



**REPORT  
ON CORPORATE GOVERNANCE AND OWNERSHIP SET-  
UPS**

Pursuant to Article 123-*bis* of the FCA

**GEOX S.p.A.**

[www.geox.biz](http://www.geox.biz)

**2019 ACCOUNTING PERIOD**

**Approved on: 5 March 2020**

[Updated on: 30 July 2020](#)



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## GLOSSARY

<b>Code/Corporate Governance Code</b>	The Corporate Governance Code for listed companies, approved in March 2006 (as subsequently amended, most recently in July 2018) by the Corporate Governance Committee.
<b>Civil Code/c.c.</b>	The Italian civil code.
<b>Board</b>	The Issuer's Board of Directors.
<b>Issuer/Company/Geox</b>	GEOX S.p.A.
<b>Accounting period</b>	The fiscal year referring to the period ended on 31 December 2019.
<b>Consob Issuers' Regulations</b>	The Regulations issued by Consob under resolution no. 11971/1999 (as subsequently amended) regarding issuers.
<b>Consob Market Regulations</b>	The Regulations issued by Consob under resolution no. 20249/2007 of 28 December 2017 (as subsequently amended) regarding markets.
<b>Consob RPT Regulations</b>	The Regulations issued by Consob under resolution no. 17221 of 12 March 2010 (as subsequently amended) regarding Related Party Transactions.
<b>Report</b>	This report on corporate governance and ownership set-ups that companies are required to draw up pursuant to Article 123-bis of the FCA.
<b>FCA/Finance Consolidation Act</b>	Italian Legislative Decree no. 58 of 24 February 1998 (as subsequently amended).
<b>MAR</b>	The Market Abuse Regulation or Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse;



## I. ISSUER'S PROFILE

### MISSION AND VALUES

The footwear and clothing market is extremely competitive.

Geox distinguishes itself from its competitors by allowing its products to “breathe.” The name of the brand Geox derives from the combination of the words “geo” (earth in Greek), on which we all walk, and “x” a letter/element that symbolizes technology.

The origin of the Geox name underlines the vocation and DNA of a company that started from a revolutionary idea and made comfort, wellbeing and health a corporate must. The company looks forward by “breathing” internally as well, through the practical application of very strong values of the typically Venetian culture of “doing”, but always with respect for interpersonal relationships and corporate ethics.

***Geox's mission: Geox was born from an innovative idea aimed at offering a range of “breathing” products that guarantee Maximum Consumer Wellbeing.***

#### The principles of our mission

Geox's mission derives from the application of values that are fundamental to the company:

#### **Innovation**

We are always open to change and improvement. Through research, we identify the most advanced technologies and trends to be incorporated subsequently into unique products.

#### **Sustainability**

We are always careful and we have complete respect for people and the environment which surround us: ethical conduct, equality, diversity, trust.

#### **Passion**

We put the best of ourselves into what we do. We always back our values.

#### **Wellbeing**

We love everything that regards wellbeing and we transfer it to everything we do.

#### **Excellence**

Quality, safety and reliability. We pay the utmost attention to every detail.

#### **Customer Centricity**

Our consumers are our guide and our raison d'être. Satisfying them is our objective.

#### **Italian DNA**

We are proud to be Italian. We transmit the identity of our roots in all our products.

#### **The values of people**

Each day, people working at Geox absorb its fundamental values:

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- Working with enthusiasm and dynamically
- Believing in their own ideas and in innovative projects
- Common sense
- Honesty and integrity
- Temperance in conduct (and costs)
- Responsibility towards employees, customers, partners and shareholders
- Acknowledgement of the importance of training
- Observance of the code of conduct
- Awareness on the issue of environmental pollution
- Trust in the management.

It has been proven that compliance with these principles reinforces the value of Geox's corporate culture and our trust in the company's future.



## **SUMMARY DESCRIPTION OF GEOX S.P.A.'S CORPORATE GOVERNANCE SYSTEM**

During 2019, the Company fully abided by the recommendations included in the Corporate Governance Code.

[The Company may be defined as an SME pursuant to article 1, paragraph 1, letter w-quater.1\) of the TUF \(Italian consolidated law on financial intermediation\) and pursuant to article 2-ter of the Consob issuers' regulations, as Geox recorded an average capitalisation of Euro 305,865 thousand in 2019. Pursuant to article 120, paragraph 2, of the TUF, the threshold regarding disclosure requirements for significant holdings is equal to 5%.](#)

The Company intends to provide below complete information on the procedures to implement its corporate governance system and on compliance with the Code, according to the guidelines contained in the format developed by Borsa Italiana as updated in January 2019, as well as according to Article 123-bis of the FCA.

This Report refers to the Company's Articles of Association, amended on 16 April 2019 (the "**Articles of Association**").

Geox S.p.A.'s corporate bodies are: the Shareholders' Meeting, the Board of Directors, the Executive Committee, the Audit, Risk and Sustainability Committee, the Appointment and Remuneration Committee, the Board of Statutory Auditors and the Supervisory Body pursuant to Italian Legislative Decree 231/2001. The Committees represent the internal structure of the Board of Directors and have been established with the aim of improving the functioning and strategic policy capability of the Board.

In addition, there is an Ethics and Sustainable Development Committee consisting of 3 members: Mario Moretti Polegato, Umberto Paolucci and Renato Alberini, to direct and promote the Company's sustainable development and ethical conduct.

The Company has approved internal regulations that identify the principles which Geox abides by in order to ensure the transparency and essential and procedural correctness of transactions with related parties, in application and compliance with Consob's RPT Regulations (the "**Regulation governing Related-Party Transactions**") initially approved on 28 October 2010 and last updated on 5 March 2020 on the occasion of the triennial review.

The aim of the corporate governance system is to ensure the correct functioning of the Company and the Group, in general, as well as the development on a global scale of the reliability of its products and, as a consequence, its name.

## 2. INFORMATION ON THE OWNERSHIP SET-UPS AS OF 31 DECEMBER 2019

Pursuant to art. 123-bis, par. 1, FCA

### a) Share capital structure

The share capital, fully subscribed and paid-in, amounts to Euro 25,920,733.10 and is divided into 259,207,331 ordinary shares, each with a par value of Euro 0.10 (nought point ten).

The Issuer's share capital structure is shown in the table below.

SHARE CAPITAL STRUCTURE				
	No. of shares	% of share capital	Listed (indicate markets) / not listed	Rights and obligations
Ordinary shares	259,207,331	100%	MTA	Each share is entitled to one vote. The rights and obligations of the shareholders are those laid down by articles 2346 and following of the Italian Civil Code.
Shares with multiple voting rights	-	-	-	-
Shares with limited voting rights	-	-	-	-
Shares without voting rights	-	-	-	-
Other	-	-	-	-

\*\*\*\*

The extraordinary Shareholders' Meeting held on 16 April 2019 approved a free share capital increase pursuant to article 2349, paragraph 1, of the Civil Code, divisible, for a maximum par amount of Euro 1,200,000 corresponding to a maximum number of 12,000,000 of the Company's ordinary shares for a par value of Euro 0.10 each, servicing one or more of the Stock Grant Plans, including the 2019-2021 Stock Grant Plan.

At the date of this Report, the Company had in place a medium-long term incentive plan (LTI) represented by the 2019-2021 Stock Grant Plan, approved by the ordinary Shareholders' Meeting of 16 April 2019, which envisages the assignment by the Board of Directors to the beneficiaries of the rights to receive shares for free, having consulted the Appointment and Remuneration Committee. The granting of Shares may take place from the date of notification to the recipient, by the Company, following the recognition carried out based on the figures of



the consolidated financial statements for the year ended 31 December 2021 approved by the Board of Directors. Assignment of the shares is linked to achieving the Performance targets connected to the Net Profit (which means profit net of taxes and the result from financial management regarding each accounting year, as defined in the business plan approved by the Geox Board of Directors on 13 November 2018 and relating to Geox' consolidated financial statements prepared without applying IFRS16) as accumulated in the consolidated financial statements of Geox for 2019- 2021. The assignment of the shares is also linked to the beneficiary still being an employee at the moment when achievement of the targets is confirmed.

The above-mentioned plan was conceived in order to encourage management retention and incentive schemes, by promoting the increase in the Company's value and the spread of a value creation culture in all strategic and operational decisions.

The recipients of the Plan may be the Chief Executive Officer, Executives with Strategic Responsibilities as well as Executives and Key People (i.e. Group executives and employees holding key organizational roles and positions for the Group).

Additional information on the 2019-2021 Stock Grant Plan is available to the public on the Company's Website ([www.geox.biz](http://www.geox.biz)) in the Governance section.

In reference to the 2016-2018 Stock Option Plan, during 2019 it was duly noted that, since the three years of the strategic plan had passed and since the Company had achieved performance targets below those envisaged, the aforementioned threshold was not achieved and therefore the rights assigned to the beneficiaries of this plan cannot be exercised. On 27 February 2019, the Board of Directors passed a resolution to waive exercise of the option, envisaged in the final paragraph of point 7 of the Regulation of the 2016-2018 Stock Option Plan, to enable the beneficiaries to exercise, in whole or in part, the stock options assigned even without achieving the performance targets.

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Without prejudice to what indicated above in relation to the 2019-2021 Stock Grant Plan, the Company has issued no financial instruments that grant the right to subscribe newly issued shares.

## **b) Restrictions on the transfer of securities**



The Company's ordinary shares are freely transferable and contain no restrictions with regard to their transfer. Moreover, there is no limit on the ownership of securities, nor is there any right of approval by the Company or other holders of securities in relation to the transfer of the aforementioned shares.

**c) Significant equity investments in the share capital**

As of the date of approval of the Report, the parties who invest directly or indirectly, to an extent greater than 3% of the share capital, in accordance with the information emerging from the communication made in accordance with Article 120 of the FCA, are:

<b>SIGNIFICANT EQUITY INVESTMENTS IN THE SHARE CAPITAL</b>			
<b>Party</b>	<b>Direct shareholder</b>	<b>% of ordinary capital</b>	<b>% of voting capital</b>
<b>Mario Moretti Polegato</b>	LIR S.r.l.	71.1004%	71.1004%

**d) Securities with special rights**

The Issuer has issued no securities that grant special control rights.

**e) Shareholding participation of employees: mechanism for the exercise of voting rights**

There is no mechanism providing for the exercise of voting rights by employees.

**f) Restrictions on the right to vote**

There is no restriction on the right of shareholders to vote.

**g) Shareholders' agreements**

To the best of the Company's knowledge, there exist no agreements between the Company's shareholders pursuant to article 122 of the FCA.

**h) Change of control clauses and provisions of the Articles of Association concerning takeovers**

The Group has not concluded significant agreements that will enter into effect, be amended or be extinguished in the event of a change of control within the contracting company.

The Articles of Association of Geox do not contain any provisions departing from the provisions on the passivity rule laid down by art. 104, paragraphs 1 and 2, of the CLF nor do

they envisage the application of the neutralisation rules laid down in art.104-bis, paragraphs 2 and 3 of the CLF.

## **i) Proxies to increase the share capital and authorisations to purchase treasury shares**

### Powers to increase the share capital

As of the date of approval of the Report, the Extraordinary Shareholders' Meeting did not grant the Board of Directors authority to increase the share capital pursuant to Articles 2420-ter and 2443 of the Civil Code.

### Authorisation to purchase treasury shares

On the date of approval of this Report, the Shareholders' Meeting of the Company on 16 April 2019 authorised to purchase treasury shares in compliance with art. 2357 and 2357-ter of the Civil Code.

In particular, on 16 April 2019 the Shareholders' Meeting authorised, pursuant to art. 2357 and 2357-ter of the Civil Code and art. 132 of the FCA, the purchase, in one or more transactions, of a maximum, on a rotation basis (i.e. the maximum number of treasury shares held in the portfolio from time to time), of 25,920,733 ordinary Geox shares with a par value of Euro 0.10 each and, in any case, within the limits of 10% of the Company's share capital, taking into account for this purpose also any shares which might be held by subsidiaries. The shares may be purchased until the end of the eighteenth month and starting from the date on which the authorisation granted by the Shareholders' Meeting of 17 April 2018 expires; the purchase may be made according to one of the methods provided for in the combined provisions of art. 5, of Regulation (EU) 596/2014, Delegated Regulation 2016/1052, art. 132 of the FCA and art. 144-bis, paragraph 1, letters b) and c) of the Consob Issuers' Regulation. The unit payment for the purchase of the shares may be made at a maximum and minimum unitary price equal to the price of the Geox share at closure of the stock exchange recorded in the working day prior to the purchase date, plus or minus 10% respectively for the maximum and the minimum price. In any case, the payment may not exceed any limits provided by applicable legislation or, if recognised, by allowed market practices. The maximum purchase volumes shall not exceed 25% of the average of the daily volumes of the 20 sessions of the Stock Exchange prior to the date of the purchase transaction. The purchase can be made on regulated markets or multilateral trading systems pursuant to letter b) of art. 144-bis of the Consob Issuers' Regulations, in compliance with the provisions of art. 132 of the FCA, and in accordance with the means envisaged by art. 2.6.7 of the Market Regulations organised and managed by Borsa Italiana S.p.A. and, therefore, in compliance with equal treatment among shareholders; finally,

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purchases must be made within the limits of distributable profits and available reserves from the most recently approved financial statements.

In addition, the Shareholders' Meeting of 16 April 2019 authorised, pursuant to and in application of art. 2357-ter of the Civil Code, the disposal, on one or more occasions, of treasury shares bought, in compliance with the legal and regulatory provisions as in force, including in the authorisation envisaged herein also the disposal and/or use of the shares purchased in implementation of the previous shareholders' meeting resolutions and held by the Company at the date of this resolution, to pursue the aims as set out in the report of the Board of Directors and in the following terms and conditions:

- the shares can be disposed of or otherwise sold at any time without any time limits;
- disposals can be made also before having completed the purchases and can take place on one or more occasions by adopting any method that is suitable in relation to the purposes being pursued;
- the sale may take place in the ways considered most suitable in the interest of the Company, including, by way of example, disposal on the Stock Market and/or over the counter and/or on the block market, with an institutional placement, as payment for equity interests and/or companies, and/or goods and/or assets, for the conclusion of agreements with strategic partners, in the event of extraordinary operations which imply the availability of treasury shares to be assigned, offering them as collateral in order to obtain loans for the Company and/or of the group, for the realisation of projects or to pursue corporate objectives as well as, in any case, under any other form of disposal allowed by the relevant laws in force;
- the cost per unit for the disposal of the shares cannot be 10% below the Stock Market closing price of Geox shares recorded on the working day prior to each disposal. This cost limit will not be applied in the case of disposal other than by sale (i.e. exchange, conferment, mergers or demergers, issues of convertible bonds, assignment of shares under stock option plans). In these cases, different criteria can be used, in line with the purposes being pursued and taking account of market practice and the indications of Borsa Italiana S.p.A. and Consob.

On 5 March 2020, the Board of Directors resolved to call the ordinary Shareholders' Meeting on 22 April 2020 in order to approve a new authorisation to purchase and dispose of treasury shares pursuant to articles 2357 and 2357-ter of the Civil Code, and to withdraw the previous Shareholders' Meeting resolution of 16 April 2019.

As at 31 December 2019, the Issuer held no. 3,996,250 treasury shares.

## **j) Management and co-ordination activities**

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The Company manages and coordinates the companies belonging to the Geox Group, including in matters of governance.

Despite it being controlled by another company, i.e. LIR S.r.l., Geox does not consider itself to be subject to the management and co-ordination activities of third parties, since the decision-making bodies and the management headquarters of the entire Group are concentrated within Geox's structure.

The Company LIR S.r.l. exercises control over the Geox Group since it holds 71.1% of the share capital and, consequently, includes the Company in its consolidated financial statements. Nonetheless, at 31 December 2019, Geox was not subject to management and coordination (pursuant to article 2497 and following of the Civil Code) by any subject, including LIR S.r.l.

The presumption as set out in article 2497-sexies of the Civil Code – by which it is presumed, unless proven otherwise, that management and coordination is exercised by the subject required to consolidate the financial statements – can be rejected in the specific case for the following reasons:

- (i) the Company continues to independently establish its strategy, general and operational guidelines and enjoys autonomous negotiating power in dealings with customers and suppliers;
- (ii) Geox is equipped with an autonomous risk management system and its own financial structure;
- (iii) the Company's Board of Directors consists of directors, the majority of whom are not connected to LIR S.r.l. In addition, Geox has independent directors in such a number as to guarantee that their judgement has a significant weight in the Board's decisions;
- (iv) the Executive Committee, which is conferred the powers of ordinary and extraordinary administration of the Company, holds its meetings in the presence of and under the supervision of the Board of Statutory Auditors.

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With reference to the information relating to the agreements between the company and the Directors, which provide for indemnities in the event of resignations or dismissal without just cause or if their employment relationship should cease following a public purchase offer, please refer to the contents of the remuneration report published in compliance with art. 123-ter of the FCA (see Section 9 of this Report).

The information relating to the rules applicable to the appointment and replacement of Directors and amendments to the Articles of Association, if other than the additional legislative

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and regulatory rules applicable on a supplementary basis, are set forth in Section 4.I of the Report.



### 3. COMPLIANCE

#### **Pursuant to art. 123-bis, par. 2, letter a), FCA**

The Company has formally adopted the Corporate Governance Code for listed companies drawn up by Borsa Italiana S.p.A.'s Corporate Governance Committee, as approved in March 2006 by the Board of Directors meeting held on 22 January 2007.

The Corporate Governance Code was amended in March 2010 in its section related to the remuneration of Directors and Executives with Strategic Responsibility, and again in December 2011 with the aim, on the one hand, of increasingly adjusting the Code's recommendations to the size of listed companies and, on the other hand, of strengthening the central role of the Board of Directors and streamlining the auditing system. In addition, the Corporate Governance Code was updated in July 2014, mainly in order to strengthen the "comply or explain" principle, relating to the procedure for self-assessment and Board's pre-meeting information as well as to the remuneration of Directors and transparency on managers' severance indemnities.

The Corporate Governance Code was also updated in July 2015 with changes, among other things, to the principles applicable to the Board of Directors and to the internal committees (involvement of executives in Board meetings and reporting to the Board of Directors about the meetings of the committees), to the independent directors (means of meeting), to the Board of Statutory Auditors (checking independence and remuneration), to risk management (obligations of the Board of Directors to evaluate risks with a view to medium/long-term sustainability, description of means of coordination, obligation to support the Audit and Risk Committee in the assessments and decisions of the Board of Directors regarding risk management) as well as the introduction, among other things, of some references to social sustainability and to internal whistleblowing systems for employees at issuing companies which are on the FTSE-MIB index.

In reference to the amendments made to the Corporate Governance Code in December 2011, the Board of Directors of 20 December 2012 resolved to make some organisational changes in order to transpose these amendments, including in particular some amendments to the Risk Management and Internal Audit System and to the relevant departments. Moreover, during the above-mentioned meeting held on 20 December 2012, the Board of Directors also resolved to create an Appointment Committee, in compliance with Articles 4 and 5 of the Code.

The Corporate Governance Code was last updated in July 2018 with changes relating to the adoption of diversity and gender criteria for the composition, respectively, of the Board of Directors and the Board of Statutory Auditors, in order to guarantee adequate competence and professional skills of all its members. In particular, gender diversity was guaranteed by

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establishing the quota of one third for the least represented gender, thus promoting the voluntary maintenance of the effects of Law no. 120 of 12 July 2011.

In reference to the changes made to the Corporate Governance Code in July 2018, the Board of Directors with its resolution of 31 July 2018 transposed the related additions on diversity.

The text of the Corporate Governance Code is available to the public on Borsa Italiana's website

(<https://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/corporategovernance.en.htm>).

Neither the Issuer nor its strategically significant subsidiaries are subject to the provisions of non-Italian laws that influence the Issuer's corporate governance structure.

The Company duly noted that, on 31 January 2020, the Corporate Governance Committee of Borsa Italiana S.p.A. issued a new Code of Corporate Governance which will apply as from 2021 with the obligation to inform the market in the corporate governance report which will be published in 2022. In this regard, the Company intends to undertake the necessary assessments to proceed, if necessary, with updating to the new Code of Corporate Governance within the envisaged timeframes.

## 4. BOARD OF DIRECTORS

### 4.1 APPOINTMENT AND REPLACEMENT OF DIRECTORS

The provisions applicable for the appointment and replacement of Directors, illustrated below, are indicated under Article 17 of the Articles of Association, as amended following the Board of Directors' resolution of 27 February 2019:

*“The Directors are appointed for the first time in the memorandum of association and subsequently by the ordinary Shareholders' Meeting.*

*Undertaking of the office of Director is dependent on possession of the requisites established by the law, the Articles of Association and other applicable provisions.*

*Those who hold more than ten offices as director or statutory auditor in other companies listed on regulated markets (also abroad), in financial, banking and insurance companies or companies of a significant size, cannot be appointed as Directors of the Company and, if appointed, their office shall terminate.*

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

*The lists must be lodged at the registered offices of the company at least twenty-five days before the date established for the Shareholders' Meeting and must be made available to the public at the registered offices, on the Company's website and with the other procedures laid down by laws and regulations at least twenty-one days before such a meeting.*

*Each Shareholder may present or contribute towards presenting just one list and each candidate can stand for just one list, on penalty of ineligibility. Each Shareholder, as well as the Shareholders belonging to the same group (i.e. the controlling party, not necessarily a company, in accordance with Article 93 of Italian Legislative Decree No. 58/1998, as well as the subsidiary and associated companies of the same party), or who comply with a shareholders' agreement pursuant to Article 122 of Italian Legislative Decree No. 58/1998, cannot present or contribute towards presenting or vote for – directly, via third parties or trust companies – more than one list.*

*Only the Shareholders who alone or together with other Shareholders represent at least one fortieth of the share capital (or a lower threshold determined in accordance with legislation in force as of the date of the shareholders' meeting) have the right to present lists.*

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

*In order to prove ownership of the number of shares necessary for presentation of the lists, Shareholders who present or contribute to the submission of the lists, must present and/or send to the registered*



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office a copy of the relevant certificate issued by a broker authorised by law, at least twenty-one days before the Shareholders' Meeting called to deliberate on the appointment of the members of the Board of Directors. The declarations by means of which the individual candidates accept their nomination and declare, at their own liability, the non-existence of any reasons for ineligibility and incompatibility envisaged by the law and the Articles of Association, as well as the existence of the requisites which may be laid down by law and the regulations for the respective offices, must be lodged together with each list. Together with the declarations, a curriculum vitae will be lodged for each candidate, including the personal and professional characteristics and, if required, the indication of the suitability for qualifying as independent in accordance with current legislation and in observance of the limit on the accumulation of offices described above.

The lists in relation to which these provisions have not been observed will not be considered as presented.

At least one of the members of the Board, if the Board of Directors is made up of a number of members ranging up to seven, or two members of the Board if the Board of Directors is made up of more than seven members, must possess the independence requisites described above. Directors with the requisites of independence who, subsequent to appointment, lose the afore-mentioned independence requisites, must inform the Board of Directors immediately and, in any event, fall from office.

Periodically, the Board will assess the Directors' independence and integrity requisites. In the event that the independence and integrity requisites do not exist or cease to exist and in the event that the minimum number of independent Directors established in these Articles of Association ceases to exist, the Board declares the forfeiture of the Director lacking said requisite and provides for his/her replacement.

Each holder of voting rights can vote for just one list. Every list shall contain a number of candidates equal to the maximum number of members of the Board of Directors indicated in Article 16 and, among these, at least one (if the number of members to be elected is up to seven), or at least two (if the number of members to be elected is more than seven), shall meet the independence requisites specified above, and unless such lists present a number of candidates lower than three, both genders shall be represented, so that the candidates of the less represented gender are, for the first term of office following one year of the coming into force of Law no. 120/2011, at least 1/5 of the total number and, in the two subsequent terms of office, at least one third of the total number, with rounding off to the higher unit in the case of a fraction.

The Directors will be elected as follows:

a) from the list that has obtained the majority of Shareholders' votes, the eight tenths of the Directors to be appointed shall be taken in the progressive order with which they are listed, with a rounding down in case of fractions less than one unit;

*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 thus obtained will be progressively assigned to the candidates in each of these lists, following the relevant order. The quotients thus attributed 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 that has not yet elected any Director or that has elected the lower number of Directors shall be elected. In cases where none of these lists have elected a Director yet or all have elected the same number of Directors, the candidate of the list that has obtained the greatest number of votes shall be elected. In the event of a tie in the votes on the list and if they have the same quotient, a new vote will be cast by the entire Shareholders' Meeting and the candidate obtaining the simple majority of the votes will be elected. If the lists presented do not contain a sufficient number of candidates to elect all the members of the Board of Directors, the Shareholders' Meeting shall decide on the appointment of the remaining members pursuant to the majorities required by law.*

*Should the appointment of candidates according to the above-mentioned proceedings fail to ensure the appointment of a Director meeting the independence requirements referred to above, 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 non-elected independent candidate on the same list in accordance with the progressive order.*

*Should the resulting composition of the body fail to respect the gender balance, taking into account the order in which candidates are listed, the last candidates elected in the Majority List of the most represented gender shall fall from office in a number necessary to ensure the fulfilment of the gender balance requirement, and they shall be replaced by the first non-elected candidates of the less represented gender contained in the same list. If the candidates of the less represented gender in the Majority List are not in sufficient number to proceed with the replacement, the Shareholders' Meeting shall appoint other members pursuant to the majorities required by law, thus ensuring that the gender balance requirement is met.*

*For the purposes of the distribution of 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 submission.*

*If only one list is presented or if no list at all is presented, the Shareholders' Meeting shall pass resolutions pursuant to the majorities required by law, without complying with the above described*

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*procedure, without prejudice to the fact that the minimum number of independent directors established in these Articles of Association must be respected and, in any case, in compliance with the distribution criterion provided for by Article 147-ter, par. 1-ter, Legislative Decree no. 58/1998.*

*The term of office of the Directors shall be determined by the Shareholders' Meeting at the time of appointment and cannot exceed three financial years. The Directors shall fall from office on the date of the Shareholders' Meeting convened for the approval of the financial statements related to the last accounting year in which they are in office.*

*Without prejudice to the provisions of the next paragraph, if one or more Directors should cease to hold office 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 hold 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 holding his or her office belongs, who are still eligible and agree to accept the office. Should an independent Director cease to hold office, the replacement will occur wherever possible by appointing the first of the non-elected independent Directors on the list from which the Director no longer holding 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, pursuant to the majorities required by law, by appointing the replacements on the basis of the same criteria mentioned in the previous paragraph 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 it happen that, in the above-mentioned list, there are no more non-elected candidates, or should it happen that the previously-indicated replacement methods do not respect the minimum number of independent directors or the equal balance of genders, or that only one list has been submitted, or that no lists at all have been submitted, the Board of Directors shall replace the ceased Directors pursuant to Article 2386 of the Italian Civil Code without observing the criteria indicated above, as resolved by the Shareholders' Meeting pursuant to the majorities required by law, without prejudice – both for co-optation and for meeting resolution – to the minimum number of independent directors and to the distribution criterion provided for by Article 147-ter, par 1-ter of Legislative Decree no. 58/1998; and the directors so appointed shall fall from office along with those 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 Shareholders' 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 hold 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 of the Board of Directors to that of the Directors in office for the remainder term of office, providing that the minimum number of Directors with the requirement 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 provided that the distribution criterion provided for by Article 147-ter, par. 1-ter, of Legislative Decree no. 58/1998 too is respected. 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 additional Directors shall be taken from the list that has obtained the highest number of votes cast by Shareholders on the occasion of the appointment of the members in office at the time, from among the candidates who can still be elected, and the Shareholders' Meeting shall resolve pursuant to the majorities required by law, by respecting this principle and the distribution criterion provided for by Article 147-ter, par. 1-ter, Legislative Decree no. 58/98. Conversely, should it happen that, in the above-mentioned list, there are no more non-elected candidates, or that only one list has been submitted, or that no lists at all have been submitted, the Shareholders' Meeting shall proceed with appointment without observing the criteria indicated above, pursuant to the majorities required by law and still in accordance with the distribution criterion provided for by Article 147-ter, comma 1-ter, of Legislative Decree no. 58/1998. The Directors thus elected 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 distribute the overall remuneration determined by the Shareholders' Meeting among its members.

The Directors are entitled to be reimbursed for expenses incurred in the performance of their duties.”.

By means of Resolution no. 28 published on 30 January 2020, Consob established, without prejudice to any lower shareholding provided for by the Articles of Association, the shareholding required for presentation of the lists of candidates for the appointment to the management and audit bodies that closed the financial year on 31 December 2019. In particular, the shareholding set for GEOX S.p.A. is the following:

CRITERIA FOR THE DETERMINATION OF THE SHAREHOLDING			SHAREHOLDING
CATEGORY OF CAPITALISATION	FLOATING SHAREHOLDING > 25%	MAJORITY SHAREHOLDING < 50%	
< = Euro 375 million	Yes	No	2.5%

## Succession plans

In regard to the appointment of Directors, it should be mentioned that the Board of Directors of the Company has not adopted any plan for the succession of executive Directors. Actually, the Board of Directors considers it essential to retain the competence and assess, on a case-by-case basis, the need to replace any of the Directors or otherwise regulate the relationship between the Company and the Directors on an individual basis and taking into account the peculiarities that regard each of them.

## 4.2 COMPOSITION

Art. 16 of the Articles of Association envisages that the Company is administered by a Board of Directors (hereafter also the “Board” or “BoD”) consisting of a minimum of five to a maximum of eleven Directors, who can be re-elected, in compliance with the gender balance requirement pursuant to article 147-ter, par. 1-ter, of the FCA, introduced by Law no. 120 of 12 July 2011. The Shareholders’ Meeting of 16 April 2019 set the number of the members of the Board of Directors at ten and they will serve until the Shareholders’ Meeting to approve the financial statements at 31 December 2021. The ten members of the Board of Directors were appointed by the Shareholders’ Meeting of 16 April 2019 on the basis of two lists:

- (i) a list presented by the majority shareholder Lir S.r.l., holder of 71.1004% of the share capital underwritten and paid-up, consisting of the following candidates: Mario Polegato Moretti, Enrico Polegato Moretti, Matteo Carlo Maria Mascazzini, Claudia Baggio, Lara Livolsi, Alessandro Antonio Giusti, Francesca Meneghel, Livio Libralesso, Francesca Salvi, Marco Badiani; and
- (ii) a list presented by a group of savings management companies and institutional investors, the overall investment of which is 2.65% of the share capital underwritten and paid-up, consisting of the following candidates: Ernesto Albanese, Alessandra Pavolini, Daniela Montemerlo, Michel Serge Klersy.

The list as set out at point (i) was approved by a majority of the Shareholders’ Meeting, with a number of votes in favour representing 89.13% of the share capital with voting rights.

It emerges that the structure of the Board of Directors in office as at 31 December 2019, and of the Committee, is as illustrated in Table 2 attached.

On 16 January 2020, the Company by mutual agreement ended the employment and directorship of the Chief Executive Officer Matteo Carlo Maria Mascazzini and the Board of Directors, noting the resignation of Mr. Mascazzini from the positions of Director and Chief Executive Officer, resolved to confer on the existing director Livio Libralesso the powers of Chief Executive Officer and to appoint him as a member of the Executive Committee. The

Board of Directors also resolved not to co-opt a new director in place of Matteo Carlo Maria Mascazzini and subsequently, on 5 March 2020, to propose to the Shareholders' Meeting called for 22 April 2020 to reset to nine the number of members of the Board of Directors.

The table below indicates the number of meetings held during the year to 31 December 2019 by the Board of Directors, the Executive Committee, the Audit, Risk and Sustainability Committee and the Appointment and Remuneration Committee:

	Number of Meetings
<b>Board of Directors</b>	6
<b>Executive Committee</b>	14
<b>Audit, Risk and Sustainability Committee</b>	7
<b>Appointment and Remuneration Committee</b>	6

The personal and professional qualities of the individual Directors are included in their *curricula vitae* published on the Company's website [www.geox.biz](http://www.geox.biz) in the *Governance - corporate bodies* section.

### **Diversity Criteria and Policies**

On 8 November 2017, the Board of Directors adopted the diversity policy ("**Diversity Policy**") for the composition of the administration, management and audit bodies which aims to guarantee the sound functioning of the corporate bodies by regulating their composition and envisaging that their members hold the personal and professional requirements which determine the highest level of diversity and competence among them. The Diversity Policy promotes corporate social responsibility covering inclusion, integration and non-discrimination, aimed at enhancing diversity, and helping to remove the economic and social obstacles which limit the individual's freedoms in application of the principle of substantial equality and in respect of individual dignity.

Diversity is perceived as a strength since it makes it possible to create a Board of Directors and a Board of Statutory Auditors where different values, points of view, skills and ideas are present, such as to facilitate and enrich the debate and mitigate the risk of undifferentiated collective thinking. The aspects of diversity considered by Geox for the purposes of forming the Board of Directors and the Board of Statutory Auditors regard, besides the personal requirements:

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- gender diversity, understood as balanced gender representation;
- professional diversity, understood as the diversified contribution of different professional profiles, which guarantees financial know-how regarding important sectors for the Company, international experience, leadership, risk management, planning and realisation of corporate strategies;
- geographical diversity, understood as the different provenance of the members of the Board of Directors and the Board of Statutory Auditors, which enables better understanding of the specific nature of the different markets where the Group operates.

Geox guarantees, through the Appointment and Remuneration Committee, respect of the Policy. In particular, this committee has the task of:

- assessing annually the activities undertaken by the Board of Directors to identify the needs to balance responsibilities and to protect and enhance diversity;
- raising the weaknesses that emerged following the assessments as set out in the previous point;
- express an opinion on candidates to be director, specifying if the lists conform to the recommendations as set out in the previous point.

The selection of the candidates took place taking account of the personal requirements, gender, professional and geographical diversity.

Respect of the gender criteria is also included in the Articles of Association at article 17 regarding the appointment of directors, as set out in the previous paragraph.

The Company, with this intervention, on 31 July 2018 completed the update of the Corporate Governance Code, promoting the principles proposed on diversity.

Before terminating the relationship with Matteo Carlo Maria Mascazzini, the percentage of the least represented gender on the Board of Directors, consisting of ten members, was 40%. As of the date of this Report, the percentage of the least represented gender on the Board of Directors, consisting of nine members, is 44%.

Law no. 160 of 27 December 2019 (Budget Law 2020), modifying art. 147-ter, para. 1-ter, of the FCA, increased the percentage reserved for the least represented gender from “one-third” to at least “two-fifths” of the elected directors. This new criterion must be applied for six consecutive mandates starting from the first renewal of the administrative bodies following the coming into force of this law which occurred on 1 January 2020. As of the date of this Report, the Company is largely compliant with the new gender criterion introduced by the Budget Law 2020, albeit this criterion will be applied only as from the next renewal of the Board of Geox.

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The Company has not so far formalised measures to promote equal treatment and opportunities between the sexes within the whole company organisation. However, the current composition of employees in the company organisation, as indicated also in the consolidated non-financial declaration, conforms to the principles of gender diversity since it consists of 74% women and 26% men.

The above data relates to staff divided by gender and refers to all employees of the Geox Group, net of the employees in North America, for whom data in accordance with these classifications is not available, as envisaged by local practice.

## **Maximum limit on offices held in other companies**

The list of offices held by Company's Directors in other companies listed on regulated markets (in Italy and/or abroad), in financial, banking and insurance companies or large corporations is attached to this Report.

By means of resolution dated 22 January 2007, the Board of Directors established to set at 10 the maximum number of appointments as director or statutory auditor that can be held by each Geox's director in other companies listed on regulated markets (in Italy and/or abroad), in financial, banking or insurance companies or large corporations. This provision has also been included in Article 17 of the Articles of Association.

The current composition of the Board of Directors respects this general approach.

## **Induction programme**

In accordance with Article 2.C.2. of the Code, the Chairman encourages Directors' participation in Board of Directors' meetings and Shareholders' Meetings and implements other initiatives aimed at increasing their awareness of the corporate situation and dynamics, as well as of the applicable regulatory and self-regulatory framework and of the principles of correct risk management through, for example, direct dialogue with certain key executives, visits to Group companies, etc.

During 2019, an information session was held for the Board of Directors in the presence of top management, on 13 November 2019.

## **4.3 ROLE OF THE BOARD OF DIRECTORS**

During 2019, six meetings of the Board of Directors were held with an average length of 3 hours each, called in accordance with the formalities envisaged by the Articles of Association. A similar number of meetings is expected to be held this year. As of the date of this Report, a meeting of the Board of Directors had already been held in 2020.



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The management of the Company is the exclusive responsibility of the Board of Directors, which carries out all the activities necessary for the implementation and achievement of the corporate purposes, with the sole exclusion of the acts assigned peremptorily to the Shareholders' Meeting by law and by the Articles of Association.

In compliance with Article 2365, par. 2 of the Italian Civil Code, the Board of Directors shall also: (a) resolve upon the merger under Articles (a) the merger resolution pursuant to Articles 2505 and 2505 bis of the Italian Civil Code; (b) the establishment and closing down of secondary offices; (c) the reduction of the share capital in the event of withdrawal of the shareholder; (d) the adaptation of the Articles of Association to legislative provisions; (e) the transfer of the registered offices to another Municipality in Italy (Art. 16 of the Articles of Association).

The issue of bonds is also the responsibility of the Board of Directors, with the exception of the issue of bonds convertible into shares of the Company or in any event backed by *warrants* for the underwriting of Company shares, which is resolved by the extraordinary Shareholders' Meeting of the Company (Article 8 of the Articles of Association).

The Articles of Association reserve the following for the Board of Directors: decisions concerning disposal, for any purpose and of any nature, of trademarks, patents and other intellectual property rights, which are the exclusive competence of the Board of Directors (Article 18 of the Articles of Association). Furthermore, the following are the exclusive responsibility of Board of Directors and cannot be delegated: decisions to be adopted, upon the proposal of the Chairman of the Board of Directors, regarding the definition of the growth and policy strategies for corporate management, also on a long-term basis, as well as regarding the annual business and economic-financial plan (budget) and the long-term forecast plans with the related investment plans (Article 16 of the Articles of Association).

Without prejudice to the powers that, as illustrated above, cannot be delegated by law or in any Articles of Association provisions, the Board of Directors has identified additional matters reserved for its exclusive competence, taking into account the particular significance of the related transactions.

In detail, as of today's date the following decisions are reserved for the responsibility of the Board of Directors, concerning:

- (a) the examination and approval of the strategic, industrial and financial plans of the Company and the structure of the group it heads;
- (b) the assignment and withdrawal of powers to the directors with delegated powers and to the Executive Committee, as well as the establishment of the limits, means of

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- exercise and frequency, with which the delegated bodies must report to the Board regarding the activity undertaken in the exercise of the powers conferred on them;
- (c) the determination (according to legal procedures) of the remuneration of directors with delegated powers and those who hold particular roles, as well as, where not already arranged by the Shareholders' Meeting, the division of the global pay due to the members of the Board of Directors and of the Executive Committee;
  - (d) the supervision over the general performance of management, with particular attention to conflicts of interest, in consideration, in particular, of the information received from the Executive Committee, Directors with delegated powers and the Audit, Risk and Sustainability Committee as well as the periodic comparison of the results achieved against those planned;
  - (e) transactions for the purchase or sale, also by means of subscription and conferral, of equity investments and/or companies and/or business segments, if the total value of the individual transaction is higher than Euro 10 (ten) million;
  - (f) the granting of loans, if the value per single transaction is over Euro 5 (five) million to third parties, Euro 20 million to Group companies;
  - (g) the issue of unsecured and/or secured guarantees, if the if the value of each individual transaction is higher than Euro 5 (five) million;
  - (h) the issue of bonds or financial instruments, if the overall value of the individual transaction is higher than Euro 10 (ten) million;
  - (i) the raising of loans and/or other financial debt transactions, if the overall value of the individual transaction is higher than Euro 40 (forty) million;
  - (j) donations and other gifts, as well as contributions or sponsorship to NGOs if the maximum value per year is above Euro 1,000,000 (one million);
  - (k) all transactions with related parties outside the Group which are not typical or usual transactions to be conducted at standard conditions (typical or usual transactions means transactions which, in terms of their purpose or nature, are not outside the normal course of the Company's business and do not have particular problems due to their characteristics or the risks inherent in the nature of the counterparty, or in the time when they are completed);
  - (l) checking of the adequacy of the general organizational and administrative set-up of the Company and the Group arranged by the Managing Directors.
  - (m) the task of reporting to the Shareholders at the Shareholders' Meeting.

During 2019, on the basis of the provisions of the Articles of Association specified above and without prejudice to the decisions taken by the Chief Executive Officer and the Executive

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Committee, on the basis of the delegated powers and in line with the provisions of Article 1, par. 1 of the Code, Geox's Board of Directors has periodically monitored the implementation of Geox's and the Group's industrial and financial strategic plans, has defined the risk nature and level compatible with the strategic objectives, including in its evaluations all the risks that may be significant from the point of view of the medium/long-term sustainability of the Issuer's business, has assessed the adequacy of the corporate governance system, the general organizational, administrative and accounting structure of Geox and of the subsidiaries having strategic relevance, especially with reference to the Risk Management and Internal Audit System and to the management of conflicts of interest, as well as of the general management performance, taking into account the information received from the delegated bodies and through periodic comparison of the results achieved with those planned, and the Group's structure. Furthermore, the Board of Directors examined and approved the transactions of significant strategic importance of the Parent Company and its subsidiaries, and approved minor transactions between related parties, previously assessed by the RPT Committee as less significant.

In accordance with the provisions of Article 15 of the Consob Market Regulations and after having identified the scope of application of the regulations within the Group, the Company acknowledged that the administrative, accounting and reporting systems of the Group allow for disclosure to the public of the accounting schedules prepared for the purposes of drafting the consolidated financial statements and appropriately provide the Parent Company's management and auditors with the information necessary for the purposes of drafting the consolidated financial statements themselves. Similarly, the information flow towards the central auditor, coming from various levels along the chain of corporate control and active throughout the entire accounting period and used for the auditing of the Parent Company annual and interim financial statements, was considered to be effective. Finally, the Company maintains itself updated in regard to the subsidiaries' corporate bodies through lists of the offices held and provides for the centralized collection of official documents relating to the Articles of Association and the assignment of powers thereto, which it updates regularly.

In addition to regulating in the Related Parties Procedures Regulation, in the latest version updated to 5 March 2020, any transactions with related parties that may include situations in which a director has an interest on his own behalf or on behalf of third parties, any personal interests of the Directors or interests exercised on behalf of others in corporate transactions have always been highlighted to the Board of Directors or to the Executive Committee.

As envisaged by paragraph 1.C.I. of the Corporate Governance Code, at least once a year the Board of Directors assesses the operation of the Board itself and its Committees, as well as

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their size and composition, also taking account of the professional characteristics, experience – also managerial – and gender of its members, as well as their length of service.

For 2019, Geox carried out the self-assessment process using the services of GC Governance Consulting, an independent company which specialises in drawing up corporate governance models.

GC Governance Consulting does not collaborate with the Company and its subsidiaries in other subjects and sectors.

The Board evaluation was undertaken by filling out a questionnaire which was suitable for the culture and situation of Geox, followed by individual interviews with the Directors, the Director responsible for setting up and maintaining an effective internal audit and risk management system, the General Counsel and the Secretary to the Board, the Head of Internal Audit, the Director of Human Resources, Organization and Corporate Services, and the Chairman of the Board of Statutory Auditors.

The evaluation regarded the size, composition and dynamics of the Board and of the Committees as well as the commitment to the issues of Ethics, Sustainability, Compliance, Internal Control and Risk Management. In addition, through the interviews room was found for the qualitative proposals which the Board of Directors wishes to take on as a commitment for the new year of its term.

The processing of the results was undertaken by Governance Consulting and delivered to the Lead Independent Director and to the Chairman of the Appointment and Remuneration Committee which, in its role as the Committee for appointments, looked after its formalisation to the benefit of the Board of Directors. The results were presented to the Board of Directors at the meeting held on 5 March 2020.

Overall, there was a positive picture, with an adequate composition of the Board of Directors, balanced between executive and non-executive directors, respectful of gender diversity and characterised by a climate of open and constructive dialogue. The relationship between the Board of Directors and Board of Statutory Auditors is mutually satisfactory. In addition, the excellent role played by the Board of Directors' Committees in their preparatory work for the decisions taken by the Board of Directors is acknowledged.

Great care is always paid to the issues of Ethics, Sustainability, Compliance and Risk Management as an integral part of the corporate strategic plan.

Finally, succession plans are being implemented for management in key roles, with increasing involvement and reciprocal dialogue with the leadership team in terms of strategy.

The Board of Directors meets at regular intervals, organizing itself and operating so as to ensure an effective and efficient performance of its functions. With the Board of Directors' meetings approaching, the Company shall provide Directors, through the Chairman of the

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Board of Directors, reasonably in advance and in any case subject to adequate procedures and timeframes, also in consideration of the resolutions to be passed, with the documentation necessary to ensure adequate information in relation to the items on the agenda (as envisaged by Article 18 of the Articles of Association and Article I of the Corporate Governance Code). Generally, a three-day prior notice for sending said documentation to Directors is considered to be reasonable. This term was normally respected with reference to the board meetings related to the accounting year 2019. On some occasions, in addition to the pre-meeting information disclosure, the Chairman considered it still necessary to undertake due analyses during the meetings as requested by the comment to art. I of the Corporate Governance Code.

The Chairman convenes Board meetings, also when a written request to do so has been received from at least two Directors, from the Board of Auditors or from a Statutory Auditor or from a CEO (art. 20 of the Articles of Association). The presence of the majority of the Directors in office is necessary for the validity of the resolutions; the Board resolutions are adopted by means of absolute majority of the Directors present. In the event of a tie in the votes, the Chairman's vote prevails. With regard to decisions concerning disposal, for any purpose and of any nature, of trademarks, patents and other intellectual property rights, the Board of Directors resolves with the favourable vote of five sevenths of its members, with rounding up to the unit (Article 20 of the Articles of Association). The Chairman of the Board of Directors shall make sure that the items on the agenda are examined for the time necessary to enable a constructive debate, by encouraging interventions on the part of Directors during the meetings. Finally, the Shareholders' Meeting has not authorised, on a general, preventive basis, any departures from the non-compete obligation provided for by Article 2390 of the Italian Civil Code.

In addition, on 28 July 2016 Livio Libralesso was appointed as General Manager of Administration, Finance & Control, Corporate Legal & IT. By virtue of the office assigned and pursuant to art. 18 of the Articles of Association, Mr Libralesso was present at the meetings of the Board of Directors and those of the Executive Committee, with the right to express his non-binding opinion on the issues being discussed.

Finally, during 2019 the meetings of the Board of Directors, at the Chairman's invitation and limited to the related points on the agenda, were attended by the Director of Human Resources and Organisation and the Head of Internal Audit, and the General Counsel Pierluigi Ferro, who also covers the role of Secretary at the meetings of the Board of Directors.

#### **4.4 DECISION-MAKING BODIES**

## a) Chief Executive Officer

Within the limits of the law and the Articles of Association, in compliance with the powers of the Shareholders' Meeting, the Board of Directors and the Executive Committee and the limits specifically indicated in relation to each power, the Board of Directors granted the Chief Executive Officer the powers of ordinary and extraordinary business illustrated below.

In regard to the statutory limitations on the powers of delegation, it is noted that pursuant to Article 18 of the Articles of Association, the Board of Directors has exclusive competence with regard to the decisions concerning disposal, for any purpose and of any nature, of trademarks, patents and other intellectual property rights belonging to the Company.

With reference to the accounting year 2019, the powers granted to the Chief Executive Officer Mr. Matteo Carlo Maria Mascazzini on 16 April 2019 following his appointment as Director by the Shareholders' Meeting are indicated below.

### STRATEGIC GUIDELINES:

The Chief Executive Officer is the person who has the main responsibility for the management of the company and, in this capacity, he is also responsible for preparing, formalising, explaining the proposals which refer to the strategy and organisation of the Company and the Group that shall be submitted to the competent bodies for approval, as well as for preparing documents relating to matters reserved by law and the Articles of Association to the Chairman and the Board of Directors and those falling within the powers expressly assigned to the Executive Committee. To this end, it regularly reports to the Executive Committee on the Company's operating performance.

Therefore, in his capacity as the Company's Chief Executive Officer, pursuant to the law and the Articles of Association and in compliance with the powers of the Shareholders' Meeting, the Board of Directors and the Executive Committee, in relation to the budget and any forecasts approved and within the limits specifically set in relation to each assigned duty, Mr. Mascazzini is hereby vested with the following powers of ordinary and extraordinary management:

### GENERAL SERVICES AND BUSINESS ACTIVITIES:

Including the power to sub-delegate

1. act with full decision-making powers and under his own responsibility, oversee the production, technological, commercial and technical-plant sectors, coordinate any aspect of the manufacturing activities of the Company, within the limits of the pre-established production and budget plans; authorise the implementation of all safety measures that are required by the law with regard to safety and accident prevention;
2. ensure, also by means of on-going maintenance, repairs and replacements, that the Company's plants are fully compliant with the provisions directed at containing emissions or inflows of fumes, gas, powders, vapours, liquid and solid residues within the limits prescribed by Italian legislation, so that it does not contribute to polluting the atmosphere, the ground, the waterways and does not exceed the limit of normal tolerability for those nearby;

### PURCHASE OF GOODS AND SERVICES:

Including the power to sub-delegate

3. undertake commitments on subjects relating to corporate activities, in particular enter into contracts with suppliers of products, raw materials and processing services, signing the relevant deeds and also granting payment extensions and discounts, agreeing on prices and payment terms and conditions provided that, as far as contracts with suppliers are concerned, the total amount does not exceed Euro 500,000 (five hundred thousand) per individual contract; as far as the purchase of finished products is concerned, the aforementioned limit is extended to the seasonal budget established by the Executive Committee;
4. enter into contracts for the purchase of machinery, equipment, motor vehicles and other movable assets, even recorded in Public Registers, signing the relevant deeds, agreeing on the relevant prices and payment terms and conditions, granting payment term extensions and discounts, provided that the total amount does not exceed Euro 500,000 (five hundred thousand) per individual contract;
5. purchase services of any type which are required for carrying out corporate operations, with the express power to conclude the relevant contracts and/or the contracts for works or services and/or consulting of any type, agree on prices and payment terms and conditions, provided that the total amount does not exceed Euro 500,000 (five hundred thousand) per individual contract, without prejudice to the fact that consultancy agreements whose duration exceeds 24 (twenty four) months and the overall evaluation of proposals for insurance coverage are under the sole responsibility of the Executive Committee; contracts with public entities are expressly excluded from this point;
6. conclude lease agreements, gratuitous loan agreements (“comodato”), rental agreements and financial lease agreements regarding movable properties necessary for the performance of corporate activities, provided that the overall value does not exceed Euro 500,000 (five hundred thousand) per individual agreement, it being understood that the agreements regarding the lease of business units are expressly excluded from this point;

#### RETAIL AND WHOLESALERS:

Including the power to sub-delegate

7. sell and export the products of the Company and of its group, ensuring the correct management of the receivables due from all the customers of the Company and of the group;
8. sell and export the Company’s stock;
9. prepare price lists for the sale of products offered to customers, grant payment extensions, discounts and allowances to customers, accept returns of products and settle claims and disputes with customers;
10. enter into contracts for the sale of machinery, equipment, motor vehicles and other movable assets, also registered with Public Registers, signing the relevant deeds, agreeing on the relevant prices and payment terms and conditions;
11. oversee the activities connected to retail sales of the Company and the group, including through the execution, amendment and termination of agreements and contracts including (but not limited to) property leasing and renting contracts, commercial associations and/or collaborations, contracts for works or services, purchase and sale agreements, procurement, consultancy and any other agreement that is useful for or functional to the equipment, restructuring, maintenance, operation and implementation

of the production capacities of shops and their warehouses, provided that the total amount does not exceed Euro 500,000 (five hundred thousand) per individual contract; agreements regarding the lease of business units and assessments regarding the opening or closing of shops and the related investment, which are under the sole responsibility of the Executive Committee, are expressly excluded from this point;

12. oversee the activities connected to the wholesale of the Company and the group, including through the execution, amendment and termination of agreements and contracts including (but not limited to) contracts, including exclusive contracts, concerning agency, representation, intermediation and new business agreements and contracts for the sale of the Company's products including through Corners, Shops-in shop and Concessions, provided that the value and/or total expense involved (even when the contracts cover several years) does not exceed a total amount of Euro 250.0000 (two hundred and fifty thousand) per individual contract, when the nature of the contract allows for such a quantification. It being understood that, in compliance with the powers of the Board of Directors, licensing and distribution agreements remain under the sole responsibility of the Executive Committee.

#### HUMAN RESOURCES:

Including the power to sub-delegate

13. execute, amend and terminate individual employment contracts of middle-managers, white collars, technicians, workers, by complying with any requirement in relation to hiring, promotion, termination, disciplinary measures, determination of duties and remuneration, transfers and secondments to other companies belonging to the group, including by appointment of special attorneys-in-fact to represent the company in disputes and in the case of the interrogation pursuant to art. 420 of the Italian code of civil procedure with the power to conciliate and settle disputes;
14. as regards executives: carry out all actions relating to the determination of the duties and the remuneration, transfers and secondments to other group companies, except for the individuals concerned by a direct hierarchical relation and without prejudice to individuals who directly report to the Board of Directors in accordance with the Corporate Governance Code;
15. perform any act and fulfil any task in the field of social welfare, seeing to relations with all the social security welfare and insurance institutes, seeing to the matters required by current provisions regarding labour matters, especially with regard to insurance, contributions, indemnities and taxes;
16. deal with any authority, body, agency regarding labour issues, with trade unions and employers' associations, as well as with employment bureaus and conciliation and arbitration boards, with the power to settle disputes, carry out any other act and accomplish any other task concerning labour issues, considered as appropriate in the Company's interests;

#### CREATIVE AND STYLISTIC DIRECTION:

17. oversee and coordinate the stylistic structures of the Company and of its group, as well as all other activities relating to the study, design and technical and stylistic development of the products of the Company and of the group, including through, and with the right to sub-delegate, the execution, amendment and termination of agreements and contracts including (but not limited to) contracts for works or services, procurement,



consultancy contracts (including consultancy contracts with stylists and designers) merchandising, co-branding, contracts for the purchase and concession of rights to use and exploit images and artistic works, provided that the total amount does not exceed Euro 250.000 (two hundred fifty thousand) per individual contract, without prejudice to the fact that consultancy agreements whose duration exceeds 24 (twenty four) months are under the sole responsibility of the Executive Committee;

#### PROMOTIONAL, MARKETING ACTIVITIES AND EVENTS AND COMMUNICATION:

18. oversee the general marketing, promotional, advertising and communication activities of the Company and of its group, including through, and with the right to sub-delegate, the execution, amendment and termination of agreements and contracts including (but not limited to), contracts for works or services, procurement, consultancy, sponsoring, purchase and sale, merchandising, co-branding contracts, contracts for the purchase and licensing of rights to use and exploit artistic and photographic images and works, rents, leases and other contracts the purpose of which is the production and organisation of events, provided that the total amount does not exceed Euro 250.000 (two hundred fifty thousand) per individual contract, without prejudice to the fact that consultancy agreements whose duration exceeds 24 (twenty four) months are under the sole responsibility of the Executive Committee;
19. oversee the communication and public relations of the Company and the group, including the relations with the media, including press and digital media operators, also with the power to sub-delegate, by executing contracts for work or services, procurement, and consultancy contracts including (but not limited to) contracts for the purchase of pages and advertising space in newspapers and magazines, contracts for the purchase of services and web pages and social media and other on-line services, contracts for collaboration featuring personalities, VIPs and celebrities, provided that the total amount does not exceed Euro 250.000 (two hundred fifty thousand) per individual contract, without prejudice to the fact that consultancy agreements whose duration exceeds 24 (twenty four) months are under the sole responsibility of the Executive Committee;

#### RELATIONS WITH BANKS:

Including the power to sub-delegate

20. execute all necessary transactions to correctly manage the financial relations with companies belonging to the Geox group, including collection and payment transactions, in any way and form, as well as financing of Geox group companies; all this within the limit of Euro 20,000,000.00 (twenty million) per individual transaction by individual signature;
21. request the opening and closing of current accounts;
22. finalise the opening of credit facilities, enter into and terminate bank advances and bank contracts in general;
23. enter into, negotiate, amend and terminate short-term loan contracts with duration of less than 18 months up to Euro 20,000,000.00 (twenty million.00).
24. demand and collect, for any reason, also through endorsement, any sums, receivables, payment orders, guarantee deposits both from the issuer, Cassa Depositi e Prestiti, Treasuries, Railway, Postal and Telegraph offices, and from any public and private office and any party in Italy or abroad, by issuing receipts and discharges;

25. make deposits to current accounts, endorse for discount and collection bank cheques, promissory notes, certificates of credit (fedi di credito), bills of exchange and postal orders, to be paid at credit agencies, post and telegraph offices, and in general with any individual or corporate entity, endorse payment orders, including mandates concerning Treasury offices of State, Regional, Provincial and Municipal authorities and any State Banking Institution, endorse bankers' drafts, always issuing the relevant receipts;
26. make bank deposits, by managing the relevant payments;
27. make inter-bank transfers within the limit of Euro 20,000,000.00 (twenty million);
28. make withdrawals and payments in any technical form, including in a foreign currency, in relation to the Company's commitments, including with bank cheques and banker's drafts, using the cash and cash equivalents and the credit lines that have been granted:
  - a. up to the amount of Euro 3,000,000.00 (three million) per individual transaction, by individual signature; it is hereby specified that this limit of Euro 3,000,000.00 (three million) does not apply in the case of payment of taxes, duties and social security contributions owed by the Company pursuant to current regulations.
  - b. in excess of said amount and up to a maximum of Euro 10,000,000.00 (ten million) per individual transaction, signed jointly with the Head of Legal and Corporate Affairs, or with the Group's Treasury Manager;
  - c. in excess of the latter amount and up to a maximum of Euro 20,000,000.00 (twenty million) per individual transaction, signed jointly with the Administration, Finance & Control Manager;

It is hereby specified that, insofar as withdrawals are concerned, the aforementioned limit is Euro 10,000 (one hundred thousand), unless otherwise specified by the law.

29. open and/or pay letters of credit:
  - a. up to the amount of Euro 3,000,000.00 (three million) per individual transaction, by individual signature;
  - b. in excess of said amount and up to a maximum of Euro 10,000,000.00 (ten million) per individual transaction signed jointly with the Head of Legal and Corporate Affairs, or with the Group's Treasury Manager;
  - c. in excess of the latter amount and up to a maximum of Euro 20,000,000.00 (twenty million) per individual transaction, signed jointly with the Administration, Finance & Control Manager;
30. exclusively for the purpose of, and as long as it is necessary to perform transactions hedging against exchange rate and/or interest rate risks, purchase and sell and in general perform any transaction involving foreign currencies, as well as enter into and terminate contracts on interest and exchange rates pursuant to currency provisions currently in force and that may become effective in the future:
  - a. up to a maximum of Euro 20,000,000.00 (twenty million) per individual transaction signed jointly with the Group's Treasury Manager;
  - b. in excess of said amount and up to a maximum of Euro 50,000,000.00 (fifty million) per individual transaction signed jointly with the Administration, Finance & Control Manager.

#### TAX AND CUSTOMS ISSUES:

Including the power to sub-delegate

31. draft and sign requests, declarations, certifications and communications pursuant to the

<p>laws pertaining to taxation, social security, welfare and labour issues;</p> <p>32. authorise and pay taxes, duties and contributions, as well as sign the relevant statements, declarations and certifications required by the law;</p> <p>33. carry out any act or formality that is required or useful for obtaining refunds of VAT and/or taxes in general in favour of the Company (and/or subsidiaries), also indirectly, including the request for any bank sureties or other guarantees in favour of the financial administration, up to a maximum amount of Euro 1,500,000 (one million five hundred thousand) per individual transaction;</p> <p>34. draft and sign requests, declarations, certifications and communications pursuant to the laws pertaining to customs and transactions within the EU, including those which are required for importing and exporting raw materials, finished and semi-finished products;</p> <p>35. deal with the postal authorities and with railway, maritime, air and land-based transport companies, with the power to draw up any document and application, receive registered and insured letters, envelopes and letters of any other kind, collect reimbursements and sums of any kind, issuing receipt;</p>
<p><b>INSURANCE:</b> Including the power to sub-delegate</p> <p>36. enter into, amend and terminate insurance contracts, either directly with insurance companies and/or through insurance brokers, up to Euro 100,000 (one hundred thousand) per individual transaction;</p> <p>37. collect indemnification and compensation amounts from the insurance companies on behalf of the Company, by issuing the relevant receipts;</p>
<p><b>CREDIT MANAGEMENT:</b> Including the power to sub-delegate</p> <p>38. oversee that the Company's receivables are managed correctly, including by (for example, but not limited to) sending warnings, settling pending and/or potential disputes through compromise settlements, mediation and conciliation procedures up to a maximum amount of Euro 1,000,000.00 (one million) per individual transaction;</p> <p>39. raise protests and serve injunctions, see to preventive and executive measures, if necessary see to the revocation of the same, intervene in bankruptcy proceedings, agreements with creditors, receivership and further the declaration thereof, make and accept effective offers;</p> <p>40. lodge claims in bankruptcy proceedings and make claims, represent the company in bankruptcy proceedings (including receiverships and arrangements with creditors);</p>
<p><b>GUARANTEES:</b></p> <p>41. issue guarantees up to a maximum overall amount of Euro 250,000 (two hundred and fifty thousand).</p> <p>42. Apply for the issue of bank sureties in favour of third parties, within the limits of the credit lines granted by the banks, in the following ways:</p> <p>(a) with single signature for amounts of up to Euro 500,000 per individual transaction; signed jointly with Mr. Libralesso for amounts in excess of Euro 500,000 and up to Euro 1,500,000 per individual transaction.</p>
<p><b>OTHER:</b></p> <p>43. manage relations with any and all public and government body, in Italy or abroad,</p>

- including, for example but not limited to, Chambers of Commerce, Registers of Commercial Concerns and public registers, by drafting any document, application, or receipt in the name of the Company;
44. represent the Company, as a plaintiff or as a defendant, before any Judicial Authority at any level or type of jurisdiction, for all types of litigation or proceedings of any kind, and also before the Tax Commissions at any level, with the power to appoint lawyers, *ad lites* and *ad negotia*, arbitrators, and experts, removing and/or replacing them, in Italy and abroad, with the power to elect domicile, settle disputes and in any event to manage them, and sign the necessary powers of attorney for such purposes;
  45. sign the correspondence and documents in general;
  46. Appoint the data processor pursuant to art. 29 of Italian Leg. Decree 196/2003, assigning the relative duties and providing the necessary spending powers up to a maximum amount of Euro 250,000.00 (two hundred and fifty thousand) per accounting year.
  47. With the obligation to promptly report to the Executive Committee and with the power to sub-delegate, represent the Company in meetings and, in general, at decision-making levels that involve resolving or decision-making bodies of EU or non-EU subsidiaries or investee companies, with the right to intervene, vote, provide opinions or consent, appeals or claims, and in particular, within the context of these decisions, to appoint, revoke appointments, replace and/or add members of these companies' management and/or audit bodies, with the right to appoint himself as the sole director or a board member of these companies without this being understood as or implying a conflict of interest, to provide or sign, in the name and on behalf of the Company, however in the interest of said subsidiaries or investee companies, declarations, applications, requests and documents which are generally addressed to Public Administrations, Public Registries, Rolls, Archives or private entities providing public services, including in order to obtain registrations, permits, authorizations, clearance and other similar measures; provide a specimen signature as the Chief Executive Officer of the Company.
  48. in relation to the issues listed in the previous points, and within the relevant limits, represent the Company in dealings with any third public and/or private party, in the name and on behalf of the Company, by signing any deed and/or document;
  49. appoint, within the powers indicated above, *ad acta* or general attorneys-in-fact, providing them with the related powers, and revoke said appointments;
  50. oversee the implementation and correct operation of corporate governance rules defined by the Board of Directors.

As noted in previous paragraphs, on 16 January 2020, the Board of Directors of Geox S.p.A. approved the consensual termination of the employment and directorship of the Chief Executive Officer Matteo Carlo Maria Mascazzini and, noting his resignation from the positions of Director and Chief Executive Officer of the Company, resolved to confer on the existing director Livio Libralesso the powers of Chief Executive Officer and to appoint him as a member of the Executive Committee.

Here below are the powers conferred on the Chief Executive Officer Mr. Livio Libralesso on 16 January 2020.

## STRATEGIC GUIDELINES:

The Chief Executive Officer is the person who has the main responsibility for the management of the company and, in this capacity, he is also responsible for preparing, formalising, explaining the proposals which refer to the strategy and organisation of the Company and the Group that shall be submitted to the competent bodies for approval, as well as for preparing documents relating to matters reserved by law and the Articles of Association to the Chairman and the Board of Directors and those falling within the powers expressly assigned to the Executive Committee. To this end, it regularly reports to the Executive Committee on the Company's operating performance.

Therefore, Mr. Libralesso, in his capacity as Chief Executive Officer of the Company, is hereby vested - within the limits of the law and the Articles of Association and in compliance with the powers of the Shareholders' Meeting, the Board of Directors and the Executive Committee, in relation to the budget and any forecasts approved and within the limits specifically set in relation to each assigned duty - with the following powers of ordinary and extraordinary management:

## GENERAL SERVICES AND BUSINESS ACTIVITIES:

Including the power to sub-delegate

1. act with full decision-making powers and under his own responsibility, oversee the production, technological, commercial and technical-plant sectors, coordinate any aspect of the manufacturing activities of the Company, within the limits of the pre-established production and budget plans; authorise the implementation of all safety measures that are required by the law with regard to safety and accident prevention, also as "Employer" pursuant to Italian Leg. Decree 81/08 art. 2 paragraph 1 lett. b);
2. ensure, also by means of on-going maintenance, repairs and replacements, that the Company's plants are fully compliant with the provisions directed at containing emissions or inflows of fumes, gas, powders, vapours, liquid and solid residues within the limits prescribed by Italian legislation, so that it does not contribute to polluting the atmosphere, the ground, the waterways and does not exceed the limit of normal tolerability for those nearby;

## PURCHASE OF GOODS AND SERVICES:

Including the power to sub-delegate

7. undertake commitments on subjects relating to corporate activities, in particular enter into contracts with suppliers of products, raw materials and processing services, signing the relevant deeds and also granting payment extensions and discounts, agreeing on prices and payment terms and conditions provided that, as far as contracts with suppliers are concerned, the total amount does not exceed Euro 500,000 (five hundred thousand) per individual contract; as far as the purchase of finished products is concerned, the aforementioned limit is extended to the seasonal budget established by the Executive Committee;
8. enter into contracts for the purchase of machinery, equipment, motor vehicles and other movable assets, even recorded in Public Registers, signing the relevant deeds, agreeing on the relevant prices and payment terms and conditions, granting payment term extensions and discounts, provided that the total amount does not exceed Euro 500,000 (five hundred thousand) per individual contract;

9. purchase services of any type which are required for carrying out corporate operations, with the express power to conclude the relevant contracts and/or the contracts for works or services and/or consulting of any type, agree on prices and payment terms and conditions, provided that the total amount does not exceed Euro 250,000 (two hundred fifty thousand) per individual contract, without prejudice to the fact that consultancy agreements whose duration exceeds 24 (twenty four) months and the overall evaluation of proposals for insurance coverage are under the sole responsibility of the Executive Committee; contracts with public entities are expressly excluded from this point;
10. conclude lease agreements, gratuitous loan agreements (“comodato”), rental agreements and financial lease agreements regarding movable properties necessary for the performance of corporate activities, provided that the overall value does not exceed Euro 500,000 (five hundred thousand) per agreement, it being understood that the agreements regarding the lease of business units are expressly excluded from this point;

#### RETAIL AND WHOLESALAS:

Including the power to sub-delegate

11. sell and export the products of the Company and of its group, ensuring the correct management of the receivables due from all the customers of the Company and of the group;
12. sell and export the Company's stock;
13. prepare price lists for the sale of products offered to customers, grant payment extensions, discounts and allowances to customers, accept returns of products and settle claims and disputes with customers;
14. enter into contracts for the sale of machinery, equipment, motor vehicles and other movable assets, also registered with Public Registers, signing the relevant deeds, agreeing on the relevant prices and payment terms and conditions;
15. oversee the activities connected to retail sales of the Company and the group, including through the execution, amendment and termination of agreements and contracts including (but not limited to) property leasing and renting contracts, commercial associations and/or collaborations, contracts for works or services, purchase and sale agreements, procurement, consultancy and any other agreement that is useful for or functional to the equipment, restructuring, maintenance, operation and implementation of the production capacities of shops and their warehouses, provided that the total amount does not exceed Euro 500,000 (five hundred thousand) per individual contract; agreements regarding the lease of business units and assessments regarding the opening or closing of shops and the related investment, which are under the sole responsibility of the Executive Committee, are expressly excluded from this point;
16. oversee the activities connected to the wholesale of the Company and the group, including through the execution, amendment and termination of agreements and contracts including (but not limited to) contracts, including exclusive contracts, concerning agency, representation, intermediation and new business agreements and contracts for the sale of the Company's products including through Corners, Shops-in shop and Concessions, provided that the value and/or total expense involved (even when the contracts cover several years) does not exceed a total amount of Euro 250.0000 (two hundred and fifty thousand) per individual contract, when the nature of the contract allows for such a quantification. It being understood that, in compliance

with the powers of the Board of Directors, licensing and distribution agreements remain under the sole responsibility of the Executive Committee.

## HUMAN RESOURCES:

Including the power to sub-delegate

17. execute, amend and terminate individual employment contracts of middle-managers, white collars, technicians, workers, by complying with any requirement in relation to hiring, promotion, termination, disciplinary measures, determination of duties and remuneration, transfers and secondments to other companies belonging to the group, including by appointment of special attorneys-in-fact to represent the company in disputes and in the case of the interrogation pursuant to art. 420 of the Italian code of civil procedure with the power to conciliate and settle disputes;
18. as regards executives: carry out all actions relating to the determination of the duties and the remuneration, transfers and secondments to other group companies, except for the individuals concerned by a direct hierarchical relation and without prejudice to individuals who directly report to the Board of Directors in accordance with the Corporate Governance Code;
19. perform any act and fulfil any task in the field of social welfare, seeing to relations with all the social security welfare and insurance institutes, seeing to the matters required by current provisions regarding labour matters, especially with regard to insurance, contributions, indemnities and taxes;
20. deal with any authority, body, agency regarding labour issues, with trade unions and employers' associations, as well as with employment bureaus and conciliation and arbitration boards, with the power to settle disputes, carry out any other act and accomplish any other task concerning labour issues, considered as appropriate in the Company's interests;

## CREATIVE AND STYLISTIC DIRECTION:

21. oversee and coordinate the stylistic structures of the Company and of its group, as well as all other activities relating to the study, design and technical and stylistic development of the products of the Company and of the group, including through, and with the right to sub-delegate, the execution, amendment and termination of agreements and contracts including (but not limited to) contracts for works or services, procurement, consultancy contracts (including consultancy contracts with stylists and designers) merchandising, co-branding, contracts for the purchase and concession of rights to use and exploit images and artistic works, provided that the total amount does not exceed Euro 250.000 (two hundred fifty thousand) per individual contract, without prejudice to the fact that consultancy agreements whose duration exceeds 24 (twenty four) months are under the sole responsibility of the Executive Committee;

## PROMOTIONAL AND MARKETING ACTIVITIES, EVENTS AND COMMUNICATION:

22. oversee the general marketing, promotional, advertising and communication activities of the Company and of its group, including through, and with the right to sub-delegate, the execution, amendment and termination of agreements and contracts including (but not limited to), contracts for works or services, procurement, consultancy, sponsoring, purchase and sale, merchandising, co-branding contracts, contracts for the purchase and licensing of rights to use and exploit artistic and photographic images and works, rents,

leases and other contracts the purpose of which is the production and organisation of events, provided that the total amount does not exceed Euro 250.000 (two hundred fifty thousand) per individual contract, without prejudice to the fact that consultancy agreements whose duration exceeds 24 (twenty four) months are under the sole responsibility of the Executive Committee;

23. oversee the communication and public relations of the Company and the group, including the relations with the media, including press and digital media operators, also with the power to sub-delegate, by executing contracts for work or services, procurement, and consultancy contracts including (but not limited to) contracts for the purchase of pages and advertising space in newspapers and magazines, contracts for the purchase of services and web pages and social media and other on-line services, contracts for collaboration featuring personalities, VIPs and celebrities, provided that the total amount does not exceed Euro 250.000 (two hundred fifty thousand) per individual contract, without prejudice to the fact that consultancy agreements whose duration exceeds 24 (twenty four) months are under the sole responsibility of the Executive Committee;

#### RELATIONS WITH BANKS:

Including the power to sub-delegate

24. execute all necessary transactions to correctly manage the financial relations with companies belonging to the Geox group, including collection and payment transactions, in any way and form, as well as financing of Geox group companies; all this within the limit of Euro 20,000,000.00 (twenty million) per individual transaction by individual signature;
25. request the opening and closing of current accounts;
26. finalise the opening of credit facilities, enter into and terminate bank advances and bank contracts in general;
27. enter into, negotiate, amend and terminate short-term loan contracts with duration of less than 18 months up to Euro 20,000,000.00 (twenty million.00).
28. demand and collect, for any reason, also through endorsement, any sums, receivables, payment orders, guarantee deposits both from the issuer, Cassa Depositi e Prestiti, Treasuries, Railway, Postal and Telegraph offices, and from any public and private office and any party in Italy or abroad, by issuing receipts and discharges;
29. make deposits to current accounts, endorse for discount and collection bank cheques, promissory notes, certificates of credit (fedi di credito), bills of exchange and postal orders, to be paid at credit agencies, post and telegraph offices, and in general with any individual or corporate entity, endorse payment orders, including mandates concerning Treasury offices of State, Regional, Provincial and Municipal authorities and any State Banking Institution, endorse bankers' drafts, always issuing the relevant receipts;
30. make bank deposits, by managing the relevant payments;
31. make inter-bank transfers within the limit of Euro 20,000,000.00 (twenty million);
32. make withdrawals and payments in any technical form, including in a foreign currency, in relation to the Company's commitments, including with bank cheques and banker's drafts, using the cash and cash equivalents and the credit lines that have been granted:
  - a. up to the amount of Euro 3,000,000.00 (three million) per individual transaction, by individual signature; it is hereby specified that this limit of Euro 3,000,000.00 (three



million) does not apply in the case of payment of taxes, duties and social security contributions owed by the Company pursuant to current regulations.

- b. in excess of the above amount and up to a maximum of Euro 20,000,000.00 (twenty million) per individual transaction, signed jointly with the Head of Legal and Corporate Affairs, or with the Group's Head of Treasury;

It is hereby specified that, insofar as withdrawals are concerned, the aforementioned limit is Euro 10,000 (one hundred thousand), unless otherwise specified by the law.

- 33. open and/or pay letters of credit:
  - a. up to the amount of Euro 3,000,000.00 (three million) per individual transaction, by individual signature;
  - b. in excess of the above amount and up to a maximum of Euro 20,000,000.00 (twenty million) per individual transaction, signed jointly with the Head of Legal and Corporate Affairs, or with the Group's Treasury Manager;
- 34. exclusively for the purpose of, and as long as it is necessary to perform transactions hedging against exchange rate and/or interest rate risks, purchase and sell and in general perform any transaction involving foreign currencies, as well as enter into and terminate contracts on interest and exchange rates pursuant to currency provisions currently in force and that may become effective in the future:
  - a) up to the amount of Euro 10,000,000.00 (ten million) per individual transaction by individual signature;
  - b) up to a maximum of Euro 20,000,000.00 (twenty million) per individual transaction signed jointly with the Head of Legal and Corporate Affairs, or with the Group's Treasury Manager.

#### TAX AND CUSTOMS ISSUES:

Including the power to sub-delegate

- 35. draft and sign requests, declarations, certifications and communications pursuant to the laws pertaining to taxation, social security, welfare and labour issues;
- 36. authorise and pay taxes, duties and contributions, as well as sign the relevant statements, declarations and certifications required by the law;
- 37. carry out any act or formality that is required or useful for obtaining refunds of VAT and/or taxes in general in favour of the Company (and/or subsidiaries), also indirectly, including the request for any bank sureties or other guarantees in favour of the financial administration, up to a maximum amount of Euro 1,500,000 (one million five hundred thousand) per individual transaction;
- 38. draft and sign requests, declarations, certifications and communications pursuant to the laws pertaining to customs and transactions within the EU, including those which are required for importing and exporting raw materials, finished and semi-finished products;
- 39. deal with the postal authorities and with railway, maritime, air and land-based transport companies, with the power to draw up any document and application, receive registered and insured letters, envelopes and letters of any other kind, collect reimbursements and sums of any kind, issuing receipt;

#### INSURANCE:

Including the power to sub-delegate

- 40. enter into, amend and terminate insurance contracts, either directly with insurance

<p>companies and/or through insurance brokers, up to Euro 100,000 (one hundred thousand) per individual transaction;</p> <p>41. collect indemnification and compensation amounts from the insurance companies on behalf of the Company, by issuing the relevant receipts;</p>
<p><b>CREDIT MANAGEMENT:</b> Including the power to sub-delegate</p> <p>42. oversee that the Company's receivables are managed correctly, including by (for example, but not limited to) sending warnings, settling pending and/or potential disputes through compromise settlements, mediation and conciliation procedures up to a maximum amount of Euro 1,000,000.00 (one million) per individual transaction;</p> <p>43. agree on plans for the recovery of receivables and grant payment term extensions;</p> <p>44. raise protests and serve injunctions, see to preventive and executive measures, if necessary see to the revocation of the same, intervene in bankruptcy proceedings, agreements with creditors, receivership and further the declaration thereof, make and accept effective offers;</p> <p>45. lodge claims in bankruptcy proceedings and make claims, represent the company in bankruptcy proceedings (including receiverships and arrangements with creditors);</p>
<p><b>GUARANTEES:</b></p> <p>46. issue guarantees up to a maximum overall amount of Euro 250,000 (two hundred and fifty thousand).</p> <p>47. Apply for the issue of bank sureties in favour of third parties, within the limits of the credit lines granted by the banks, in the following ways:</p> <p>(b) with single signature for amounts of up to Euro 500,000 per individual transaction;</p> <p>(c) for amounts in excess of Euro 500,000 and up to Euro 1,500,000 per individual transaction, signed jointly with the Head of Legal and Corporate Affairs, or with the Group's Treasury Manager.</p>
<p><b>OTHER:</b></p> <p>48. manage relations with any and all public and government body, in Italy or abroad, including, for example but not limited to, Chambers of Commerce, Registers of Commercial Concerns and public registers, by drafting any document, application, or receipt in the name of the Company;</p> <p>49. represent the Company, as a plaintiff or as a defendant, before any Judicial Authority at any level or type of jurisdiction, for all types of litigation or proceedings of any kind, and also before the Tax Commissions at any level, with the power to appoint lawyers, <i>ad lites</i> and <i>ad negotia</i>, arbitrators, and experts, removing and/or replacing them, in Italy and abroad, with the power to elect domicile, settle disputes and in any event to manage them, and sign the necessary powers of attorney for such purposes;</p> <p>50. sign the correspondence and documents in general;</p> <p>51. Appoint the data processor pursuant to art. 29 of Italian Leg. Decree 196/2003, assigning the relative duties and providing the necessary spending powers up to a maximum amount of Euro 250,000.00 (two hundred and fifty thousand) per accounting</p>

year.

52. With the obligation to promptly report to the Executive Committee and with the power to sub-delegate, represent the Company in meetings and, in general, at decision-making levels that involve resolving or decision-making bodies of EU or non-EU subsidiaries or investee companies, with the right to intervene, vote, provide opinions or consent, appeals or claims, and in particular, within the context of these decisions, to appoint, revoke appointments, replace and/or add members of these companies' management and/or audit bodies, with the right to appoint himself as the sole director or a board member of these companies without this being understood as or implying a conflict of interest, to provide or sign, in the name and on behalf of the Company, however in the interest of said subsidiaries or investee companies, declarations, applications, requests and documents which are generally addressed to Public Administrations, Public Registries, Rolls, Archives or private entities providing public services, including in order to obtain registrations, permits, authorizations, clearance and other similar measures; provide a specimen signature as the Chief Executive Officer of the Company.
53. in relation to the issues listed in the previous points, and within the relevant limits, represent the Company in dealings with any third public and/or private party, in the name and on behalf of the Company, by signing any deed and/or document;
54. appoint, within the powers indicated above, *ad acta* or general attorneys-in-fact, providing them with the related powers, and revoke said appointments;
55. oversee the implementation and correct operation of corporate governance rules defined by the Board of Directors.

Finally, the Chief Executive Officer qualifies as the person principally responsible for the Company's management; however, there are no situations of interlocking directorate pursuant to the application criterion 2.C.5. of the Code.

## **b) Chairman of the Board of Directors**

The Chairman of the Board of Directors, Mr. Mario Moretti Polegato, he has a specific role in the development of business strategies and chairs the Executive Committee. In addition, the Chairman of the Board of Directors is the controlling shareholder of LIR S.r.l., the parent company of Geox, and is the Chairman of the Board of Directors of LIR S.r.l.

With the Board of Directors' meeting on 16 April 2019, in addition, on the basis of his proven experience in the area, the Chairman Mario Moretti Polegato was attributed specific powers and responsibilities regarding intellectual property as follows:

- I. file petitions and undertake before any public or private office in Italy and abroad any act necessary for, prior to, useful for or otherwise connected to registering, modifying, maintaining, and extinguishing trademarks, designs and domain names; appoint for this

- purpose consultants, lawyers, professionals and equivalent roles, in Italy and abroad, giving them the related mandates;
2. file petitions and undertake before any public or private office in Italy and abroad any act necessary for, prior to, useful for or otherwise connected to obtaining, registering, changing, extinguishing and preserving patents; appoint for this purpose consultants, lawyers, professionals and equivalent roles, in Italy and abroad, giving them the related mandates;
  3. undertake any act and make any declaration, in Italy and abroad, and confer and withdraw engagements for consultants, lawyers, professionals and equivalent roles regarding industrial and intellectual property, in Italy and abroad, giving them the related mandates, in order to arrange the deposit, registration, renewal, extinction and protection of all the Company's industrial and intellectual property rights, such as (by way of example) trademarks, patents, drawings and domain names;
  4. confer and withdraw consulting engagements, giving them the related mandates, on consultants, lawyers, professionals and equivalent roles regarding industrial and intellectual property, in Italy and abroad, in order to arrange protection administratively, judicially and extra-judicially, in Italy and abroad, of all the Company's intellectual and industrial title and rights; undertake before public administrations, organisations and offices, both public and private (including customs offices and authorities), in Italy and abroad, all the acts and operations needed to obtain concessions, licences, and authorisations generally.

### **c) Executive Committee**

The Executive Committee, as redefined in its composition by the Board of Directors on 16 April 2019, has the powers of ordinary and extraordinary administration of the Company, except as follows:

- (a) the examination and the approval of the Company's strategic, industrial and financial plans and the structure of the group which it heads;
- (b) the assignment and the withdrawal of delegated powers to directors and to the Executive Committee, as well as the definition of the limits, the means of exercise and the frequency, with which the delegated bodies must report to the Board regarding the work undertaken in exercise of the powers delegated to them;
- (c) the determination (in accordance with legal procedures) of the remuneration of the directors with delegated powers and those who hold particular roles, as well as, should the Shareholders' Meeting not have already arranged it, the division of the global fee due to the members of the Board of Directors and of the Executive Committee;

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- (d) supervision of the general management performance, with particular attention to the conflicts of interest, in consideration, in particular, of the information received from the Executive Committee, Directors with delegated powers and the Audit, Risk and Sustainability Committee as well as the periodic comparison of the results achieved with those planned;
- (e) transactions for the purchase or sale, also by means of subscription and conferral, of equity investments and/or companies and/or business segments, if the total value of the individual transaction is higher than Euro 10 (ten) million;
- (f) the granting of loans, if the value of each individual transaction exceeds Euro 5 (five) million to third parties, or Euro 20 million to Group companies;
- (g) the issue of unsecured and/or secured guarantees, if the if the value of each individual transaction is higher than Euro 5 (five) million;
- (h) the issue of bonds or financial instruments, if the overall value of the individual transaction is higher than Euro 10 (ten) million;
- (i) the raising of loans and/or other financial debt transactions, if the overall value of the individual transaction is higher than Euro 40 (forty) million;
- (j) donations and other gifts, as well as contributions or sponsorship to NGOs if the maximum value per year is above Euro 1,000,000 (one million);
- (k) all the transactions with related parties outside the Group which are not typical or usual transactions to be concluded under standard conditions (typical or usual transactions means transactions which, in terms of their purpose or nature, are not outside the normal course of the Company's business and do not have particular problems due to their characteristics or the risks inherent in the nature of the counterparty, or in the time when they are completed);
- (l) checking of the adequacy of the general organizational and administrative set-up of the Company and the Group arranged by the managing directors;
- (m) the task of reporting to the Shareholders at the Shareholders' Meeting;

The powers of the Executive Committee also include decisions regarding the stipulation and termination of individual employment contracts for executives, without prejudice to the fact that, as regards executives who report directly to the Chief Executive Officer, the related remuneration policies, MBO and assignment of targets, on the proposal of the Chief Executive Officer in coordination with the Human Resources Department, are put for assessment and approval to the Executive Committee, or to the Remuneration Committee for Executives with strategic responsibilities.

In reference to the functioning of the Executive Committee:

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- (i) the Executive Committee can meet, in Italy or abroad, whenever the Chairman or other member of the Committee considers it opportune and can be called by phone or by email, registered letter, fax or telegram with at least 24 hours' notice;
- (ii) participation in the meetings of the Executive Committee can also take place using other means of telecommunication (for example, by teleconference and videoconference) with means which enable identification of all the participants and enable the latter to follow the discussion and to intervene in real time in handling the issues addressed (on verification of these requirements, the meetings of the Executive Committee are considered held in the place where the Chairman of the Executive Committee and Secretary to the meeting are present);
- (iii) the role of Chairman of the Executive Committee is taken on by the Chairman of the Board of Directors, should the same be elected from among the members of the Executive Committee, while, in the contrary case, the role of Chairman of the Executive Committee falls to the oldest of the Directors elected to the Committee to whom no delegated powers have been conferred;
- (iv) the meetings of the Executive Committee are chaired by the Chairman of the Executive Committee or, in their absence, by another member of the Committee itself appointed by those present;
- (v) the Secretary to the meetings of the Executive Committee is chosen by whoever chairs the meeting of the Committee, also from among people who are not part of the Executive Committee, with the condition that whoever chairs the meeting cannot also take on the role of Secretary to the same meeting;
- (vi) resolutions are taken with a favourable vote by the majority of the serving members and, in the case of an equal vote, the vote of the Chairman of the Executive Committee prevails;
- (vii) the resolutions must be recorded in minutes signed by the chair of the meeting and by the Secretary to the same meeting;
- (viii) should one or more members of the Executive Committee cease to serve, the Board of Directors is immediately called for the due action;
- (ix) meetings of the Executive Committee are attended by the members of the Company's Board of Statutory Auditors pursuant to art. 149, par. 2 of the Finance Consolidation Act (FCA).

The Executive Committee, with reference to 2019, consists of the Directors Mario Moretti Polegato (Chairman), Matteo Carlo Maria Mascazzini and Enrico Moretti Polegato.

As of the date of this Report and as from 16 January 2020, the Executive Committee consists of the Directors Mario Moretti Polegato (Chairman), Livio Libralesso and Enrico Moretti Polegato.

During 2019, the Executive Committee met 14 times with the regular participation of the Board of Statutory Auditors. The average duration of the meetings was one hour and thirty minutes. A similar number of meetings is expected to be held this year. As of the date of this Report, the Executive Committee has already met 2 times in 2020.

#### **d) Disclosure to the Board**

The Chief Executive Officer reports to the Board regarding the activities carried out when exercising the powers granted, during the first profitable meeting.

#### **4.5 OTHER EXECUTIVE DIRECTORS**

The Chairman Mr. Mario Moretti Polegato is considered to be an executive director in view of his specific role in the development of corporate strategies, the powers granted to him and his position as Chairman of the Executive Committee (Article 2.C.1 of the Code).

Also Mr. Enrico Moretti Polegato is considered to be an executive director, by virtue of his appointment as member of the Executive Committee.

#### **4.6 INDEPENDENT DIRECTORS**

With the Shareholders' Meeting of 16 April 2019, which renewed the Board of Directors, the number of directors was set at 10, of whom 4 are Independent directors. The Board of Directors assessed the independence of the aforementioned 4 members subsequent to their appointment, on 16 April 2019, as per the press release issued on the same date. The assessment shall be re-made upon the occurrence of relevant circumstances for the purposes of independence, and in any case on an annual basis. The assessment was last carried out on 5 March 2020, also on the basis of declarations signed by the independent Directors, who confirmed the requirements of independence.

The Board of Directors shall carry out the assessment on the basis of the requirements of independence provided for by law, and also by applying all the criteria of the Corporate Governance Code. Moreover, the Board of Directors that met on 20 December 2012, in compliance with Article 3.C.4 of the Code, resolved to adopt additional criteria to assess the Independent Directors' independence and autonomous judgement; in particular, the above-mentioned Board approved to consider the independence requirement unmet when, in the case of business relationships, the turnover generated between the Director and the Company



is equal to, or exceeds, the remuneration for the office of Director. As a consequence, the Company shall also take said parameter into account for the purposes of assessing the independence of its non-executive and independent Directors.

The Board of Statutory Auditors also ascertained the correct application of the assessment criteria and procedures adopted by the Board for assessing the independence of its members.

During 2019, the independent Directors met once in the absence of the other Directors. As of the date of this Report, one meeting was held in 2020.

It should be noted that independent Directors' meetings are to be understood as separate and different meetings from those of the Board committees, in respect of which information is given in the relevant sections.

Moreover, the independent Directors committed themselves to remaining independent during their term of office and resigning in the case of loss of the requirements of independence.

#### **4.7 LEAD INDEPENDENT DIRECTOR**

The Board of Directors that met on 16 April 2019 appointed the independent director Mrs. Francesca Meneghel as lead independent director. During the accounting year, Mrs. Meneghel held office as lead independent director, acting as a point of reference and coordination in relation to the needs and contributions of independent directors, collaborating with the Chairman of the Board of Directors in order to ensure that the Directors were informed in an exhaustive and timely manner with regard to all matters of relevance to the Company.



## 5. HANDLING OF CORPORATE INFORMATION

In 2006, in line with the provisions of Article I.C.1 lett. j) of the Corporate Governance Code, the Company adopted the “Regulation concerning inside information and the institution of a Registry of persons having access thereto”, last updated on 31 July 2018 to take into account the regulatory changes introduced by the MAR, (the “Regulation”) and Consob guidelines concerning the management of inside information published in October 2017, and established the specific register of persons with access to inside information (the “**Registry**”). The other Group companies are also required to comply with the above regulation, ensuring observance thereof, in order to allow coordinated management of the circulation of inside information.

In particular, the Regulation provides, *inter alia*, for:

- the definition of “Inside Information” and of “Relevant Information”;
- rules of conduct (which essentially refer to confidentiality obligations, the treatment of inside information with due care and the prohibition to disclose inside information unless necessary in the context of one's work, profession or duties carried out and to carry out transactions, directly or indirectly, for one's own account or that of third parties, in the name and/or on behalf of the Company, which involve financial instruments which the inside information refers to and to recommend or lead others to carry out such transactions);
- the roles and responsibilities of the corporate bodies and/or corporate functions and/or managers in regard to the assessment on the relevance of the information and the speed with which price-sensitive information concerning the Company and its subsidiaries is disclosed to the public;
- disclosure of inside information to the public and specific rules to follow in the event of a delay in disclosure to the public pursuant to Article 17 of the MAR;
- rules for press relations and rumours management and for meetings with financial analysts or other market operators;
- limitations on the carrying-out of transactions in the Company's financial instruments;
- a specific flow of information from the subsidiaries to the Company;
- keeping of the Registry.

For further details, the Regulation can be viewed on the Company's website [www.geox.biz](http://www.geox.biz), in the Governance section.

The procedure for managing inside information and the Registry has always been respected during 2019.

## 6. COMMITTEES WITHIN THE BOARD

### Pursuant to art. 123-bis, par. 2, letter d), FCA

The Board of Directors has set up, internally, Committees consisting of Directors in accordance with the provisions of the Corporate Governance Code. In particular, the Board of Directors set up the Executive Committee, the Appointment and Remuneration Committee and the Audit, Risk and Sustainability Committee, whose functions, activities and composition are described in detail in the following paragraphs.

The Appointment and Remuneration Committee groups the duties and responsibilities assigned by the Corporate Governance Code separately to the appointment committee and to the remuneration committee for reasons of operating efficiency, on the basis of a decision taken by the Board on 19 April 2016. Since the single committee consists entirely of non-executive directors, most of whom are independent and since at least one member has adequate experience in finance or pay policies, the Company believes that the conditions envisaged by the Corporate Governance Code have in any case been respected, also by concentrating the functions of two committees into just one committee.

Pursuant to art. 4. para. 1. (letter d) of the Corporate Governance Code, the chairs of the committees have arranged to provide prompt information at the first possible meeting of the Board of Directors on the works of the committees themselves.

The composition of the committees is indicated below:

#### a) Appointment and Remuneration Committee

The Appointment and Remuneration Committee, as of the date of the Report and as from 16 April 2019, is composed of 3 non-executive Directors, the majority of whom are independent, as follows:

- Lara Livolsi (Chairwoman);
- Alessandra Pavolini;
- Alessandro Antonio Giusti.

From 1 January 2019 to 16 April 2019 the Committee was composed of:

- Lara Livolsi (Chairwoman);
- Ernesto Albanese;
- Alessandro Antonio Giusti.

**b) Audit, Risk and Sustainability Committee**

The Audit, Risk and Sustainability Committee, as of the date of the Report and as from 16 April 2019, is composed exclusively of non-executive Directors (art. 7.P.4.), the majority of whom are independent:

- Francesca Meneghel (Chairwoman);
- Ernesto Albanese;
- Alessandro Antonio Giusti.

From 1 January 2019 to 16 April 2019 the Committee was composed of:

- Francesca Meneghel (Chairwoman);
- Manuela Soffientini;
- Alessandro Antonio Giusti.

\*\*\*\*

The Board of Directors has not envisaged a different distribution of committee functions or the reservation of some or all of these functions exclusively to the *plenum* of the Board of Directors.

## 7. APPOINTMENT COMMITTEE

The Appointment Committee and the Remuneration Committee have been merged into a single committee; please refer to Section 8 of this Report.

## 8. THE APPOINTMENT AND REMUNERATION COMMITTEE

The Board of Directors meeting held on 19 April 2016 set up an Appointment and Remuneration Committee and assigned it the tasks laid down in Article 6 of the Code.

In particular, the Appointment and Remuneration Committee is assigned the following functions with regard to appointments:

- formulate opinions for the Board of Directors in relation to the size and composition thereof, and make recommendations in relation to the professionals whose presence in the Board is considered to be appropriate. The Committee shall make recommendations also in relation to the maximum number of offices as director or statutory auditor that may be held in other companies listed on regulated markets, financial, banking or insurance companies or large corporations, that can be considered compatible with an effective fulfilment of the appointment as issuer's director, as well as in relation to the assessment of the granting of departures from the non-compete obligation provided for by Article 2390 of the Italian Civil Code;
- propose to the Board of Directors candidates to the office of director in the cases of co-optation, when it is necessary to replace independent Directors.

Moreover, still in compliance with the provisions of Article 5 of the Code, should the Company adopt a plan for the replacement of ceased executive Directors, the activities preliminary to the elaboration of the plan shall be performed by the Appointment Committee (or by any other Committee charged with this task inside the Board).

In particular, the Appointment and Remuneration Committee is assigned the following functions with regard to remuneration:

- assess on a regular basis the adequacy, overall consistency, and actual application of the policy for the remuneration of directors and executives with strategic responsibilities, making use in this regard of the information provided by the managing directors; makes proposals to the Board of Directors on the subject;
- present proposals or expresses opinions to the Board of Directors on the remuneration of executive directors and of other directors who hold particular roles as well as setting performance targets linked to the variable component of such remuneration; monitors the application of the decisions taken by the Board itself, verifying, in particular, the effective achievement of the performance targets.

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For further information relating to the functions of the Appointment and Remuneration Committee, reference should be made to the description in the report on remuneration, prepared pursuant to art. 123-ter of the Finance Consolidation Act (FCA) and available on the Company's website in the Governance section (the "Report on Remuneration").

The Committee meets whenever its Chairman considers it appropriate, or should at least one of its members or the Chairman of the Board of Directors so request, and in any case as frequently as it is required for the correct fulfilment of its tasks. The Committee meetings are convened through a notice sent by the Chairman of the Committee. The available (and in any case, the necessary) documentation and information is sent to all the Committee members sufficiently in advance to enable them to express opinions with respect to the meeting. For the Committee meetings to be valid, the majority of the members in office must be in attendance, and resolutions are passed with the absolute majority of the members in attendance. The Committee meetings, coordinated by the Chairman, are duly recorded in minutes and then entered in a specifically kept book. As from 2016, the Chairman of the Committee provides information about Committee meetings during the first profitable Board of Directors meeting. The Committee – which, in performing its tasks, may also avail itself of external consultants – shall have adequate financial resources for the performance of its tasks, and such resources are allocated on the basis of contingent needs. The Committee is entitled to access the information and corporate functions necessary for the performance of its tasks. The meetings of the Appointment and Remuneration Committee may also be attended by those who are not members of the Committee, upon invitation of the Committee and in relation to single items on the agenda.

During 2019, the Appointment and Remuneration Committee met 6 times.

As of the date of this Report, the Appointment and Remuneration Committee has already met 2 times in 2020.

Information concerning the Committee's operation and activities is also detailed in the Remuneration Report.

All of the members of the Appointment and Remuneration Committee attended the meetings held in 2019. These lasted an average of one hour and fifteen minutes and were documented with minutes.

Whereas non-members attended any Committee meeting, their participation was upon invitation of the Committee itself and concerned specific items on the agenda.

Whilst carrying out its functions, the Committee was able to access the information and corporate functions necessary for the performance of its tasks, as well as avail itself of outside consultants.



As from 2018, the Appointment and Remuneration Committee differentiates more between the reports on the appointment work undertaken and that on remuneration.



## 9. DIRECTORS' REMUNERATION

The Appointment and Remuneration Committee submitted to the Board of Directors held on 5 March 2020 a proposal referring to the general policy for the remuneration of directors, including therein the remuneration of executive directors, the General Manager of Administration, Finance & Control, Corporate Legal & IT, strategic executives and members of the audit body for 2020 (the “**Remuneration Policy**”), which is indicated in greater detail in the Remuneration Report.

Information on the Remuneration Policy and on the remuneration of directors, the General Manager of Administration, Finance & Control, Corporate Legal & IT, strategic executives and members of the audit body in 2019, is provided through reference to the Remuneration Report available to the public at the registered offices of the Company as well as on the Company website ([www.geox.biz](http://www.geox.biz)).

The above Appointment and Remuneration Committee’s proposal has been favourably evaluated by the Board of Directors. The Company’s Shareholders’ Meeting, called to approve the financial statements for FY 2019, as per art. 2364, paragraph 2 of the Italian Civil Code, has also been convened to deliberate, by binding vote, on Section I of the Remuneration Report, and by advisory vote on Section II of the Remuneration Report.

During the current financial year, the Appointment and Remuneration Committee will assess the correct implementation of the Remuneration Policy, fully reporting to the Board of Directors.

The regulation of Geox’s Stock Grant plans that are valid and effective as of the date of this Report is available on the Company website([www.geox.biz](http://www.geox.biz)) in the Governance section.

The incentive mechanisms regarding the Head of Internal Audit and the Manager in Charge of Financial Reporting are consistent with the tasks assigned to them.

### **Indemnity due to directors in the event of resignation, dismissal or termination of employment following a takeover bid**

No indemnity has been envisaged for this situation.

With reference to other indemnity agreements with directors in office as of the date of this report, please refer to Section II of the Remuneration Report.

## 10. AUDIT, RISK AND SUSTAINABILITY COMMITTEE

The Board of Directors has set up an Audit, Risk and Sustainability Committee.

This committee has been assigned the duties as set out in art. 7. para.1 and in particular the duty of providing a prior opinion to the Board of Directors on the:

- definition of the guidelines of the internal audit and risk management system, with a prior opinion in the case of decisions relating to the appointment, withdrawal, remuneration and provision of resources for the Head of Internal Audit;
- assessment, on at least an annual basis, regarding the adequacy of the internal audit and risk management system in regard to the characteristics of the business and the risk profile taken on, as well as in regard to its effectiveness;
- approval, at least once a year, of the work plan drawn up by the Head of Internal Audit;
- description, in the corporate governance report, of the main characteristics of the Risk Management and Internal Audit System and of procedures for coordination between the parties involved therein, as well as assessment of the adequacy thereof;
- assessment of the results illustrated by the statutory auditor in the letter of suggestions, if any, and in the report on the fundamental issues emerged during the legal audit of accounts.

The Committee has been assigned also the duties as set out in art. 7. para. 2 and in particular the duty to:

- assess, together with the manager in charge of corporate financial reporting and having consulted the independent auditor and the Board of Statutory Auditors, the correct use of the accounting standards and their homogeneity for the purposes of drafting the consolidated financial statements;
- express opinions on specific aspects regarding the identification of the main business risks;
- examine the periodic reports regarding the assessment of the internal audit and risk management system, and those of particular importance prepared by the Internal Audit Department;
- monitor the autonomy, adequacy, effectiveness and efficiency of the Internal Audit Department;
- ask the Internal Audit Department – wherever it feels it necessary – to carry out checks on specific operating areas, simultaneously informing the Chairman of the Board of Statutory Auditors;
- report to the Board, at least on a half-yearly basis, on approval of the annual and half-year reports, on the work undertaken and on the adequacy of the internal audit and risk management system;
- support, with adequate preliminary investigation, the assessments and decisions of the Board of Directors relating to the management of risks arising from prejudicial facts of which the Board of Directors has become aware.



In addition, the Company's Audit, Risk and Sustainability Committee can perform, provided that it has the prerequisites in terms of composition envisaged by the applicable legal and regulatory provisions, the functions attributed to the committees responsible for Related Party Transactions (Committee for Less Significant RPTs and Committee for More Significant RPTs) envisaged by the Regulation governing Related-Party Transactions approved by the Board of Directors with its resolution of 28 October 2010 (see section 10 below) in compliance with Consob RPT Regulation and last amended by the Board of Directors with its resolution of 5 March 2020 on the occasion of the triennial review. Based on the composition of the Committee as of the date of this Report, only the functions of the Committee for Less Significant RPTs may be attributed to it.

In addition, the Chairman of the Board of Statutory Auditors or other Auditor nominated by the Chairman of the Board itself take part in the works of the Committee.

One of the members, Mr. Alessandro Antonio Giusti, is a qualified accountant and has an acknowledged accounting and financial experience, which was considered adequate by the Board of Directors on his appointment, and he also holds the office of Director in charge of the Risk Management and Internal Audit System. Despite the above-mentioned office, Mr. Giusti, although not holding management powers, is considered a non-executive and non-independent director.

When carrying out its functions, the Audit, Risk and Sustainability Committee is entitled to access the information and corporate functions necessary for the performance of its tasks, as well as avail itself of outside consultants.

When covering any expenses, the Committee may make use of monies allocated for contingent requirements.

During 2019, the Audit, Risk and Sustainability Committee met seven times. A similar number of meetings is expected to be held this year. As of the date of this Report, the Committee has already met three times in 2020.

The meetings, which lasted an average of two hours, were coordinated by a chairman and were duly recorded in minutes. Some meetings were attended by individuals who are not members of the Audit, Risk and Sustainability Committee and their participation took place upon the invitation of said Committee and with regard to specific items on the agenda.

As from 2016, the Chairman of the Committee provides information about Committee meetings during the first profitable Board of Directors meeting.

During 2019, in observance of the provisions set forth in the Corporate Governance Code (Article 7.C.1), the Audit, Risk and Sustainability Committee expressed an opinion in relation to the following activities performed by the Board of Directors:

- definition of the guidelines of the Risk Management and Internal Audit System, in such a way that the main risks to which the Company and its subsidiaries are exposed are correctly identified, and adequately measured, handled, monitored, also by determining the degree of compatibility of such risks with a company management consistent with the strategic objectives identified;
- assessment of the adequacy and effectiveness of the Risk Management and Internal Audit System in view of the characteristics of the Company and of the risk profile;
- approval of the work plan drawn up by the Head of Internal Audit;
- description in the corporate governance report, of the main characteristics of the Risk Management and Internal Audit System and of procedures for coordination between the parties involved therein, expressing its opinion on the adequacy thereof;
- assessment, after having heard the Board of Statutory Auditors, of the results illustrated by the statutory auditor in the letter of suggestions, if any, and in the report on the fundamental issues emerged during the legal audit of accounts.

The Audit, Risk and Sustainability Committee also monitored the activities for checking the control protocols envisaged by the Organisation and Management Model pursuant to Italian Legislative Decree No. 231/2001, last updated during 2018 and approved by the Board of Directors on 31 July 2018, in certain significant company processes, performed by Geox's Supervisory Body with the support of the Company's Internal Audit function.

Pursuant to art. 7. C. 2 of the Corporate Governance Code, the Audit, Risk and Sustainability Committee met and:

- assessed, together with the manager in charge of financial reporting and the statutory auditor, the correct use of the accounting standards and their uniformity for the purposes of preparing the consolidated financial statements;
- expressed in periodic reports opinions on specific aspects regarding the identification of the main business risks;
- examined the periodic reports drafted in relation to the assessments of the Risk Management and Internal Audit System, as well as those reports of particular relevance drafted by the Internal Audit function.
- monitored the independence, adequacy, effectiveness and efficiency of the Internal Audit function; the Committee evaluated the state of implementation of the internal procedures defined and disclosed so far;
- regularly reported to the Board of Directors, at least twice a year, on the activities performed and on the adequacy of the Risk Management and Internal Audit System.



Pursuant to Directive 95/2014 on the disclosure of non-financial information and of information on diversity, which was transposed in Italy with Leg. Decree 254/2016, the Company, as all the other subjects concerned, is required to report regarding non-financial information and diversity. This information regards environmental and social issues, aspects linked to employees, respect of human rights, anti-corruption, diversity of the members of the Board and other aspects linked to sustainability.

In this regard, the Corporate Governance Code for listed companies approved by Borsa Italiana S.p.A. and adopted by the Company, already suggests, for companies on the FTSE Mib index, to assess the case for setting up a committee with the specific duty of overseeing issues regarding sustainability: *“In the companies that are on FTSE-Mib index, the Board of Directors will assess the case for setting up a committee dedicated to overseeing issues of sustainability connected to the exercise of the company’s business and its interaction with all the stakeholders; alternatively, the Board will assess the case for regrouping or distributing these functions among the other committees”*.

In accordance with the recommendations of the Corporate Governance Code and in consideration of the value attributed to corporate social responsibility, the Board of Directors on 18 January 2018 passed a resolution to appoint a Committee for Sustainability, in order to oversee processes, initiatives and activities aimed at controlling the Company’s commitment to sustainable development. This role was entrusted to the Audit and Risk Committee, renaming it the Audit, Risk and Sustainability Committee.

## **II. RISK MANAGEMENT AND INTERNAL AUDIT SYSTEM**

The Board of Directors, within the definition of strategic, industrial, and financial plans, defined the nature and level of risk compatible with the Issuer's strategic objectives.

The Board of Directors shall define the guidelines of the Risk Management and Internal Audit System through the coordination of the dedicated internal bodies and the assessment of their periodical reports, so that the main risks regarding the Company and its subsidiaries are correctly identified, and adequately measured, handled and monitored, also by determining the degree of compatibility of such risks with a company management consistent with the strategic objectives identified.

The Board of Directors on 5 March 2020, having taken account of the indications provided by the Audit, Risk and Sustainability Committee and by the director responsible for the internal audit and risk management system, as well as the work of the head of the Internal Audit Department, expressed, for 2019, a positive assessment on the adequacy, effectiveness and the effective functioning of the internal audit and risk management system.

In 2019 the Board of Directors also approved the work plan prepared by the head of the Internal Audit Department, having consulted the Board of Statutory Auditors and the director responsible for the internal audit and risk management system.

### **Main features of the existing risk management and internal audit systems in relation to the financial disclosure process**

#### *Background*

The Risk Management and Internal Audit System is a process implemented by the Board of Directors, by the management and by other Company's functions; it consists of the set of rules, procedures and organisational structures aimed at enabling the identification, measurement, management and monitoring of the main risks and taking informed decisions; it contributes to conducting business consistently with the Company's objectives, with a view to medium and long-term sustainability of the Company's activities and helps to ensure the protection of the Company's assets, as well as the efficiency and effectiveness of corporate processes; it is used to develop strategies throughout the organisation and is devised to identify potential events that may impact on the Company's business, to manage risk within the limits of the acceptable risk and provide reasonable certainty on the achievement of business objectives, including the reliability, accuracy, truthfulness and timeliness of information provided to corporate bodies and the market, compliance with laws and regulations as well as with the Articles of Association and internal procedures.

Furthermore, since the entry into force of Law no. 262/2005, Geox has implemented procedures aimed at increasing the transparency of corporate reporting and making the internal control system more effective, especially controls relating to financial reporting, of which they are part.

In particular, Geox's Risk Management and Internal Audit System was created on the basis of the CoSO Report - Enterprise Risk Management Integrated Framework, issued by the Committee of Sponsoring Organisation of the Treadway Commission, whilst taking into due account the national guidelines issued by the organisations operating in the same sectors as Geox's.

In exercising its activity of managing and coordinating subsidiary companies, Geox establishes the general principles concerning the operations of the Risk Management and Internal Audit System for the whole group. It is understood that each subsidiary implements these principles in line with local regulations through organisational structures and operating procedures that are appropriate to the specific context.

### *Enterprise Risk Management*

The implementation of an ERM model moves the focus on to the concept of integrated risk and to the assessment of the inter-relations between the various corporate risks with a view to greater effectiveness and efficiency in assessing and managing the risks themselves.

In addition, the aforementioned Corporate Governance Code as part of its recommendations specifies:

- a) the modern conception of controls is focussed on the notion of corporate risks, their identification, assessment and monitoring; it is also for this reason that the law and the Code refer to the internal audit and risk management system as a single system in which risk is the key feature;
- b) a system of controls, in order to be effective, must be "integrated": i.e. it presupposes that its elements are coordinated and inter-dependent and that the system overall is, in its turn, integrated in the general organisational, administrative and accounting structure of the Company.

During 2019 the company, with the support of the Audit, Risk and Sustainability Committee, started a profound review of the mapping of the risks and the structure of the ERM, also in light of the revision of the corporate strategy as presented during the Investor Day held in November 2018 and in line with international best practice.

In line with the provisions of the Corporate Governance Code issued by Borsa Italiana, in the latest revision dated 17 July 2018, the Company started a specific activity to identify the main

corporate risks also through assessment of the current level of maturity of the risk management processes implemented by the Geox Group.

The project was broken down into four stages as described below:

- analysis of the level of maturity of the risk management processes compared to a holistic reference model drawn up on the basis of leading market practice;
- preparation of a risk model for consistent handling in managing corporate risks;
- undertaking of risk self-assessment with the aim of identifying and assessing the main corporate risks and the related handling on the basis of the methodological approach of the ERM model through understanding the main growth factors for the 2019-2021 Strategic Plan and the related associated risks, and a top risk analysis and assessment;
- preparation of a specific action plan with the aim of establishing a proposed development path for the risk management process, on the basis of the “as is” status, needs (risk assessment) and management expectations.

*Description of the main features of the existing Risk Management and Internal Audit System in relation to the financial reporting process*

a) Phases of the existing Risk Management and Internal Audit System in relation to the financial reporting process

*Identification of Risks*

The Chief Executive Officer and the Manager in Charge, consistently with the operating principles of the Risk Management and Internal Audit System related to the financial reporting process, shall prudently and accurately identify on an annual basis the main risks connected to that activity (so-called scoping activity). The risk identification process involves identification of the group companies and the operating flows liable to material errors or fraud, in relation to the economic values presented in the items of Geox’s financial statements and/or the consolidated financial statements.

The result of the scoping activity is the definition of a set of Company Processes/Legal Entities, in consideration of the typical risks incurred in the preparation of financial information intended for the public.

The companies and processes considered to be significant with reference to the financial reporting process shall be identified through quantitative and qualitative analyses.

By referring to national and international market best practices, the quantitative selection of companies shall be made on the basis of consolidated data, taking into account the contribution of the single companies to the formation of such data.

The companies not relevant from a quantitative viewpoint shall be subject to qualitative analysis to verify whether or not their characteristics are such as to make it necessary to include them in the analysis of the Risk Management and Internal Audit System.

Some of the factors, among others, considered in the analysis are indicated below:

- presence of specific risks in connection with certain sections of the financial statements, likely to result in relevant mistakes in the Group's financial reporting.
- extraordinary transactions (mergers / demergers / acquisitions) that could result in a relevant mistake in the financial statements;
- non-recurrent transactions with related parties of a considerable amount;
- presence of local factors that impact on the performance of activities (for example, country with a high level of corruption / risk of fraud);
- company subject to special tax rules or residing in countries included in black lists.

For each relevant company, the main classes of transactions (or significant processes) that lead to the formation of the related financial statements shall be identified.

The identification of significant processes requires, first of all, the identification of significant accounts, i.e. of those accounts that exceed, in relation to the amounts appearing in the last statement of assets and liability and profit and loss account, a threshold of materiality identified on an annual basis.

In the context of each process so identified, events that may compromise the objectives of the financial information process shall be pinpointed.

### *Assessment of the Risks on financial reporting*

For each risk, the management shall define the limits of tolerance in the likelihood of occurrence and in the impact that such risks may produce.

Risks shall be identified by classifying them on the basis of the main sources of risk identified on a regular basis by the Director in charge of the Risk Management and Internal Audit System.

The assessment consequent to the identification of the events of risk must be made in relation to the two aspects of risk analysis, namely, the likelihood of occurrence and the potential impact on objectives.

The importance of the risk shall be assessed both for the purpose of determining the relevant risk and for the assessment of the residual risk, in order to enable the correct interpretation of the degree of exposure to risk and the redefinition, if any, of the risk management strategy.

As a matter of fact, the risk management strategy must be re-considered on the basis of the actual reduction of the likelihood of occurrence, of the impact or of both these elements on the part of the defined reactions.

This involves that the reaction to risk may be identified for the first time – or changed, if already defined – further to the assessment of the overall development and adequacy of the Risk Management and Internal Audit System.

#### *Assessment of relevant issues in relation to non-financial reporting and diversity*

For the purposes of preparing the consolidated non-financial statement, Geox has identified the issues considered important for the purposes of reporting in the statements, considering both the viewpoint of its own organisation (through workshops and in-house interviews) and the results that emerged from the benchmarking work undertaken using as reference points the main competitors of the Geox Group which operate in the fashion sector as well as studies linked to the world of sustainability. Each key issue was then associated with one or more indicators from among those envisaged by the main global reference parameters on non-financial reporting issued by the international organisation, the Global Reporting Initiative (the GRI-Standards Guidelines). The draft of the consolidated non-financial statement relating to 2019 was then prepared in compliance with the regulation set out by Leg. Decree 254/2016 and on the basis of the results that emerged and represented in the materiality analysis. The Company also started a program of stakeholder engagement through which the materiality analysis will be updated.

For the purposes of the consolidated non-financial statement, which is prepared in compliance with the regulation set out by Leg. Decree 254/2016, the Board of Directors, on 8 November 2017, entrusted the independent audit of the non-financial statements to BDO Italia S.p.A. for the years from 31 December 2017 up to 31 December 2021.

#### *Assessment regarding regulatory compliance*

Since 2018 the Company has had a Global Compliance Program in order to control the issues relating to the Group's compliance in the countries where it works and a policy to combat active and passive corruption leading to obtaining ISO 37001 certification.

#### *Identification of controls in view of identified risks*

Control activities include the policies and procedures that ensure to the management the correct implementation of risk management measures. Control activities shall be implemented throughout the company organisation, at all functional and management levels.



Such activities are represented by a set of diversified transactions such as, by way of example, without limitation, approvals, authorisations, comparisons, reconciliations, protection measures, separation of tasks, etc.

Control activities may operate with ex-ante effects (so-called preventive activities) or ex-post effects (so-called detective activities) and they may be performed manually by who is in charge of controls or be integrated in the Company's automated computer systems.

#### *Assessment of controls in view of identified risks*

Controls are generally assessable in relation to many characteristics, but within the financial reporting process, they must ensure the correct implementation of at least two characteristics:

1. traceability: a control must leave traces of its execution;
2. effectiveness: a control must effectively mitigate, alone or jointly with other controls, the associated risk by acting alternatively or jointly on the likelihood of occurrence and on risk impact.

Controls shall be assessed by analysing the correct aims of control activities and their actual and effective application over time.

In relation to the financial reporting process, control activities shall be assessed in two half-year sessions, possibly followed by equally regular follow-up phases, should some problematic aspects emerge.

#### *Whistleblowing*

During 2018 Geox implemented a whistleblowing system with the aim of promptly investigating and scrupulously managing any illicit behaviour and/or violations regarding suspect conduct that does not confirm to what is established by the Group's Code of Ethics. The Code is the pillar of the whistleblowing system, but this must be read and interpreted together with the documents which are considered essential for the development and dissemination of the fundamental values for Geox, such as: the Organisation, Management and Control Model adopted by the Company, the Code of Conduct for Suppliers, the policies, procedures, guidelines, and the regulation which is in any case applicable to Geox. The internal whistleblowing process, also in compliance with the recent law on the matter, has been structured through a dedicated channel managed by a specialist third party, Navex Global, which includes a web platform and a multilingual helpline.

#### b) Roles and functions involved

Without prejudice to the responsibility of every company manager as described in point a), the main players in the Risk Management and Internal Audit System in the financial reporting process are:

- The Board of Directors, which is responsible for steering and assessing the adequacy of the Risk Management and Internal Audit System;
- The Chief Executive Officer and the Manager in Charge pursuant to Article 154-bis of the FCA, who are in charge of defining and evaluating specific control procedures aimed at protecting against risks when drawing up the accounting documents;
- The Director in charge of the Risk Management and Internal Audit System, as person primarily responsible for the initiatives regarding the assessment and management of business risks;
- The Audit, Risk and Sustainability Committee, which, in order to support the Board of Directors, analyses the results of audit activities on the Risk Management and Internal Audit System to identify the actions to be taken, if any;
- The Internal Audit function, which, remaining objective and independent, provides methodological advices in the assessment of the adequacy and effective application of the control procedures defined by the Manager in Charge. In this scope of activity, the Internal Auditing shall also report any relevant circumstance of which it becomes aware to the Audit, Risk and Sustainability Committee and to the Manager in Charge;
- the Board of Statutory Auditors which, in order to support the Board of Directors, oversees compliance with the law and the Articles of Association, compliance with the principles of correct administration, the adequacy of the organisational structure (for aspects under its responsibility), the Internal Audit and Risk Management System as well as the administrative accounting system and the reliability of the latter to correctly represent operations.
- the Supervisory Body pursuant to Leg. Decree 231/01, which acts within the scope of its supervisory activities for corporate crimes envisaged by Leg. Decree 231/01, identifying risk scenarios and verifying at first hand compliance with the control systems. Furthermore, the Supervisory Authority monitors compliance with and application of the group's Code of Ethics.

## **11.1 DIRECTOR IN CHARGE OF THE RISK MANAGEMENT AND INTERNAL AUDIT SYSTEM**

On 16 April 2019, the Board of Directors resolved to confirm the appointment of Mr. Alessandro Antonio Giusti as Director in charge of the Risk Management and Internal Audit System.

Mr. Giusti saw to the identification of the main corporate risks (strategic, operating, financial and compliance risks), taking into account the characteristics of the activities performed by the Company and by its subsidiaries, submitting them periodically to the Board. He also implemented the guidelines defined by the Board of Directors, aimed at an on-going adjustment of the internal audit system and its management, by designing, implementing and managing the risk and internal audit system and constantly verifying its overall adequacy, efficacy and efficiency.

The Director in charge of the Risk Management and Internal Audit System acted in the sense of adjusting such a system to operational conditions and legislative and regulatory frameworks.

The Director in charge of the Risk Management and Internal Audit System has the power to ask the Internal Audit function to make verifications on specific operational areas and on the compliance with the internal procedural rules governing the performance of company transactions, giving prior notice thereof to the Chairman of the Board of Directors, the Chairman of the Audit, Risk and Sustainability Committee and to the Chairman of the Board of Statutory Auditors.

His activity has been carried out in coordination with the Audit, Risk and Sustainability Committee.

## **11.2 HEAD OF INTERNAL AUDIT**

On 16 April 2019, the Board of Directors, upon the proposal of the Director in charge of the Risk Management and Internal Audit System and further to the opinion of the Audit, Risks and Sustainability Committee, resolved to confirm the appointment of Mr. Francesco Allegra as Head of Internal Audit, who has held this position since 12 November 2015.

The Board of Directors entrusted the Head of Internal Audit with the task of verifying that the Risk Management and Internal Audit System is operating and adequate (*Principle 7.P.3., lett. b*).

The Board of Directors also made sure that Mr. Francesco Allegra is adequately resourced to perform his tasks (*Application criterion 7.C.1., second section*).

As from the Board of Directors' meeting of 17 December 2012, the Head of Internal Audit hierarchically reports to the Board itself (*Application criterion 7.C.5., lett. b*).

The Head of Internal Audit:

- verifies, on an on-going basis and in relation to specific needs and in compliance with international standards, the operations and adequacy of the Risk Management and Internal Audit System, through an audit plan approved by the Board of Directors and based on a structured process of analysis and prioritisation of the main risks (*Application criterion 7.C.5., let. a*);

- has direct access to all the information useful for the performance of his tasks (*Application criterion 7.C.5., let. c*);
- prepares periodical reports containing adequate information on his activities, on the ways in which risks are managed, and on the compliance with the plans defined to limit them, and has also assessed the adequacy of the Risk Management and Internal Audit System (*Application criterion 7.C.5., let. d*) providing the reports to the Chairmen of the Board of Statutory Auditors, of the Audit, Risk and Sustainability Committee and of the Board of Directors, as well as to the Director in charge of the Risk Management and Internal Audit System (*Application criterion 7.C.5., let. f*);
- promptly drafts reports on particularly relevant events (*Application criterion 7.C.5., let. e*) and sends them to the Chairmen of the Board of Statutory Auditors, of the Audit, Risk and Sustainability Committee and of the Board of Directors, as well as to the Director in charge of the Risk Management and Internal Audit System (*Application criterion 7.C.5., let. f*); and
- verifies, as part of the audit plan, the reliability of the information systems, including the accounting systems (*Application criterion 7.C.5., lett. g*).

In 2019, the Head of Internal Audit could rely on an overall budget of about Euro 365,500,00 to be used for consultancy, business travel and overheads pertaining to his function.

The Head of Internal Audit has performed his duties in line with and within the limits of an official mandate which provides him with free and direct access to all the information considered useful for the performance of his tasks.

Within the limits of the above-mentioned mandate, the Internal Audit has completed the implementation of an annual audit plan for the assessment of the Risk Management and Internal Audit System adequacy. Secondly, the Head of Internal Audit has supported the Company by providing advice in the implementation of company policies and procedures and in several transactions connected with the company organisation.

### **11.3 ORGANISATION MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001**

For some time now, the Group has adopted its Model for Organisation, Management and Control in compliance with Legislative Decree no. 231/01, available in the Governance section of the website [www.geox.biz](http://www.geox.biz).

In 2015, a complete review was undertaken of the Model 231 following a risk assessment process which led to the identification of the processes which are sensitive in terms of the decree and to the inclusion of the final types of crime introduced by the law. In addition, among

the main elements subject to review were: a) the review of the system of sanctions and b) the formalisation of the periodic information flows to the Supervisory Board.

The new Model 231 was approved by the Board of Directors on 12 November 2015.

The Model 231 was last updated with the recent regulatory additions, such as the issue of whistleblowing, during 2018 and approved by the Board of Directors on 17 April 2018.

In order to oversee the correct functioning of the Model, on 19 April 2016, the Board of Directors appointed the new Supervisory Board in the persons of Marco Dell'Antonia (Chairman), Renato Alberini and Fabrizio Colombo. Every year, the Supervisory Body, which can rely on a specific budget, implements its own audit plan aimed at detecting compliance with audit protocols in relation to offence risks, taking advantage also of the Internal Audit function in the performance of its activities.

#### **11.4 INDEPENDENT AUDITING FIRM**

The Shareholders' Meeting held on 17 April 2013 granted the appointment for the auditing of the accounts to the firm Deloitte & Touche S.p.A., for the accounting periods as from 31 December 2013 until 31 December 2021.

#### **11.5 MANAGER IN CHARGE OF CORPORATE FINANCIAL REPORTING AND OTHER CORPORATE ROLES AND FUNCTIONS**

Mr. Luciano Libralesso, Geox S.p.A.'s General Manager of Administration, Finance & Control, Corporate Legal & IT, was appointed as manager in charge of corporate financial reporting by the Board of Directors, upon the proposal of the Chief Executive Officer and in agreement with the Chairman, and further to the opinion of the Board of Statutory Auditors, on 17 April 2013 and re-appointed on 16 April 2019.

As of the date of this Report, the position of Manager in charge of Financial Reporting has been entrusted to Mr. Massimo Nai by Board of Directors' resolution of 5 March 2020.

Article 18 bis of the Articles of Association envisages that the manager in question is chosen from among the executives who have carried out, for a suitable period of time, administration, management or auditing activities and who are in possession of the honourability requisites envisaged by current legislation.

For the performance of his duties, the manager is provided with an annual expenditure budget and, subject to the agreement of the Company, may avail himself of the advice of the Internal Audit function.

## 11.6 COORDINATION BETWEEN THOSE INVOLVED IN THE RISK MANAGEMENT AND INTERNAL AUDIT SYSTEM

To maximize the efficiency of the Risk Management and Internal Audit System and reduce the duplication of activities, Geox has defined some procedures for coordination between the above-listed persons.

The members of the Board of Statutory Auditors shall be invited, along with others, to attend every institutional meeting having as subject matter specific discussions regarding the Risk Management and Internal Audit System.

The meetings of the Risk and Audit Committee are also attended by the Head of Internal Audit so as to guarantee constant alignment.

The Director in charge and the Head of Internal Audit shall meet on a monthly basis in such a way as to inform each other of their activities and define less relevant interventions, if any, of which it is reckoned that the Board of Directors need not be informed.

The Audit, Risk and Sustainability Committee shall meet the Manager in charge and the Head of Internal Audit on a six-monthly basis, to analyse the specific results of the audit regarding the management of the financial reporting process.

## 12. INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

Pursuant to art. 2391-*bis* of the Italian Civil Code, and the Consob RPT Regulations, the Board of Directors of 28 October 2010 approved the Regulation governing Related-Party Transactions concerning the governance of related-party transactions, in force since 1st January 2011, and last amended - subject to the favourable opinion of a committee composed exclusively of independent Directors - by the Board of Directors with its resolution of 5 March 2020 on the occasion of the triennial review, and published on the Company's website [www.geox.biz](http://www.geox.biz) in the Governance section.

The Regulation governing Related-Party Transactions identifies the principles which Geox abides by in order to ensure the transparency and essential and procedural correctness of transactions with related parties, in application and compliance with Consob RPT Regulations.

The Regulation governing Related-Party Transactions defines, among other things, the "material" transactions that require approval by the Board of Directors in advance, upon the documented and binding opinion (without prejudice to the provisions of the Articles of Association concerning Shareholders' meeting authorisation) of a committee composed exclusively of independent, unrelated Directors ("**Committee for More Significant RPTs**"); an information report related to such transactions must be disclosed to the public.

Other transactions, unless they fall within the categories of exclusion or exemption pursuant to art. 6 of the Regulation governing Related-Party Transactions, are defined as “Less Relevant RPTs” and may be approved by the Board of Directors or by any other delegated body, subject to the motivated and non-binding opinion of a committee composed of three non-executive, unrelated and mostly independent directors (“**Committee for Less Significant RPTs**”).

Pursuant to the Regulation governing Related-Party Transactions, the functions assigned to the Committee for Less Significant RPTs or to the Committee for More Significant RPTs may be performed by the Audit, Risk and Sustainability Committee, provided that the latter meets the composition requirements set out in the applicable laws and regulations. Based on the composition of the Audit, Risk and Sustainability Committee as of the date of this Report, only the functions of the Committee for Less Significant RPTs may be attributed to it.

The Regulation governing Related-Party Transactions identifies the cases in which the procedures can be excluded or which are exempted from them, including, among other things, transactions involving a low amount (i.e. transactions with a value lower than Euro 100,000 for natural persons and with a value lower than Euro 200,000 for legal persons), ordinary transactions concluded under standard or market conditions, transactions with or between subsidiaries and those with associated companies, provided that parties related to the Company do not have significant interests in them, certain transactions, approved by the companies and addressed to all shareholders on equal terms (capital increase under option and free capital increase pursuant to Article 2442 of the Italian Civil Code; total or partial demerger in the strict sense, with proportional share allocation criteria; share capital reduction through reimbursement to shareholders pursuant to Article 2445 of the Italian Civil Code), some transactions relating to the remuneration of Directors and executives with strategic responsibilities, as well as urgent transactions carried out under specific conditions.

During 2019, the Audit, Risk and Sustainability Committee, as Committee for Less Significant RPTs, met 3 times.

The provisions of the Articles of Association governing transactions with related parties were adapted to the Consob RPT Regulations. In particular, with a resolution of the Extraordinary Shareholders’ Meeting of 28 October 2010, a new section was included in the Articles of Association, titled “Related-party transactions” (with the consequent re-numbering of the articles of the Articles of Association in force), containing the three articles indicated below:

- Article 24 of the Articles of Association is an introductory article which provides that the Company must approve the transactions with related parties in compliance with current legal and regulatory provisions, as well as with its own Articles of Association requirements and relevant procedures adopted by the Company.

- art. 25 of the Articles of Association which allows the Regulation governing Related-Party Transactions to envisage approval by the Board of Directors of the more relevant RPTs despite the adverse opinion of the independent directors, as long as implementation of such transactions is authorised by the Shareholders' Meeting, pursuant to art. 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 directors with the requirements of independence' 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.
- art. 26 of the Articles of Association which allows the Regulation governing Related-Party Transactions to exclude urgent transactions from their area of application, even if pertaining to the Shareholders' Meeting, within the limits of that are allowed by applicable laws and regulations.

In regard to the procedure for the approval of the proposed resolution to the Shareholders' Meeting concerning the aforementioned amendments to the Articles of Association on transactions with related parties (or which are connected to the introduction of the provisions on this issue), it is noted that on 22 September 2010 the Board of Directors met to discuss the adoption of procedures for transactions with related parties provided for by the Consob Regulation and, within this examination and discussion, resolved to propose to the Shareholders' Meeting the above-mentioned amendments to the Articles of Association, subject to the prior favourable opinion of the specifically established committee, composed by independent Directors.

In addition to governing, in the Related-Party Transactions Regulation, possible transactions with related parties which can include situations in which a director has a personal interest or an interest exercised on behalf of others, the Board of Directors assessed and adopted with the Code of Ethics operating solutions designed to make it easier to identify and manage adequately situations in which a director has a personal interest or an interest exercised on behalf of others.

In particular, the Board of Directors in its meeting of 13 May 2005 approved a Code of Ethics, which was fully replaced by the Board of Directors on 31 July 2012 and last amended on 23 February 2018. The new Code of Ethics, like the previous ones, is addressed to corporate bodies and their members, staff, temporary employees, consultants and associates of any type,



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agents, attorneys and any other entity acting for or on behalf of Geox and, in general, all those with whom Geox and other Group companies come into contact while carrying out their activities. This Code of Ethics, which, moreover, is a fundamental element of the organisational model provided for by Legislative Decree no. 231/2001 and of the Group's Risk Management and Internal Audit System, emphasizes, in particular, the prevention and management of the situations of conflict of interests. In particular, Article 2 of the Code establishes that "3. Any situation of conflict between personal interests and Geox's interest must be necessarily avoided or, if this is not possible, must be communicated in advance according to the channels provided". Pursuant to Article 19 of the Code of Ethics, specific penalties are provided for in the event of failure to comply with the principles contained in the Code of Ethics (including those involving the prevention and disclosure of conflicts of interest): "With regard to Directors and Statutory Auditors, breach of the Code's provisions may involve the adoption, by the Board of Directors or the Board of Statutory Auditors respectively, of measures proportionate to the seriousness or repetition or degree of guilt, up to removal from office for just cause, to be proposed to the Shareholders' Meeting".

### 13. APPOINTMENT OF STATUTORY AUDITORS

The provisions applicable to the appointment and replacement of Statutory Auditors are envisaged by the current Article 22 of the Articles of Association and presented below.

*“When the Statutory Auditors are appointed and before they accept the office, the Shareholders’ Meeting is informed of any management and audit office held by them in other companies.*

*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 the application of more restrictive limits that may be introduced pursuant to Article 148-bis of Legislative Decree no. 58/1998).*

*Statutory Auditors are appointed for the first time in the memorandum of association 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 the Statutory Auditors, the Shareholders’ Meeting determines the 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.*

*The lists must be divided into two sections, one related to the Standing Statutory Auditors and one related to the Alternate Statutory Auditors; should these contain a number of candidates equal to or exceeding three, they must ensure the presence of both genders, so that the candidates of the less represented gender are at least, for the first appointment one year after the entry into force of Law no. 120/2011, 1/5 of the total number, whereas in relation to the two subsequent appointments, they shall be at least 1/3 of the total number, with rounding off to the higher unit in the case of fraction.*

*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 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 office. 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 office, 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 the same group (i.e. the controlling party, not necessarily a company, in accordance with Article 93 of Italian Legislative Decree No. 58/1998, as well as the subsidiary and associated companies of the same party), or who comply with a*

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shareholders' agreement pursuant to Article 122 of Italian Legislative Decree No. 58/1998, cannot present or contribute towards presenting or vote for – directly, via third parties or trust companies – 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 office 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 the Company's registered office, on its website and in the other ways envisaged by applicable legal and regulatory requirements, at least 21 (twenty-one) days before the meeting,

The lists must include (i) any information related to the identity of the Shareholders presenting the lists, the total 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 Issuers' Regulations.

Each candidate can appear on one list only, under penalty of ineligibility. At the same time when lists are lodged at the Company's registered office, 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 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 Issuers' 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.

The lists in relation to which these provisions have not been observed will not be considered as presented.

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

from the list that has obtained the majority of Shareholders' votes, two Standing Auditors and one Alternate Auditor shall be taken in the progressive order with which they are listed. The remaining Standing Auditors and Alternate Auditors shall be 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 majority of votes, the youngest candidates (in terms of age) will be elected as standing and alternate auditors up to the number of offices to be assigned, in any case ensuring that standing auditors are taken from at

*least two different lists; all this, however, in compliance with the rules related to the balance of genders in the bodies of listed companies pursuant to Law no. 120/2011;*

*Should the resulting composition of the collective body or of the category of the alternate Statutory Auditors fail to respect the balance of genders, taking into account the order in which they are listed in the respective section, the last elected candidates of the Majority List of the most represented gender shall fall from office in the number necessary to ensure the compliance with the required quota, and they shall be replaced by the first non-elected candidates of the same list and of the same section of the less represented gender. If there are no candidates of the less represented gender in the relevant section of the Majority List in a sufficient number to proceed with replacement, the Shareholders' Meeting shall appoint the missing standing or alternate Statutory Auditors pursuant to the majorities required by law, thus ensuring that the required quota is met.*

*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 goes to the standing Auditor indicated as the first candidate on the list which during the shareholders' meeting received the greatest number of votes after the first.*

*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 the Board of 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 shall resolve in compliance with the majorities required by law, in any case pursuant to the division criterion capable of ensuring the gender balance under Article 148, par. 1-bis of 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 alternate auditor belonging to the same list as the auditor leaving office takes his/her place. The new Statutory Auditors shall remain in office until the following Shareholders' Meeting, which shall replace the missing members of the Board of Statutory Auditors according to the legal provisions and in compliance with the division criterion capable of ensuring the gender balance under Article 148, par. 1-bis of Legislative Decree no. 58/1998".*

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By means of Resolution no. 28 published on 30 January 2020, Consob established, without prejudice to any lower shareholding provided for by the Articles of Association, the shareholding required for presentation of the lists of candidates for the appointment to the management and audit bodies that closed the financial year on 31 December 2019. In particular, the shareholding set for Geox is the following:

<b>CRITERIA FOR THE DETERMINATION OF THE SHAREHOLDING</b>			<b>SHAREHOLDING</b>
<b>CATEGORY OF CAPITALISATION</b>	<b>FLOATING SHAREHOLDING &gt;25%</b>	<b>MAJORITY SHAREHOLDING &lt;50%</b>	
< = Euro 375 million	Yes	NO	2.5%

## 14. COMPOSITION AND OPERATION OF THE BOARD OF STATUTORY AUDITORS

### Pursuant to art. 123-bis, par. 2, letter d) and d-bis), FCA

Pursuant to Article 22 of the Articles of Association, as amended in February 2013, the Board of Statutory Auditors shall be composed by three standing and two alternate members, respecting the gender balance pursuant to Article 148, par. 1-Bis of the FCA, as introduced by Law no. 120/2011.

The Auditors currently in office were appointed by Shareholders during the Shareholders' Meeting held on 16 April 2019, and will remain in office until the meeting for the approval of the financial statements as of 31 December 2021, on the basis of the lists presented, respectively, by the majority shareholder Lir S.r.l. – holder of 71.1004% of the share capital underwritten and paid-up – and (ii) by a group of savings management companies and institutional investors – the overall participation of which is equal to 2.65% of the share capital underwritten and paid-up. The list as set out at point (i) was approved on a majority basis by the Shareholders' Meeting equal to 89.13% of the voting share capital.

During 2019, the Board of Statutory Auditors held 10 meetings, which lasted an average of two hours. For the current accounting period, a precise number of meetings has not been established. As of the date of this Report, 4 meetings of the Board of Statutory Auditors had already been held in 2020.

The structure of the Board of Statutory Auditors as of 31 December 2019 is set out in Table 3 attached.

The list of management and audit offices held by the Company's Auditors in the companies listed in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, is attached to this Report. The complete list of offices is published by Consob on its website in accordance with Article 144-quinquiesdecies of the Consob Issuers' Regulations. The personal and professional characteristics of each Statutory Auditor are reported in their respective *curricula vitae* published on the website [www.geox.biz](http://www.geox.biz) in the Governance section.

On 8 November 2017, the Board of Directors adopted the Diversity Policy for the composition of the administration, management and audit bodies which seeks to guarantee the sound functioning of the corporate bodies, regulating their composition and envisaging that the members of the same possess the personal and professional requirements which determine its highest level of diversity and competence. For the details, reference should be made to Section 4.2 of this report.

Observance of the criteria of independence was verified at the time of appointment, both in compliance with art. 148, paragraph 3 of the FCA and with art. 10 of the Corporate

# GEOX

Governance Code. In addition, the Board of Statutory Auditors assesses the independence of its members on an annual basis.

Pursuant to Article 2.C.2. of the Corporate Governance Code, the Chairman of the Board of Directors shall make sure that the Statutory Auditors adequately know the sector of activity in which the Company operates, the company dynamics and their development, as well as the applicable legal framework, and he or she shall take specific initiatives intended for this purpose, encouraging Statutory Auditors to join such initiatives.

Responsibility for promptly and thoroughly informing the other Auditors and the Chairman of the Board of Statutory Auditors of any interests in a specific Company transaction, specifying the nature, terms, origin and purport, is left to the initiative of each Statutory Auditor.

When performing its activities, the Board of Statutory Auditors coordinated with the Internal Audit function and with the Audit, Risk and Sustainability Committee, by means of the periodic participation in meetings providing updates on internal audit matters.

The Board of Statutory Auditors, in order to verify the correct and effective functioning of the body and its adequate composition, undertakes an annual self-assessment (as envisaged by the new Conduct Provision Q.I.I of the Conduct Standards of the Board of Statutory Auditors of listed companies, approved by the Italian Board of Accountants and Accounting Experts). The self-assessment process also includes the check of the prerequisites of independence for the Auditors.



## **15. INVESTOR RELATIONS**

In line with the recommendations of Article 9 of the Corporate Governance Code, the Governance section of the website [www.geox.biz](http://www.geox.biz) provides relevant information for shareholders, with particular reference to the procedures for participation and exercise of voting rights in the shareholders' meeting, as well as the documentation relating to the items on the agenda.

The function of investor relations is performed by Mr. Livio Libralesso and Mr. Simone Maggi.





## 16. GENERAL MEETINGS

### Pursuant to art. 123-bis, par. 2, letter c), FCA

Article 12 of the Articles of Association provides that parties qualifying as owners of shares on the seventh open market day prior to the Shareholders' Meeting date shall be entitled to intervene and to vote, provided they have announced their wish to intervene in the Shareholders' Meeting through a duly authorised intermediary, pursuant to the provisions of the law and applicable regulations.

Intervention during Meetings by means of telecommunications facilities is permitted, via methods which allow the identification of all the participants and permit the latter to follow the discussion and intervene in real time when handling the business dealt with. In this case, the meeting will be considered to have been held where the chairman of the Meeting and the secretary are located. The telecommunication media used must be mentioned in the minutes.

Those who are entitled to vote may exercise this right electronically via certified email (PEC) pursuant to the laws, regulatory provisions on this issue and the provisions within the shareholders' meeting regulations. This provision of the Articles of Association shall enter into effect as from the shareholders' meeting resolution that approves the amendments to the shareholders' meeting regulations which govern the ways in which a vote can be placed electronically.

Individuals who are entitled to participate and vote in the Shareholders' Meeting may be represented by another natural or legal person including non-shareholders, by means of a written proxy in the cases and within the limits set by applicable law and current regulatory provisions. The proxy may be sent electronically via certified email and through any other methods provided for in the notice of meeting, according to the procedures allowed by the applicable provisions of law and regulations.

Pursuant to article 127-ter of the FCA, shareholders can ask questions about the items on the agenda even prior to the Shareholders' Meeting, by recorded delivery letter with advice of delivery to be addressed to Geox, Direzione Affari Legali e Societari, via Feltrina Centro no. 16, 31044 Biadene di Montebelluna (TV), Italy or by certified email to: [societario@pec.geox.com](mailto:societario@pec.geox.com). These questions will be answered at the latest during the Meeting, while the Company is entitled to provide a joint response to questions having the same content.

Pursuant to Article 10 of the Articles of Association, the shareholders who, even jointly, represent at least one fortieth of the share capital may request, within 10 days of the publication of the notice to convene the Shareholders' Meeting (unless the law provides for other time limits), additions to the lists of the items on the agenda, indicating in their request



the additional items they propose, or submit proposals for resolution on items already on the Agenda, within the limits and subject to the methods provided for by the applicable legal provisions and regulations, through a signed original letter to be sent to the Legal and Corporate Affairs Department of Geox S.p.A., along with a report on the items proposed for discussion. Addition is not allowed for issues that the shareholders' meeting deliberates about, pursuant to the law, upon the proposal of Directors or based on a project or report prepared by them. Any list of additional issues to be discussed at the shareholders' meeting will be published following the same terms and conditions as for this notice, at least fifteen days prior to the Shareholders' Meeting.

The course of the Meeting is disciplined by specific regulations for general Shareholders' Meeting business, available in the Governance section, Shareholders' Meeting, of the website [www.geox.biz](http://www.geox.biz).

Article 6 of the Shareholders' Meeting Regulations envisages the possibility for each shareholder to request the floor on any of the matters being discussed, requesting information and making any proposals.

During the general Shareholders' Meeting held on 16 April 2019, attended by the majority of the Directors of the Company, the Board reported on the activities carried out and scheduled and took action so as to ensure the shareholders adequate disclosure regarding the elements necessary in order that they may adopt, in full awareness of the facts, decisions which are the responsibility of the meeting.



## **17. OTHER CORPORATE GOVERNANCE PRACTICES**

### **Pursuant to art. 123-bis, par. 2, letter a), FCA**

The Company established an Ethics Committee, subsequently reappointed on 16 April 2019, in compliance with the new Code of Ethics adopted by the Board on 20 December 2012, "Committee for Ethics and Sustainable Development". As of 31 December 2019, the above-mentioned Committee was composed of Mr. Mario Moretti Polegato, Umberto Paolucci, and Renato Alberini and its purpose is to steer and promote the Company's commitment and ethical conduct.

## 18. CHANGES SINCE THE END OF THE ACCOUNTING PERIOD

As of the closing date, no changes in the corporate governance structure took place in respect to those indicated in the specific sections.

## 19. CONSIDERATIONS ON THE LETTER OF 19 DECEMBER 2019 FROM THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

The Board of Directors, on 5 March 2020, noted the recommendations received from the Chairwoman of the Corporate Governance Committee, Patrizia Grieco, with her letter of 19 December 2019 and previously notified to the directors and to the Board of Statutory Auditors (the “**Recommendations**”) and observed with reference to the four main areas for improvement indicated in the recommendations that:

- 1) the Company has put in place in recent years various initiatives which suggest it is moving in the direction of alignment of its own governance with the Recommendations regarding the issue of sustainability for the business. As from 2018, the Company has had a sustainability committee – entrusting its functions to the Audit, Risk and Sustainability Committee – in order to oversee processes, initiatives and activities to monitor the Company’s commitment to sustainable development. In addition, the issue of sustainability is an integral part of the 2019-2021 Strategic Plan, since the Company has identified among its own strategic actions in the plan four specific sustainable development goals (Environment, Supply Chain, Materials and Community). Finally, in establishing the remuneration policy, the Company, in particular with reference to the variable pay component (MBO), is evaluating for subsequent years the inclusion among performance targets of non-financial targets related to issues of sustainability and corporate social responsibility (for more details refer to the Report on remuneration pursuant to art. 123-ter of the FCA published for the Shareholders’ Meeting to approve the financial statements for 2019);
- 2) the Company believes that it is broadly aligned to the recommendations regarding the management of the information flows which must reach the Board of Directors, having arranged to implement an IT system to handle documentation ahead of Board meetings which guarantees the needs for confidentiality without compromising the usability and timeliness of the information. In addition, the Company generally considers suitable a three-day notice period for sending Directors documentation in advance of Board meetings and this timeframe was normally respected for Board meetings held in 2019;

- 3) the Company believes that it is largely aligned to the Recommendations on the application of the independence criteria established by the Code. The Company monitors the existence of these criteria at the time of appointment, on the occurrence of exceptional circumstances and, in any case, each year. The assessment was last carried out by the Board of Directors on 5 March 2020, also on the basis of statements signed by the independent Directors confirming the prerequisites of independence, and no independent Director at the Company is in so-called “at-risk” situations. Finally, the Company notes that since 2012 it has used a further quantitative criterion to assess the independent and autonomous judgement of independent directors by which the requirement for independence is considered compromised should, in commercial dealings, the turnover generated between the director and the Company be equal to or higher than the fee for the director’s service. As a consequence, the Company shall also take said parameter into account for the purposes of assessing the independence of its non-executive and independent directors;
- 4) the Company believes it is aligned in regard to the Recommendations on remuneration for non-executive directors and members of the audit bodies, considering such remuneration adequate for the know-how, professional standing and commitment required by their office. In addition, the fees recognised to non-executive directors and to members of the audit bodies are in line with the remuneration for the reference sector and for companies of similar size to Geox.

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5 March 2020

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On behalf of the Board of Directors

The Chairman

*Mr. Mario Moretti Polegato*

**List of offices held by Geox's Directors in other companies listed on regulated markets (in Italy and/or abroad), in financial, banking and insurance companies or large corporations; List of offices held by the Statutory Auditors in other companies.**

**Board of Directors as of 31.12.2019**

Name	Office	Other offices
Mario Moretti Polegato	Chairman	Chairman of the Board of Directors of: <ul style="list-style-type: none"> <li>• LIR S.r.l., parent company of Geox S.p.A.</li> </ul> Director of: <ul style="list-style-type: none"> <li>• R.C.S. Edizioni Locali srl</li> </ul> Regent of the: <ul style="list-style-type: none"> <li>• Bank of Italy at the Office in Venice.</li> </ul>
Matteo Carlo Maria Mascazzini	Chief Executive Officer	No
Enrico Moretti Polegato	Deputy Chairman	Director of: <ul style="list-style-type: none"> <li>• LIR S.r.l., parent company of Geox S.p.A.</li> </ul> Chairman of the Board of Directors and CEO of: <ul style="list-style-type: none"> <li>• DIADORA S.p.A.</li> </ul> Member of the Governing Board of: <ul style="list-style-type: none"> <li>• UNINDUSTRIA TREVISO</li> </ul> Member of the Advisory Board of: <ul style="list-style-type: none"> <li>• NORD EST DI UNICREDIT</li> </ul>

Alessandro Antonio Giusti	Non-Independent Director responsible for overseeing the Risk Management and Internal Audit System	<p>Chairman of the Board of Statutory Auditors of:</p> <ul style="list-style-type: none"> <li>• X CAPITAL SPA</li> <li>• NEXT HOLDING SPA</li> <li>• INTERPORTO DELLA TOSCANA CENTRALE SPA</li> <li>• SIFA' SOCIETA' ITALIANA FLOTTE AZIENDALI SPA</li> </ul> <p>Standing Auditor of:</p> <ul style="list-style-type: none"> <li>• ENEGAN SPA</li> </ul> <p>Liquidator of:</p> <ul style="list-style-type: none"> <li>• O.G. S.p.A .IN LIQUIDAZIONE</li> <li>• C.F. S.p.A. IN LIQUIDAZIONE</li> </ul>
Lara Livolsi	Independent Director	<p>Director of:</p> <ul style="list-style-type: none"> <li>• DIADORA S.p.A.</li> <li>• FININVEST RES S.p.A.</li> <li>• IL TEATRO MANZONI S.p.A.</li> </ul>
Livio Libralesso	Director	No
Claudia Baggio	Director	<p>Director of:</p> <ul style="list-style-type: none"> <li>• DIADORA S.p.A.</li> </ul>
Francesca Meneghel	Independent Director <i>Lead Independent Director</i>	<p>Chairwoman of the Board of Statutory Auditors:</p> <ul style="list-style-type: none"> <li>• AVON COSMETICS SRL</li> <li>• MEDIOLANUM GESTIONE FONDI SGR SPA</li> </ul> <p>Standing Auditor of:</p> <ul style="list-style-type: none"> <li>• MEDIASET SPA</li> <li>• DIRECT CHANNEL SPA</li> <li>• FLOWE SPA</li> <li>• IMMOBILIARE IDRA SPA</li> <li>• MEDIASET ITALIA SPA</li> </ul>

		<ul style="list-style-type: none"> <li>• MEDIOLANUM COMUNICAZIONE SPA</li> <li>• MEDIOLANUM FIDUCIARIA SPA</li> </ul>
Alessandra Pavolini	Independent Director	No
Ernesto Albanese	Independent Director	Independent Director of: <ul style="list-style-type: none"> <li>• AUTOGRILL SPA</li> </ul>

#### Board of Statutory Auditors as of 31.12.2019

Name	Office	Other offices
Sonia Ferrero	Chairwoman	Standing Auditor of: <ul style="list-style-type: none"> <li>• BANCA PROFILO S.P.A.</li> <li>• MBDA ITALIA S.P.A.</li> <li>• VALVITALIA S.P.A.</li> <li>• VALVITALIA FINANZIARIA S.P.A.MBDA ITALIA S.P.A.</li> <li>• ATLANTIA S.P.A.</li> <li>• GENS AUREA S.P.A.</li> </ul>
Francesco Gianni	Standing Auditor	Director and Chairman of the Board of Directors of: <ul style="list-style-type: none"> <li>• OPPIDUM S.R.L.</li> <li>• FIDEROUTSOURCING S.R.L.</li> <li>• FIDERSERVIZI S.R.L.</li> <li>• CALTAGIRONE EDITORE SPA</li> </ul> Director, Chairman of the Board of Directors and CEO of: <ul style="list-style-type: none"> <li>• PROPERTIES ITALIA S.R.L.</li> </ul>



		<p>Director and Vice Chairman of the Board of Directors of:</p> <ul style="list-style-type: none"> <li>• LA CASSA DI RAVENNA S.P.A.</li> </ul> <p>Director of:</p> <ul style="list-style-type: none"> <li>• PRELIOS SOCIETA' DI GESTIONE DEL RISPARMIO S.P.A.</li> <li>• PANTHEON.IT S.R.L.</li> <li>• VALVITALIA S.p.A.</li> <li>• VALVITALIA FINANZIARIA S.P.A.</li> <li>• MAGGIOLI S.P.A.</li> <li>• INNOVA ITALY PARTNERS S.R.L.</li> <li>• MARCO SIMONE GOLF &amp; COUNTRY CLUB SPA</li> </ul> <p>Sole Director of:</p> <ul style="list-style-type: none"> <li>• FULL SERVICES S.R.L.</li> </ul>
Fabrizio Colombo	Standing Auditor	<p>Standing Auditor of:</p> <ul style="list-style-type: none"> <li>• MITTEL S.P.A.</li> <li>• CRÉDIT AGRICOLE VITA S.P.A.</li> <li>• PUBLITALIA '80 S.P.A.</li> <li>• ACCIAIERIA ARVEDI S.P.A.</li> <li>• FINARVEDI S.P.A.</li> <li>• SISTEMI INFORMATIVI S.R.L.</li> <li>• BNP PARIBAS FOR INNOVATION ITALIA S.R.L.</li> <li>• VALUE TRANSFORMATION SERVICES S.P.A.</li> <li>• SARAS RICERCHE E TECNOLOGIE S.R.L.</li> <li>• SARLUX S.R.L.</li> </ul>

**TABLE 1: INFORMATION ON THE OWNERSHIP STRUCTURE**

<b>SHARE CAPITAL STRUCTURE</b>				
	No. of shares	% of share capital	Listed (indicate markets) / not listed	Rights and obligations
Ordinary shares	259,207,331	100%	MTA	Each share is entitled to one vote. The rights and obligations of the shareholders are those laid down by articles 2346 and following of the Italian Civil Code.
Shares with multiple voting rights	-	-	-	-
Shares with limited voting rights	-	-	-	-
Shares without voting rights	-	-	-	-
Other	-	-	-	-
<b>OTHER FINANCIAL INSTRUMENTS (that grant the right to subscribe for newly issued shares)</b>				
	Listed (indicate markets) / not listed	No. of outstanding instruments	Category of shares available for conversion/exercise	No. of shares available for conversion/exercise
Convertible bonds	-	-	-	-
Warrants	-	-	-	-

<b>SIGNIFICANT EQUITY INVESTMENTS IN THE SHARE CAPITAL</b>			
Party	Direct shareholder	% of ordinary share capital	% of voting capital
Mario Moretti Polegato	LIR S.r.l.	71.1004%	71.1004%



					the financial statements as at 31/12/2021														
<b>Director</b>	Lara Livolsi	1974	17.04.2013	16.04.2019	Approval of the financial statements as at 31/12/2021	M		X	X	X	3	6/6		6/6	P				
<b>Director</b> ◦	Francesca Meneghel	1961	19.04.2016 (3)	16.04.2019	Approval of the financial statements as at 31/12/2021	M		X	X	X	9	6/6	7/7	C					
<b>Director</b>	Livio Libralesso	1965	17.04.2018	16.04.2019	Approval of the financial statements as at 31/12/2021	M		X			-	6/6							
<b>Director</b>	Alessandra Pavolini	1965	16.04.2019	16.04.2019	Approval of the financial statements as at 31/12/2021	m		X	X	X	-	4/4		3/3	M				
<b>Director</b>	Ernesto Albanese	1964	19.04.2016	16.04.2019	Approval of the financial statements as at 31/12/2021	m		X	X	X	1	5/6	4/4	M	3/3	M			

-----DIRECTORS WHO CEASED TO HOLD OFFICE DURING THE ACCOUNTING PERIOD-----																			
<b>Director</b>	Manuela Soffientini	1959	19.04.2016	19.04.2016	16.04.2019	m		X	X	X	3	2/2	3/3	M					
<b>Director</b>	Duncan Niederauer	1959	13.11.2014	19.04.2016	16.04.2019	M		X	X	X	2	1/2							
<b>No. of meetings held during the accounting period: 6</b>						Audit and Risk Committee: 7				Appointment and Remuneration Committee: 6				Executive Committee: 14					
<b>Indicate the quorum required for the submission of lists by minorities for the appointment of one or more members (pursuant to art. 147-ter of the FCA): 2.5 %</b>																			

#### NOTES

The following symbols must be inserted in the "Office" column:

• This symbol indicates the director in charge of the Risk Management and Internal Audit System.

◊ This symbol indicates the issuer's Chief Executive Officer (CEO).

○ This symbol indicates the Lead Independent Director (LID).

\* Date of first appointment of each director means the date on which the director was appointed for the first time (in absolute terms) to the Board of the issuer.

\*\* This column indicates the list from which each director was taken ("M": majority list; "m": minority list; "B": list presented by the Board).

\*\*\* This column indicates the total number of offices as director or statutory auditor held by the person concerned in other companies listed on regulated markets (in Italy and/or abroad), in financial, banking and insurance companies or large corporations. In the Corporate Governance Report the offices are indicated in full.

(\*). This column indicates the participation by directors in the respective meetings of the Board and the committees (indicate the number of meetings attended compared to the overall number of meetings which could have been attended; e.g. 6/8; 8/8 etc.).

(\*\*). This column indicates the role of the director on the Committee: "C": chairman; "M": member.

Company notes:

(1) Appointment prior to listing of Company on 1 December 2004.

(2) Date of first appointment, start of first position 1 December 2004.

(3) Date of first appointment as director. Previously standing Auditor from 18.12.2008 to 19.04.2016.

(4) On 19 April 2016 the Appointment Committee was incorporated into the Remuneration Committee, which was renamed the "Appointment and Remuneration Committee".

**TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS**

Board of Statutory Auditors									
Office	Members	Year of birth	First appointment date*	In office since	In office until	List **	Indep. Code	Participation in Board's meetings***	No. other offices
Chairwoman	Sonia Ferrero	1971	19.04.2016	16.04.2019	Approval of the financial statements as at 31/12/2021	m	X	10/10	6
Standing Auditor	Francesco Gianni	1951	17.04.2013 (1)	16.04.2019	Approval of the financial statements as at 31/12/2021	M	X	10/10	14*
Standing Auditor	Fabrizio Colombo	1968	19.04.2016 (2)	16.04.2019	Approval of the financial statements as at 31/12/2021	M	X	10/10	10
Alternate Auditor	Filippo Antonio Vittor Caravati	1974	16.04.2019	16.04.2019	Approval of the financial statements as at 31/12/2021	m			
Alternate Auditor	Giulia Massari	1967	20.10.2004 (3)	16.04.2019	Approval of the financial statements as at 31/12/2021	M			
<b>-----AUDITORS WHO CEASED TO HOLD OFFICE DURING THE ACCOUNTING PERIOD-----</b>									
Alternate Auditor	Fabio Buttignon	1959	19.04.2016	19.04.2016	16/04/2019	m			
<b>Number of meetings held during the accounting period: 13</b>									
<b>Indicate the quorum required for the submission of lists by minorities for the appointment of one or more members (pursuant to art. 148 of the FCA): 2.5%</b>									

**NOTES**

\* Date of first appointment of each auditor means the date on which the auditor was appointed for the first time (in absolute terms) to the Board of Statutory Auditors of the issuer.

\*\* This column indicates the list from which each auditor was taken ("M": majority list; "m": minority list).

\*\*\* This column indicates the participation by auditors in the meetings of the Board of Statutory Auditors (indicate the number of meetings attended compared to the overall number of meetings which could have been attended; e.g. 6/8; 8/8 etc.).

\*\*\*\* This column indicates the number of offices as director or auditor held by the person concerned pursuant to art. 148-bis of the FCA and the related implementing provisions contained in the Consob Issuers' Regulations. The complete list of offices is published by Consob on its own website pursuant to Article 144-quinquiesdecies of Consob Issuers' Regulations.

(1) Date of first appointment as member and Chairman of the Board of Statutory Auditors. Previously director of the Company from 01.12.2004 (appointed on 20.10.2004) until 17.04.2013.

### **TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS**

- (2) Previously director of the Company from 17.04.2013 to 19.04.2016 and Chairman of the Board of Statutory Auditors from 20.10.2004 to 17.04.2013.
- (3) Served as alternate auditor from 20.10.2004 to 19.04.2016
  - \* as of the date of the report, articles 144-terdecies, para. 2, and 144-quaterdecies of the Issuers' Regulation (implementing art. 148-bis of the FCA) do not apply to the auditor in question since he holds the position of member of the audit board in only one issuer.