

GEOX

Geox S.p.A.

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

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

16 APRIL 2019, IN SOLE CALL

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



Board of Directors

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

Board of Statutory Auditors

Sonia Ferrero
Francesco Gianni
Fabrizio Natale Pietro Colombo

Independent Audit Firm

Deloitte & Touche S.p.A.

Dear Shareholders:

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

Ordinary session:

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

Extraordinary session:

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

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

5. IN ACCORDANCE WITH ARTICLE 114-BIS OF LEGISLATIVE DECREE NO. 58/1998, APPROVAL OF A NEW INCENTIVE PLAN BASED ON FINANCIAL INSTRUMENTS "2019-2021 STOCK GRANT PLAN " CONCERNING THE ALLOCATION FREE OF CHARGE OF THE COMPANY'S ORDINARY SHARES TO THE BENEFICIARIES OF THE PLAN; RELATED AND CONSEQUENT RESOLUTIONS

Dear Shareholders,

on 27 February 2019, upon proposal of the Appointment and Remuneration Committee, the Board of Directors resolved to submit for Your approval a stock grant plan named "2019-2021 Stock Grant Plan" ("**2019-2021 Plan**" or "**Plan**") addressed to the Chief Executive Officer, Key Managers, as well as the Executives and the Key People of Geox S.p.A. and its subsidiaries, within the meaning of Article 2359, paragraph 1, of the Italian Civil Code ("**Geox Group**"), who hold key organizational roles and positions for the Geox Group, and the grant to the Board of Directors the powers required for the implementation thereof.

The 2019-2021 Plan will be implemented through the allocation, free of charge, of rights to receive – for no consideration – newly issued Geox ordinary shares ("**Shares**") resulting from the paid capital increase submitted for approval by the extraordinary Shareholders' Meeting called for 16 April 2019.

The rights of the beneficiaries of the 2019-2021 Plan may be satisfied, as determined by the Board of Directors at its discretion, also through the allocation of treasury shares that may be purchased and/or held by Geox.

The information document concerning the 2019-2021 Plan, prepared in accordance with Article 84-bis and Annex 3A, Scheme 7, of the Issuers' Regulation, will be made available to the public within the terms prescribed by law and will be accessible on the Company's website at www.geox.biz, in the "Governance" Section, together with this report.

1. Reasons for adopting the 2019-2021 Plan

According to the best market practices of listed companies at national and international level, share-based remuneration plans represent an effective incentive and retention tool for those holding key roles and employees, in order to maintain high-quality performance and enhance it, and contribute to further the Company's growth and success.

The adoption of share-based remuneration plans also meets the recommendations of the Corporate Governance Code for Listed Companies: Article 6 acknowledges that such plans represent a suitable mean to enable the alignment of the interests of key corporate resources with those of the shareholders favouring the priority target of creating value in the medium-long term.

Through the implementation of the 2019-2021 Plan, Geox intends to promote and pursue the following objectives:

- involve and incentivise the Beneficiaries whose activity is considered of fundamental importance for the achievement of the Group's targets;
- foster the loyalty of the Beneficiaries, by encouraging them to remain within the Group;
- share and align the interests of the Beneficiaries with those of the Company and the shareholders in the medium-long term, acknowledging in favour of Management the contribution given towards increasing the Company's value.

2. Scope and implementation of the 2019-2021 Plan

The 2019-2021 Plan provides for the allocation free of charge of the right to receive from the Company (again, free of charge) Geox ordinary shares ("**Right**"), to each of the beneficiaries specified in Paragraph 3 below. Each assigned Right corresponds to one Share.

The 2019-2021 Plan provides for the allocation of a maximum of 5,000,000 Shares in total.

As specified in the introduction, the 2019-2021 Plan will be implemented through the allocation, free of charge, of the Right to receive newly issued Geox ordinary shares, resulting from the paid capital increase submitted for the approval of the extraordinary Shareholders' Meeting called for 16 April 2019.

The Rights of the beneficiaries of the 2019-2021 Plan to receive Shares may be satisfied, as determined by the Board of Directors at its discretion, also through the allocation of any treasury shares that may be purchased and/or held by Geox.

The maximum number of Shares serving the 2019-2021 Plan (equal to 5,000,000) will represent approximately 1.9% of the Company's current share capital (divided into 259,207,331 ordinary shares), as subsequently increased.

3. Beneficiaries of the 2019-2021 Plan

The 2019-2021 Plan is addressed to the Chief Executive Officer, Key Managers, as well as the Executives and the Key People (meaning the Group's executives and employees holding key organizational roles and positions for the Group) of the Geox Group, as identified by the Board of Directors following the approval of the 2019-2021 Plan by the Geox Shareholders' Meeting.

The beneficiaries of the Rights will be identified by the Board of Directors, upon the Chief Executive Officer's proposal, having heard the Appointment and Remuneration Committee.

4. Duration and conditions for the implementation of the 2019-2021 Plan

The 2019-2021 Plan does not provide for specific cycles of Rights allocation. The Rights may be assigned until 31 December 2020.

The allocation of Shares to the beneficiaries will be conditional upon the achievement of the Performance Targets provided by the 2019-2021 Plan regulation.

The assignment of the Shares may occur starting on the date of notice thereof from the Company to the beneficiary, upon assessment carried out on the basis of the data included in the consolidated financial statements referring to the financial year ended on 31 December 2021.

On 13 November 2018, the Geox Board of Directors approved the business plan for the 2019-2021 period, setting forth the Performance Targets connected to the Geox cumulative Consolidated Net Profit (meaning the profit after taxes and the financial operation results relating to each financial year, as defined in the business plan approved by the Geox Board of Directors on 13 November 2018, and relevant to the Geox consolidated financial statements, drafted without applying the IFRS 16) principle for the 2019-2021 period. Such Performance Targets represent the benchmark for the allocation of the Shares.

The allocation of the Shares is also linked to the continued existence of the Beneficiary's employment relationship on the date of the approval by the Company's Board of Directors of the consolidated financial statements for the financial year ended on 31 December 2021, in accordance with the conditions for the continuation of the employment relationship as better identified in the Plan regulation.

More specifically, the number of Shares to be assigned, upon the achievement of the Performance Targets, is calculated on the basis of the table below.

Cumulative Net Profit	Shares to be assigned
Maximum Threshold: 100% of the Target	100% of the Rights
Minimum Threshold: 60% of the Target	40% of the Rights
Below Threshold: <60% of the Target	0% of the Rights

In case of intermediate Net Profit values, as compared to those specified, the number of assigned Shares will be determined by applying the linear interpolation method.

Failing the achievement of the minimum Performance Target (below the threshold of <60% cumulative Net Profit in the concerned period), no Shares will be assigned to the Beneficiary and the Rights will be considered as being no longer effective.

In accordance with the relevant accounting principles, the recording of the cost and the related increase in equity

resulting from the implementation of the 2019-2021 Plan will be carried out once the Board of Directors identifies the beneficiaries and of the number of Shares actually assigned.

5. Restrictions on the transferability of the Shares

The Rights are personal, assigned free of charge, they cannot be transferred, under any title whatsoever, other than upon death, nor can they be pledged or subject to securities or other agreements, regardless of the kind, including derivative agreements.

50% of the Shares awarded to each beneficiary will be locked up – and may thus not be transferred – for a period of six months from the assignment date. On the contrary, the remaining 50% may be freely transferred, without any restrictions, as from the relevant assignment date. Such transfer restrictions do not apply to any Shares assigned to the Beneficiaries identified among the Key People.

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Dear Shareholders,

in light of the foregoing in relation to the fifth item on the Agenda, we invite You to pass the following resolutions:

“The ordinary Shareholders' Meeting of Geox S.p.A.

- *following a review of the explanatory report of the Board of Directors, drafted in accordance with Articles 114-bis and 125-ter of the Legislative Decree No. 58 of 24 February 1998, as subsequently amended;*
- *following a review of the information notice drafted in accordance with Article 84-bis of CONSOB Regulation No. 11971 of 14 May 1999, as subsequently amended (“Information Notice”),*

resolves

- 1. to approve, in accordance with – and for the purposes of – Article 114-bis of Legislative Decree No. 58 of 24 February 1998, a plan named “2019-2021 Stock Grant Plan” providing for the allocation of the right to receive, free of charge, up to 5,000,000 ordinary shares of the Company, having the characteristics (including terms and conditions for implementation) listed in the explanatory report of the Board of Directors and in the Information Notice (“2019-2021 Plan”);*
- 2. to grant the Board of Directors all necessary or appropriate powers – including express sub-delegation authority – for the full and complete implementation of the 2019-2021 Plan, including, but not limited to, all powers to identify the beneficiaries, upon the proposal of the Appointment and Remuneration Committee, and to determine the number of rights to receive, free of charge, the ordinary shares to be assigned to each of them, to assess the achievement of the performance targets set forth for the allocation of ordinary shares, to allocate the ordinary shares to the beneficiaries, as well as to carry out any actions, requirements, formalities, communications that are necessary and/or appropriate for the purposes of managing and/or implementing the 2019-2021 Plan, including the drafting and approval of the 2019-2021 Plan implementing regulation and any amendment to the same, with full authority to delegate any relevant powers, tasks and duties to the Company's Chief Executive Officer, provided that any decision relating to the allocation of the rights to the Chief Executive Officer as a beneficiary thereof (as well as any other decision relevant for and/or pertaining to the management and/or implementation of the plan for the part that concerns them) shall remain within the exclusive competence of the Board of Directors;*
- 3. to grant the Chief Executive Officer with all powers and sub-delegation authority in order to fulfil any statutory and regulatory requirements arising from these resolutions”.*