

# **GEOX**

## **Geox S.p.A.**

*with registered office in Biadene di Montebelluna (TV), Via Feltrina Centro n. 16, enrolled in the Register of Companies of Treviso n. 03348440268 Tax Code and VAT 03348440268.*

**EXPLANATORY REPORT FROM THE DIRECTORS ON THE AGENDA ITEMS OF THE SHAREHOLDERS'  
MEETING, TO BE HELD IN ORDINARY AND EXTRAORDINARY SESSIONS ON**

**16 APRIL 2019, IN SOLE CALL**

*Prepared pursuant to art. 125-ter of Legislative Decree no. 58/1998, as amended*

# **GEOX**

## **Board of Directors**

Mario Moretti Polegato  
Matteo Carlo Maria Mascazzini  
Enrico Moretti Polegato  
Duncan Niederauer  
Alessandro Antonio Giusti  
Ernesto Albanese  
Manuela Soffientini  
Francesca Meneghel  
Claudia Baggio  
Lara Livolsi  
Livio Libralesso

## **Board of Statutory Auditors**

Sonia Ferrero  
Francesco Gianni  
Fabrizio Natale Pietro Colombo

## **Independent Audit Firm**

Deloitte & Touche S.p.A.

Dear Shareholders:

The Board of Directors of Geox S.p.A. (hereinafter the “Company”) remarks that the agenda referring to the Ordinary and Extraordinary Shareholders' Meeting convened with a notice posted on the website of the Company at the address [www.geox.biz](http://www.geox.biz), section Governance “Shareholders' Meeting 2019” on 7 March 2019, as well as in the form of an excerpt in the newspaper “Italia Oggi” on 8 March 2019, to be held at “Villa Sandi”, via Erizzo n. 105, Crocetta del Montello, Treviso, on 16 April 2019, at 10:00 am, is the following:

## Ordinary session:

1. Approval of the Financial Statements as of 31 December 2018; presentation of: Board of Directors' Report, Statement containing non-financial information, pursuant to Italian Legislative Decree no. 254 of 30 December 2016, Report from the Board of Statutory Auditors and Report from the Independent Auditing Firm. Presentation of the Consolidated Financial Statements as of 31 December 2018. Resolutions concerning the result of the year.
  - 1.1. Approval of the Financial Statements as of 31 December 2018; presentation of: Board of Directors' Report, Statement containing non-financial information, pursuant to Italian Legislative Decree no. 254 of 30 December 2016, Report from the Board of Statutory Auditors and Report from the Independent Auditing Firm. Presentation of the Consolidated Financial Statements as of 31 December 2018.
  - 1.2. Allocation of the result for the year.
2. Report on Remuneration; resolutions concerning the first section, pursuant to art. 123-ter, paragraph 6, of Italian Legislative Decree no. 58/1998.
3. Appointment of the Board of Directors.
  - 3.1. Determination of the number of members;
  - 3.2. Determination of the term of office;
  - 3.3. Appointment of the members of the Board of Directors;
  - 3.4. Appointment of the Chairman of the Board of Directors;
  - 3.5. Determination of the remuneration payable to the Board Directors, including those entrusted with special assignments.
4. Appointment of the Board of Statutory Auditors.
  - 4.1. Determination of the remuneration payable to the Board of Statutory Auditors;
  - 4.2. Appointment of the members of the Board of Statutory Auditors;
  - 4.3. Appointment of the Chairman of the Board of Statutory Auditors.
5. Approval pursuant to art. 114-bis of Italian Legislative Decree no. 58/1998 of a new incentive plan based on financial instruments “*Stock Grant Plan 2019-2021*” about the granting for free of ordinary shares of the Company to the recipients of the plan; related and ensuing resolutions.
6. Set up of a specific income provision, bound to a free share capital increase, for the purpose of backing one or more *stock grant plans*; related and ensuing resolutions.
7. Authorisation for the purchase and placement of own shares. Related and ensuing resolutions.

## Extraordinary session:

1. Revocation of the capital increase against payment resolution aimed at the implementation of the stock option plans approved by the Shareholders' Meeting of 18 December 2008; subsequent amendments to art. 5 of the Articles of Association;
2. Addition of the Articles of Association provision regarding free capital increase pursuant to art. 2349 of the Italian Civil Code; subsequent amendments to art. 7 of the Articles of Association.
3. Free capital increase pursuant to art. 2349, paragraph 1 of the Italian Civil Code, in indivisible form, up to a maximum nominal amount of Euro 1,200,000 corresponding to a maximum number of 12,000,000 ordinary shares of the Company, with a nominal value of Euro 0.10 each, for the purpose of backing one or more *stock grant plans*, including, inter alia, the *Stock Grant Plan 2019-2021*, through the use of a specific income provision, as resolved on by the Ordinary Shareholders' Meeting under point 6 of the Agenda of the ordinary session; granting of powers to the Board of Directors related to the issuing of new shares of the Company, following amendments to art. 5 of the Articles of Association.

# GEOX

The aim of this report is to explain the reasons behind the proposals referred to by item seven on the shareholders' meeting agenda, pursuant to art.125-ter of Italian Legislative Decree no. 58/98, as subsequently amended (the "TUF" - *Italian consolidated law on finance*).

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Dear Shareholders,

your attention is drawn to the proposal for a resolution submitted for examination to the Extraordinary Shareholders' Meeting relating to the free capital increase serving the purpose of implementing one or more incentive systems that provide for the free assignment of ordinary shares of the Company (stock grant plans) in favour of the top management of the Company or of other companies of the Geox group (the "**Capital Increase**").

It should also be noted that at the Ordinary Shareholders' Meeting, in the 5th item on the agenda, it was proposed to approve a 2019-2021 stock grant plan (or the "**2019-2021 Stock Grant Plan**" or the "**Plan**") concerning the assignment to the Chief Executive Officer, the General Manager, the Executives with Strategic Responsibilities and the Executives and Key People of Geox or another company of the Geox group, of the right to receive a maximum of 5,000,000 ordinary shares of the Company free of charge, subject to the achievement of certain performance objectives. Under the Plan, these shares may be obtained, at the discretion of the Board of Directors, in compliance with the applicable legal provisions, (a) by a free share capital increase pursuant to Article 2349, paragraph 1, of the Italian Civil Code, to be carried out through the use of a profit reserve tied to the service of the said capital increase and/or (b) from any shares purchased on the market and/or held for other purposes by the Company, subject to the issue by the Shareholders' Meeting in ordinary session of the authorisation to purchase and dispose of treasury shares pursuant to Articles 2357 et seq. of the Italian Civil Code.

The proposed Capital Increase is divisible, to service one or more stock grant plans, including, *inter alia*, the 2019-2021 Stock Grant Plan, for a maximum amount of EUR 1,200,000 corresponding to a maximum of 12,000,000 ordinary shares of the Company, to be issued by the Board of Directors in several tranches, in accordance with the terms and conditions of the stock grant plans to which it relates.

For the purposes of the Capital Increase, a specific restricted profit reserve shall be set up to service the stock grant plans, called "*Tied capital increase reserve to service the stock grant plans*", for an amount of EUR 1,200,000, to be taken from a pre-existing reserve that the Board of Directors has identified as the "Extraordinary Reserve".

In this regard, the Board of Directors acknowledges that, as at 31 December 2018, the amount of the "Extraordinary Reserve" is equal to EUR 81,305,788.02 and that the equity of the Company is such as not to affect the aforementioned Reserve.

Accordingly:

- by virtue of the extraordinary shareholders' meeting resolution proposed, the "*Reserves restricted for capital increases to service stock grant plans*" will be replenished by decreasing the "Extraordinary Reserve" by EUR 1,200,000;
- the "*Reserves restricted for capital increases to service stock grant plans*" will be linked to the execution of the free Capital Increase to service one or more stock grant plans, including the Plan;
- on the date of allocation of the shares of the stock grant plans, subject to the achievement of certain performance objectives, as determined by these plans, in accordance with the specific resolution of the Board of Directors for the allocation of the shares and subject to verification, based on the latest financial statements and/or interim financial statements approved at that date, of the actual amount of the "*Reserve restricted for capital increase to service stock grant plans*", to increase the share capital by an amount corresponding to the nominal value of the shares that may be issued, decreasing by the same amount the "*Reserve restricted for capital increase to service stock grant plans*".

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Dear Shareholders,

considering the above, we invite you to pass the following resolutions

*"Having examined the Directors' Explanatory Report made available to the public pursuant to the applicable regulations, the ordinary Shareholders' Meeting of Geox S.p.A.,*

**resolved**

*1) to set up a specific profit reserve tied to the free capital increase to service one or more stock grant plans referred to in the third item on the agenda of the extraordinary part of today's shareholders' meeting, called "Reserves tied to the capital increase to service stock grant plans", for an amount of EUR 1,200,000, to be taken from a pre-existing reserve identified in the "Extraordinary Reserve".*

27 February 2019

On behalf of the Board of Directors

The Chairman

Mario Moretti Polegato