

**“GEOX S.P.A.”**

Via Feltrina Centro n. 16 - Fraz. Biadene – 31044 Montebelluna (TV)

Economic and administrative index (R.E.A.) TV No. 265360

Tax code and listing number

in the Register of Companies of Treviso-Belluno 03348440268

Subscribed and paid-up share capital €25,920,733.10;

Company listed on the Italian Electronic Stock Exchange (MTA), organised  
and managed by Borsa Italiana S.p.A.

**“G.R. MI S.R.L.” with a sole shareholder**

Via Feltrina Centro n. 16 - Fraz. Biadene – 31044 Montebelluna (TV)

Economic and administrative index (R.E.A.) No. TV 409458

Register of Companies of Treviso-Belluno no. 04912360262

Fully paid-up share capital: € 20,000.00

**MERGER PLAN**

**(Ex art. 2501-ter and 2505, first paragraph, of the Italian Civil Code)**

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**1) Type of merger:** by incorporation.

**2) Companies participating in the merger (art. 2501-ter, p.1, of Italian Civil Code):**

**Incorporating company:** “GEOX S.P.A.”, with headquarters in Montebelluna (TV), Fraz. Biadene, Via Feltrina Centro n. 16, subscribed and paid-up share capital of € 25,920,733.10, tax code and listing number in the Register of the Companies of Treviso-Belluno No. 03348440268, R.E.A. TV 265360, company listed on the Italian Electronic Stock Exchange (MTA), organised and managed by “Borsa Italiana S.p.A.” which uses:

- *emarket*-SDIR dissemination system;
- *emarket*-Storage storage mechanism

(hereinafter also “**Incorporating Company**” or “**Geox**”)

**Merged Company:** “**G.R. MI S.R.L.**” with a sole shareholder, with headquarters in Montebelluna (TV), Fraz. Biadene, Via Feltrina Centro n. 16, fully paid-up share capital of € 20,000.00, tax code and listing in the Register of Companies of Treviso-Belluno No. 04912360262, Economic and administrative index (R.E.A.) No. TV 409458 (hereinafter also “**Merged Company**” or “**G.R. MI**”), a company of which the Incorporating Company is the sole holder of the entire share capital.

### **3) Articles of Association of the Incorporating Company (article. 2501-ter, p. 2, of the Italian Civil Code)**

This merger does not involve any change to the Articles of Association of the Incorporating Company “GEOX S.P.A.”.

Please see attached to this merger project, under letter A), the current Articles of Association of the Incorporating Company “GEOX S.p.A.”.

### **4) Merger Method**

The Merger shall involve the incorporation of the company “G.R. MI” into “Geox”.

Given the assumption that the share capital of the Merged Company “G.R. MI S.R.L.” is currently, and will continue to be until the execution of the Merger Agreement, entirely owned by the Incorporating Company “GEOX S.P.A.”, this merger transaction will take place in simplified form pursuant to articles 2505 and 2505-quater of the Italian Civil Code, and therefore, with no share exchange.

This is why the report from the Administrative Bodies of the company participating in the merger (article 2501-quinquies of the Italian Civil Code) and the expert report on the fairness of the share exchange ratio used (article 2501-sexies of the Italian Civil Code) are not necessary.

This merger transaction shall be carried out:

- a) for the Incorporating Company “Geox S.P.A.”, on the basis of the draft financial statements approved on 23 February 2018 by the Board of Directors of the company that, for the purpose of this transaction, shall be used as the merger statement of financial position, pursuant to article 2501-quater, first paragraph, of the Italian Civil Code;

b) for the Merged Company “G.R. MI S.R.L.”, provided that there are reasonable grounds under article 2501-quater, second paragraph of the Italian Civil Code, on the basis of the financial statements for the year ended 31 December 2017, approved on 23 February 2018.

**5) Exchange ratio of the shares or equity portion to a cash balance (article 2501-ter, paragraphs 3, 4 and 5 of the Italian Civil Code); report from the Administrative Body (article 2501-quinques of the Italian Civil Code) and expert report (article 2501-sexies of the Italian Civil Code)**

In the merger by incorporation under this project, there is no exchange ratio of the shares of the Incorporating Company “GEOX S.P.A.” to the equity portion of the Merged Company “G.R. MI S.R.L.” since, as explained before, at the merger date, the Incorporating Company will hold a 100% investment in the Merged Company.

**6) Method for the assignment of the shares of the Incorporating Company (article 2501-ter, first paragraph, no. 4 of the Italian Civil Code) and date as of which it starts participating in profits (article 2501-ter, first paragraph, no. 5 of the Italian Civil Code).**

Given the above, as well as due to the prohibition under article 2504-ter, second paragraph, of the Italian Civil Code, no shares of the Incorporating Company shall be assigned in exchange for the equity portion of the Merged Company.

Since the Incorporating Company “GEOX S.P.A.”, at the date of the merger, will continue to hold 100% of the share capital of the Merged Company, “G.R. MI S.R.L.”, it will not be necessary to determine a start-up date for the participation in profits with respect to the equity portion owned by the Incorporating Company.

**7) Effects of the Merger and Start-up date (articles 2504-bis e 2501-ter, first paragraph, no. 6, of the Italian Civil Code)**

Starting from the finalisation date of the merger transaction, the Company “GEOX S.p.A.” shall take over all legal relationships of the company “G.R. MI S.R.L.”, thus assuming all rights and obligations in effect prior to the merger.

Due to the planned merger, “GEOX S.P.A.” shall aggregate the assets and liabilities of the Merged Company to its own and will cancel the value of the participation against the net equity of the Merged Company, highlighting any differences arising from the merger.

The merger will be effective under the private law profile starting from the last registration of the merger deed as set forth in article 2504 of the Italian Civil Code.

For accounting and tax purposes only, based on the assumption that both companies participating in the merger end their respective periods as at 31 December of every

year, the transactions of the Merged Company will be recognised in the financial statements of the Incorporating Company, also pursuant to article 172 of the Tax Consolidation Act (T.U.I.R.), starting from 1 January of the year when the merger will have been registered with the Register of the Companies in the location where the headquarters of the Incorporating Company is based.

#### **8) Treatment reserved to particular categories of shareholders and advantages proposed in favour of the Directors (art. 2501-ter, first paragraph, no. 7 and 8, of the Italian Civil Code)**

There are no particular categories of shareholders; no particular advantage is proposed in favour of the Directors.

#### **9) Reasons for the Merger transaction**

The current distribution strategy of the *GEOX Group* provides that GEOX S.P.A. is the holder of the use agreements relating to the property units where Geox stores are operated. The Company “G.R. MI S.R.L.” is the holder of the use agreements regarding the premises where the 5 Geox stores are located, i.e. Carugate - Carosello Shopping Centre, Milan - Corso Buenos Aires, Como - historical downtown, Milan - Portello Shopping Centre and Milan - Via Dante. Therefore the incorporation by “GEOX S.P.A.” of the company “G.R. MI S.R.L.” is part of the distribution strategy of the Group.

The merger project is filed at the offices of the companies participating in the merger, as of today.

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In compliance with the obligations set forth and applicable to the company “GEOX S.P.A.”, as an issuer of shares listed on the regulated market, this merger project, accompanied by the documentation as required by the applicable laws, shall be filed for registration with the appropriate Register of Companies of Treviso-Belluno, for both the Incorporating Company and the Merged Company, and transmitted to Consob, as well as made available to the public according to the methods and terms set forth in article 2501-*septies* of the Italian Civil Code and by article 70 of Consob Regulation no. 11971 of 15 May 1999, as amended and supplemented.

It is also worth pointing out that:

- on 31 January 2013, the company “GEOX S.P.A.” announced that it availed itself of the right, pursuant to articles 70, paragraph 8 and 71, paragraph 1-bis, of the Consob Issuers' Regulation, to be exempt from the obligation to make information documents available to the public as required by Annex 3B of the Regulation, in the event of significant merger, split-off, share capital increase through contribution in kind, acquisition and disposal transactions.

- this being a merger carried out by a listed Issuer and a company which, at the date of the merger, will be entirely controlled by the former, there is no obligation to publish the Information Document under article 70 of paragraph 6 and Annex 3B of the above mentioned Consob Regulation, according to the specifications of Section A of Part 1 of Annex 3B;

- pursuant to the Procedure on Transactions with Related Parties, adopted by the Incorporating Company in compliance with the provisions contained in Consob Regulation no. 17221 of 12 March 2010 and subsequently amended by resolution no. 17389 of 23 June 2010, and recently, by Resolution no. 19974 of 27 April 2017, the planned merger transaction, being an operation with a subsidiary, toward which there is no other related parties' interest qualified as significant, falls under the category of the so-called excluded transactions for which, in compliance with the cases and the exemption rights as set forth in the Regulation on transactions with related parties, the provisions under the afore-mentioned Procedure do not apply, except for some disclosure obligations.

Finally, any changes, variations, supplements and updates, including numeric ones, made within the limits set forth in article 2502, paragraph 2, et seq. Italian Civil Code, to this Merger Project, or if required for registration of this Merger Project in the Register of Companies and/or for other purposes by the competent authorities shall not be affected.

Montebelluna (TV), 23 February 2018

**GEOX S.P.A.**

(Signed: Matteo Carlo Maria Mascazzini)

**G.R. MI S.R.L.**

(Signed: Livio Libralesso)

**Annex A):** Current Articles of Association of the Incorporating Company “GEOX S.P.A.”

**ARTICLES OF ASSOCIATION of GEOX S.p.A.**  
**Updated at 22 December 2014**

**NAME – REGISTERED OFFICES – DURATION – CORPORATE PURPOSE**

**ARTICLE 1 - Company name**

A joint-stock company (*Società per Azioni*) has been incorporated under the name "GEOX S.P.A.".

**ARTICLE 2 - Registered offices**

The Company's registered offices are located in Montebelluna (province of Treviso), Italy.

The Company can open, change or close secondary offices, management offices, representative offices, branches, sub-branches, subsidiaries and agencies in Italy and abroad.

For the purposes of their dealings with the Company, Shareholders' domicile is the one shown in the Shareholders' register.

**ARTICLE 3 - Duration**

The duration of the Company is set until the 31 December 2050 (thirty-first December, two thousand and fifty) and may be extended or terminated earlier, by virtue of a Shareholders' Meeting resolution. In the event of an extension to the Company's duration, shareholders that did not partake in the approval of the relevant resolution are not entitled to withdraw.

**ARTICLE 4 – Corporate purpose**

The Company's corporate purpose is as follows:

(a) production and marketing of articles of clothing, footwear, technical and sports equipment, accessories in general, and/or any component of the same, of any material and type;

(b) design, marketing and management, both directly and through third parties, of trademarks, patents, utility models, know-how, commercial and marketing images in all fields, with consequent commercial exploitation of the same. As regards the products and rights indicated under letters (a) and (b) above, the Company can undertake all processing or operations, on its own account or that of third parties; perform retail and wholesale selling activities, in any form or way; carry out studies and projects; prepare sample ranges and perform market surveys and consulting services.

Specifically, the Company can accomplish all commercial, industrial, financial, stock and real-estate transactions relating to the corporate purpose including, merely by way of example, signing loan agreements, in particular with authorised banks, as well as issuing to, or receiving from third parties sureties, endorsements, mortgages, and other guarantees.

In addition, the Company can perform the acquisition – as a non-core activity – of equity interests in companies or undertakings performing activities forming part of the corporate purpose or in any case connected with, complementary or similar to the same, as well as the control and the strategic, technical and administrative/financial co-ordination, plus the organisation and management of the financial operations of companies and undertakings controlled, with all relevant transactions.

The corporate purpose expressly excludes activities reserved for parties registered in professional registers pursuant to article 106 of Italian Legislative Decree no. 385/1993 toward the public, as well as those that conflict with the applicable regulatory framework.

## **SHARE CAPITAL – SHARES, FINANCIAL INSTRUMENTS AND BONDS – SHAREHOLDER LOANS**

### **ARTICLE 5 - Share capital**

Share capital subscribed and paid in totals EUR 25,920,733.10 (twenty-five million nine hundred and twenty thousand seven hundred and thirty-three point ten) and consists of 259,207,331 (two hundred and fifty-nine million two hundred and seven thousand three hundred and thirty-one) ordinary shares with a par value of EUR 0.10 (nought point ten) each.

On 18 December 2008, the extraordinary Shareholders' Meeting resolved a share capital increase, with payment effective from 1 January 2009, for a nominal maximum amount of Euro 1,200,000.00 (one million two hundred thousand/00), to serve one or more stock option plans reserved for directors, employees and/or other staff in the Company and/or its subsidiary companies pursuant to Article 2359, paragraph one, number 1) of the Italian Civil Code, splittable and was open until 31 December 2020, with the exclusion of the Shareholders' purchase option pursuant to article 2441, paragraphs V, VI and VIII of the Italian Civil Code, by means of issuing a maximum number of 12,000,000 (twelve million) ordinary shares with a nominal value of Euro 0.10= (zero point ten) each, and with regular dividend rights.

The issue price of the shares has to be determined by the Board of Directors and will have to be equal to the arithmetic average of the official prices registered by Geox stock on the electronic stock market (Mercato Telematico Azionario) organized and run by Borsa Italiana SpA, in the month prior to the allocation date/s, in observance of the minimum price per share equal to Euro 1.20, of which Euro 1.10 by way of share premium. The issue price shall not, however, be lower than that determined in compliance with the provisions of Article 2441, paragraph VI, of the Italian Civil Code, on the basis of the value of the Company's shareholders' equity emerging from the last set of financial statements approved before the allocation date of the subscription rights, also taking into account the performance of the listed price of the stock in the last six-month period.

In addition and by way of derogation from the above, in reference to the share-based incentive plan "Stock Option Plan 2014-2016" reserved exclusively for directors (who are also employees) and other staff in the Company and/or its subsidiary companies, the issue price of the shares shall be equal to Euro 2.039, equal to the arithmetic average of the official prices registered by Geox on the electronic stock market (Mercato Telematico Azionario), organised and run by Borsa Italiana SpA, in the thirty days prior to 14 November 2013, approval date of the Business Plan 2014-2016 in reference to the issue of shares in service of this plan within the scope of share capital increase, with the exclusion of the Shareholders' purchase option pursuant to article 2441, paragraph VIII of the Italian Civil Code.

### **ARTICLE 6 – Outstanding shares**

The shares are indivisible, registered, and freely transferable.

The issue of share certificates is excluded, given the mandatory dematerialisation regime to which ordinary shares issued by the Company are subject.

In the case of introduction or removal of constraints on outstanding shares, also in specific categories, according to current legal provisions, Shareholders not taking part in the approval process of the relevant resolution do not have the right to withdraw.

### **ARTICLE 7 - Issue of shares and financial instruments**

In the case of a share capital increase, Shareholders have the right of option on newly issued shares, unless otherwise decided by the Shareholders' Meeting, in compliance with Article 2441 of the Italian Civil Code.

Pursuant to Article 2441, paragraph IV, sentence II, in case of share capital increase, it is possible to exclude the right of option within the limit of 10% of the existing share capital, on condition that

the issue price is equal to the market value of the shares, according to a report provided by the independent auditor.

The share capital increase can also take place via the issue of different share categories, each with specific rights and rules, both with cash or non-cash consideration, within the limits allowed by the law.

Within the limits set by Law, the extraordinary Shareholders' Meeting can come to a decision on the issuing of the financial instruments pursuant to Article 2346, paragraph VI and Article 2349, paragraph 2 of the Italian Civil Code.

The resolution concerning the issue of different categories of shares or financial instruments determines the content of the shares and instruments issued.

#### **ARTICLE 8 - Bonds**

The Company can issue bonds within the limits established by the law.

The issue of bonds is decided upon by the Board of Directors, with the exception of the issue of bonds convertible into the Company's shares or in any case bonds with warrants to subscribe for the Company's shares, which is instead decided upon by the Company's extraordinary Shareholders' Meeting.

#### **ARTICLE 9**

At the Board of Directors' request, Shareholders can pay in interest-free amounts in either a loan account or a future-capital-increase account, or as a grant, even if not in proportion to their respective equity stakes, in compliance with current legal and regulatory tax and credit requirements.

### **SHAREHOLDERS' MEETINGS**

#### **ARTICLE 10 – Competence and convening**

Shareholders' meetings may be ordinary or extraordinary. The ordinary Shareholders' Meeting comes to a decision on the issues referred to under Article 2364, paragraph I of the Italian Civil Code, and the extraordinary Shareholders' Meeting comes to a decision on the issues referred to under Article 2365, paragraph I of the Italian Civil Code.

The ordinary or extraordinary Shareholders' Meeting is convened, also in places other than the municipality where the Company has its registered offices, as long as they are in Italy, via publication – on the Company's website and in compliance with the legal and regulatory provisions applicable at any given time – of the notice indicating the meeting date, time and venue, as well as the related agenda and the other information envisaged by the relevant legal and regulatory requirements.

The Shareholders' Meeting is conducted on a single call, pursuant to the Law.

Within 10 days from the publication of the notice convening the Shareholders' Meeting, unless a different deadline is required by the Law, Shareholders that account for at least one fortieth of the share capital may also jointly request additions to the list of items to be discussed, indicating in their request the additional topics proposed, or they may present resolution proposals regarding the items already on the Agenda, within the limits and the terms established by applicable legal and regulatory provisions.

The ordinary Shareholders' Meeting must be held at least once a year, within 120 (one hundred and twenty) days after the end of the Company's financial year. Within the limits allowed by the law, the ordinary Shareholders' Meeting can be convened within 180 (one hundred and eighty) days after the end of the Company's financial year; in such cases the Company's Directors indicate the reasons for this extension in the report on operations accompanying year-end financial statements.

#### **ARTICLE 11 - Voting rights**



Each ordinary share assigns one right to vote.

#### **ARTICLE 12 – Attendance, vote and representation**

The parties qualifying as owners of shares on the seventh open market day prior to the date of the Shareholders' Meeting and having notified their intention to attend the Shareholders' Meeting via their intermediary, qualified pursuant to relevant legal and regulatory provisions, have the right to attend the Shareholders' Meeting and vote. Attendance of the Shareholders' Meeting via telecommunication systems is allowed, with methods such as to permit identification of all participants and allow the latter to follow the discussion and to intervene in real time to discuss the topics addressed. In such case, the meeting will be considered to be held in the place where the chairman of the Shareholders' Meeting and the secretary are located. The telecommunication approach applied must be recorded in the minutes.

Those who have the right to vote can exercise their voting right electronically by means of a certified email in compliance with legislation, relevant regulatory requirements and with any requirements contained in the Shareholders' Meeting Regulations. This statutory provision will take effect as from the Shareholders' Meeting resolution approving the amendments to the Shareholders' Meeting Regulations on the procedures relating to electronic votes.

The parties legally entitled to attend and vote at Shareholders' Meetings can be represented by another party – either a natural person or legal entity and not necessarily a Shareholder – by means of written proxy in the cases and within the limits allowed by the law and current regulatory requirements. The proxy can be notified electronically, via certified emails, and with any other means envisaged in the Shareholders' Meeting notice, as per the relevant legal and regulatory provisions.

#### **ARTICLE 13 – Shareholder identification**

The Company, at any time and its own expense, can ask intermediaries, via the centralized management company, for the identification data of shareholders who have not expressly forbidden communication of such data, together with the number of shares registered in their relevant accounts.

The Company is bound to present the same request should this be requested by half of the Shareholders accounting for the minimum shareholding established by CONSOB (Italian securities & exchange commission) pursuant to Article 147-ter, paragraph 1 of the Consolidated Finance Act (TUF).

Unless otherwise required by the law or the regulations, the right to ask for shareholder identification can be exercised by Shareholders with 90% of the total costs of the request at their own expense and 10% of such costs at the Company's expense.

The Shareholders' request must be made jointly by Shareholders, by means of a single written notification addressed to the Company's Investor Relations Officer, together with the certification(s) of the intermediary(ies) attesting ownership by the applicant Shareholders of the minimum shareholding necessary pursuant to the second paragraph of this article.

#### **ARTICLE 14 - Meeting chairmanship and proceedings**

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors or if this is not possible, due to the latter's absence or impediment, by the person designated by the majority of those attending the Meeting. The Meeting chairman will be assisted by a secretary unless the minutes are prepared by a Notary (and possibly also by one or two scrutineers, designated by the majority of those attending the Meeting).

The Meeting chairman ascertains that the meeting is properly constituted, ascertains the identity and legitimation of those present, manages meeting proceedings, and ascertains voting results.

Shareholders' Meeting's resolutions are documented by minutes signed by the Meeting's chairman, the secretary, or the Notary, and by the scrutineers (if appointed). Minutes contain the information

required by Article 2375 of the Italian Civil Code.

Shareholders' Meeting proceedings are governed by the specific meeting regulations approved with a resolution passed by the ordinary Shareholders' Meeting.

#### **ARTICLE 15 - Meeting constitution (quorum) and resolutions**

Ordinary and extraordinary Shareholders' Meetings are duly constituted and may come to decisions, on a single call, with the majorities defined in the applicable legal provisions.

#### **ARTICLE 16 - Board of Directors**

Pursuant to paragraph 2, section VI-bis, Heading V, Title V, Book V of the Italian Civil Code, the Company is administered by a Board of Directors consisting of five to eleven members, who may also not be Shareholders, and may be re-elected. Board members must comply with the balance between genders pursuant to Article 147-ter paragraph 1-ter of the Consolidated Finance Act (TUF), which was introduced by Italian Law no. 120 of 12 July 2011; therefore with the first mandate subsequent to the year in which Law 120/2011 comes into effect, at least 1/5 of Board members must be from the least represented gender, while in the two subsequent mandates, at least 1/3 of Board members must be from the least represented gender, with numbers rounded off to the higher figure in the event of a fractional number.

As the occasion arises, the Shareholders' Meeting shall determine the number of the members of the Board of Directors within the above mentioned limits before their election.

Decisions to be taken upon the proposal of the Chairman of the Board of Directors on the definition of strategic guidelines for the company's development and business orientation, also on a long-term basis, as well as on the annual operating and financial budget and long-term future plans with related investment plans, are the exclusive prerogative of the Board of Directors and can in no way be delegated.

Management of the company is the exclusive prerogative of the Directors, who undertake the operations necessary to implement the corporate purpose, excluding only those that are mandatorily attributed to the Shareholders' Meeting by law and by the Company's Articles of Association.

The Directors also have competence for:

- (a) decisions on mergers as defined in Articles 2505 and 2505 bis of the Italian Civil Code;
- (b) opening and closure of secondary offices;
- (c) reduction of share capital in the case of Shareholder's withdrawal;
- (d) alignment of the Articles of Association with regulatory requirements;
- (e) transfer of the company's registered offices to another Municipality in Italy.

#### **ARTICLE 17 - Directors' appointment, term of office, replacement and remuneration**

Directors are appointed for the first time in the Articles of Incorporation, and thereafter by the ordinary Shareholders' Meeting. The appointment to the office of Director is subject to holding the requirements set by Law, the Articles of Association and other applicable regulations.

Those holding more than ten positions as directors or auditors in other listed companies on regulated markets (in Italy and/or abroad), in financial service companies, banks, insurance companies or large-scale companies cannot be appointed as Directors of the Company and, if appointed, they cease to hold office.

When the Board of Directors is appointed by the Shareholders' Meeting, the Directors are appointed by the ordinary Shareholders' Meeting on the basis of lists presented by the Shareholders, in which the candidates shall be listed in progressive order.

The lists must be lodged at the registered offices of the Company at least 25 (twenty-five) days before the date fixed for the Shareholders' Meeting and made available to the public at least 21 (twenty-one) days before the meeting at the Company's registered offices, on its website and in the other ways established by legal and regulatory requirements.

Each Shareholder can present or contribute to the presentation of a single list and every candidate

can appear on one list only on pain of ineligibility. Each Shareholder, as well as the Shareholders belonging to a single group (i.e. the controlling party, even if it is not a corporate entity, pursuant to Article 93 of Legislative Decree no. 58/1998 as well as its subsidiaries and affiliates), i.e. that are party to a shareholders' agreement pursuant to Article 122 of Legislative Decree no. 58/1998, cannot present or participate in presenting or vote directly, through third parties or through financial services company, more than one list.

Only the Shareholders who alone or together with other Shareholders represent at least one fortieth of the share capital (or any other lower limit provided by the law in force at the date of the shareholders' meeting) have the right to present the lists.

Ownership of the aforesaid minimum shareholding necessary to present lists is calculated taking into account the shares registered in the shareholder's name as at the date when the lists in question are lodged at the Company's registered offices.

For the purpose of proving the ownership of the number of shares necessary for the presentation of the lists, the Shareholders that present or participate in the presentation of the lists, must present and/or send to the registered offices a copy of the specific certification issued by a legally qualified intermediary, at least 21 (twenty-one) days before the Shareholders' Meeting convened for the appointment of the Board of Directors' members. Together with each list, the declarations by which the individual candidates accept their candidacy and attest, under their own responsibility the non-existence of reasons of ineligibility or incompatibility required by law and the Articles of Association, as well as the existence of the requisites for the respective offices if required by law and the regulations in force, must be deposited. Together with the declarations, a curriculum vitae concerning the candidate's personal and professional characteristics with the indication of the suitability to qualify as independent directors pursuant to regulations currently in force and with regard to the accumulation of offices previously described, shall be deposited for each candidate.

Lists for which the previous requirements are not observed, are not considered to have been presented.

At least one of the members of the Board of Directors, if the Board of Directors consists of a number of members up to seven or two members of the Board of Directors if the Board of Directors consists of more than seven members, must possess the independence requirements mentioned above. The independent director that, subsequent to appointment, loses the mentioned independence requirements must notify Board of Directors immediately and, in all cases, the office shall be terminated.

Periodically, the Board will assess the independence and honourable nature of the directors. If the requirements of independence and honourableness as well as of the minimum number of independent directors established in these Articles of Association, are not met the Board shall declare the Director non-compliant and manage his/her replacement.

Each holder of voting rights can vote for just one list. Each list must contain the number of candidates corresponding with the maximum number of Board members stated under article 16 and amongst these, at least two candidates must have the above stated independence requirement – and where this does not involve lists with less than three candidates - these must ensure that both genders are represented, so that the candidates from the least represented gender constitute at least 1/5 of the total in the first mandate subsequent to the year in which Italian Law 120/2011 comes into effect, and then constitute at least one third of the total in the two subsequent mandates, with rounding off to the higher figure in the event of a fractional number.

The election of the directors will take place as follows:

- a) from the list that has obtained the majority of the votes of the Shareholders the eight tenths of the directors to be appointed with a rounding down in case of fractions less than one unit shall be taken in the progressive order with which they are listed on said list;
- b) the remaining directors shall be drawn from the other lists, it being clear that at least one director must be taken from a list that is no way connected, even indirectly, with the members that have presented or voted the list referred to in point a) and that came first in terms of number of

votes; for this purpose, the votes obtained from the said lists will be divided subsequently by one, two, three and so on according to the progressive number of the directors to be appointed. The quotients obtained in this way will be progressively assigned to the candidates in each of these lists, following the relevant order. The quotients attributed in this way to the candidates on the various lists will constitute a single ranking list in a decreasing order. Those who have obtained the highest quotients will be elected. If more than one candidate has obtained the same quotient, the candidate of the list that has not yet elected any director or that has elected the lower number of directors shall be elected. If none of these lists has elected a director or if all of them have elected the same number of directors, within the scope of such lists, the candidate obtaining the highest number of votes will be elected. In the event of equal slate votes and equal points, the entire Shareholders' Meeting shall vote again and the candidate elected shall be the person who receives a simple majority of the votes;

If with the candidates elected with the above-mentioned proceedings the appointment of a Director with the independence requirements referred to above is not guaranteed, the last non-independent candidate elected, following the progressive order on the list, with the greatest number of votes referred to in previous point a), shall be replaced by the independent not elected candidate on the same list in accordance with the progressive order.

Should the resulting Board's composition not make it possible to comply with the gender balance, based on their order in the listing, the last elected from the Majority Listing of the most represented gender shall lapse in order to ensure the required number to comply with the regulation, and will be replaced by the first non-elected candidates from the same list of the least represented gender. Should there not be candidates from the least represented gender included in the Majority Listing in sufficient numbers to carry out the replacement, the Shareholders' Meeting shall supplement the Board with the majority set by Law, ensuring compliance with the requirement.

For the purposes of the division concerning the directors to be elected, account must not be taken of the lists that have not obtained a percentage of votes equivalent to at least half of those required by the Articles of Association for their presentation.

If a single list is presented or if no list at all is presented, the Shareholders' Meeting shall pass resolutions with the majority required by the law, without complying with the above described procedure, without prejudice to the requirement of the minimum number of independent directors specified in these Articles of Association, and in compliance with the gender division criterion provided under Article 147-ter, paragraph 1-ter of Italian Legislative Decree no. 58/1998.

The Directors' term of office is determined upon appointment by the Shareholders' Meeting and cannot exceed three financial years. The Directors' term of office comes to an end on the date of the Shareholder's Meeting convened for the approval of the financial statements for their last year in office.

Without prejudice to the provisions of the next paragraph, if one or more Directors should cease to be present for any reason during the three-year period, the Board of Directors shall proceed with the relevant replacement pursuant to Article 2386 of the Italian Civil Code. If one or more Directors who have ceased to fill their office have been drawn from a list that also contains the names of candidates who have not been elected, the Board of Directors will make the replacement by appointing, in accordance with the progressive order, people drawn from the same list to which the Director who is no longer filling his or her office belongs, who are still eligible and agree to accept the office, in accordance with the gender division criterion provided under Article 147-ter, paragraph 1-ter of Italian Legislative Decree no. 58/1998. Where an independent director ceases to fill his or her office the substitution will occur wherever possible by appointing the first of the independent not elected Directors on the list from which the Director no longer filling his or her office has been taken; pursuant to Article 2386 of the Italian Civil Code the election of the directors is carried out by the Shareholders' Meeting with the majority required under the law by appointing the replacements on the basis of the same criteria mentioned in the previous paragraph and in any case in accordance with the gender division criterion provided under Article 147-ter, paragraph 1-

ter of Italian Legislative Decree no. 58/1998, and the terms of office of the directors appointed in this way will expire together with those of the Directors in office when they were appointed. Should candidates not elected previously not remain in the above stated listing, or the substitution procedures referred to above do not make it possible to comply with the minimum number of independent Directors, or comply with the gender balance, or yet again, a single list was presented, or no list whatsoever was presented, the Board of Directors shall replace the Directors who no longer hold office pursuant to Article 2386 of the Italian Civil Code, without complying with the above criteria, in the same way as the Shareholders' Meeting acts in respect of the majorities required by Law, without prejudice to compliance with the minimum number of independent Directors and the gender division criterion pursuant to Article 147-ter, paragraph 1-ter of Italian Legislative Decree no. 58/1998; and the Directors appointed in this way lapse from office together with those that were in office at the time of their appointment. If during the mandate, the majority of Directors appointed by the Shareholders' Meeting should for any reason cease their offices, the entire Board of Directors will be considered to have ceased the office, and the Shareholder's Meeting must be called urgently by the remaining Directors for the appointment of the new Board of Directors.

If during the financial year, one or more Directors cease to fill their office, providing that the majority is still made up of Directors appointed by the Shareholders' Meeting, the Shareholders' Meeting is anyway entitled to reduce the number of the members on the Board of Directors to that of the Directors in office for the remainder of the term of office, providing that the minimum number of Directors with the requirements of independence mentioned above is respected and provided that there is at least one of the Directors elected from the minority lists (if previously elected) and that the gender division criterion is complied with pursuant to Article 147-ter, paragraph 1-ter of Italian Legislative Decree no. 58/1998.

If the number of Directors is lower than the maximum provided for in Article 16 above, the Shareholders' Meeting, even during the term of office of the Board of Directors, will be able to increase this number up to the maximum limit specified in said article. For the appointment of further members of the Board of Directors the procedure is as follows: the further Directors are taken from the list that has obtained the greatest number of votes of the Shareholders on the occasion of the appointment of the members currently in office among the candidates that are still eligible, and the Shareholders' Meeting shall resolve based on the legally-required majority, respecting this principle and in compliance with the gender division criterion set out under Article 147-ter, paragraph 1-ter of Italian Legislative Decree no. 58/1998; if, however, no previously non-elected candidates are still on the previously-mentioned list or a single list or no list at all has been presented, the Shareholder's Meeting shall proceed with the appointment without complying with what has been indicated above, with the legally-required majority and once again in compliance with the gender division criterion provided under Article 147-ter, paragraph 1-ter of Italian Legislative Decree no. 58/1998. The Directors elected in this way shall cease their office together with those in office at the time of their appointment.

The Shareholders' Meeting shall determine the overall remuneration due to the Directors including those with special offices. After consulting the Board of Statutory Auditors, the Board of Directors shall split the overall remuneration determined by the Shareholders' Meeting among its members.

The Directors are entitled to be reimbursed for expenses incurred while carrying out their functions.

#### **ARTICLE 18 - Chairman of the Board of Directors – Deputy Chairman – Managing Directors – Executive Committee – General Managers – Secretary – Representatives – Consultative and proponent committees**

Unless already appointed by the Shareholders' Meeting, the Board of Directors chooses, at its first meeting, a Chairman of the Board of Directors from among its members.

The Board of Directors can appoint a Deputy Chairman to stand in for the Chairman in the case of the latter's absence or impediment, as well as a Secretary for minute-taking and secretarial

functions.

The Chairman of the Board of Directors convenes Board Meetings, establishes meeting agendas, guides and co-ordinates meeting procedures, and arranges for adequate information on agenda items to be provided to all Directors. The Chairman proposes corporate strategic guidelines and has the power to drive and co-ordinate the Company's activities. He follows and supervises Company performance, verifying its consistency with strategic guidelines. He co-ordinates the activities of corporate bodies and verifies execution of resolutions taken by the Board of Directors and Executive Committee.

Within the limitation it deems appropriate and in compliance with the provisions and limits set under Article 2381 of the Italian Civil Code, the Board of Directors can delegate its powers to both an Executive Committee consisting of some of the Directors, or to one or more Directors, including the Chairman, as Managing Directors.

Decisions on acts concerning, for any reason and of any type, trademarks, patents and other intellectual property rights pertaining to the Company are the sole prerogative of the Board of Directors.

The Board of Directors can appoint one or more General Managers whose powers and authorities have to be determined. General Managers attend meetings of the Board of Directors and Executive Committee, with the power of expressing their non-binding opinion on the topics discussed.

Both the Board of Directors on the one hand, and the Executive Committee, Managing Directors and General Managers – within the limits of their powers, also in terms of representation – on the other, can give the Company's managers, officials and employees, as well as third parties, assignments and powers of attorney to carry out certain functions or categories of functions.

The Board of Directors can also create one or more Committees with consultative or proponent functions, determining their members, duration, powers and authorities.

#### **ARTICLE 18 bis – Manager responsible for the preparation of the Company's accounting records**

At the proposal of the Managing Director and with the agreement of the Chairman, after consulting the Board of Statutory Auditors, the Board of Directors appoints one or more managers for the preparation of the company's accounting records pursuant to Article 154 bis of Legislative Decree no. 58/1998, providing them with the adequate powers and resources to carry out the functions provided for by the law and determining their remuneration. Said managers are chosen from among the those managers that have carried out tasks of administrative, direction or control nature for an appropriate length of time and have the honourableness requirements provided for by the law.

Their term of office is decided by the Board of Directors upon appointment.

#### **ARTICLE 19 - Information**

Directors report in an adequate and timely manner – and in any case on at least a quarterly basis – both to the Board of Directors and Board of Statutory Auditors – on the activity performed, on the most important operating, financial and capital transactions undertaken by the Company and its subsidiaries, and also on transactions with related parties or those in which Directors have an interest, either on their own account or on that of third parties. If such interest, either direct or on third parties' account, pertains to the Managing Director, the latter must abstain from undertaking the transaction, vesting the Board of Directors with responsibility for the same.

Directors report adequately and in a timely manner both to the Board of Directors and Board of Statutory Auditors on transactions influenced by any party exercising power of direction and co-ordination over the Company. The Executive Committee and Managing Directors report in a timely manner – and in any case on at least a quarterly basis – both to the Board of Directors and Board of Statutory Auditors on the activity performed, general operating performance and outlook, as well as on the most important transactions, in terms of entity and characteristics, undertaken by the Company and its subsidiaries, and on atypical and unusual transactions or those with related parties.

## **ARTICLE 20 - Convening - Resolutions – Proceedings of the Board of Directors**

The Board of Directors convenes both at the Company's registered offices and elsewhere whenever the Chairman of the Board or the person acting in his or her behalf deems it necessary.

The Chairman also convenes the Board of Directors when a convening written request is made by at least two Directors, by the Board of Statutory Auditors or by a standing auditor or by a Managing Director.

Convening is performed by recorded-delivery letter or telegram or telefax – or via any other remote communication means guaranteeing proof of receipt – containing indication of the topics to be discussed and sent to each Director and each Statutory Auditor at their respective domicile at least three days before the meeting or, in urgent cases, at least 24 hours before the meeting.

In order for Board decisions to be valid, the majority of Directors in office is required. Board decisions are taken on the basis of the absolute majority of Directors present. In the case of a tie vote, the decision for which the Chairman has voted prevails. For issues concerning the fifth paragraph of the earlier Article 17, the Board of Directors decides on the basis of the favourable vote of five sevenths of its members (with rounding up to the nearest unit). Participation in Board of Directors' meetings can also take place via telecommunication means, in ways permitting identification of all participants and enabling the latter to follow the discussion and intervene in real time in discussing the topics addressed.

## **ARTICLE 21 - Representation**

The power of legal representation of the Company vis-à-vis third parties and before the courts pertains on a disjoined basis to the Chairman of the Board of Directors, the Deputy Chairman, and to each of the Managing Directors.

## **CONTROL**

### **ARTICLE 22 - Board of Statutory Auditors**

The Board of Statutory Auditors consists of three standing and two alternative members, in compliance with the gender balance provision under Article 148 paragraph 1-bis of Italian Legislative Decree no. 58/1998, which was introduced by Italian Law no. 120/2011; therefore with the first mandate subsequent to the year in which Law 120/2011 comes into effect, at least 1/5 of Board members must be from the least represented gender, while in the two subsequent mandates, at least 1/3 of Board members must be from the least represented gender, with numbers rounded off to the higher figure in the event of a fractional number. The members of the Board of Statutory Auditors can be re-elected.

The Board of Statutory Auditors monitors observance of the law and Articles of Association; respect of principles of proper management; adequacy of the Company's organisational set-up for the aspects for which it is responsible, of the internal auditing and control systems, and of the administrative and accounting system; and the latter's reliability as regards proper representation of operating events. The Board of Statutory Auditors also monitors the adequacy of the instructions given by the Company to its subsidiaries.

Throughout their term of office Statutory Auditors must have the requirements established by the law, on pain of ceasing their office.

For the purposes of the requirements of Article 1, paragraph II, letters b) and c), of the Justice Ministry Decree no. 162 of March 30th 2000, the subjects and sectors strictly pertinent to those of the Company are clothing, footwear, technologies applied to the aforesaid sectors, technologies in general, and research.

When the Auditors are appointed and before they accept the office, the administration and control tasks carried out in other companies are made known to the Shareholders' Meeting.

Persons holding office as standing statutory auditors in more than seven companies issuing securities listed in regulated markets cannot be appointed as the Company's Statutory Auditors

(without prejudice to any other limit introduced according to Article 148-bis of Italian Legislative Decree no. 58/1998).

Statutory auditors are appointed for the first time in the Articles of Incorporation and thereafter by the ordinary Shareholders' Meeting, which also appoints from among them the Chairman of the Board of Statutory Auditors, according to the procedures indicated hereunder. Before appointing Statutory Auditors, the Shareholders' Meeting determines Statutory Auditors' remuneration for their entire term of office.

Statutory Auditors are appointed on the basis of lists presented by Shareholders, in which candidates must be listed in progressive order.

Lists must be divided into two sections, one relating to the Standing Auditors and one relating to the Alternative Auditors, when considering both sections, should these contain a number of candidates that is equal to or higher than three, these must ensure that both genders are included, so that for the candidates of the least represented gender during the first mandate subsequent to the year in which Law 120/2011 comes into effect, at least 1/5 of Board members must be from the least represented gender, while in the two subsequent mandates, at least 1/3 of Board members must be from the least represented gender, with numbers rounded off to the higher figure in the event of a fractional number.

Each Shareholder can present or take part in the presentation of just one list. Only those Shareholders who, alone or together with other Shareholders presenting the same list, account for at least a fortieth of the share capital (or any other lower limit provided by the law in force at the date of the Shareholders' Meeting) can present or take part in presentation of the lists.

The minimum shareholding requirement necessary to present the lists is calculated taking into account the shares registered in the shareholders' name as at the date when the shares are lodged at the Company's registered offices. In order to prove ownership of the number of shares necessary to present the lists, the Shareholders who present, or contribute to the presentation of, the lists must present and/or deliver to the Company's registered offices, a copy of the specific certification issued by a legally qualified intermediary by the deadline established for publication of the lists.

Each Shareholder, as well as the Shareholders belonging to a single group (i.e. the controlling party, even if it is not a corporate entity, pursuant to Article 93 of Legislative Decree no. 58/1998 as well as its subsidiaries and affiliates), i.e. that are party to a shareholders' agreement pursuant to Article 122 of Legislative Decree no. 58/1998, cannot present or participate in presenting or vote directly, through third parties or through financial services company, more than one list. Each list shows a number of candidates not exceeding the maximum number of members of the Board of Statutory Auditors.

The lists presented by Shareholders must be lodged at the Company's registered offices at least 25 (twenty-five) days before the date fixed for the Shareholders' Meeting convened to appoint the statutory auditors and are made available to the public, at least 21 (twenty-one) days before the meeting, at the Company's registered offices, on its website and in the other ways envisaged by applicable legal and regulatory requirements.

The lists must include (i) any information related to the identity of the Shareholders presenting the lists, the percentage of shareholding held, and a certification proving their ownership and (ii) a declaration from the Shareholders who do not hold a controlling or relative majority shareholding – neither on a joint basis, stating that they do not have any relation provided by Article 144-quinquies of the CONSOB Issuer Regulations.

Each candidate can appear on one list only on pain of ineligibility. At the same time when lists are lodged at the Company's registered offices, the declarations must be lodged with which individual candidates accept their candidacy and certify, under their own responsibility, the absence of causes of ineligibility and of incompatibility, as well as the existence of the requirements envisaged by applicable regulations and by the Articles of Association including the limit of the number of accumulated offices previously described. Together with these declarations a curriculum vitae is lodged for each candidate concerning the latter's personal and professional characteristics as well as



the indication of the suitability to qualify as an independent. When just one single list is presented within the above mentioned twenty-five days term, or if only lists from shareholders subject to the relations provided by Article 144-quinquies of the CONSOB Issuer Regulations are presented, other lists can be presented up to the fifth day after that date. In that case, the minimum shareholding requirement for shareholders presenting the lists is cut by half.

Lists for which the previous requirements are not observed, are not considered to have been presented.

Each holder of voting rights can vote for just one list.

Two standing Statutory Auditors and one substitute Statutory Auditor are taken from the list obtaining the highest number of Shareholders' votes, in the progressive order with which they are listed in the list concerned. The remaining standing Statutory Auditor and substitute Statutory Auditor are taken from the lists having obtained the second highest number of votes. In the case of a tie vote between two or more lists obtaining the highest number of votes, the youngest candidates (in terms of age) will be elected as standing and substitute Statutory Auditors up to the number of offices to be assigned, in any case ensuring that standing Statutory Auditors are taken from at least two different lists; all of which must nonetheless comply with the regulations relating to gender balance in Company structures referred to under Italian Law no. 120/2011.

Should the resulting Statutory Auditors' Board's composition or the category of alternative Auditors not make it possible to comply with the gender balance, based on their order in the respective section, the last elected from the Majority Listing of the most represented gender shall lapse in order to ensure the required number to comply with the regulation, and they are replaced by the first non-elected candidates from the same list and the same section of the least represented gender. Should there not be candidates from the least represented gender included in the relevant section of the Majority Listing in sufficient numbers to carry out the replacement, the Shareholders' Meeting shall appoint the Standing Auditors or supplement those missing with the majority set by Law, ensuring compliance with the requirement.

For the purpose of implementing the provisions of this article, the lists presented by minority shareholders that are directly or indirectly connected with shareholders that have presented or voted for the list that has obtained the highest number of votes shall not be included.

The chairmanship of the Board of Statutory Auditors is assigned to the standing Statutory Auditor indicated as the first candidate on the list that at the Shareholder's Meeting has obtained most votes after the first one.

The above-mentioned provisions for the appointment of the Board of Statutory Auditors are not applicable to Shareholders' Meetings appointing the Board of Statutory Auditors following replacement or cease of office of members of the Board, in compliance with legal requirements, or to Shareholders' Meetings appointing Statutory Auditors whom, for any reason whatsoever, including non-presentation of several lists, it was not possible to elect using the list vote approach. In such cases, the Shareholders' Meeting makes a decision with the majorities set by Law, while nonetheless complying with the gender division criterion, pursuant to Article 148, paragraph 1-bis of Italian Legislative Decree no. 58/1998.

Statutory Auditors hold office for three financial years and cease their office on the date of the Shareholders' Meeting convened to approve the financial statements for the last financial year of their term of office. Statutory auditors' ceasing of office takes effect when the Board of Statutory Auditors has been re-elected. If a standing Statutory Auditor ceases his/her office for any reason, the substitute Statutory Auditor belonging to the same list as the auditor leaving office takes his/her place. New Statutory Auditors remain in office until the next Shareholders' Meeting, which then reconstitutes the Board of Statutory Auditors based on legal requirements and in compliance with the gender division criterion provided under Article 148 paragraph 1 of Italian Legislative Decree no. 58/1998.

The Board of Statutory Auditors must meet at least once every ninety days. Meetings of the Board of Statutory Auditors are properly convened when the majority of Statutory Auditors are present

and pass resolutions based on the absolute majority of those present. Participation in Board of Statutory Auditors' meetings can also take place via telecommunication means, in ways permitting identification of all participants and enabling the latter to follow the discussion and intervene in real time in discussing the topics addressed.

**ARTICLE 23 - Auditing of accounts**

Pursuant to current regulatory requirements, the auditing of accounts is performed by an auditing firm registered in the relevant central register and appointed as required by law.

## **RELATED-PARTY TRANSACTIONS**

### **ARTICLE 24 – Approval of related**

The Company approves related-party transactions in compliance with current legal and regulatory provisions, as well as with its own statutory requirements and relevant procedures adopted by the Company.

### **ARTICLE 25 – Shareholders’ Meeting approval procedures**

The procedures adopted by the Company for related-party transactions can provide for the approval of material transactions by the Board of Directors notwithstanding the adverse opinion of independent directors, as long as the completion of such transactions has been authorized by the Shareholders’ Meeting, pursuant to Article 2364, paragraph 1, number 5), of the Italian Civil Code. In the case indicated in the previous paragraph and also if a proposed resolution to be submitted to the Shareholders’ Meeting concerning a material transaction is approved despite the independent Directors’ adverse opinion, the Shareholders’ Meeting resolves with legally established majorities, as long as – if the unrelated shareholders present at the Shareholders’ Meeting account for at least 10% of voting share capital – the aforesaid legal majorities are achieved with the favourable vote of the majority of the unrelated shareholders voting at the Shareholders’ Meeting.

### **ARTICLE 26 – Urgent transactions**

The procedures adopted by the Company for related-party transactions can provide for the exclusion from the procedures’ scope of application of urgent transactions, including those within the competence of the Shareholders’ Meeting, within the limits of what is allowed by applicable legal and regulatory provisions.

## **YEAR-END FINANCIAL STATEMENTS AND EARNINGS**

### **ARTICLE 27 – Company financial year**

The Company’s financial year ends on December 31st of each calendar year.

The Board of Directors prepares, within the terms of and in compliance with current regulations, year-end financial statements, inclusive of all related documents required by law, to be submitted for approval by the Shareholders’ Meeting.

### **ARTICLE 28 – Allocation of earnings**

After deduction of five percent to be allocated to the legal reserve up to the limit established by law, earnings shown in year-end financial statements are divided among Shareholders in proportion to their equity interest, unless decided otherwise by the Shareholders’ Meeting.

Payment of dividends will take place at the Company’s registered offices, or at the other, specifically designated places, according to the timing and approach established by the Shareholders’ Meeting.

Dividend payments not collected within five years after the date when they become payable lapse and revert to the Company.

The Board of Directors can decide on the distribution of interim dividends within the limits and in the ways allowed by the law.

## **DISSOLUTION AND LIQUIDATION**

### **ARTICLE 29 – Dissolution and liquidation**

In the case of dissolution of the Company for any reason, the Shareholders' Meeting, with the majorities established by the law for extraordinary Shareholders' Meetings, determines the liquidation procedures in compliance with current regulatory requirements and appoints one or more liquidators, indicating their powers and remuneration.

## **FINAL PROVISIONS**

### **ARTICLE 30 - References**

For the issues not detailed in these Articles of Association, current regulatory provisions applicable to the Company are applied.