

## REGULATION GOVERNING RELATED-PARTY TRANSACTIONS

This Regulation ("**RPT Regulation**") was approved by the Board of Directors of GEOX S.p.A. ("**GEOX**" or the "**Company**") at the board meeting held on October 28, 2010, in accordance with art. 2391-bis of the Italian Civil Code and with the CONSOB Regulation on related-party transactions, adopted with resolution 17221 of March 12, 2010 and subsequently amended with resolution 17389 of June 23, 2010 ("**CONSOB Regulation**").

The RPT Regulation came into force on January 1, 2011.

The RPT Regulation was successively amended, on the occasion of the three-year review, by resolution of the Board of Directors at the meeting of 19 December 2013 and, more recently, at the meeting of January 12, 2017, after the favourable opinion of a specially formed committee formed composed exclusively of at least 3 independent directors.

The RPT Regulation is published on the Company's website in the *Governance / Regulations and Procedures* section.

### 1. INTRODUCTION

The RPT Regulation identifies the principles that GEOX follows to ensure that any related-party transactions carried out by GEOX, whether directly or through one of its subsidiaries (hereinafter GEOX together with the subsidiary companies included in the consolidated financial statements, the "**Geox Group**"), are transparent and fair from both a substantial and a procedural point of view.

The Company also complies with the disclosure requirements laid down in the CONSOB Regulation (for convenience sake, these requirements are summarized in Attachment 1 of this RPT Regulation).

For the purposes of this RPT Regulation, related-party transactions ("**RPTs**") are understood as being any transfer of resources, services or obligations between Related Parties (as defined in article 2 below), regardless of whether a price is charged, and include:

- mergers and demergers by means of a non-proportional absorption or spin-off, when carried out with Related Parties (as defined in article 2 below);
- any decision relating to the assignment of remuneration and economic benefits, in any form, to the members of the board of directors and board of statutory auditors and to managers with strategic responsibilities (except as otherwise provided by the CONSOB Regulation and without prejudice to the exemptions mentioned in paragraph 6 below).



It is also specified that the deeds for additions and/or amendments to the agreements stipulated with related parties could be in themselves operations with related parties subjected to the conditions of this Regulation, to be assessed in each case on the basis of the content of the relative deed of addition and/or amendment.

When called upon to identify RPTs for the purpose of this Regulation, the bodies involved in reviewing and approving such transactions and the bodies required to monitor compliance with the RPT Regulation, each according to their particular competence, are to give preference to the substance of the relationship and not just to its legal form.

Taking into consideration the reports and observations made by the other corporate bodies, the Company's Board of Directors periodically assesses (at least once every three years) the effectiveness of the RPT Regulation and whether it needs revising.

## 2. THE CONCEPT OF RELATED PARTY

In accordance with Attachment 1 of the CONSOB Regulation, a person or entity qualifies as a related party of the Company (**"Related Party"**) if the person or entity:

- (a) directly or indirectly, also through subsidiaries, trustees or nominees:
  - (i) controls the Company, is controlled by it, or is subject to common control with respect to the Company;
  - (ii) has a shareholding in the Company such that it is able to exercise a significant influence over the Company;
  - (iii) exercises control over the Company jointly with other persons or entities;
- (b) is an associate of the Company;
- (c) is a joint venture in which the Company is a participant;
- (d) is one of the Company's or parent company's managers with strategic responsibilities;
- (e) is a close member of the family of one of the persons mentioned in letters (a) or (d);
- (f) is an entity in which one of the persons or entities mentioned in letters (d) or (e) exercises control, joint control or significant influence or, directly or indirectly, holds a significant proportion of the voting rights (in any case, not less than 20%).
- (g) is a collective or individual, Italian or foreign, supplementary pension fund, set up in favour of the Company's employees or of any other entity related to it.

"Managers with strategic responsibilities" means those persons who are responsible and have the authority for planning, managing and controlling the company's business, including the company's (executive or non-executive) directors.

For the purposes of this RPT Regulation, the "close family members" of the individual persons referred to under letters a) and d) above, include, among others and in addition to the spouse which is not legally separated, the common law wife and the children and the persons dependent on the subject, the spouse and



the cohabiting partner, and also the parents of the subject and every other family member cohabiting with the subject him/herself.

For the purposes of this RPT Regulation, the managers with strategic responsibilities also include the members of the Supervisory Board constituted pursuant to Legislative Decree no. 231/2001, if other than the members of the Board of Auditors and the subjects appointed to audit the Company's accounts.

Always for the purposes of this RPT Regulation, the Related Parties expressly include also professional firms constituted in the form of associations of which a subject already in turn connected with the Company is a member, in the cases of professional firms: (i) in which the subject which is already a party related to the Company has a majority interest or, in any case, can exercise a considerable influence thanks to his/her personal prestige or the sales generated by the same for the firm and (ii) which generate over 10% of their annual sales from the performance of services to the Company or to companies of the GEOX Group.

### 3. MORE RELEVANT TRANSACTIONS

**3.1** For the purposes of this RPT Regulation, more relevant RPTs ("**More Relevant RPTs**") are understood as meaning the following types of RPT:

- (i) RPTs for which one of the Relevance Indices (as defined in paragraph 3.2 below) applicable according to the type of transaction, exceeds 5%;
- (ii) RPTs with the listed parent company (if any), or with persons or entities related to it who are in turn also related to GEOX, if at least one of the Relevance Indices exceeds 2.5%;
- (iii) [RPTs that could affect the operating autonomy of the Company (including those involving intangible assets), or that, in any case, concern activities or assets of strategic importance to the Company, if at least one of the Relevance Indices (as defined below) exceeds 2.5%. The assessment of the strategic importance of certain assets and activities to the Company is carried out exclusively by the Board of Directors, which decides on this matter on each occasion that it is requested even by only one of its members, or by the Board of Statutory Auditors].

**3.2** The following relevance indices ("**Relevance Indices**") are applied to identify More Relevant RPTs for the purpose of this RPT regulation:

- (i) value relevance index: this is the ratio between the value of the RPT and the shareholders' equity shown in the most recent consolidated balance sheet published by GEOX or, if higher, the market capitalisation of GEOX at the closing of the last trading day forming part of the reference period of the latest periodic accounting document to have been published (annual, half-year or interim report).

If the economic conditions of the RPT can be determined, the value of the RPT is:

- a) for the cash elements, the amount paid to/by the other party in the contract;
- b) for the elements made up of financial instruments, their fair value determined at the date of the RPT in accordance with the international accounting standards adopted by EC Regulation 1606/2002;
- c) for RPTs involving loans or guarantees, the maximum amount that could be granted.

If the economic conditions of the RPT depend entirely or partially on figures that are not yet known, the value of the RPT is the maximum value that could be received or paid under the agreement;

- (ii) total assets relevance index: this is the ratio between the total assets of the entity involved in the RPT and the total assets of GEOX. The figures to be used have to be taken from the most recent consolidated balance sheet published by GEOX. Wherever possible, recent data also has to be used to determine the total assets of the entity involved in the RPT.

For RPTs involving the acquisition or sale of shareholdings in companies that have an impact on the scope of consolidation, the value of the numerator is the total assets of the company in which the investment is held, whatever percentage of the share capital is involved in the transaction.

For RPTs involving the acquisition or sale of shareholdings in companies that do not have an impact on the scope of consolidation, the value of the numerator is:

- a) in the case of acquisitions, the value of the RPT plus any liabilities of the acquired company that are taken on by the buyer;
- b) in the case of sales, the consideration paid for the asset that was sold.

For RPTs involving the acquisition or sale of assets other than shareholdings, the value of the numerator is:

- a) in the case of acquisitions, the higher of the consideration paid and the book value attributed to the asset after the transaction;
- b) in the case of sales, the book value attributed to the asset prior to the transaction;

- (iii) total liabilities relevance index: this is the ratio between the total liabilities of the entity acquired and the total liabilities of GEOX. The figures to be used have to be taken from the most recent consolidated balance sheet published by GEOX. Wherever possible, recent data also has to be used to determine the total liabilities of the company or business acquired.

**3.3** It is also relevant if at least one of the thresholds of relevance is exceeded by several operations concluded in the same financial period with the same Related Party, or with subjects connected both to such latter and to the Company, which are of the same kind or carried out in the execution of a single design and which, even if they cannot be qualified individually as More Relevant RPTs, exceed - when considered together - at least one of the aforesaid thresholds of relevance.



For calculating the accumulated value, More Relevant RPTs which have been previously approved by the Board of Directors in respect of the procedures contemplated by articles 5 and 6 of this RPT Regulation are not taken into account.

**3.4** All RPTs that cannot be defined as More Relevant RPTs according to paragraphs 3.1 and 3.2 above are defined for the purposes of this RPT Regulation as less relevant RPTs ("**Less Relevant RPTs**"), bearing in mind that those transactions that fall under the headings of exclusion and exemption according to paragraph 6 below do not form part of the definitions of More or Less Relevant RPTs.

#### **4. INDEPENDENCE REQUIREMENTS**

**4.1** For the purposes of this RPT Regulation, independent directors are those directors who satisfy the independence requirements of the code of conduct approved in July 2015 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. (the "**Code of Conduct**").

**4.2** Should GEOX cease to be an adherent of the Code of Conduct or should CONSOB declare that the independence requirements contained therein are not at least equivalent to those identified for the purposes of art. 148, para. 3 of the Consolidated Finance Act (CFA), independent directors will be those who satisfy the independence requirements of art. 148, para. 3 of the CFA.

#### **5. PROCEDURES FOR RELATED-PARTY TRANSACTIONS**

##### **5.1 Procedure for Less Relevant RPTs**

Unless expressly foreseen otherwise in this paragraph (5.1) or the next paragraph (5.2), the following procedure is to be applied exclusively to Less Relevant RPTs.

**5.1.1** Less Relevant RPTs are to be approved by the Board of Directors or by the delegated bodies that, case by case, are competent to deal with the Less Relevant RPT in question according to the powers granted in the board resolution appointing them as a delegated body of GEOX (the "**Delegates**").

**5.1.2** Whenever they consider it opportune, the Delegates can always submit for the collegiate approval of the Board of Directors Less Relevant RPTs that they are competent to deal with according to paragraph 5.1.1.

**5.1.3** In any case, Less Relevant RPTs are approved after obtaining a non-binding opinion from a committee made up of three directors who are exclusively non-executive, unrelated and with a majority of independent members ("**Lesser RPT Committee**"). The Lesser RPT Committee has the right to seek assistance from one or more independent experts of their choice, at the Company's expense up to a maximum of Euro 10,000 for each Less Relevant RPT.

**5.1.4** In the event that one or more members of the Lesser RPT Committee turn out to be related for the purposes of a specific RPT, to the extent possible, they have to be replaced in all of the formalities relating to that

RPT by one or more of the other independent, unrelated directors, in order of seniority by age, or, if there are none, by the oldest of the other non-independent, unrelated directors.

If, with respect to a specific RPT, there are not at least two independent, unrelated directors who can participate in the Lesser RPT Committee, the functions of the Lesser RPT Committee are to be performed by the one independent, unrelated director, or, alternatively, by an independent, unrelated external expert, appointed by the Board of Directors specifically for this purpose.

**5.1.5** The opinion of the Lesser RPT Committee has to be concerned with the Company's interest once the transaction has been completed, bearing in mind the convenience and substantial fairness of the related conditions, but it cannot express any point of view on any other aspects, particularly as regards operating decisions which are exclusively up to the discretion of the executive directors. The members of the Lesser RPT Committee meet on a collegiate basis to discuss proposed RPTs in order to share and compare their opinions. After this debate, the members of the Lesser RPT Committee will be called upon to vote. The Lesser RPT Committee expresses its opinion at least 1 day prior to the date scheduled for the transaction to be approved. Without prejudice to this RPT Regulation and unless ruled otherwise by the members of the committee itself, the functioning of the Less Relevant RPT Committee is disciplined by the regulation of the Control and Risks Committee as far as applicable.

**5.1.6** At least 3 days prior to the date scheduled for approval of the transaction, the body empowered to resolve on Lesser RPTs (i.e. one of the Delegates or the Board of Directors, depending on the situation) and the Lesser RTP Committee are provided with full and sufficient information on the specific transaction to be approved, including, in particular, information on the nature of the relationship, the methods of carrying out the transaction, its economic and other conditions, and the Company's interest, underlying motivations and potential risks, if any. By the same deadline, these bodies are provided with all of the documentation relating to the specific Less Relevant RPT in the possession of the persons, entities or bodies involved in the negotiations and this preliminary investigation. The information and documentation acquired after this deadline of 3 days prior to the approval date of the transaction are to be given to the bodies mentioned above as soon as possible and, in any case, not more than 1 day after they were acquired.

**5.1.7** At least every three months, the Delegates or the Board of Directors (depending on the circumstances) report back on the execution of Less Relevant RTPs and provide all of the documentation needed for a clear representation of the RPT's to the Board of Directors (in the case of the Delegates), the Board of Statutory Auditors and the Lesser RPT Committee on the execution of Less Relevant RTPs.

**5.1.8** Where applicable, the minutes of the approval resolutions of Less Relevant RTPs have to be adequately motivated in terms of the Company's interest in carrying out the transaction, as well as the convenience and substantial fairness of the conditions for the Company. If the conditions of the transaction are defined as being "equivalent to those of the market" or "standard", the documentation has to contain objective proof of this.

**5.1.9** If the Lesser RPT Committee issues a negative opinion on Less Relevant RTPs, within 15 days of each quarter-end, GEOX has to make available to the public (at the head office and with the methods indicated in Part

III, Section II, Chapter I of the Issuers' Regulations) a document that contains the name of the other party, the purpose and the cost of any Less Relevant RTPs that were approved during the quarter concerned despite this negative opinion, as well as the reasons why GEOX did not share this opinion. By the same deadline, the opinion of the Lesser RPT Committee has to be made available to the public as an attachment to the information document or on the GEOX website.

**5.1.10** The opinion of the committee is considered favourable if it expresses complete agreement on the operation. However, the opinion can also be deemed favourable if there are elements of dissent providing these are considered unsuitable for invalidating the overall positive opinion of the operation and always if the elements of dissent are precisely indicated. The opinion can also be considered favourable if it depends on the conclusion and execution of the operation according to particular criteria and procedures and always if the conditions imposed are effectively respected and if they are specified in the information note on the operations which must be presented to the administration and control bodies as contemplated by article 7, first subsection, letter f) of the CONSOB Regulation

## **5.2 Procedure for More Relevant RPTs**

**5.2.1** Power to approve More Relevant RTPs lies exclusively with the Board of Directors, which decides after carrying out a detailed analysis of the transactions and their key elements. This analysis has to be supported by sufficient documentation to explain the reasons for the RTPs, their convenience, as well as the substantial fairness of the conditions at which the RTPs are carried out.

**5.2.2** The Board of Directors decides on More Relevant RTPs after receiving a reasoned opinion in favour of the transaction from a committee, also set up specifically for the purpose, made up exclusively of independent, unrelated directors (the "**Larger RPT Committee**"), explaining how it is in the Company's interest to carry out the transaction, as well as the convenience and substantial fairness of its conditions. This opinion is drawn up in accordance with the instructions in paragraph 5.1.5 above. The Larger RPT Committee has the right to seek assistance from one or more independent experts of their choice, at the Company's expense, within the limits of a maximum outlay of Euro 30,000 for each operation, or greater amounts if authorised by the Company's Managing Director.

**5.2.3** The Larger RPT Committee, or one or more of its members delegated for this purpose, take part in the negotiations and preliminary investigation of More Relevant RTPs by receiving a complete and timely flow of information, with the right to ask for further information and to make observations and the persons in charge of the negotiations and the preliminary investigation. To this end, in addition to the matters envisaged in paragraph 5.1.6 above (applicable thanks to the cross-reference in paragraph 5.2.4 below), in the case of More Relevant RTPs, as soon as negotiations have commenced, the subjects appointed to carry out the negotiations or the inquiry give the Larger RPT Committee all the documentation and the information in their possession. During the period of the negotiations and preliminary investigation, the Larger RPT Committee has to be kept constantly and promptly up-to-date in writing as to how the negotiations are proceeding and if there are any changes in the terms, conditions or key features of the deal.

**5.2.4** The provisions of paragraphs 5.1.4, 5.1.5, 5.1.6, 5.1.7, 5.1.8 and 5.1.10 above are to be applied, taking account of any changes.

**5.2.5** The Board of Directors can approve More Relevant RPTs against the advice of the Larger RPT Committee, on condition that completion of such RPTs is authorized in accordance with art. 2364, para. 1.5) of the Italian Civil Code by the Shareholders' Meeting, which decides pursuant to art. 11, para. 3 of the CONSOB Regulation, providing:

1. there is an adequate quorum to convene the meeting and to pass resolutions in accordance with the Company's Articles of Association, and
2. if the unrelated shareholders present at the Shareholders' Meeting represent at least 10% of the voting share capital, the majority of the unrelated voting shareholders vote in favour of the deal.

For the purposes of paragraph 5.2.5 above, the status of related or unrelated shareholders will be declared by the Chairman of the Shareholders' Meeting, based on available information. The minutes of the Shareholders' Meeting have to indicate the methods and results of the ballots and have to permit the identification of the shareholders who voted in favour, those who abstained and those who voted against. This information can be contained in an attachment to the minutes. It is up to the Chairman of the Shareholders' Meeting to identify related and unrelated shareholders, as mentioned above.

**5.2.7** In the event of More Relevant RPTs, also on the part of GEOX's subsidiaries, the Company prepares an information document (pursuant to art. 114, para. 5 of the CFA) that complies with Appendix 4 of the CONSOB Regulation, as foreseen in art. 5 of the CONSOB Regulation. GEOX also has to prepare this type of information document if, during the year, it concludes with the same Related Party, or with parties that are related both to it and to GEOX, similar transactions or transactions carried out as part of an overall plan, even if they do not individually qualify as More Relevant RPTs but, when considered cumulatively, exceed the thresholds of relevance established in art. 3 of this RPT Regulation.

### **5.3 Audit Committee**

The functions attributed to the Lesser RPT Committee or to the Larger RPT Committee by paragraphs 5.1 and 5.2 above can be performed by the Company's Audit Committee, providing it complies with the legal and regulatory requirements in terms of its composition.

### **5.4 Procedures that are up to the Shareholders' Meeting**

**5.4.1** In the event that, based on law or the Articles of Association, RPTs are up to the Shareholders' Meeting or have to be authorized by it, during the negotiations, the preliminary investigation and approval of the motion to be submitted to the Shareholders' Meeting, the procedure to be applied is the one mentioned, respectively, in paragraph 5.1 for Less Relevant RTPs and paragraph 5.2 for More Relevant RPTs, without prejudice to the matters provided in paragraph 5.4.2 below.



**5.4.2** The Board of Directors can approve the motions regarding More Relevant RPTs to be submitted to the Shareholders' Meeting against the advice of the Larger RPT Committee. In this case, the Shareholders' Meeting decides in accordance with art. 11, para. 3 of the CONSOB Regulation, on condition that:

1. there is an adequate quorum to convene the meeting and to pass resolutions in accordance with the Company's Articles of Association, and
2. if the unrelated shareholders present at the Shareholders' Meeting represent at least 10% of the voting share capital, the majority of the unrelated voting shareholders vote in favour of the deal.

#### **5.5 Procedures for transactions by subsidiaries**

**5.5.1** If the Italian or foreign subsidiaries of the Geox Group intend to carry out More Relevant RPTs with related parties, the said subsidiaries – except those not subject to management and coordination - must, in any case, acquire the prior consent of the Company's Board of Directors.

**5.5.2** If GEOX approves in More Relevant RPTs as contemplated by art.5.5.1 above, the procedural rules contained in paragraph 5.2 for More Relevant RPTs are applied as far as compatible.

**5.5.3** In the event that GEOX reviews in advance or approves transactions carried out by subsidiaries of the GEOX Group, whether Italian or foreign, with parties related to GEOX other than the operations indicated in art. 5.5.1 above, the procedural rules to be applied - to the extent that they are compatible - are those contained in paragraph 5.1 for Less Relevant RTPs, without prejudice to the fact that GEOX complies with the disclosure requirements contained in art. 5 of the CONSOB Regulation, also with reference to the RPTs mentioned in paragraph 5.5.3.

#### **5.6 Procedures applicable in the event that GEOX is considered a company of lesser dimensions**

**5.6.1** If, at any moment in time, the consolidated financial statements approved by GEOX show that neither the shareholders' equity, nor the net sales of GEOX exceed the figure of Euro 500,000,000.00, in subsequent years, GEOX will apply, also to More Relevant RPTs, the procedure for Less Relevant RTPs foreseen in paragraph 5.1 above, without prejudice to the applicability of paragraph 5.2.7 above.

**5.6.2** If even only one of the two parameters indicated in paragraph 5.6.1 above is not satisfied for two years in a row, GEOX will apply in full the procedures laid down in paragraph 5.2 to More Relevant RPTs.

### **6. CASES OF EXCLUSION AND EXEMPTION**

**6.1** The procedures foreseen in art. 5 above are not to be applied:

- (i) to shareholders' resolutions on the remuneration of directors under art. 2389 para. 1 of the Civil Code;

- (ii) to the shareholders' resolutions referred to in article 2402 of the Civil Code relative to the fees due to the members of the Board of Auditors;
- (iii) to board resolutions on the remuneration of directors holding particular positions under a total figure previously determined by the Shareholders' Meeting in accordance with art. 2389, para. 3 of the Civil Code;
- (iv) to RPTs that are of low amount ("**Low RPTs**"), i.e. of less than Euro 100,000.

**6.2** The following are also excluded from the rules contained in this RPT Regulation, except for the disclosure requirements contained in art. 5, para. 8 of the CONSOB Regulation:

- (i) share-based compensation plans approved by the Shareholders' Meeting in accordance with art. 114-bis of Decree 58 of February 24, 1998, as subsequently amended ("**CFA**") and the operations involved in implementing them;
- (ii) resolutions (other than those already excluded from application of the CONSOB Regulation under art. 13, para. 1 of it) on the remuneration of directors holding particular positions, as well as of other managers with strategic responsibilities, providing:
  - a. the Company has adopted a remuneration policy;
  - b. a committee made up exclusively of non-executive directors, most of whom independent, was involved in defining the remuneration policy;
  - c. a report explaining the remuneration policy has been submitted to the Shareholders' Meeting for approval or for a consultative vote;
  - d. the remuneration assigned is consistent with this policy;
- (iii) Standard RPTs, as defined in paragraph 6.4 below and according to the provisions contained therein;
- (iv) RPTs with or between subsidiary companies controlled (also jointly) by GEOX, as well as RPTs with associated companies, providing there are no interests (considered significant according to paragraph 6.5 below) on the part of other parties related to the Company in the subsidiaries or associated companies that are parties to the RPT.

**6.3** Also excluded from application of the procedural obligations foreseen in the RPT Regulation are Urgent RPTs, at the conditions laid down in art. 6.6 below, without prejudice to the disclosure requirements contained in art. 5 of the CONSOB Regulation.

**6.4** For the purposes of this RPT Regulation, ordinary RPTs are understood as those that are carried out at conditions that are equivalent to those of the market or standard ("**Standard RPTs**") the RPTs that form part of the Company's day-to-day operations and the related financial activity, carried out at similar conditions as those usually applied to unrelated parties for transactions of the same nature, amount and risk, or based on regulated tariffs or imposed prices, or applied to parties with which GEOX is obliged by law to do business at a certain price.



According to CONSOB Communication DEM/10078683 of 24 September 2010, the term "ordinary transaction" refers to the operating activity and the financial activity connected to the same. In particular:

- the notion of "operating activity" includes: (i) the main activities which contribute to generated the Company's profits and (ii) all the other management activities which cannot be classified as "investment" or "financial" activities;
- the notion of financial activities (also known as "financing activities") connected to the operating activity includes those operations which in theory can be qualified as financing, to the extent to which they are complementary to the execution of the operating activities, such as, for example, short term loans for the purchase of raw materials. However, loans obtained for the execution of operations not included within the operating activity (in as much as connected to the activity of investing) cannot be considered ordinary transactions.

For the purposes of the application of this RPT Regulation, ordinary RPTs include, for example but not only: (i) transactions for the creation, production and distribution of shoes, clothing and accessories; (ii) transactions relating to commercial distribution agreements; (iii) transactions relating to the lease of sales premises and the rental of business units concerning sales premises (for the avoidance of doubt, ordinary RPTs do not cover transactions relating to the lease and/or rental of business units concerning, in both hypothesis, spaces not intended for the display or sale of the Group's products or which are not intended for the marketing of such products; (iv) activities for the acquisition and management of financial resources, with the connected hedging activities linked to the execution of the core business, excluding all those which can be qualified as investment or financial activities. In any case, as regards the More Relevant Standard RPTs, GEOX complies with the following disclosure requirements:

- (i) it communicates to CONSOB the name of the other party, the object and the price of the RPT which benefited from the exemption, within 7 days of the transaction being approved, or from the moment in which the (preliminary or final) contract is concluded, or from approval of the motion to be submitted to the Shareholders' Meeting;
- (ii) it indicates in the directors' interim and annual reports on operations, as part of the information required by art. 5, para. 8 of the CONSOB Regulation, which of the RPTs subject to the disclosure requirements indicated in this last disposition were concluded taking advantage of the exemption in paragraph 6.1 (iv) above.

**6.5** For the purposes of the exemption in paragraph 6.2, point (iv) above (i.e. transactions with or between subsidiaries or associates), the following are considered significant:

- (i) interests in assets or activities of strategic importance for the Company under paragraph 3.1(iii) above, if at least one of the Relevance Indices exceeds 2.5%;
- (ii) interests that exist in the case of sharing one or more managers with strategic responsibilities, if such managers benefit from share-based compensation plans or variable salaries that depend on the



results achieved by the subsidiaries or associates of the GEOX Group with which the transaction is being carried out, where such salary represent more than [30%] of the manager's total remuneration;

- (iii) the interests of the person or entity that controls GEOX, if the investment held by it (directly or indirectly) in the company that is the other party in the RPT, controlled by or related to GEOX, has a higher effective weight than the investment that it holds in GEOX;
- (iv) the interests of GEOX's parent company or controlling shareholder and/or of GEOX's executive directors for whom it is possible to identify an economic value that is higher than the threshold below which RPTs are considered "low";
- (v) all interests of "significant" Related Parties according to a specific resolution of the Board of Directors. The Board of Directors decides whether the interests of a Related Party are significant or not, also on the initiative of only one of its members or on the request of the Board of Statutory Auditors.

**6.6** If the Company wants to take advantage of the exemption in paragraph 6.3 above (i.e. Urgent RPTs), it will have to take the following steps:

**(A) RPTs not within the powers of the Shareholders' Meeting, nor requiring authorization by the Shareholders' Meeting:**

- (i) if the RPT to be carried out falls within the powers of a delegated body, the Chairman of the Board of Directors and the lead independent director, if one has been appointed, have to be informed of the reasons for the urgency before the transaction is carried out;
- (ii) such RPTs 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) at the Company's head office and with the methods indicated in Part III, Section II, Chapter I, of the CONSOB Regulation adopted with resolution 11971/1999 (**"Issuers' Regulation"**). These documents can be contained in the information document mentioned in article 5, para. 1 of the CONSOB Regulation;

- (vi) by the end of the day after that of the Shareholders' Meeting mentioned in point (ii) above, the information on the outcome of the vote, with particular regard to the total number of votes expressed by the unrelated shareholders, has to be made available to the public (with the methods indicated in Part III, Section II, Chapter I of the Issuers' Regulation).

**(B) RPTs that are within the powers of the Shareholders' Meeting, or that must be authorized by the Shareholders' Meeting:**

- (i) the occurrence of "*cases of urgency linked to crisis situations in the company*", such as:
  - i. significant losses according to arts. 2446 and 2447 of the Civil Code;
  - ii. situations in which the Company is subject to bankruptcy proceedings or situations in which there are uncertainties expressed by the Company or the auditors about its ability to continue as a going concern;
  - iii. situations of financial distress that could foreseeably lead in the near future to a significant reduction in capital for the purposes of arts. 2446 and 2447 of the Civil Code;
- (ii) the body required to call the Shareholders' Meeting shall prepare a report giving an adequate explanation of the reasons for the urgency;
- (iii) the statutory auditors shall give the meeting their own assessment of the reasons for the urgency;
- (iv) the report and the assessments mentioned in points (iii) and (iv) above shall be made available to the public (at least twenty-one days prior to the date of the meeting) at the Company's head office with the methods indicated in Part III, Section II, Chapter I, of the Issuers' Regulation. These documents can also be contained in the information document mentioned in article 5, para. 1 of the CONSOB Regulation;
- (v) if the assessments of the statutory auditors mentioned in point (iii) above are negative, the Shareholders' Meeting shall vote according to the so-called "whitewash" mechanism;
- (vi) if the assessments are positive, by the end of the day after the meeting, the results of the voting shall be made available to the public, particularly as regards the total number of votes cast by the unrelated shareholders (with the methods indicated in Part III, Section II, Chapter I, of the Issuers' Regulation).

**7. FRAMEWORK RESOLUTIONS**

**7.1** The Board of Directors of GEOX can approve framework resolutions concerning RPTs included in the following categories:

- (i) RPTs regarding logistic services
- (ii) RPTs regarding commercial distribution agreements;
- (iii) RPTs regarding building leases and rents;
- (iv) RPTs regarding licence contracts
- (v) other series of RPTs of the same kind and with the same Related Parties or certain categories of Related Parties;



(the RPTs forming part of the above categories of RPT, collectively known as "**Homogeneous RPTs**"), only if carried out with the Related Parties indicated in article 2.a) of this RPT Regulation (**"Specified Related Parties"**), according to the rules stated below.

**7.2** In the event that the Company expects to carry out a series of Homogeneous RPTs with Specified Related Parties over a period of time not exceeding one year, the Board of Directors will be able to approve a single framework resolution, effective for not more than one year, concerning all of the Homogenous RPTs with Specific Related Parties to be carried out during the period that the framework resolution is effective. The framework resolution will have to specify a maximum amount (the "**Maximum Amount**") of the Homogenous RPTs to be carried out during the period that it is effective and will have to explain the conditions at which these Homogenous RPTs are expected to be carried out.

**7.3** In the event that the Maximum Amount is higher than any of the applicable relevance thresholds mentioned in art. 3.1 above, the Company **(i)** will approve the framework resolution according to the procedure indicated in art. 5.2 of this RPT Regulation and **(ii)** will publish a (single) information document according to art. 5.2.7 above.

**7.4** In the event that the Maximum Amount, calculated in accordance with art. 8.3 above, is lower than all of the applicable relevance thresholds mentioned in art. 3.1 above, the Board of Directors will approve the framework resolution according to the procedure indicated in art. 5.1 of this RPT Regulation.

**7.5** The procedures laid down in art. 5 of this RPT Regulation will not be applied to the individual Homogenous RPTs covered by a framework resolution.

**7.6** The corporate bodies that have the powers to execute the Homogenous RPTs covered by a framework resolution will provide the Board of Directors, through the Legal Affairs Department, with full information at least once a quarter on how the framework resolution was implemented.

## **8 IDENTIFICATION OF RELATED PARTIES AND PRIOR INQUIRY**

**8.1** In the initial phase of an RPT and as soon as possible according to the features of the transaction and the minimum available information, the department responsible for the RPT immediately informs the Legal and Corporate Affairs Department. The information contains, within the limits of the data and elements available at that moment, the parties, the nature, the terms and the conditions of the RPT.

**8.2** The Legal and Corporate Affairs Department, with the assistance of the Finance and Control Administration Department, checks:

- (i) whether the counterparty (or counterparties) is (are) included among the subjects identified as Related Parties indicated in the Related Parties Register (as defined below);
- (ii) whether the RPT is included among the cases of exemption and exclusion referred to in art. 6 above;
- (iii) whether the RPT is in execution of a framework resolution adopted pursuant to art. 7 above;
- (iv) whether the RPT is Less Relevant or More Relevant.



**8.3** If the findings of the check carried out by the Legal and Corporate Affairs Department with the assistance of the support of the Finance and Control Administration Department, show that it is an RPT, the Legal and Corporate Affairs Department:

- (i) in the case of a Less Relevant Transaction, submits the RPT to the attention of the body with competence to decide on Less Relevant Transactions and to the Minor RPT Committee according to the procedures and within the terms indicated in art. 5.1.6 above;
- (ii) in the case of a More Relevant Transaction, immediately informs the members of the Board of Directors and of the Larger RPT Committee, without prejudice to the provisions of art. 5.2.4 above.

**8.4** When reporting, the Legal and Corporate Affairs Department considers whether, in the same financial period, one or more transactions of the same kind have already been put in place with the same related party, which, considered together, could lead to exceeding the relevance threshold referred to in art. 3.2.

**8.5** If the verification carried out by the Legal and Corporate Affairs Department with the assistance of the Finance and Control Administration Department, reveals that the transaction is controversial, the assessment is submitted to the Lesser RPT Committee.

## **9 RELATED PARTIES REGISTER**

**9.1** For the purposes of the Procedure, the Company creates a special register in which the Related Parties are entered (the "**Related Parties Register**").

**9.2** The preparation and updating of the Related Parties Register falls within the competence of the Legal and Corporate Affairs Department which takes avail of the assistance of the Finance and Control Administration Department and of the competent departments of each of the other companies of the Geox Group.

**9.3** The Related Parties Register is updated whenever necessary, and at least every six months, by the Legal and Corporate Affairs Department.

**9.4** For the updating and correct keeping of the Related Parties Register, the Company's responsible departments, the secretaries of the Board of Directors and of the Board of Auditors, as well as the competent departments of the Geox Group companies, must immediately inform the Legal and Corporate Affairs Department of any circumstances of which they gain knowledge which can influence the qualification of Related Party in any way.

**9.5** The Related Parties Register, updated on each occasion, is immediately made available to the competent departments of each of the other Geox Group companies and used by these latter, as contemplated by the respective internal operating procedures, in order to check on the existence of an RPT with relevance for the purposes of this RPT Regulation.



**9.6** The Company's Legal and Corporate Affairs Department, with the assistance of the Finance and Control Administration Department, and with the assistance of the competent departments of each of the other Geox Group companies, prepares and updates the section of the Related Parties Register where the Related Parties are entered on the basis of the information and documents requested and received by the same or, at any rate, already made available by the competent departments of the Company and of the other Geox Group companies, and by the Board of Directors' and Board of Auditors' secretaries, as contemplated by specific information flows and by the operating procedures in force within the group.

**9.7** To identify the Related Parties, the Legal and Corporate Affairs Department, with the assistance of the Finance and Control Administration Department and of the competent departments of each of the other Geox Group companies, requested the Related Parties to directly communicate, by a declaration of relationship, the data regarding: (i) the managers of the holding company with strategic responsibilities; (ii) the companies subject to the common control of the holding company; (iii) the close family members of the Company's and the holding company's managers with strategic responsibilities (iv) bodies in which a manager with strategic responsibilities of the Company or of its holding company or a close family member of such a manager exercises control, joint control, or considerable influence or holds, directly or indirectly, a significant stake or, in any case, at least 20% of the voting rights.

**9.8** Also in consideration of the obligation contemplated by art. 4, paragraph 8, of the CONSOB Regulation, every year, and at least within 90 days of the closure of the financial period, all the subjects indicated in art. 114, subsection 5 of the Consolidated Law on Finance, who are Related Parties, transmit to the Company in writing all information useful to allow for the correct assessment of their classification as Related Parties and for the identification of other subjects who can be qualified as Related Parties in virtue of the links of various nature with the same.

## **10 LIST OF RELATED PARTY TRANSACTIONS**

**10.1** For the purposes of complying with the information obligations and for the coordination of the administrative and accounting procedures of art. 154-bis of the Consolidated Law on Finance, the department responsible for the RPT must inform the Finance and Control Administration Department, without delay, of the RPTs carried out.

**10.2** In the case of RPTs carried out through subsidiaries, the subsidiary's competent department will immediately give the Finance and Control Administration Department the necessary information for the updating of the list referred to in art. 10.3 below.

**10.3** The Finance and Control Administration Department prepares a list on electronic support containing all the RPTs carried out directly or through the subsidiaries, with indication of the counterparty, the amount of the single transaction, and, in cooperation with the Legal and Corporate Affairs Department, confirmation of the submission thereof to the Committee and to the competent body, where required.

**10.4** The Company's Financial Reporting Manager has right of access to the list referred to in art. 10.3 above at any moment.



**10.5** If the transaction falls within the cases of exclusion mentioned in article 6 above, the responsible department must simply inform the Finance and Control Administration Department so that this latter can provide for noting the said transaction in the list referred to above under art. 10.3.

## **11. DEFINITIONS**

All of the words and expressions used in this RPT Regulation which are not expressly defined and relevant for the purpose of identifying Related Parties, RPTs or the definitions used in applying the RPT Regulation have the same meaning as the one given to them in the CONSOB Regulation and its appendices.

**ATTACHMENT 1****DISCLOSURE REQUIREMENTS OF THE COMPANY**

*This attachment, which has been prepared only for convenience sake, is a summary of the Company's disclosure requirements under the CONSOB Regulation, to which reference should be made to ensure that they are understood and applied properly.*

➤ **Primary and general obligation of transparency** (Art. 4, para. 7 of the CONSOB Regulation)

*"The procedures and any changes to them are to be published without delay on the company's website, without prejudice to the requirement that such information should be provided in the directors' annual report on operations in accordance with art. 2391-bis of the Civil Code, also with a reference to the website."*

➤ **More Relevant RPTs** (Art. 5, paras. 1, 2, 3, 4, 5 , 6 and 7 of the CONSOB Regulation)

- ❖ For each of the More Relevant RPTs - or for several transactions that are homogeneous or carried out as part of an overall plan that cumulatively exceed the Relevance Indices indicated in paragraph 3.2 of the RPT Regulation - a specific information document has to be prepared and made available to the public at the Company's head office with the methods mentioned in Section II, Chapter I of CONSOB Regulation 19971/1999, within 7 days (or 15 days in the event of accumulation):
  - from approval of the transaction or of the motion to be submitted to the Shareholders' Meeting (in the case of transactions that are up to the Shareholders' Meeting to decide);
  - from completion of the contract, including the preliminary contract (in the event that the competent body has decided to present a contractual proposal).
- ❖ The information document has to contain at least the information indicated in Appendix 4 of the CONSOB Regulation and has to show in an attachment any opinions given by the Larger RPT Committee and independent experts (while retaining the right to publish this information on the Company's website by the same deadline).
- ❖ At the same time that this information is announced to the public, the Company has to transmit the information document and opinions to CONSOB by means of the link with the storage mechanism authorised in accordance with art. 65-septies, para. 3, of CONSOB Regulation 19971/1999.
- ❖ If in connection with a More Relevant RPT, the Company is also required to prepare an information document in accordance with art. 70, paras. 4 and 5, and art. 71 of CONSOB Regulation 19971/1999, a single document can be published. In this case, the document is made available to the public (at the Company's head office with the methods indicated in Section II, Chapter I, of the Issuers' Regulation) by the shortest deadline of those foreseen by the various dispositions that are applicable.

➤ **Less Relevant RTPs** (Art. 7, para. 1.g) of the CONSOB Regulation)

In the event of Less Relevant RTPs approved against the advice of the Lesser RPT Committee, without prejudice to the provisions of art. 17 of Regulation (EU) No. 594/2014, the Company makes available to the public at its head office with the methods indicated in Section II, Chapter I, of CONSOB Regulation 19971/1999, a quarterly information document (within 15 days of the end of each quarter of the year) containing:

- essential information on transactions approved against the advice of the independent directors;
- the reasons why this advice was overruled;
- the negative opinion, in an attachment (alternatively, this opinion can be published on the Company's website by the same deadline).

➤ **Periodic information** (Art. 5, para. 8, of the CONSOB Regulation)

- ❖ In accordance with art. 154-ter of the CFA, the Company provides information in the Directors' interim and annual report on operations:

- on the individual More Relevant RTPs carried out during the period;
- on any other individual transactions with Related Parties (as defined pursuant to art. 2427, para. 2, Italian Civil Code) carried out during the period, which had a significant impact on the Company's balance sheet or results;
- on any other change or development in the RTPs explained in the latest annual report, which had a significant impact on the Company's balance sheet or results during the period.

- ❖ Information on the More Relevant RTPs can be included by making reference to the information documents that have already been published, making any significant updates.

➤ **Related-party transactions and the communication to the public** (Art. 6 of the CONSOB Regulation)

If an RPT is also subject to the disclosure requirements of art. 17 of Regulation (EU) No. 594/2014, in addition to the information to be published under this rule, the press release to be issued to the public should also include the following information:

- the name of the other party to the transaction, an indication of whether this is a related party and the nature of the relationship;
- whether or not the transaction exceeds the relevance thresholds and an indication of whether an information document is expected to be published later;
- the procedure that has or will be followed to approve the transaction and, in particular, whether the Company has made use of an exclusion;
- whether the transaction has been approved against the advice of the independent directors.