

GEOX

DIRECTORS' REPORT

Prepared pursuant to article 125-ter of Leg. Decree no. 58/98 as subsequently amended



Board of Directors

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Diego Bolzonello
Enrico Moretti Polegato
Renato Alberini
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Board of Statutory Auditors

Fabrizio Colombo
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Independent Auditors

Reconta Ernst & Young S.p.A.

GEOX

Dear Shareholders,

the Board of Directors of Geox S.p.A. (hereafter the “Company”), with reference to Article 3 of Ministerial Decree no. 437 of 5 November 1998, notes that the agenda set for the Ordinary Shareholders’ Meeting, called by means of a notice published in the newspaper Finanza & Mercati of 18 November 2011 at “Villa Sandi”, Via Erizzo no. 105, Crocetta del Montello, Treviso, for 22 December 2011, at 10.00 a.m., in first call and, if necessary, for 23 December 2011, at the same time and place, in second call, is as follows:

1. revocation of the 2011-2014 stock option plan approved on 21 April 2011;
2. approval of a new stock option plan;
3. authorisation to buy treasury shares pursuant to Article 2357 of the Italian Civil Code;
4. determinations pursuant to Article 2390 of the Italian Civil Code;

1. REVOCATION OF THE 2011-2014 STOCK OPTION PLAN APPROVED ON 21 APRIL 2011.

Dear Shareholders,

the Board of Directors’ Meeting of 16 November 2011, after consultation with the Remuneration Committee and the Human Resources and Organisation Department, noted that it was not the case to implement the 2011-2014 stock option plan approved by the Shareholders’ Meeting on 21 April 2011 since, due to the particularly uncertain performance in the second half of 2011, it is more advisable to implement a new plan based on the next four years. In addition, it is deemed appropriate to allocate a lower number of options.

Should it agree with this proposal, the Shareholders’ Meeting is invited to approve the following resolutions:

“The Ordinary Shareholders’ Meeting of Geox S.p.A., having noted that it was inappropriate to implement the 2011-2014 stock option plan aimed at the Top and Middle Management of the Geox Group as approved on 21 April 2011, resolves to withdraw this stock option plan.

2. APPROVAL OF A NEW STOCK OPTION PLAN.

Dear Shareholders,

the Board of Directors’ Meeting of 16 November 2011, after consultation with the Remuneration Committee and the Human Resources and Organisation Department, has decided to submit for your approval a 2011-2012 stock option plan aimed at the Top and Middle Management of the Geox Group (the “**Plan**”) and to grant the Board of Directors the powers to implement it.

Detailed information on the Plan is provided in the prospectus, which is attached to this report as Annex A, in compliance with Article 84-bis of the Issuers’ Regulation no. 11971/1999.

Should it agree with this proposal, the Shareholders’ Meeting is asked to approve the following resolutions:

“The Ordinary Shareholders’ Meeting of Geox S.p.A., having examined the prospectus prepared pursuant to Article 84-bis of CONSOB Regulation no. 11971 of 14 May 1999, as subsequently amended, (the “Prospectus”), resolves:

GEOX

1. *to approve, pursuant to and for the purposes of Article 114-bis of Leg. Decree no. 58 of 24 February 1998, adoption of a 2011-2012 stock option plan for directors, employees, external staff or consultants of Geox S.p.A. or of any other company belonging to the Geox Group, as identified at the absolute discretion of the Board of Directors, at the proposal of the Remuneration Committee, in accordance with the provisions included in the Prospectus (the “Plan”);*
2. *to grant the Board of Directors, with the express right to sub-delegate, all the widest possible powers needed or necessary to fully and wholly implement the Plan and so, in particular and among other things, by way of example, identify the beneficiaries, at the proposal of the Remuneration Committee, to determine the number of options to be assigned to each of them and the exercise price in compliance with the Prospectus provisions, to arrange allocation to the beneficiaries, as well as to carry out any action, requirement, formal procedure, and communication deemed necessary and/or appropriate for the purposes of managing and/or implementing the Plan, including the preparation and approval of the Plan’s implementing regulation and any amendment/addition to it, with the right to delegate its powers, duties and responsibilities regarding performance and implementation of the Plan to the Chairman and/or Managing Director of the Company, also on an individual basis”.*

* * * * *

3. AUTHORISATION TO BUY TREASURY SHARES PURSUANT TO ARTICLE 2357 OF THE ITALIAN CIVIL CODE

Dear Shareholders,

you have been convened in order to discuss and pass resolutions on the proposal to authorise the purchase and sale of the Company’s treasury shares.

This report sets out the reasons behind the authorisation request as well as the timeframes and means by which it is intended to implement the plan to purchase and sell treasury shares, pursuant to Article 2357 and 2357 ter of the Italian Civil Code.

This report was prepared in accordance with Model no. 4 of Annex 3A of CONSOB Regulation no. 11971/1999, relating to shareholders’ meetings called to pass resolutions on the proposal to authorise the purchase and/or sale of treasury shares.

1) Grounds for requesting authorisation to purchase and sell treasury shares.

The request to authorise the purchase of treasury shares pursues the objective of limiting anomalous movements in share prices and of regulating trading in the presence of distorting phenomena linked to excessive volatility or to limited liquidity of trading, as well as using the Company’s shares to service programs to allocate share options to employees and any extraordinary finance operations and/or future industrial projects in line with the strategy for the Company’s corporate development.

In addition, the Board of Directors deems it appropriate for the Company, if necessary, to arrange sales of the treasury shares purchased, also to seize opportunities aimed at maximising value that may arise from the share price trend and thus also to undertake trading activities.

It should be noted that the authorisation request regards the Board of Directors’ right to undertake recurring and subsequent purchase and sale transactions (or other disposals) involving treasury

GEOX

shares, also for a portion of the maximum authorised quantity, within the limits set by the law and by the authorisation provided by the Company's Shareholders' Meeting.

2) Maximum number, category and nominal value of the shares to which the authorisation refers.

The Company, within the limits of the distributable profits and the available reserves resulting from the last duly approved financial statements, may purchase a maximum of 25,000,000 ordinary shares with a nominal value of 0.10 Euro each and, in any case, no more than 10% of the Company's share capital.

3) Compliance with the provisions as set out in paragraph three of Article 2357 of the Italian Civil Code.

Currently the Company does not hold treasury shares.

At present, no subsidiary of the Company holds the Company's shares.

In no case, in compliance with the provisions of Article 2357, paragraph 3 of the Italian Civil Code, may the number of treasury shares purchased, also taking account of any shares that may be held by subsidiaries, exceed or may exceed in the future a tenth of the total number of shares issued.

Purchases of treasury shares must be kept within the limits of the distributable profits and the available reserves resulting from the last duly approved financial statements.

4) Duration of authorisation.

The authorisation is requested for a period of 18 months as from the date on which the Shareholders' Meeting passes the corresponding resolution.

The authorisation to dispose of the treasury shares which may be purchased is requested without any time limits.

5) Minimum and maximum price, as well as market valuations used to determine these prices.

The purchase of the shares to service the program can be undertaken at a maximum and minimum price per share which is equal to the market close price recorded on the working day prior to the purchase date, plus or minus 10% for the maximum and minimum price respectively. In any case, the price cannot exceed the limits established by the law in force or, if any, by allowed market practices.

As for the price for disposal of the treasury shares purchased, the Board of Directors proposes that the Company's Shareholders' Meeting sets only the minimum price, and empowers the Board of Directors to determine, as necessary, any further conditions, means and time limits for disposals. The minimum price cannot be more than 10% lower than the market close price recorded on the working day prior to the date of any disposal transactions. This price limit shall not be applied in the case of disposals other than a sale (i.e. exchange, assignment, mergers or demergers, issues of convertible bonds, allocation of shares according to stock option plans). In these cases, various criteria may be applied, in line with the ends being pursued and taking into account market practice and the rules issued by Borsa Italiana S.p.A. and CONSOB.

6) Means by which purchases shall be made.

The purchase of treasury shares shall be undertaken on regulated markets, in compliance with the procedures established by the relevant law (in particular pursuant to Article 132 of Leg. Decree no. 58/1998 and Article 144 bis, para. 1, lett. b and c) of the Issuers' Regulation), in accordance with the means established in the organisational and operational regulations of the markets, so as to guarantee equal treatment of shareholders.

GEOX

As for disposals, the Board of Directors proposes that the authorisation allows the adoption of any means that is suitable to the aims which are being pursued.

7) Volumes

The maximum purchase volumes shall not be higher than 25% of the average daily volumes of the 20 stock market sessions preceding the purchase transaction date. Pursuant to Article 5 of EC Regulation 2273/2003, this limit may be exceeded in the case of extremely low liquidity on the market according to the aforementioned provisions; in any case, the maximum number of treasury shares that can be purchased on a daily basis with reference to the program shall not exceed 50% of the daily average volume as calculated above.

In any case, volumes cannot exceed the limits established by the law in force or, if any, by allowed market practices.

8) Further information, if the purchase transaction aims to reduce the share capital

It is hereby confirmed that the purchase of treasury shares does not aim to reduce the Company's share capital.

Now, therefore the Board of Directors submits the following resolution for your approval:

1. authorise, pursuant to Article 2357 of the Italian Civil Code and Article 132 of Legislative Decree no. 58 of 24 February 1998, the purchase, on one or more occasions, on a rotating basis (i.e. the maximum number of treasury shares held in the portfolio from time to time), of 25,000,000 ordinary shares of Geox S.p.A. with a nominal value of 0.10 Euro each and in any case, within the limits of 10% of the Company's share capital

- the shares may be purchased up to the end of the eighteenth month as from the date of this resolution;*
- the purchase may be made, in accordance with one of the means envisaged by the combined provisions of Article 132 of Legislative Decree no. 58 of 24 February 1998 and Article 144-bis, paragraph 1, letters b) and c) of CONSOB Regulation no. 11971/1999;*
- the price per share for the purchase of shares may be set at a maximum and minimum price per share equal to the market close price of Geox shares recorded on the working day prior to the purchase date, plus or minus 10% for the maximum and minimum prices respectively. In any case, the price cannot exceed the limits established by the law in force or, if any, by allowed market practices;*
- the maximum purchase volumes shall not be higher than 25% of the average daily volumes of the 20 stock market sessions preceding the purchase transaction date. Pursuant to Article 5 of EC Regulation 2273/2003, this limit may be exceeded in the case of extremely low liquidity on the market according to the aforementioned provisions; in any case, the maximum number of treasury shares that can be purchased on a daily basis with reference to the program shall not exceed 50% of the daily average volume as calculated above. In any case, volumes cannot exceed the limits established by the law in force or, if any, by allowed market practices.*

2. authorise, pursuant to and for the purposes of Article 2357-ter of the Italian Civil Code, the undertaking of disposal, on one or more occasions, of the treasury shares purchased, in compliance with the legal and regulatory provisions in force from time to time, in order to pursue the aims as set out in the report of the Board of Directors and in the following terms and conditions:

GEOX

- shares may be disposed of or otherwise sold at any moment without any time limits;
- disposal transactions may be undertaken also before having completed the purchases and may occur on one or more occasions through any means deemed appropriate to the aims which may be pursued from time to time;
- the price per share for the disposal of shares cannot be more than 10% lower than the market close price recorded by Geox shares on the working day prior to the date of any disposal transactions. This price limit shall not be applied in the case of disposals other than a sale (i.e. exchange, assignment, mergers or demergers, issues of convertible bonds, allocation of shares according to stock option plans). In these cases, various criteria may be applied, in line with the ends being pursued and taking into account market practice and the rules issued by Borsa Italiana S.p.A. and CONSOB.

3. grant the Board of Directors the widest possible powers, including the power to sub-delegate, in order to implement this resolution, also by approving any and all provisions implementing the related purchase program.”

4. DETERMINATIONS PURSUANT TO ARTICLE 2390 OF THE ITALIAN CIVIL CODE.

Following the intention expressed by the Deputy Chairman Enrico Moretti Polegato to take up the position of Director and Chairman of the Board of Directors of the affiliate company Diadora Sport S.r.l., a company which – according to its corporate purpose and its Articles of Association – undertakes business activities competing with that of Geox S.p.A., it is necessary to submit for your approval a request for prior authorisation pursuant to Article 2390 of the Italian Civil Code. The risk of a conflict of interests as a result of the director’s position as a competitor must be considered as practically non-existent, having taken into account the fact that Diadora Sport S.r.l. mainly operates in the market for sports footwear and clothing and safety footwear, sectors in which Geox S.p.A. does not operate. In addition, the planned authorisation, although exonerating the Deputy Chairman Enrico Moretti Polegato from observing the ban on competition, does not exempt him from implementation of the provision of Article 2391 of the Italian Civil Code or from observance of the duty to pursue the corporate interest.

Now, therefore the Board of Directors submits for your approval the following resolution:

authorise, pursuant to and for the purposes of Article 2390, first paragraph of the Italian Civil Code, the Deputy Chairman Enrico Moretti Polegato to take up the position of Director and Chairman of the Board of Directors of Diadora Sport S.r.l., a company which undertakes business activities competing with that carried out by Geox S.p.A.

The report of the Board of Directors prepared pursuant to Article 73 and 93 and Model 4, Annex 3A of CONSOB Regulation no. 11971/1999, has been made available to the public at the Company’s registered office (Via Feltrina Centro 16, Biadene di Montebelluna, province of Treviso), at Borsa Italiana S.p.A. and it was notified to CONSOB.

On 18 November 2011

On behalf of the Board of Directors

The Chairman

Mario Moretti Polegato

PROSPECTUS PURSUANT TO ARTICLE 84-bis OF ISSUERS' REGULATION No 11971/1999

This prospectus relates to the Stock Option Plan (hereinafter the "Plan") that the meeting of the Board of Directors (hereinafter "BoD") of Geox S.p.A. on 16 November 2011 decided to submit for approval to the next Shareholders' meeting, called for 22 December 2011 (first call) and for 23 December 2011 (second call), and has been drawn up in compliance with Article 84-bis of the Issuers' Regulation No 11971/1999.

1. The beneficiaries

The beneficiaries of the Plan are:

1. Dr. Diego Bolzonello, Managing Director of Geox S.p.A.;
2. certain managers of Geox S.p.A. and of companies belonging to the Group;
3. certain consultants of Geox S.p.A and of companies belonging to the Group.

It is hereby specified that by virtue of the positions held by the persons indicated, the Plan is considered to be relevant, pursuant to Article 84-bis, paragraph 2 of the Issuers' Regulation.

2. The reasons for adoption of the Plan

Through implementation of the Plan, Geox intends to promote and pursue the following objectives:

- to link the remuneration of the Company's key staff to the Company's effective performance and to the creation of value for the Geox Group, as also intended within the context of the Corporate Governance Code for listed companies;
- to orient the Company's key staff towards strategies to achieve medium/long-term results;
- to align the interests of the Top and Middle Management to those of shareholders and investors;
- to introduce policies aimed at retaining the Company's key staff and providing incentives for them to remain with the company, or in the Geox Group.

3. Approval procedure and timescales for allocation of the instruments

The Plan Regulations were discussed by the BoD meeting held on 16 November 2011, after a meeting with the Remuneration Committee (hereinafter the "RC") and the Human Resources and Organisation division. The allocation of the instruments shall take place at the BoD meeting following the Shareholders' Meeting called for 22 December 2011 (first call) and for 23 December 2011 (second call).

4. Features of the instruments allocated

The Plan Regulations lay down the rules for implementing the Plan to buy ordinary shares in Geox S.p.A. for the Geox Group Top and Middle Management

The Plan concerns the free allocation of options which carry the right to buy shares in the company at a predetermined price, unless otherwise stated below.

The shares allocated with the Exercise of the options all carry ordinary rights and, as a result, the Beneficiary, unless otherwise stated below, shall be entitled to all the administrative and property rights associated with the same.

The Plan envisages two cycles for the allocation of options to be carried out in the years 2011 and 2012, for the purposes of which on 18 December 2008 the Shareholders' meeting of Geox (hereinafter the "Meeting") agreed to a share capital increase. Nevertheless, the rights of the Beneficiaries may also be satisfied, at the discretion of the BoD, through the allocation of shares bought and/or held by Geox.

The overall maximum number of options to be assigned to the Beneficiaries is equal to 2,830,000, that will be valid for the purchase of 2,830,000 shares.

Each cycle of the Plan consists of a "Vesting Period" and of a further period agreed for the Exercise of the options maturing in accordance with the conditions laid down in the Plan Regulations.

Without prejudice to the discretion of the BoD in identifying the Beneficiaries, at the suggestion of the Remuneration Committee and following an instruction from the Managing Director, and unless in case of specific exceptions, in order to be able to participate in the Plan, the Beneficiaries must, at the time that the options are allocated, meet the following criteria:

- they must have a permanent contract of employment and not be on leave, or have a collaboration contract (as self-employed or semi-subordinate) for at least six months;
- they must not have tendered their resignation;
- they must not have received from the company notice of termination of employment or of withdrawal;
- they must not have agreed a mutual termination of employment.

This is without prejudice to the right of the RC, on instruction from the Managing Director of Geox and in agreement with the Corporate Director and Geox's Human Resources and Organisation division, to assess the importance of particular resources to pursue Geox Group's objectives and to propose to the BoD their inclusion in the Plan.

The RC proposes to the BoD the number of options to be allocated to each Beneficiary and the allocation criteria. The BoD and the MD, using the utmost discretion, will analyse the strategic importance of each Beneficiary taking account of their position within the corporate structure and the relevance of the office held in terms of the creation of value. They will then decide on the number of options to offer to each Beneficiary.

The Human Resources and Organisation division will inform the Beneficiaries of their inclusion in the Plan by means of an "Award Letter", drawn up in duplicate and signed by the company, that contains:

- the number of options allocated;
- the offer date of the options ("Award Date");
- the price fixed for exercising the options;
- the Option Exercise Period;
- the Expiration Date;
- a copy of the Plan Regulations.

In order to finalise participation in the Plan, the Beneficiary must return a signed copy of the Award Letter in acceptance and a copy of the Plan Regulations signed on each page, within ten days of the date of receipt of the Award Letter.

For taxation purposes, the Award Date shall be the same as the date on which the BoD approves the Plan and its Regulations, at the same time allocating the options to each Beneficiary.

The options and all the rights associated with them are strictly personal, nominative, non-transferable and non-negotiable (without prejudice to their being transferable mortis causa, though within the limits as provided for in these Regulations) and hence non leviable and unusable in connection with debts contracted or contracts entered into by any of the Beneficiaries with Geox or third parties.

The vesting period of the options and the option exercise period are set as follows.

Options allocated in the year 2011

The options relating to the first Cycle of Allocation– and hence allocated in the month of December 2011 – may be exercised from the date on which the Beneficiary receives notification from the company of the exercisable options – following ascertainment carried out on the basis of the data in the Consolidated Financial Statements for the financial years of the cycle and, in any case, following approval by the BoD of the Consolidated Financial Statements relating to the financial year ending on 31 December 2014 – and in any case, not before the end of a minimum period of three years from the award date or, if later, 1 April 2015 (“Start Date of the Exercise Period of the first Cycle of Allocation”).

Options allocated in the year 2012

The options relating to the second Cycle of Allocation – and hence allocated in the last quarter of 2012 – may be exercised from the date on which the Beneficiary receives the notification from the company of the exercisable options – following ascertainment carried out on the basis of the data in the Consolidated Financial Statements for the financial years of the cycle and, in any case, following approval by the BoD of the Consolidated Financial Statements relating to the financial year ending on 31 December 2015 – and in any case, not before the end of a minimum period of three years from the award date or, if later, 1 April 2016 (“Start Date of the Exercise Period of the second Cycle of Allocation”).

The BoD, following a proposal from the RC, may provide for Early Exercise of the options.

The Beneficiary must in any case exercise all the options by and not later than 31 March 2020 (“Expiration Date”). In the light of that, all the options not exercised by the Expiration Date shall to all intents and purposes be considered to have expired resulting in the company’s being absolved of all obligations towards the Beneficiary arising from the Plan. The BoD, following a proposal from the RC, may provide for an extension to the Expiration Date.

Without prejudice to what has been set forth above concerning the Expiration Date, the Beneficiary may exercise options that have matured up to a maximum of three times within each calendar year. Any options remaining after the third financial year may be exercised during the following years within the three-year timeframe allowed to the Beneficiary.

The BoD, following a proposal from the RC, has the power to provide for derogations to the exercising procedure described above.

In compliance with the time conditions described above, the Beneficiaries must give written notification of their desire to exercise their rights and the number of options they intend to exercise by completing the “Scheda Richiesta Azioni” (*Share Application Form*).

Each Beneficiary may exercise the options allocated on condition that the specific performance targets relating to Geox's consolidated EBIT (*Earnings Before Interest and Tax*) have been achieved, as illustrated below.

Geox's BoD shall arrange for the approval of the business plan for the period 2012-2015 in which the performance targets relating to Geox's consolidated EBIT for the period 2012-2015 shall be specified. They shall represent the parameter for identifying the percentage of the options that may be exercised by the Beneficiaries with reference to each Cycle of Allocation. In particular:

1. for the options relating to the first Cycle of Allocation, the reference parameter shall consist of the accumulated consolidated EBIT for the 2012-2014 three-year period; in the case of failure to achieve this target, however, the Beneficiary shall still be granted the opportunity to exercise the options relating to the first Cycle of Allocation on condition that the accumulated consolidated EBIT target for the 2012-2015 four-year period is met;
2. for options relating to the second Cycle of Allocation, the reference parameter shall consist of the accumulated consolidated EBIT target for the 2013-2015 three-year period.

The Beneficiary shall be notified of the said targets.

In particular, the number of options that may be exercised in connection with the achieving of the performance targets is established in the following table.

Accumulated EBIT achieved	Options exercisable
≥ 100%	100%
95%	95%
90%	90%
85%	85%
< 85%	0

In the case of EBIT values falling between those specified, the lower percentage shall be applied (e.g. in the case of EBIT equal to 93%, the number of options exercisable shall be 90% of the total number of options exercisable in the related Cycle of Allocation).

In the event of failure to achieve the minimum performance target (85% of the EBIT accumulated in the period) the Beneficiary may not exercise the options associated with the related allocation.

The options relating to the first allocation that do not mature due to the failure to reach the EBIT threshold for the Exercise (i.e., ≥ 100%) predetermined in the 2012-2014 business plan, may be exercised during the following year (2015), on condition that in that period too at least the minimum accumulated EBIT target of 85% is met.

After the deadline of the second allocation, any options that have not matured due to failure to meet the performance targets shall be deemed to have expired.

The BoD shall notify each Beneficiary of the performance results achieved and, as a consequence, the number of options that may be exercised. The BoD, following a proposal from the RC, has the power to allow the exercise, in whole or in part, of the options even in the event of failure to achieve the results specified in the table.

The Beneficiary may not exercise the options that are the subject of the Plan:

- during the fortnight preceding the BoD meeting for the approval of the quarterly report;
- during the thirty days preceding the BoD meeting for the approval of the interim report and the draft financial statements.

Beneficiaries are obliged to comply with the provisions relating to misuse of confidential information as laid down in the applicable regulations and rules, in particular with regard to transactions relating to the exercise of options and the holding of Shares obtained through the Exercise of the options allocated as a result of participation in the Plan.

The BoD may also arrange for further blackout periods for the exercise of the options applicable to all or to just some of the Beneficiaries.

The Exercise Price shall be the normal value of the shares at the Award Date as defined in Article 9, paragraph 4 lett. a) of Presidential Decree No 917 of 22 December 1986 (Testo Unico delle Imposte sui Redditi – T.U.I.R. *Consolidate Law on Income Tax*) and corresponds to the arithmetical mean of the prices recorded during the last quotation month. By ‘last month’ is meant the time-span from the date on which the option right is granted to the same day of the preceding calendar month. In any case the Exercise Price may not be less than 1.20 euro per share.

On presentation of the notice of exercise, the Beneficiary will receive Geox shares equal in number to the options exercised.

The shares shall carry the same rights as those of Geox ordinary shares at the date of exercise of the options and therefore the coupons in force at said date shall be attached thereto.

The conditions governing the relationship between Geox and the Beneficiaries in the event of certain situations are shown below.

- Termination of the working relationship

The termination of the working relationship covers the following cases:

- a) dismissal of the Beneficiary by Geox or another company in the Geox Group in the event that the Beneficiary is directly employed;
- b) withdrawal from the working relationship by Geox or another company in the Geox Group in the event that the Beneficiary is not directly employed;
- c) resignation of the Beneficiary in the event that the Beneficiary is directly employed;
- d) withdrawal from the working relationship by the Beneficiary in the event that the Beneficiary is not directly employed;
- e) mutual termination of the working relationship.

In these cases the Beneficiary shall not have the right to exercise the options that have matured (but have not yet been exercised) nor the options that have not matured at the date of:

- (i) receipt of the letter of dismissal or withdrawal (situations a and b);
- (ii) notification of dismissal or withdrawal (situations c and d);
- (iii) termination of the working relationship (situation e).

These options must, therefore, be deemed to have expired.

In the event of these situations no compensation and/or indemnity shall be due from Geox. For the purposes of this provision, the notice period is not taken into consideration in relation to the maturing and/or the Exercise of the options.

- Unpaid leave

The Beneficiaries, on condition that they resume their work in accordance with what is laid down in the agreement governing the leave, shall retain the rights provided for by the Plan. The Beneficiary shall have no rights on options maturing during the period of leave, in accordance with a criterion of pro rata temporis, limited to the months pertaining to the period of leave.

- Retirement pension

In the event of the ending of the working relationship following the reaching of the conditions for retirement pension, the Beneficiary shall have the right to exercise only the exercisable options relating to the Cycle of Allocation concluded prior to the termination of the relationship within the expiration period of one year from the termination and on condition that the performance targets as per article 7 are met. Those options which have not been exercised within the above-stated period shall be deemed to have expired.

- Invalidity pension

In the event of termination of the working relationship due to recognition of the invalidity pension, the Beneficiary shall have the right to exercise all the options allocated within the expiration period of one year from the termination of the relationship irrespective of the achieving of the performance targets. Where the termination of the relationship takes place during the Vesting Period relating to one or both the Cycles of Allocation, the options may be exercised for each cycle as from the end of each related Vesting Period but within six months of the termination. Those options which have not been exercised within the above-stated periods shall be deemed to have expired.

- Decease of the Beneficiary

The legal heirs of the Beneficiary may exercise all the options allocated to the Beneficiary within the expiration period of one year from the date of death and on condition that the performance targets as per article 7 above have been met. Where the decease takes place during the course of the Vesting Period relating to one or both Cycles of Allocation, the options may be exercised for each cycle as from the end of each respective Vesting Period but within six months of the decease. Those options which have not been exercised within the above-stated periods shall be deemed to have expired.

The BoD, at the suggestion of the RC, may evaluate on a case-by-case basis, whether to grant the Beneficiaries or their legal heirs more favourable conditions.

Approval of the Plan places no limitations on Geox in connection with:

- the adoption of new share ownership plans (stock options and the like);
- the approval of further share capital increases in addition to the one put in place for the purposes of the Plan;
- the execution of any extraordinary transactions.

Leaving aside the possible dilution that would result from the afore-mentioned hypotheses, the maximum number of shares underlying the options shall always and only be that stated in the Award Schedule, unless otherwise decided by Geox in its own discretion.

In the event of extraordinary transactions concerning Geox, changes in legislation or regulations or other events likely to have an influence on the performance targets, on Options, Shares or the Plan, the BoD shall have the powers to make the amendments and additions to the Plan Regulations and to the related documents that are necessary and/or appropriate for keeping the Plan's essential elements as unchanged as possible.

In particular, but without limitation to the above, in connection with the following transactions:

- stock splits or reverse stock splits;
- free increases of Geox's share capital;
- increases in Geox's share capital by issue of new Shares, shares other than the Shares, shares linked to warrants, convertible bonds and convertible bonds with warrants;
- Geox merger or demerger operations;
- payment of extraordinary dividends from Geox's reserves;
- decreases in Geox's share capital;
- transfers and assignments of branches of the company.

The BoD, should the need arise, may: (i) suspend the Exercise of options for a maximum period of three months and (ii) modify the number and type of shares carrying purchase options not yet exercised.

Prompt notification of such changes shall be sent to Beneficiaries.

Where, prior to the Expiration Date, a takeover bid is launched for all of the Geox shares or where third parties acquire control of Geox, Beneficiaries shall continue to participate in the Plan in accordance with the conditions of the Plan Regulations, without prejudice to any different contractual proposals put in place by the party acquiring control.

Should a takeover bid be made after a minimum period of thirty-six months from the options award date, the Beneficiaries shall be granted the entitlement to exercise all the options allocated to them, even though they have not yet matured.

Without prejudice to the powers of the Shareholders' meeting, the BoD approves the Plan and the Regulations and decides on matters pertaining to the Plan. Each decision of the Board of Directors concerning the interpretation and the application of the Plan shall be final and binding on all interested parties.

Operational management of the Plan is delegated to the MD (or, where there is a conflict of interests, to another board member) who as necessary shall avail himself of the assistance of the Human Resources and Organisation division. The MD (or the other delegated board member) shall manage the Plan in compliance with the provisions of the Regulations and will report in connection therewith to the BoD on the Plan's progress.

Administration of the Plan shall be handled by a trustee company (hereinafter the "Trustee") which shall operate on the basis of a specific mandate from Geox and which must adhere to the provisions of these Regulations applicable thereto. In the light of this:

- the Trustee shall notify the Beneficiaries of the start of the Exercise period;

- the Beneficiaries, depending on the conditions and the terms provided, must communicate in writing their desire to exercise the matured options providing, in addition, the funds required to buy the Shares either directly or through a financial institution;
- Beneficiaries must bear only the costs associated with the trustee's management subsequent to the Exercise of the options.

Any proven misdemeanour on the part of the Beneficiary, even in a non-definitive way, in terms of behaviour that can be classified as misuse of confidential information pursuant to the Consolidated Law on Finance or Geox's Insider Dealing Code will result in the automatic exclusion of the Beneficiaries from the Plan and the expiration of all unexercised options pertaining to them.

The table attached to the scheme no. 7 included in the Annex 3A to the Issuers' Regulation shall be provided upon allocation of options and shall be amended from time to time during implementation of the Plan in compliance with Article 84-bis, paragraph 5, letter a) of the Issuers' Regulation.