

ANNEX

# **GEOX S.p.A.**

## **2016-2018 Stock Option Plan**

**Implementing Regulation for the Stock Option Plan  
approved by the General Meeting  
of 19 April 2016**

**GEOX**  
R E S P I R A



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## 1. Background

This regulation (hereinafter referred to as the “Regulation”) governs the implementation of the “2016-2018 Stock Option Plan” (hereinafter referred to as the “Plan”) concerning the subscription for ordinary shares in Geox S.p.A. (hereinafter referred to as “Geox” or “the Company”) reserved to the Geox Group's key personnel.

The clauses of this Regulation shall be construed as a whole.

## 2. Definitions

In addition to the other terms defined in other articles of this Regulation, the terms and expressions listed below with a capital letter (and their grammatical variants) shall mean the following, it being understood that the terms and expressions indicated in singular also include the plural and vice versa.

SHARES	Ordinary shares in Geox carrying dividend rights concerned by this Plan, with par value of Euro 0.10 (zero point ten) each.
RECIPIENTS	The Managing Director, the Key Management Personnel, and other key Executives and Employees of Geox or other companies in the Geox Group who will be granted the Options.
ASSIGNMENT	Any kind of transfer, including but not limited to transfer as a result of a sale, donation, pledge as collateral, creation of usufruct, awarding, swap, settlement, merger, spin-off, liquidation, distressed sale, or any other transaction (either free of charge or for payment) that directly or indirectly causes the ownership of ordinary shares in Geox or any other relevant right to be transferred to third parties.
CYCLE	Period spanning the financial years to which the performance targets refer. The Exercise of the Options granted is conditional on meeting said targets.
REMUNERATION COMMITTEE	The committee Geox set up in accordance with the recommendations in the Corporate Governance Code for Listed Companies.
GRANT DATE	Date on which the Board of Directors resolves to grant the Options to each Recipient.
EXERCISE	The Recipient's declaration of his or her wish to subscribe for the Shares underlying the Options granted at the Exercise

	Price.
EXPIRATION DATE	Means 31 December 2020: by then, all Option rights vested and not expired must have been exercised.
TRUST	Entity appointed by Geox to manage the transactions in the Options and the Options related to the Plan based on a specific mandate.
GEOX	Geox S.p.A., with registered office in Biadene di Montebelluna (province of Treviso), Via Feltrina Centro no. 16, resident there for tax purposes, registered with the Business Register of Treviso under no. 03348440268, Tax Identification and VAT Number 03348440268
BUSINESS DAY	All calendar days excluding Saturdays, Sundays, and other days on which banks in Treviso are usually not open for business.
GEOX GROUP	Geox and the companies that are or will become direct or indirect subsidiaries in accordance with Article 2359, paragraph 1, number 1) of the Italian Civil Code.
LONG-TERM DISABILITY	Any condition, supported by medical evidence, permanently preventing the Recipient from being able to work and causing the termination of the employment relationship.
GRANT NOTICE	The notice with which Geox informs the Recipient he or she was granted the Options, specifying the Grant Date and the Exercise Price. This Regulation is attached to said notice and forms an integral part thereof for all intents and purposes.

OPTIONS	The Options granted free of charge and that may not be transferred, to be exercised in accordance with all terms and conditions in this Regulation. Each Option carries the right to subscribe for one Share.
EXERCISABLE OPTIONS	Options that become exercisable if and when pre-determined performance targets are met and after the Board of Directors has approved the consolidated financial statements for the year ended 31 December 2018.
PLAN	The stock option plan governed by this Regulation and the relevant documents.
EXERCISE PERIOD	Period between the date the Company notifies the Recipient of the Exercisable Options, in accordance with Article 6 of this Regulation, and the Expiration Date.
EXERCISE PRICE	The unit Exercise price of each Option, calculated in accordance with Article 9 of this Regulation.
REGULATION	This document, which was approved by Geox's Board of Directors, includes the rules governing the Stock Option Plan, and establishes the rights and obligations of Recipients and the Company.
EXERCISE AGREEMENT	Form used to exercise the Options and request the Shares corresponding to the number of Options exercised.
NET PROFIT	Profit net of tax and financing activities as reported in Geox's consolidated financial statements for each financial year.
CONSOLIDATED NET PROFIT	2016-2018 accumulated net profit.
VESTING PERIOD	The period between the date the participant commences participation in the Plan and the date on which Geox's Board of Directors approves the Consolidated Financial Statements for the year ended 31 December 2018.

### 3. Subject and purpose of the Plan

The Plan concerns the free grant of Options carrying the right, subject to the limitations set forth below, to subscribe for the Company's shares at a pre-determined price.

The Shares Granted upon the Exercise of the Options carry dividend rights: therefore, the Recipient, subject to the limitations set forth below, will own all relevant administrative and capital rights from the moment the Shares are registered in his or her name.

The Plan consists in an Option Grant cycle that will begin on 7 March 2016 – conditional on the approval by Geox's General Meeting (hereinafter referred to as the "Meeting") of 19 April 2016. To service the Plan, on 18 December 2008 Geox's General Meeting resolved to increase the share capital. At the discretion of the Board of Directors (hereinafter also the "Board"), the Company may settle the Recipients' rights also by granting Shares bought and/or held, if any.

The Grant cycle consists of a "Vesting Period" (as defined in Article 6 of this Regulation) and a further period during which Recipients may Exercise their Options (as defined in Article 6 of this Regulation) vested in accordance with the terms of this Regulation. Attached to this Regulation is an outline of the Grant cycle under the Plan (attachment 1).

By implementing this Plan, Geox purports to promote and pursue the following goals:

- linking the remuneration of key personnel to the Company's actual performance and the creation of value for the Geox Group, as recommended also in the Corporate Governance Code for listed companies;
- aligning the Company's key personnel with strategies for achieving medium/long-term results;
- aligning the interests of the Top Management with those of shareholders and investors;
- introducing retention policies for key employees, inducing them to stay with the Company or the Geox Group.

### 4. Granting of Options

The Board of Directors (hereinafter referred to as the "BoD"), at the proposal of the Remuneration Committee (hereinafter referred to as the "RC") and the recommendation of the Managing Director, identifies the intended Recipients of the Plan as the Key Management Personnel as well as other Executives and Employees key to the Geox Group achieving its strategic goals, and grants the Options to the individual Recipients by passing a specific resolution.

The Managing Director is granted Options at the proposal of the RC and upon prior approval of the BoD. He abstains from voting on the relevant resolution.

Without prejudice to the BoD's discretion in identifying the intended Recipients and unless otherwise specified, in order to participate in the Plan, the Recipient must meet the following requirements at the time he or she is granted the Options:

- is on an open-ended employment contract and not on leave, or on a management contract and vested with management powers;
- has not tendered his or her resignation;
- was not served a notice of dismissal or removal from his or her office by Geox or other companies in the Geox Group in the event the Recipient is a Director;
- did not agree to terminate the employment relationship.

The RC proposes to the BoD the criteria for granting the Options as well as the number of Options to be granted to each Recipient. At its absolute discretion, the BoD assesses the strategic importance of each Recipient considering his or her role in the company and how relevant this is to the creation of value, as well as the fairness of the proposed criteria for granting the Options, and determines the number of Options to grant to each Recipient.

The Company, through the competent Functions, notifies the Recipient of his or her eligibility for the Plan by means of the "Grant Notice", signed in two copies, reporting:

- the number of Options granted;
- the date of the Board of Directors' resolution granting the Options ("Grant Date");
- the price to Exercise the Options;
- the summary table of the plan's performance targets;
- the exercise periods of the Options;
- the Expiration Date.

Attached to the Grant Notice is this Regulation, which governs the Plan and forms an integral part thereof for all intents and purposes.

To confirm his or her participation in the Plan, the Recipient shall return a copy of the Grant Notice signed for approval and a copy of the Regulation signed on each page within ten days of receipt of the Grant Notice. Absent said written approval, the Grant Notice will be considered null and void.

The Grant Date is the date on which the BoD resolves to grant the Options to each Recipient.

The Option Grant will commence on 7 March 2016 – conditional on the approval by the Meeting of 19 April 2016 – and end no later than 31 December 2017.

## **5. Nature and characteristics of the Options**

The Options and all relevant rights are strictly personal to and registered in the name of the Recipient, and may not be transferred or assigned (without prejudice to transfers mortis causa, albeit subject to the

limitations set forth in this Regulation); therefore, they may not be seized or pledged as collateral for debts or agreements entered into by each of the Recipients with Geox or third parties.

## 6. Exercise of Options

The Options become exercisable if and when the performance targets for each Grant Cycle are met in accordance with this Regulation.

The number of Exercisable Options is established also based on whether the Recipient participates in the 2014-2016 Stock Option Plan. Specifically, in the event the Performance Targets for the 2014-2016 Stock Options Plan are met, and 100% of the Options granted to the Recipient under such Plan have vested, the overall number of Exercisable Options pursuant to this Regulation, in the event 80% of the Performance Targets set in accordance with Article 7 herein are met, shall be reduced by the number of Options granted and vested under the 2014-2016 Stock Option Plan.

The Options may be exercised from the date of the BoD's approval of the Consolidated Financial Statements for 2018 once the Company has notified the Recipient of the number of Exercisable Options following the review of the Consolidated Financial Statements for the financial years covered by the Cycle.

The Recipient shall exercise all Exercisable Options no later than 31 December 2020 (“Expiration Date”). All Options not exercised by the Expiration Date shall be considered expired for all intents and purposes, relieving the Company from any obligation towards the Recipient under the Plan. The BoD, at the proposal of the RC, may extend the Expiration Date.

Without prejudice to the above provisions concerning the Expiration Date, the Recipient may exercise the Exercisable Options on one or several occasions up to three times per calendar year. The Exercisable Options outstanding after the Recipient's third Exercise during the calendar year, if any, may be exercised in the following years, without prejudice to the maximum limit of three exercises per calendar year. Here below is an example.

<b>Vested Options year X</b>	<b>1st Exercise year X</b>	<b>2nd Exercise year X</b>	<b>3rd Exercise year X</b>	<b>Options no longer exercisable in year X but that may be exercised in year X+1</b>
100	20	30	20	30

The BoD, at the proposal of the RC, may make exceptions to the above manners of exercise.

The Recipient shall express in writing his or her wish to exercise the Options within the above time limits by filling out the “Exercise Agreement”, specifying the Options he or she wishes to exercise as well as how he or she will settle the Exercise Price and withholding or contribution obligations in accordance with the laws in force at that date.

## 7. Performance targets

Each Recipient may exercise the Options granted to him or her if and when the specific performance targets referring to Geox's Consolidated Net Profit as described below are met.

On 25 February 2016, Geox's Board of Directors approved the Business Plan for the 2016-2018 period establishing the Performance Targets referring to Geox's Consolidated Net Profit for the 2016-2018 period. These shall represent the benchmark for the purposes of determining the proportion of Options the Recipients may exercise in the Grant cycle.

Specifically, the number of Options exercisable in the Grant cycle conditional on the meeting of the Performance Targets is calculated using the table below:

<b>Accumulated Net Profit achieved</b>	<b>Exercisable Options</b>
120%	100%
100% (Plan Amounts)	83.33%
80%	66.66%
< 80%	0

If Net Profit falls between the two above amounts, the number of Exercisable Options will be determined using the linear interpolation method.

If the minimum Performance Target (i.e. 80% of Net Profit accumulated over the period) is not met, the Recipient may not exercise the Options, which will be considered expired.

The BoD will notify each Recipient of the Performance achieved during the Grant Cycle and the subsequent number of Exercisable Options. The BoD, upon prior substantiated proposal of the RC, may allow to exercise all or part of the Options even if the Company fails to achieve the results in the above table.

#### **8. Further constraints on the Exercise**

The Recipient may not exercise the Options granted under the Plan:

- in the fifteen days prior to the meeting of the BoD for the approval of the quarterly financial report;
- in the thirty days prior to the meeting of the BoD for the approval of the half-yearly financial report and draft financial statements.

Without prejudice to Article 16 of this Regulation, the Recipients shall comply with the provisions on insider trading pursuant to applicable laws and regulations, especially as far as the exercise of the Options and the sale of the Shares acquired through the exercise of the Options granted under the Plan are concerned.

In addition, the BoD may establish further holding periods for all or part of the Recipients, provided said periods are not established in the six months prior to the Expiration Date.

#### **9. Exercise Price**

The Exercise Price is determined based on the arithmetic mean closing price of Geox's stock on the Mercato Telematico Azionario for the month prior to the Option Grant and amounts to Euro 2.86 for the Option Grant carried out on 7 March 2016, which is conditional on the approval by the Meeting of 19 April 2016.

It is also understood that the Shares shall be entirely paid up at the time Recipients subscribe for them.

## 10. Granting of Shares

Upon receiving the Exercise notice, the Recipient shall receive a number of Shares in Geox corresponding to the number of Options exercised.

The Shares shall carry the same dividend rights as Geox's ordinary shares as at the Option Exercise date, and shall therefore be cum dividend.

## 11. Particular events

Here below are the terms and conditions governing the relations between Geox and the Recipient in the event specific events occur.

### (i) Termination of employment

Employment may terminate in the following ways:

- a) the Recipient is dismissed by Geox or another company in the Geox Group in the event he or she is an employee;
- b) The Recipient is removed from his or her office by Geox or another company in the Geox Group in the event he or she is a Director;
- c) the Recipient tenders his or her resignation in the event he or she is an employee;
- d) the Recipient resigns from his or her office in the event he or she serves as Director at Geox or another company in the Geox Group;
- e) the Recipient and either Geox or another company in the Geox Group mutually agree to terminate the employment relationship.

In these cases, the Recipient shall exercise the Exercisable Options immediately but may not exercise the Options that have not vested as at the date of:

- receipt of the notice of dismissal or removal from office (cases a and b);
- submission of resignation from the Company or his or her office (cases d and e).

The Options not yet vested shall be considered expired.

In these cases, Geox shall not be liable for any damages and/or compensation to the Recipient for any harms and/or losses he or she suffered. For the purposes of this provision, the notice period is not considered with reference to the vesting and/or Exercise of the Options.

### (ii) Unpaid leave

The Recipient, if and when resuming work in accordance with the agreement governing official leave, shall keep the rights granted under the Plan, but the number of Exercisable Options will be determined

based on the ratio between the months he or she was on unpaid leave during the Vesting Period and the Vesting Period.

**(iii) Seniority or old-age pension benefits**

Upon the end of the employment relationship as the Recipient becomes eligible for seniority or old-age pension benefits, he or she may exercise only the Exercisable Options within one year of the termination date provided the Performance Targets as defined in Article 7 of this Regulation are met. The Options not exercised by the above deadline shall be considered expired.

**(iv) Disability pension benefits**

Upon the end of the employment relationship as the Recipient becomes eligible for disability pension benefits, he or she may exercise only the Exercisable Options within one year of the termination date regardless of whether the relevant Performance Targets are met. If employment terminates during the Vesting Period, the Options may be exercised starting from the end of the Vesting Period and within six months from that date. The Options not exercised by the above deadlines shall be considered expired.

**(v) Death of the Recipient**

The Recipient's beneficiaries may exercise all the Options granted to the Recipient within one year of his or her death provided the Performance Targets as defined in Article 7 of this Regulation are met. If the Recipient dies during the Vesting Period, the Options may be exercised starting from the end of the Vesting Period and within six months from that date. The Options not exercised by the above deadlines shall be considered expired.

In the event employment terminates as described in point (i) above, the BoD may allow the Recipient to exercise his or her Options also after said termination. Without prejudice to the above, the BoD, after hearing the RC's recommendation, may decide on a case-by-case basis to offer more favourable terms to the Recipient or his or her beneficiaries.

**12. Extraordinary operations and legal or regulatory amendments**

The approval of the Plan shall not prevent Geox from:

- adopting new share offering plans (stock options or similar);
- resolving further increases in the share capital in addition to the one for servicing the Plan;
- carrying out any extraordinary operation.

Regardless of the potential dilution of shares caused by the above scenarios, the maximum number of Shares underlying the Options will always and exclusively be the one specified in the Grant Agreement, unless Geox indicates otherwise at its absolute discretion.

In the event of extraordinary operations concerning Geox, legal or regulatory amendments, or other events that may affect the Performance Targets, the Options, the Shares, or the Plan, the BoD may amend and/or

supplement the Regulation and the relevant documents as necessary and/or appropriate, including revising the Exercise Price to keep the substance of the Plan as unchanged as possible.

Specifically, without prejudice to the above, should the following transactions occur after the end of the Vesting Period:

- share splits and reverse share splits;
- bonus issues of shares in Geox;
- increases in Geox's share capital through the issue of Shares, special classes of shares, shares with warrants, convertible bonds, and convertible bonds with warrants;
- mergers and spin-offs involving Geox;
- special dividends distributed to the Shares paid out of Geox's reserves;
- reductions in Geox's share capital;
- transfers of business divisions,

the BoD, provided the relevant conditions are met, may: (i) suspend the Exercise of the Options for up to three months and (ii) amend the number and type of Shares underlying the Option rights not yet exercised as well as the relevant Exercise Price.

Recipients shall be promptly notified in writing of the adjustments described in this Article.

### **13. Change in control**

If, before the Expiration Date, an any-and-all bid (hereinafter referred to as the “Bid”) is made for Shares in Geox or third parties obtain control of Geox, the Recipient shall continue participating in the Plan according to the terms and conditions of this Regulation, unless the acquirer implements any different contractual agreements.

If the Bid is formally launched after at least thirty-six months from the Option Grant Date, the Recipient may exercise all the Options granted even though the relevant Vesting Period has not ended and regardless of whether the Performance Targets are met.

### **14. Management and administration of the Plan**

Without prejudice to the powers reserved to the General Meeting, the BoD shall approve the Plan and this Regulation as well as resolve on the matters concerning the Plan. Any resolution of the Board of Directors concerning the interpretation and implementation of the Plan will be final and binding on all parties.

The Managing Director (or, in the event of conflicts of interest, another director) is responsible for managing the Plan with the help of the Human Resources, Organisation and Systems Department if required. The Managing Director (or the other responsible director) manages the Plan in accordance with this Regulation and reports to the BoD on the Plan's performance.

A trust company (hereinafter referred to as the “Trust”) shall be responsible for administering the Plan based on a specific mandate from Geox and comply with the provisions in this Regulation applicable to it. Under this arrangement:

- the Trust shall notify the Recipient of the beginning of the Exercise Period;
- the Recipient, in accordance with the agreed terms and conditions, shall notify in writing his or her wish to exercise the Options vested, posting the funds to subscribe for the Shares either directly or through a financial institution;
- the Recipient shall bear only the costs for the fiduciary management services rendered after the Exercise of the Options.

#### **15. Costs and tax and social contribution regime**

Without prejudice to the provisions in Article 14 of this Regulation, Geox shall bear the costs for implementing and managing the Plan. The Recipient shall pay any taxes or social security contributions payable for:

- the granting of Options,
- the granting of Shares,
- the ownership of Shares,
- the assignment of Shares.

Geox or another company in the Geox Group shall act as withholding agent in all cases under the law, withholding taxes and social security contributions in accordance with applicable laws. The Recipient commits to providing Geox or another company in the Geox Group both during and after the end of the employment relationship with all information required to fulfil their obligations as withholding agent, including any information required by Geox or another company in the Geox Group.

#### **16. Insider trading**

If the Recipient is found guilty of insider trading, even if the conviction is not final, under the Consolidated Financial Act and Geox's Internal Dealing Code, he or she shall be automatically removed from the Plan and all his or her Options not yet exercised considered as expired.

#### **17. Communications**

Unless specified otherwise in this Regulation, all communications between Geox and the Recipient concerning this Regulation shall be in writing and sent via certified mail with return receipt or delivered in person and signed for confirmation of receipt, and shall be considered effective as from the date they are received. These communications shall be sent:

- as for Geox, to its registered office;
- as for the Recipient, to the address registered with Geox for the purposes of the employment relationship.

All documents to be delivered in accordance with this Regulation shall be sent to the above addresses as well.

The communications Geox or the Recipient must send to the Trust based on this Regulation shall be prepared in writing as specified by the Trust and will be considered effective in accordance with the latter's indications.

### **18. Acceptance of the Regulation**

By signing this Regulation, the parties fully accept all provisions, terms and conditions outlined in and governed under this Regulation.

### **19. Applicable law**

This Regulation is governed under Italian law, which shall form the basis for its interpretation.

### **20. Arbitration agreement**

Any dispute arising from this agreement, concerning either its performance or interpretation, including those concerning its validity and effectiveness, without exception, shall be settled by a board of three arbitrators in accordance with the National Arbitration Rules of the Chamber of National and International Arbitration of Treviso, which the parties declare to know and accept in full.

The arbitrators shall be appointed as follows:

- one by the Recipient or, should he or she fail to do so, the President of the Court of Treviso;
- one by Geox or, should it fail to do so, the President of the Court of Treviso;
- the third arbitrator, which shall serve as the President of the Board, jointly by the Recipient and Geox or, should they fail to do so within 15 days of the appointment of the respective arbitrators, the President of the Court of Treviso.

The seat of the arbitration shall be in Treviso, and the proceedings shall be conducted in Italian. The Arbitration Board shall conform to the rules of the Chamber of National and International Arbitration at the Chamber of Commerce, Industry, Craft Trade and Agriculture of Treviso and decide the case fairly, proposing an amicable and final settlement within 60 days of the beginning of the dispute.

Unless specified otherwise by the Arbitration Board, the costs of the arbitration shall be divided equally between the Recipient and Geox.

Without prejudice to the above provisions in this Article, the parties agree that any dispute concerning the Plan and/or the Regulation that cannot be referred to arbitration shall be referred exclusively to the Court in Treviso.

### **21. Personal data**

The Recipient expressly authorises the Company, acting through its own representatives, the Trust, and all parties involved in the management and administration of the Plan, to use his or her personal data in accordance with Italian Legislative Decree no. 196/03 for the purposes of the Plan.

## 22. Miscellaneous

The Recipient's participation in the Option grant plan governed under this Regulation is voluntary and shall not constitute nor give rise to any right, title or claim of any kind, even in the future, concerning or relating to the employment relationship between the Recipient and either Geox or another company in the Group. Said relationships shall continue to be governed under the applicable laws and agreements in force.

The Recipient acknowledges that the participation in the Plan is aleatory, and therefore he or she shall not seek damages or compensation from Geox in the event he or she does not make a profit on the Shares subscribed or assigned.

All the deadlines in this Agreement, unless expressly stated to the contrary, shall be considered binding, it being understood that should a deadline fall on a non-business day in Italy, it shall be automatically extended to the next Business Day.

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**ANNEX 1 – PLAN CYCLE (DATES PROVIDED ONLY AS AN EXAMPLE)**

**OPTIONS GRANTED IN 2016/2017**

