

GEOX

**DIRECTORS' REPORT OF GEOX S.p.A.
PURSUANT TO ART. 3, D.M. 437 OF NOVEMBER 5, 1998
AND ATTACHMENT 3A OF THE ISSUERS' REGULATIONS**

To the Shareholders,

In accordance with art. 3, DM 437 of November 5, 1998, the Board of Directors of Geox S.p.A. (hereafter the "Company") would like to announce that the following agenda for the Shareholders' Meeting called by the notice published in the daily newspaper MF of September 23, 2010 at "Villa Sandi", Via Erizzo 105, Crocetta del Montello (Treviso) at first calling on October 28, 2010 at 10 a.m. and, if necessary, at second calling on October 29, 2010, at the same time and place:

Extraordinary Part:

1. amendments to the following articles of the Articles of Association: art.10 (powers and notice of calling), art. 12 (participation and proxies), 13 (chairman and proceedings), art. 14 (quorum and resolutions); and inclusion of the following new articles, renumbering the articles of the current Articles of Association: art. 13 (identification of the shareholders), art. 24 (approval of related-party transactions), art. 25 (shareholder approval procedure), art. 26 (urgent operations), to bring the articles into line with the new provisions introduced by D. Lgs. 27/2010 on shareholders' rights and by CONSOB Resolution 17221 of March 21, 2010 on related-party transactions, as amended by CONSOB Resolution 17389 of June 23, 2010. Resolutions

The following is the report of the Board of Directors that explains the proposed amendments to the Articles of Association pursuant to arts. 72 and 92 of CONSOB Regulation 19971/1999 as amended.



REPORT OF THE BOARD OF DIRECTORS EXPLAINING THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION PURSUANT TO ARTS. 72 AND 92 OF CONSOB REGULATION 19971/1999, AS AMENDED.

The Extraordinary Shareholders' Meeting of October 28, 2010 (at first calling) and October 29, 2010 (at second calling)

PROPOSED AMENDMENTS TO THE FOLLOWING ARTICLES OF THE ARTICLES OF ASSOCIATION: ART.10 (POWERS AND NOTICE OF CALLING), ART. 12 (PARTICIPATION AND PROXIES), 13 (CHAIRMAN AND PROCEEDINGS), ART. 14 (QUORUM AND RESOLUTIONS) AND INCLUSION OF THE FOLLOWING NEW ARTICLES, RENUMBERING THE ARTICLES OF THE CURRENT ARTICLES OF ASSOCIATION: ART. 13 (IDENTIFICATION OF THE SHAREHOLDERS), ART. 24 (APPROVAL OF RELATED-PARTY TRANSACTIONS), ART. 25 (SHAREHOLDER APPROVAL PROCEDURE), ART. 26 (URGENT OPERATIONS).

To the Shareholders,

during the meeting on September 22, the Board of Directors decided to call an extraordinary shareholders' meeting to submit to your attention a proposal to amend the Articles of Association and to introduce some new articles to bring them in line with D. Lgs. 27 of January 27, 2010 which incorporated into Italian law Directive 2007/36/EC, on exercising certain rights of shareholders of listed companies, and with CONSOB Regulation 17721 of March 12, 2010, on related-party transactions, as amended by CONSOB Resolution 17389 of June 23, 2010.

1) Reasons for the proposed amendments

The new rules introduced by Legislative Decree 27 of January 27, 2010 (“**D. Lgs. 27/2010**”), involve certain obligatory changes to the Articles of Association to bring them into line with the new legislation, and other voluntary changes which can be decided by the shareholders' meeting. The new instructions on amendments to the Articles of Association will be applicable from the shareholders' meetings called after October 31, 2010, without prejudice to the fact that the obligatory amendments will have to be applied from that date, whether or not the Articles of Association have actually been adjusted. The Company's Board of Directors will make the obligatory changes directly, based on the power given to it by art. 15 of the Articles of Association pursuant to art. 2365.2 of the Italian Civil Code.

In addition, CONSOB Regulation 17721 on related-party transactions, as amended by CONSOB Resolution 17389 of June 23, 2010 (the “**CONSOB Regulation**”) provides that the Articles of Association can allow exceptions to be made to certain procedural instructions on related-party transactions. During preliminary discussions on the procedures and after obtaining the consent of a committee specifically set up for this purpose consisting exclusively of independent directors (the same as those on the Audit Committee, namely Alessandro Antonio Giusti, Bruno Barel and Francesco Gianni), the

Board of Directors decided which of these powers should be proposed to the Shareholders' Meeting, as explained in this report.

In this connection, the Board would like to propose to the Shareholders' Meeting the following amendments:

Single notice of calling to Shareholders' Meetings

D. Lgs. 27/2010 amends art. 2369 of the Civil Code (C.C.), laying down that the Articles of Association of companies that have recourse to the market for risk capital can avoid issuing notices of calling after the first one by issuing a single notice of calling that states that the majorities applicable at second callings will be applied to the Ordinary Shareholders' Meeting and those applicable at subsequent callings after the second will be applicable to the Extraordinary Shareholders' Meeting.

In relation to this disposition, the proposal is to amend art. 10 of the Articles of Association so that the Ordinary and Extraordinary Shareholders' Meetings can normally be held at a single calling, but that the Board of Directors can establish dates for a second and third calling, if they feel the need.

Participating in Shareholders' Meetings via telecommunications

The Company's Articles of Association already provide for the possibility of taking part in Shareholders' Meetings via telecommunications. So the proposal is just to transfer this clause from art. 13 of the Articles of Association to art. 12 in the interests of consistency.

Electronic voting

D. Lgs. 27/2010 modifies art. 2369 C.C, stating that the Articles of Association can permit electronic voting. Moreover, the new art. 127 of D. Lgs. 58/1998 (the Consolidated Finance Act or "CFA") provides that CONSOB can establish how voting and proceedings are to take place at Shareholders' Meetings in the cases envisaged by art. 2370.4 C.C.

In relation to these dispositions, the proposal is to change art. 12 of the Articles of Association, foreseeing the possibility to vote electronically, more specifically - as regards the method of voting electronically - by certified e-mail, making reference in any case to the rules contained in the various laws, regulatory instructions on this matter and any instructions contained in the Regulations for Shareholders' Meetings until such time that CONSOB issues the regulation implementing this solution.

Identification of shareholders

D. Lgs. 27/2010 introduces into the CFA a new art. 83-*duodecies*, which allows companies with shares traded on organised markets or on multilateral trading systems in Italy or other countries of the European Union with the consent of the issuer, to ask, at any moment in time and at their own cost, the intermediaries, through a centralised management company, for the identification of those shareholders that have not expressly asked for their data not to be communicated, together with the number of shares registered on the accounts opened in their names.

Pursuant to art. 83-*duodecies* CFA, if the Articles of Association require shareholders to be identified, the company will be obliged to do the same on the request of as many shareholders as represent half of the minimum quota of participation laid down by

CONSOB pursuant to art. 147-ter CFA. In this second hypothesis, it is also foreseen that the costs involved should be split among the shareholders making the request and the company according to criteria to be established by CONSOB regulation.

In relation to this disposition, the proposal is to insert into the Articles of Association a new art. 3 called "Identification of shareholders" (renumbering the other articles as a result), which provides for this ability to ask for the identification of shareholders on the part of the company or on the part of shareholders who represent half of the minimum quota of participation established by CONSOB pursuant to art. 147-ter CFA. As regards how the costs involved in the request from shareholders should be split, until such time that CONSOB issues the implementation regulation, we would propose that, unless otherwise required by law or by regulation, the right to ask for the identification of shareholders can be exercised by the shareholders with them paying 90% of the costs and the Company paying 10% of them.

Related-party transactions

Art. 4 of the CONSOB Regulation foresees that when defining procedures for transactions with related parties, the Boards of Directors are required to: (i) identify which rules have to be amended by changes to the Articles of Association, and (ii) approve the resolutions regarding the proposed changes to the Articles of Association to be submitted to the Shareholders' Meeting with the same methods by which the procedures for related-party transactions have to be approved (i.e. prior consent by a committee, which can also be established specifically for this purpose, made up exclusively of independent directors or, if there are not at least three independent directors currently in office, with the prior consent of the independent directors that are in office and if there are none, with the prior non-binding consent of an independent expert).

By way of information, bear in mind that the CONSOB Regulation lays down that companies have to adopt internal procedures for related-party transactions (the "**Procedures**") by December 1, 2010.

In order to temper the rigidity of the Procedures, arts. 8.2, 11.3, 11.5 and 13.6 of CONSOB Regulation 17221 allow companies, without affecting those provisions that are required by law, to include in the procedures certain mechanisms involving shareholder approval of specific transactions so that exceptions can be made to certain parts of the Procedures.

In particular:

(A) arts. 8.2 and 11.3 of CONSOB Regulation 17721 provide that the procedures can allow the Board of Directors to approve "transactions of particular importance" despite a contrary opinion on the part of the independent directors, providing such transactions are authorised under art. 2364.1.5 C.C. by the Shareholders' Meeting, which votes in such a way that if the majority of the unrelated shareholders voting at the meeting are contrary to the transaction, then the transaction cannot be carried out. Art. 11 of the CONSOB Regulation says that the procedures can only block a transaction if the unrelated shareholders at the meeting represent at least a certain proportion of the voting share capital, in any case no higher than ten percent.

Also as regards those transactions that are up to the shareholders' meeting to decide, it is envisaged that if the motion to be submitted to the meeting is approved against the advice of the directors or of the independent directors, without prejudice to the provisions of arts. 2368, 2369 and 2373 C.C. and without affecting particular matters that by law have to be included in the Articles of Association, the procedures can contain rules designed to prevent a transaction being carried out if the majority of the unrelated voting shareholders vote against it. Again in this case, the procedures can provide for a transaction to be blocked only if the unrelated shareholders at the meeting represent at least a certain proportion of the voting share capital, in any case no higher than ten percent.

(B) arts. 11.5, and 13.6 of CONSOB Regulation also say that the procedures adopted by companies can exclude certain types of transaction, including urgent transactions, though the disclosure requirements still have to be applied. For urgent transactions to be excluded, the CONSOB Regulation lays down that (i) the Articles of Association have to allow for this and (ii) various conditions are established, depending on whether the transactions have to be approved by the shareholders or by the Board of Directors.

If approval of urgent transactions is not up to the shareholders, nor subject to authorisation by the shareholders, without affecting the disclosure requirements foreseen in the CONSOB Regulation, the exemption is subject to the following conditions:

- (i) if the transaction to be carried out is up to a delegated body to approve, the Chairman of the Board of Directors has to be informed of the reasons for the urgency before the transaction is carried out;
- (ii) such transactions remain effective, but subsequently have to be subject to a non-binding resolution at the next ordinary shareholders' meeting.
- (iii) the body that calls the shareholders' meeting that has to vote the resolution mentioned in point (ii) has to prepare a report giving an adequate explanation of the reasons for the urgency;
- (iv) the statutory auditors have to give the meeting their own assessment of the reasons for the urgency;
- (v) the report and the assessments mentioned in points (iii) and (iv) above have to be made available to the public at least twenty-one days prior to the date of the meeting mentioned in point (ii) above;
- (vii) the day after the meeting in point (ii) above, the results of the voting have to be made available to the public, particularly as regards the total number of votes cast by the unrelated shareholders.

If the transactions have to be approved by the shareholders, or they are subject to authorisation by the shareholders, without affecting the disclosure requirements foreseen in the CONSOB Regulation, the exemption is subject to the following conditions:

- (i) the recurrence of cases of urgency linked to situations of crisis in the company;
- (ii) the body required to call the shareholders' meeting prepares a report giving an adequate explanation of the reasons for the urgency;
- (iii) the statutory auditors give the meeting their own assessment of the reasons for the urgency;

(iv) the report and the assessments mentioned in points (ii) and (iii) above have to be made available to the public at least twenty-one days prior to the date of the meeting;

If the assessments of the statutory auditors mentioned in point (iii) above are negative, the shareholders' meeting has to vote according to the approval mechanism explained in point (A) of this section of the report;

If the assessments are positive, the day after the meeting, the results of the voting have to be made available to the public, particularly as regards the total number of votes cast by the unrelated shareholders.

In relation to these dispositions of the CONSOB Regulation, the proposal is to adopt changes to the Articles of Association that would allow the Procedures, which will be decided by the Board of Directors by December 1, 2010, to include the exceptions mentioned above and to insert in the Articles of Association a new section entitled "Related-party transactions" (renumbering the other articles as a result), with the following three articles:

- art. 24 of the Articles of Association as an introductory article, which provides that the Company approves transactions with related parties in accordance with the provisions of current law and regulations, as well as its own articles of association and the procedures adopted by the Company.

- art. 25 of the Articles of Association which allows Procedures that permit the Board of Directors to approve transactions of particular importance, against the advice of the independent directors, providing such transactions are authorised by the Shareholders' Meeting in accordance with art. 2364.1.5) C.C. In this case, as well as in the case of a motion submitted to the Shareholders' Meeting in connection with a transaction of particular importance being approved against the advice of the independent directors, the Shareholders' Meeting decides by the majorities foreseen by law, providing - where the unrelated shareholders present at the Meeting represent at least 10% of the voting share capital - these majorities foreseen by law are reached with a favourable vote on the part of the unrelated shareholders voting at the Meeting.

- art. 26 of the Articles of Association which allows Procedures that provide for the exclusion from application of urgent transactions, even with approval from the Shareholders' Meeting, within the limits allowed by applicable laws and regulations.

As regards the procedure followed to approve the motion proposed to the Shareholders' Meeting in connection with these amendments to the Articles of Association on related-party transactions (or somehow related to the introduction of the rules on such matters), on September 22, 2010 the Board of Directors met for a preliminary discussion of the procedures to be adopted for related-party transactions foreseen by the CONSOB Regulation and, as part of this review and debate, the Board decided to propose the said amendments to the Shareholders' Meeting, after receiving prior consent from the committee established specifically for this purpose, made up exclusively of independent directors (the same as those on the Audit Committee, namely Alessandro Antonio Giusti, Bruno Barel and Francesco Gianni).

Ladies and Gentlemen,

Based on everything that we have just said, you are invited:

- to approve the following articles of the Articles of Association: art. 10 (powers and notice of calling), art. 12 (participation and proxies), art. 13 (chairman and proceedings), art. 14 (quorum and resolutions); and the introduction of the following new articles, renumbering the other articles as a result: art. 13 (identification of the shareholders), art. 24 (approval of related-party transactions), art. 25 (shareholder approval procedure), art. 26 (urgent transactions), to bring the articles into line with the new provisions introduced by D. Lgs. 27/2010 on shareholder rights and by CONSOB Resolution 17221 of March 12, 2010 on related-party transactions, as amended by CONSOB Resolution 17389 of June 23, 2010. Resolutions.

CURRENT TEXT	PROPOSED TEXT
<p><u>Art.10 - Powers and notice of calling</u> Shareholders' Meetings may be Ordinary or Extraordinary. The Ordinary Shareholders' Meeting decides on the matters mentioned in art. 2364.1 of the Italian Civil Code, while the Extraordinary Shareholders' Meeting decides on the matters mentioned in art. 2365.1 of the Italian Civil Code. The Shareholders' Meeting, whether Ordinary or Extraordinary, is called, also in places other than where the Company has its head office, providing it is in Italy, by publishing - by the legal deadline in the daily newspaper MF or, if this is not possible, on the Official Gazette of the Italian Republic - a notice of calling with the date, time and place of the meeting, as well as the agenda. The notice of calling can also indicate the dates for the second and, if necessary, third calling of the Shareholders' Meeting. An Ordinary Shareholders' Meeting has to be called at least once a year, within 120 days from the end of the financial year. The Ordinary Shareholders' Meeting can be called within 180 days from the end of the financial year under the circumstances envisaged by law; in this case, the Directors are required to explain the reasons for the delay in their report that accompanies the financial statements.</p>	<p><u>Art.10 - Powers and notice of calling</u> Shareholders' Meetings may be Ordinary or Extraordinary. The Ordinary Shareholders' Meeting decides on the matters mentioned in art. 2364.1 of the Italian Civil Code, while the Extraordinary Shareholders' Meeting decides on the matters mentioned in art. 2365.1 of the Italian Civil Code. The Shareholders' Meeting, whether Ordinary or Extraordinary, is called, also in places other than where the Company has its head office, providing it is in Italy, by publishing - by the legal deadline in the daily newspaper MF or, if this is not possible, on the Official Gazette of the Italian Republic - a notice of calling with the date, time and place of the meeting, as well as the agenda. The notice of calling can also indicate The Shareholders' Meeting can be held at a single calling, unless the Board of Directors has decided, for a specific Meeting, to indicate dates for the second and, if necessary, third calling of the Shareholders' Meeting. An Ordinary Shareholders' Meeting has to be called at least once a year, within 120 days from the end of the financial year. The Ordinary Shareholders' Meeting can be called within 180 days from the end of the financial year under the circumstances envisaged by law; in this case, the Directors are required to explain the reasons for the delay in their report that accompanies the financial statements.</p>
<p><u>Art. 12 - Participation and proxies</u> Shareholders can take part in the Shareholders' Meeting providing that the Company has received the communication foreseen in the last part of art. 2370.II of the Italian Civil Code on their behalf, two days prior to the date of the Meeting, and that on the day of the Meeting they have suitable certification issued by the intermediary. Shareholders can be represented by a proxy, whether a physical individual or a legal entity, who does not have to be a</p>	<p><u>Art. 12 - Participation and proxies</u> Shareholders can take part in the Shareholders' Meeting providing that the Company has received the communication foreseen in the last part of art. 2370.II of the Italian Civil Code on their behalf, two days prior to the date of the Meeting, and that on the day of the Meeting they have suitable certification issued by the intermediary. It is possible to take part in Shareholders' Meetings via telecommunications, using methods that permit the</p>

<p>Shareholder, in the circumstances and within the limits foreseen by law.</p>	<p>identification of all participants and that allow them to follow the debate and to intervene in real time while the matters on the agenda are being discussed. In this case, the meeting is considered as being held in the place where the chairman of the Meeting and the secretary are located. The minutes of the meeting have to describe the telecommunications methods used.</p> <p>Those with a right to vote can exercise it electronically by certified e-mail in compliance with the law, regulatory dispositions and any instructions contained in the Regulations for Shareholders' Meetings.</p> <p>Shareholders can be represented by a proxy, whether a physical individual or a legal entity, who does not have to be a Shareholder, in the circumstances and within the limits foreseen by law.</p>
<p><u>Art. 13 - Chairman and proceedings</u></p> <p>The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in his absence or impediment, by whoever is appointed by the majority of those present.</p> <p>The chairman will be assisted by a secretary, unless the minutes are written by a notary public (and possibly by one or two scrutineers appointed by the majority of those present).</p> <p>The chairman of the Meeting checks that the meeting has been regularly called and has a quorum, ascertains the identity of the participants and their right to be present, regulates proceedings and ascertains the voting results.</p> <p>The resolutions passed by the Meeting are recorded in the minutes signed by the chairman of the Meeting, by the secretary or the notary public (if required) and by the scrutineers (if appointed); the minutes have to contain the information required by art. 2375 of the Italian Civil Code.</p> <p>It is possible to take part in Shareholders' Meetings via telecommunications, using methods that permit the identification of all participants and that allow them to follow the debate and to intervene in real time while the matters on the agenda are being discussed. In this case, the meeting is considered as being held in the place where the chairman of the Meeting and the secretary are located. The minutes of the meeting have to describe the telecommunications methods used.</p> <p>The proceedings of the Shareholders' Meeting are governed by the Regulations for Shareholders' Meetings, as approved by the Ordinary Shareholders' Meeting.</p>	<p><u>Art. 13 14 - Chairman and proceedings</u></p> <p>The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or, in his absence or impediment, by whoever is appointed by the majority of those present.</p> <p>The chairman will be assisted by a secretary, unless the minutes are written by a notary public (and possibly by one or two scrutineers appointed by the majority of those present).</p> <p>The chairman of the Meeting checks that the meeting has been regularly called and has a quorum, ascertains the identity of the participants and their right to be present, regulates proceedings and ascertains the voting results.</p> <p>The resolutions passed by the Meeting are recorded in the minutes signed by the chairman of the Meeting, by the secretary or the notary public (if required) and by the scrutineers (if appointed); the minutes have to contain the information required by art. 2375 of the Italian Civil Code.</p> <p>It is possible to take part in Shareholders' Meetings via telecommunications, using methods that permit the identification of all participants and that allow them to follow the debate and to intervene in real time while the matters on the agenda are being discussed. In this case, the meeting is considered as being held in the place where the chairman of the Meeting and the secretary are located. The minutes of the meeting have to describe the telecommunications methods used.</p> <p>The proceedings of the Shareholders' Meeting are governed by the Regulations for Shareholders' Meetings, as approved by the Ordinary Shareholders' Meeting.</p>
<p style="text-align: center;">-</p>	<p><u>Art. 13 - Identification of the shareholders</u></p> <p>The Company can, at any moment in time and at their own cost, ask the intermediaries, through a centralised management company, for the identification of those shareholders that have not expressly asked for their data not to be communicated, together with the number of shares registered on the accounts opened in their names.</p> <p>La Company is required to do this on the request of as many shareholders as represent half of the minimum quota of participation laid down by CONSOB pursuant to art. 147-ter, para. 1 CFA.</p> <p>Unless foreseen otherwise by an obligatory legal or regulatory disposition, the right to ask for the identification of the shareholders can be exercised by the</p>

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	shareholders, with the overall cost of the request being paid 90% by the shareholders and 10% by the Company. The request by the shareholders has to be made jointly by the shareholders in a single written communication addressed to the Company's investor relator, together with the certification(s) of the intermediary that show that the shareholders making the request own shares representing the minimum participation required under the second paragraph of this article.
<u>Art. 14 - Quorum and resolutions</u> Ordinary and Extraordinary Shareholders' Meetings have a quorum and can pass resolutions, at first, second and third calling, with the majorities determined according to the dispositions of applicable laws.	<u>Art. 14 15 - Quorum and resolutions</u> Ordinary and Extraordinary Shareholders' Meetings have a quorum and can pass resolutions, at a single calling or - if so decided by the Board of Directors in accordance with art. 10.3 - at first, second and third calling, with the majorities determined according to the dispositions of applicable laws
-	<u>Art. 24 - Approval of related-party transactions</u> The Company approves transactions with related parties in accordance with the provisions of current law and regulations, as well as its own articles of association and the procedures adopted by the Company.
-	<u>Art. 25 - Shareholder approval procedure</u> The internal procedures on related-party transactions adopted by the Company can permit the Board of Directors to approve transactions of particular importance against the advice of the independent directors, providing such transactions are authorised by the Shareholders' Meeting in accordance with art. 2364.1.5) of the Italian Civil Code. In this case, as well as in the case of a motion submitted to the Shareholders' Meeting in connection with a transaction of particular importance being approved against the advice of the independent directors, the Shareholders' Meeting decides by the majorities foreseen by law, providing - where the unrelated shareholders present at the Meeting represent at least 10% of the voting share capital - these majorities foreseen by law are reached with a favourable vote on the part of the unrelated shareholders voting at the Meeting.
-	<u>Art. 26 - Urgent operations</u> The internal procedures on related-party transactions adopted by the Company can provide for the exclusion from application of urgent transactions, even with approval from the Shareholders' Meeting, within the limits allowed by applicable laws and regulations.

- to grant the Chairman and the CEO, separately, the widest possible powers for them, or others appointed by them, in compliance with the terms and methods established by law, to execute this resolution, to file the Articles of Association with the Companies Register and, if opportune or necessary, for them to make any formal additions, amendments or eliminations to enable the Articles to be filed with the Companies Register.



2) Right of withdrawal

The Board of Directors is of the opinion that these changes to the Articles of Association do not give the Company's shareholders a right of withdrawal.

Biadene di Montebelluna (TV), September 22, 2010

for the Board of Directors
The Chairman
Mario Moretti Polegato