

GEOX

DIRECTORS' ILLUSTRATIVE REPORT

*Drawn up in pursuance of Article 3 of the Decree of the Ministry of Justice No. 437
dated 5 November 1998*



Board of Directors

Mario Moretti Polegato
Diego Bolzonello
Enrico Moretti Polegato
Renato Alberini
Bruno Barel
Francesco Gianni
Alessandro Antonio Giusti
Giuseppe Gravina
Umberto Paolucci

Board of Statutory Auditors

Fabrizio Colombo
Francesca Meneghel
Francesco Mariotto
Laura Gualtieri
Davide Attilio Rossetti

Independent Auditing Firm

Reconta Ernst & Young S.p.A.

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Shareholders,

With reference to Article 3 of Italian Ministerial Decree No. 437 dated 5 November 1998, the Board of Directors of Geox S.p.A. (hereinafter “the **Company**”) hereby communicates that the agenda envisaged for the Ordinary Shareholders’ Meeting called by means of notice published in the daily newspaper MF dated 10 March 2010 to be held at “Villa Sandi”, Via Erizzo 105, Crocetta del Montello (Treviso), Italy, in first calling on 21 April 2010 at 10.00 a.m., and, if necessary, in second calling on 22 April 2010, at the same time and place, is as follows:

1. presentation of the statutory and consolidated financial statements as of 31 December 2009, the report on Operations of the Board of Directors, the report of the Board of Statutory Auditors, pursuant to Article 153 of Italian Legislative Decree No. 58/98 and the Independent Auditors’ Report pursuant to Article 156 of Italian Legislative Decree No. 58/98; related and consequent resolutions;
2. appointment of the Board of Directors, subject to determination of the number of its members and duration in office; inherent and consequent resolutions;
3. determination of the overall fee due to the Directors, including those vested with particular offices;
4. appointment of the Board of Statutory Auditors, subject to determination of the related annual fee.

1. PRESENTATION OF THE STATUTORY AND CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2009, THE REPORT OF THE BOARD OF DIRECTORS’ ON OPERATIONS, THE REPORT OF THE BOARD OF STATUTORY AUDITORS, PURSUANT TO ARTICLE 153 OF ITALIAN LEGISLATIVE DECREE NO. 58/98 AND THE INDEPENDENT AUDITORS’ REPORT PURSUANT TO ARTICLE 156 OF ITALIAN LEGISLATIVE DECREE NO. 58/98; RELATED AND CONSEQUENT RESOLUTIONS.

Shareholders,

The 2009 statutory financial statements, which we submit for your approval, closed with a net profit of Euro 74,818,709.74 which we propose be allocated as follows:

- with regard to the legal reserve, the amount envisaged by legal obligations;
- to the shareholders, a gross dividend of Euro 0.20 for each of the shares which are in circulation as of 24 May 2010, date envisaged for the detachment of the coupon for:
 - a minimum total amount, which takes into account the 259,207,331 shares in circulation as of today’s date, of Euro 51,841,466.20;
 - a maximum total amount, which takes into account the 261,677,036 shares potentially in circulation with reference to the possible exercise of the stock option as of the date of detachment of the coupon, of Euro 52,335,407.20;
- the remainder to the extraordinary reserve.

The entity of the proposed dividend and its increase with respect to that in previous years, is based on the growth in the operating result achieved during the last accounting period and in previous ones and is compatible with the cash flow generated during 2009 by current operations.

The allocation to the reserves of the residual balance has the purpose of further strengthening the Company’s equity and supporting a dividend policy aimed at permitting continuity when remunerating the shareholders.

The amount of the overall dividend distributed will vary in relation to the number of shares with regular dividend enjoyment rights on the day of payment of said dividend, net of any own shares in the Company’s portfolio (as of the date of this report, the Company did not hold any own shares).

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For further comments relating to the first point on the meeting's agenda, reference should be made to the matters dealt with extensively in the Directors' report on operations, filed, together with the draft statutory and consolidated financial statements as of 31 December 2009, and made available to the general public on 10 March 2010 at the Company's registered offices, at Borsa Italiana S.p.A. as well as on the Company's website www.geox.com.

2. APPOINTMENT OF THE BOARD OF DIRECTORS

Shareholders,

You are hereby reminded that the three-year mandate of the current Directors of Geox S.p.A. will expire as of the date of the ordinary shareholders' meeting called to approve the financial statements as of 31 December 2009.

Therefore, you are invited to appoint a new Company Board of Directors, in accordance with the formalities envisaged by Article 16 of the Articles of Association, subject to establishing the number of its members and the duration in office.

It is believed that it may be of use to you to know that the Board Meeting held on 26 February 2010 assessed the adequacy of the current composition of the Board, in compliance with Article 1.C.1, letter g) of the Code of Best Practice for listed companies compiled by Borsa Italiana S.p.A.'s Corporate Governance Committee as approved on 14 March 2006 (the "Code"), declaring its appreciation of the composition and the functioning of the Board of Directors and its committees. The opinion was based on the diversity of the spheres of competence pertaining to each director and the consequent different contribution which each one has been able to provide during their period in office. These characteristics, combined with the high professional standards of each director, have permitted the directors to act and resolve in full awareness of the facts and independently, pursuing the priority aim of creating value for the shareholders. Furthermore, it has been possible to focus on a varied composition of the internal committees, so as to avoid – in as far as it is possible – the concentration of the offices in the hands of just a few individuals.

The size of the Board of Directors was also considered to be optimum with respect to the Company's activities, in the sense that the need to introduce additional professional figures has never arisen. The Board of Directors has also assessed the independence of the six non-executive members paying attention more to substance than to form, on the basis of the requisites envisaged by current legislation (Article 147 *ter* of the Finance Consolidation Act) and those listed in the Code (Article 3.C.1.), subject to checking the correct application of the criteria and the procedures by the Board of Statutory Auditors.

The current Board of Directors is made up of the following nine Directors:

- 1) Mario Moretti Polegato; Chairman and legal representative of the Company, appointed on 12 April 2007, Executive Director, despite the absence of specific operational powers, in consideration of his specific role when drawing up company strategies;
- 2) Diego Bolzonello; Managing Director and legal representative of the Company, Executive Director, appointed on 12 April 2007;
- 3) Enrico Moretti Polegato; appointed on 12 April 2007, Deputy Chairman and Executive Director, by virtue of his appointment as member of the Executive Committee and his systematic involvement in the current management of the company;
- 4) Francesco Gianni; non-executive and independent director, appointed on 12 April 2007;
- 5) Bruno Barel; non-executive and independent director, appointed on 12 April 2007;
- 6) Alessandro Antonio Giusti; non-executive and independent director, appointed on 12 April 2007;
- 7) Giuseppe Gravina; non-executive and independent director, appointed on 12 April 2007;
- 8) Renato Alberini; non-executive and independent director, appointed on 12 April 2007;

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9) Umberto Paolucci; non-executive and independent director, appointed on 12 April 2007.

The appointment of the Directors for a period of three (3) accounting periods is advised, until the date of approval of the financial statements as of 31 December 2012.

With regard to the appointment formalities, shareholders are reminded that the undertaking of the office of Director is dependent on the possession of the requisites established by the law, the Articles of Association and other applicable provisions.

Those who cover more than ten appointments as director or statutory auditor in other companies listed on organized markets (also abroad), in financial, banking and insurance companies or those of a significant size, cannot be appointed to the office of Director of the Company and, if appointed, fall from office.

The lists must be deposited at the registered offices and published in at least one Italian newspaper with national coverage at least fifteen days before the date established for the Shareholders' Meeting in first calling and promptly published on the Company's website. Each Shareholder may present or contribute towards presenting just one list and each candidate can present themselves on just one list, on penalty of ineligibility. Each Shareholder, as well as the Shareholders belonging to the same group (this being understood to be the party, not necessarily corporate, which controls the same 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. 58/98, cannot present or contribute towards presenting or voting for – directly, via third parties or trust companies – more than one list.

Shareholders who, alone or together with other Shareholders, are in total holders of shares with voting rights representing at least 2.0 % of the share capital with the right to vote during ordinary shareholders' meetings, have the right to present lists (here in consideration of the matters determined by CONSOB under Resolution No. 17148 published on 27 January 2010).

For the purpose of proving ownership of the number of shares necessary for the presentation of the lists, the Shareholders who present or contribute towards presenting lists, must at the same time present and/or deliver to the registered offices, a copy of the certification issued by qualified intermediaries with whom the shares are deposited. The declarations by means of which the individual candidates accept their candidature and declare, at their own liability, the inexistence of the causes of 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 by the regulations for the Board of Directors by current legislation for the respective offices, must be deposited together with each list, before the afore-mentioned deadline. A curriculum vitae will be deposited for each candidate, together with the declarations, regarding the personal and professional characteristics and with 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 earlier in this report.

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

Each party entitled to vote, may vote for just one list. Each list will have to include a number of candidates equating to the maximum number of members of the Board of Directors indicated in Article 15 (*nine*) and, among these, at least two candidates in possession of the independence requisites mentioned above.

The election of the directors is carried out as follows:

a) eight tenths of the directors to be appointed will be taken in the progressive order with which they are listed in the list which has obtained the majority of the votes expressed by the Shareholders, with rounding down, in the event of a fractional number less than the unit;

b) the remaining directors will be taken from the other lists, it being understood that at least one director will have to be taken from a list which is not associated in any way, even indirectly, with the shareholders who have presented or voted for the list as per point a) and emerged as in first place with regard to number of votes; for such purposes, the votes obtained by 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 ratios thus obtained will be

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assigned progressively to the candidates on each of the lists, according to the order envisaged respectively by the same. The ratios thus assigned to the candidates of the various lists will be arranged in a single decreasing classification. Those who have obtained the highest ratios will be elected. In the event that several candidates have obtained the same ratio, the candidate on the list which has not yet appointed any directors or which has elected the lowest number of directors, will be elected. In the event that none of the lists has appointed as director yet or all the lists have appointed the same number of directors, the candidate on that which has obtained the greatest number of votes will be elected from among these lists. In the event of lists receiving equal votes and again the ratio being equal, steps will be taken to get the entire Shareholders' Meeting to vote again and the candidate who obtains the simple majority of the votes will be appointed. It is also understood that, if just one director is taken from the minority lists, the name of this director cannot be taken from the list which may be presented by the Board of Directors.

If, via the candidates elected on the basis of the formalities indicated above, the appointment of a Director in possession of the independence requisites mentioned above is not ensured, the non-independent candidate elected as the last in progressive order on the list which has received the majority of the votes, as per point a) above, will be replaced by the independent candidate not elected by the same list according to the progressive order.

For the purposes of the allocation of the directors to be appointed, account will not have to be taken of the lists which have not achieved a percentage of votes at least equal to half of those required by the Articles of Association for the presentation of the same lists.

In the event that just one list is presented or in the event that no list is presented, the Shareholders' Meeting resolves via the legal majorities, without observing the procedure envisaged above, it being understood that the minimum number of independent directors established by these Articles of Association will have to be observed.

The duration of the office of the Directors is established at the time of appointment by the Shareholders' Meeting and cannot exceed three accounting periods. The Directors fall from office as of the date of the Shareholders' Meeting called for the approval of the financial statements relating to the last accounting period of their office.

3. DETERMINATION OF THE OVERALL FEE DUE TO THE DIRECTORS

Shareholders,

On the basis of the matters established by Article 16 of the Articles of Association, you are hereby called to determine the overall fee in favour of the Board of Directors, including the directors vested with particular offices. Having consulted the Board of Statutory Auditors, the Board of Directors divides the total fee established by the shareholders' meeting among its members.

It is suggested that an overall annual fee of Euro 2,590,000 (two million, five hundred and ninety thousand) be established, which will be divided up between the Board directors, also on the basis of the assessments provided by the Emoluments Committee and subject to opinion of the Board of Statutory Auditors.

4. APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS

Shareholders,

Further to the fall from office of the current members due to expiry of the period for which they were originally appointed, the Shareholders' Meeting will be requested to take steps to appoint the members of the Board of Statutory Auditors, by means of list voting in pursuance of Article 21 of the Articles of Association.

You are hereby reminded that the three-year mandate of the current Auditors of Geox S.p.A. will expire as of the date of the ordinary shareholders' meeting called to approve the financial statements as of 31 December 2009.

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Therefore, you are invited to appoint a new Board of Statutory Auditors, in accordance with the formalities envisaged by Article 21 of the Articles of Association, subject to establishing the related annual fee.

It is believed that it may be useful for your assessments to know that the Board of Statutory Auditors currently in office comprises three acting members and two alternate members, represented as follows:

1. Fabrizio Colombo, Chairman of the Board of Statutory Auditors;
2. Francesco Mariotto, Acting Auditor;
3. Francesca Meneghel, Acting Auditor;
4. Davide Attilio Rossetti, Alternate Auditor;
5. Laura Gualtieri, Alternate Auditor.

With regard to the annual fee, it is suggested that the remuneration due to the appointed Auditors, for the entire duration of the appointment, be established as an annual set fee of Euro 75,000 for the Chairman and Euro 50,000 for the acting Auditors.

With regard to the appointment formalities, shareholders are reminded that the Board of Statutory Auditors is made up of three acting members and two alternate members, who can be reappointed.

For the purpose of the matters envisaged by Article 1, section II letters b) and c) of Decree of the Ministry of Justice No. 162 dated 30 March 2000, it is hereby specified that the matters and the business sectors strictly pertaining to those of the Company are clothing, footwear, the technologies applied to the previous sectors, the technologies in general and research.

At the time of appointment of the Statutory Auditors and before acceptance of the office, the management and auditing appointments which they cover in other companies are made known to the shareholders' meeting.

Those who cover the same position in more than five companies which issue listed shares on organized markets, cannot be appointed as auditors.

The Statutory Auditors are appointed for the first time in the memorandum of association and subsequently by the ordinary shareholders' meeting, which also takes steps to appoint, from among these, the Chairman of the Board of Statutory Auditors, in accordance with the formalities indicated below. Before proceeding with the appointment of the Statutory Auditors, the shareholders' meeting establishes the remuneration of the Statutory Auditors for the entire duration of their office.

The Statutory Auditors are appointed on the basis of lists presented by the Shareholders, in which the candidates will be listed by means of progressive number.

Shareholders who, alone or together with other Shareholders, are in total holders of shares with voting rights representing at least 2.0 % of the share capital with the right to vote during ordinary shareholders' meetings, have the right to present lists (here in consideration of the matters determined by CONSOB under Resolution No. 17148 published on 27 January 2010).

Each Shareholder, as well as the Shareholders belonging to the same group (this being understood to be the party, not necessarily corporate, which controls the same 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. 58/98, cannot present or contribute towards presenting or voting for – directly, via third parties or trust companies – more than one list. Each shareholder who presents or contributes towards presenting lists, must at the same time deliver to the registered offices, at least fifteen days in advance with respect to the date fixed for the Shareholders' Meeting in first calling, certification issued by the intermediaries in compliance with legal and regulatory provisions, proving legitimation to exercise the rights.

Each list includes a number of candidates no higher than the maximum number of members of the Board of Statutory Auditors.

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The lists presented by the Shareholders must be deposited at the registered offices and published in at least one Italian newspaper with national coverage at least fifteen days before the date established for the Shareholders' Meeting in first calling and promptly published on the Company's website.

Each Shareholder may present just one list, on penalty of ineligibility. The declarations by means of which the individual candidates accept their candidature and declare, at their own liability, the inexistence of the causes of ineligibility and incompatibility, as well as the existence of the requisites prescribed by applicable legislation and the Articles of Association, including therein the limit on the accumulation of offices described previously, must be deposited at the same time as the list at the registered offices. A curriculum vitae will be deposited for each candidate, together with the declarations, regarding the personal and professional characteristics of the same, with the indication of their suitability for qualifying as independent.

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

Each individual with the right to vote may vote for just one list.

Two acting Auditors and an alternate Auditor will be taken from the list that has obtained the greatest number of votes expressed by the Shareholders, in the consecutive order by means of which they were listed on said list; the remaining acting Auditor and alternate Auditor will be taken from the second among the lists, ordered by decreasing number of votes obtained. In the event equal votes are obtained between two or more lists which have obtained the greatest number of votes, the youngest candidates in age will be elected as Auditors, acting and alternate, up until the extent of the places to be assigned, in any event making sure that the acting Auditors are taken from at least two different lists.

For the purposes of the application of the provisions of this article, lists presented by the minority shareholders who are linked in any way, also indirectly, with the shareholders who have presented or voted for the list which is first due to the number of votes, will in any event be excluded.

The Chairmanship of the Board of Statutory Auditors goes to the acting Auditor indicated as the first candidate on the list which during the shareholders' meeting received the greatest number of votes after the first.

The Auditors remain in office for three accounting periods, and fall from office as of the date of the shareholders' meeting called for the approval of the financial statements relating to the last accounting period of their office. The termination of the Auditors due to expiry of the term is effective as from the moment the Board of Statutory Auditors is re-established.

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March 31st 2010

On behalf of the Board of Directors

The Chairman

Mario Moretti Polegato