holding, which will own 100% of Cotton IP GmbH and of each operating company. Cotton IP GmbH owns the Cotton brand and licenses it to each venue.

3. Group entities

Entity	Jurisdiction	Owned by	Role
Cotton Swiss Holding AG	Switzerland	Shareholders (section 4)	Group parent, incorporated at closing
Cotton IP GmbH	Switzerland	Holding, 100%	Owns the Cotton brand and trademarks; licenses each venue
Cataleya Beach Hacienda S.L.	Spain	Holding, 100%	Operates Cotton Beach Club, Ibiza
Greek operating company	Greece	Holding, 100%	Operates Cotton Club, Zakynthos
Cotton St Moritz	Switzerland	Holding (Cotton's share)	Pipeline
Cotton @ Sea	Mediterranean	Holding (Cotton's share)	Pipeline
Cotton Grand Café	Europe	Holding (Cotton's share)	Pipeline
Cotton Cap d' Ail	France	Holding (Cotton's share)	Pipeline

4. Investment terms and ownership

Term	
Investment	€2,600,000
Pre-money valuation	€7,800,000
Post-money valuation	€10,400,000
Investor shareholding	25.00%

The founding shareholders each hold their shares through their own company and are diluted equally, each retaining 75% of their pre-investment stake.

Shareholder	Before investment	After investment
Star Chris Cotton GmbH	52.78%	39.58%
Herust Holding ApS	36.11%	27.08%
SHA ApS	11.11%	8.33%
Investor	-	25.00%
Total	100%	100%

5. Voting rights

Cotton Swiss Holding AG will issue voting shares (Stimmrechtsaktien) under Art. 693 of the Swiss Code of Obligations. Each share carries one vote; voting shares have a lower nominal value, so their holder has more votes per franc of capital. Dividends and sale proceeds always follow capital, not votes.

The shares held by Star Chris Cotton GmbH will have half the nominal value of all other shares, a ratio of 2:1, well within the statutory maximum of 10:1. On an illustrative share capital of CHF 100,000:

Shareholder	Capital	Nominal per share	Shares and votes	Economic share	Voting share
Star Chris Cotton GmbH	CHF 39,583	CHF 0.50	79,166	39.58%	56.72%
Herust Holding ApS	CHF 27,083	CHF 1.00	27,083	27.08%	19.40%
SHA ApS	CHF 8,333	CHF 1.00	8,333	8.33%	5.97%
Investor	CHF 25,000	CHF 1.00	25,000	25.00%	17.91%
Total	CHF 100,000		139,582	100%	100%

Rationale:

- **Certainty.** The arrangement is set out in the articles of association from incorporation and does not depend on side agreements.
- **Economic equality.** Voting shares affect votes only. Every shareholder receives exactly its economic share of all dividends and sale proceeds.
- **Balance.** At 2:1, the founder's company holds a working majority of approximately 57% of votes for day-to-day decisions, without the ability to override the protections in section 6.

6. Investor protections

Statutory protections. Important shareholder resolutions require two-thirds of the votes represented and an absolute majority of the nominal capital represented (Art. 704 CO). Holding 39.58% of the capital, Star Chris Cotton GmbH cannot pass these resolutions alone. They include changes to the company' s purpose, capital increases, restriction or cancellation of subscription rights, relocation of the registered office and dissolution. In addition, voting shares carry no enhanced weight in the election of the auditors, the appointment of experts to review management, special investigations, or resolutions to bring liability claims (Art. 693 para. 3 CO).

Reserved matters. The shareholders' agreement will require the Investor's prior written consent for:

- the sale of the company or of any material asset, including the Cala Tarida land and the leases;
- the issue of new shares or any other measure diluting the Investor; borrowing above an agreed threshold;
- any transaction between the group and a founding shareholder or its affiliates; the opening of any venue outside the Cotton brand.

Economic rights and exit. Dividends and sale proceeds are distributed strictly pro rata to capital. In any sale by the founding shareholders, the Investor has the right to sell on the same terms (tag-along).

7. Board and reporting

The Investor will be entitled to appoint one member of the board of Cotton Swiss Holding AG. The founder will serve as chairman and CEO. The Investor will receive the weekly revenue report from every venue, the same report management uses to run the business, together with the annual accounts of the holding and of each group company .

8. Status

This document describes a proposed structure. All terms are subject to the articles of association, the shareholders' agreement and the investment agreement, to be prepared with Swiss counsel. The share capital shown in section 5 is illustrative.

FOR MORE INFORMATION PLEASE CONTACT:

Chris Cotton
Lifestyle Concept Creator
+34 633 622 000
christian@cottonlifestyle.com
www.cottonlifestyle.com