



ANNUAL CORPORATE GOVERNANCE REPORT YEAR 2007

1. BRIEF DESCRIPTION OF GEOX S.P.A.'S CORPORATE GOVERNANCE SYSTEM

During 2007, Geox S.p.A. continued the operating implementation of the corporate governance defined during the previous years, further improving the tools aimed at protecting its investors' interests.

In particular, the Company continued to concretely abide by the recommendations included in the Self-Governance Code for Listed Companies prepared by Borsa Italiana's Committee for Corporate Governance and approved on March 14, 2006 (the "Code").

In compliance with section IA.2.14 of the Instructions for the Regulations of the markets organized and managed by Borsa Italiana and the Italian New Market, we intend to provide below comprehensive details on the procedures used to implement the corporate governance system and on the adherence to the Code, in accordance with the guidelines included in Assonime's circular letter n. 5, February 12, 2007, and the experimental format prepared by Borsa Italiana in February 2008, pursuant to art. 124 bis of the TUF (Unified Finance Law), art. 89 bis of the CONSOB Issuers' Regulations, and art. IA.2.6 of the Instructions for the Stock Exchange Rules and Regulations.

This report is based on the Articles of Association, which, on March 8, 2007, was brought in line with the "Provisions for the protection of savings and the regulations of capital markets" (Law n. 262, 28 December 2005) and with Legislative Decree n. 303, 29 December 2006, in coordination with the aforementioned Law n. 262/2005.

The company bodies of Geox S.p.A. are: the Shareholders' Meeting, the Board of Directors: the Executive Committee, the Internal Audit Committee, the Remuneration Committee, and the Board of Statutory Auditors. The Committees represent an internal arrangement of the Board of Directors and have been set up with the aim of improving the Board's functionality and strategic capacity.

Moreover, an Ethics Committee composed of Mario Moretti Polegato, Joaquín Navarro-Valls and Umberto Paolucci is working in order to guide and promote the company's ethical conduct and commitment.

The aim of the corporate governance system is that of ensuring the correct functioning of the Company and of the Group, in general, and also the validation on a global scale of the reliability of its products and, consequently, of its name.

2. INFORMATION ON THE OWNERSHIP STRUCTURE AS OF 31/12/2007

a) Share Capital Structure

The share capital amounts to Euro 25,884,400 and is divided into 258,844,000 shares; 70.989% of said shares are owned by L.I.R. S.r.l.

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It should further be mentioned that on November 30, 2004, the Board of Directors approved a Stock Option Plan and related rules, and allotted the options. The Plan regards 2,850,000 shares and is offered to Top and Middle Managers as well as to Key People in the GEOX Group, i.e. those who have a key role in achieving GEOX's strategic objectives. Rights of option may be exercised according to the following schedule:

- 1/3 of the assigned options (first instalment) may be exercised as from the date of approval, on part of the Board of Directors, of the financial statements as of December 31, 2007;
- a further 1/3 (second instalment), as from the date of approval, on part of the Board of Directors, of the financial statements as of December 31, 2008;
- the remaining 1/3 (third instalment), as from the date of approval, on part of the Board of Directors, of the financial statements as of December 31, 2009.

The expiration date is set for December 31, 2014. The possibility of exercising options is subordinated to the performance results achieved in the respective vesting periods, with reference to GEOX's EBIT. The share underwriting price is equal to the sale price established in the open tender procedure for the purposes of listing the Company on the MTA, amounting to €4,60.

During the meeting held on December 5, 2005, the Board of Directors brought about some integrations to the aforementioned Stock Option Plan for the Management. The most relevant integration concerns the power given to managers holding options to anticipate the exercise of part of said options, with respect to the terms originally set forth in the Plan. The Board decision, put forward by the Remuneration Committee, was motivated by the excellent corporate data performance during 2005 and by the belief that such results were achieved thanks to the contribution of the company managers. The right of early exercise was granted for 344,000 options, out of 2,850,000 assigned options. The right of early exercise took effect on December 12, 2005, while the remaining options are governed by the exercise terms originally envisaged in the Plan, taking effect from the date of approval of the financial statements as of December 31, 2007.

Following the possibility of managers exercising options, the new share capital amounting to € 25,884,400 was indicated in the Articles of Association, and the market was informed as per art. 2.6.4 of the Issuers' Regulations on internal dealing.

Moreover, as put forward by the Remuneration Committee, on December 15, 2005, the Board of Directors approved a new Stock Option Plan regarding 894,000 shares. The new Plan is scheduled as follows:

- 1/3 of the assigned options (first instalment) may be exercised as from the date of approval, on part of the Board of Directors, of the financial statements as of December 31, 2008;
- a further 1/3 (second instalment), as from the date of approval, on part of the Board of Directors, of the financial statements as of December 31, 2009;
- the remaining 1/3 (third instalment), as from the date of approval, on part of the Board of Directors, of the financial statements as of December 31, 2010.

The expiration date is set for December 31, 2015. The possibility of exercising options is subordinated to the performance results achieved in the respective vesting periods, with reference to GEOX's EBIT.

The share underwriting price is equal to the normal value of the shares at the time when the rights of option are offered, as per art. 9 of the T.U.I.R. 917/86.

Lastly, on February 28, 2006 the Board of Directors decided, as put forward by the Remuneration Committee, to allocate further 4,800 options in favour of a new beneficiary of the Stock Option Plan for the Management approved by the Board of Directors on December 15, 2005. In total, thus, the Plan shall allocate 898,800 shares.

b) Significant Shareholding

To date, the following subjects directly or indirectly hold over 2% of the share capital, according to the communications carried out pursuant to art. 120 of the TUF:

- Mario Moretti Polegato, holds, indirectly through LIR S.r.l., 70,898% of the shares;
- Capital Research and Management Company holds 2,03% of the shares.

c) Appointment and Replacement of the Directors, and Changes to Articles of Association

The rules for the appointment and replacement of the directors are indicated in art. 16 of the Articles of Associations:

“The Directors are appointed for the first time in the Articles of Association, and subsequently by the Ordinary Shareholders’ Meeting. Accepting office as a Director is subordinated to the compliance with the requirements established by law, Articles of Association, and other applicable provisions.

If a person holds more than ten offices as a director or statutory auditor in other companies listed in regulated markets (including foreign markets), financial corporations, banks, insurance companies, or large companies, he or she may not be appointed to the office of Director of the Company and, if appointed, shall cease to hold office.

When the Board of Directors is appointed by the Shareholders’ Meeting, the Directors are appointed by the Ordinary Shareholders’ Meeting on the basis of lists submitted by the Shareholders and by the Board of Directors. Listed candidates shall be identified by a progressive number.

The submitted lists are to be lodged with the registered office and published in at least one Italian newspaper circulating all over the country no less than fifteen days prior to the date set for Shareholders’ Meeting, on first call, as well as promptly published on the Company’s website. Each Shareholder can only submit or contribute to submitting one list, and each candidate may only stand for election in one list, lest being deemed ineligible. Single Shareholders, as well as Shareholders belonging to the same group (a group being the controlling subject, corporate or not, pursuant to art. 93 of Legislative Decree n. 58/1998, as well as subsidiaries and related companies of the same subject), or partaking in a Shareholders’ Agreement pursuant to art. 122 of Legislative Decree n. 58/1998, may not submit or contribute to submitting or vote for – directly, through a third party, or through a trust company – more than one list. The right to submit lists is only reserved to Shareholders who, alone or together with other Shareholders, represent at least one fortieth of the share capital (or a possible lower threshold to be determined pursuant to the regulations in force on the date of the Meeting).

In order to prove the ownership of the minimum number of shares necessary to be entitled to submit a list, the Shareholders submitting or contributing to submitting a list shall concurrently submit and/or deliver to the registered office a copy of the documentation issued by the authorized intermediary agents. Together with each list, within the term indicated above, it is necessary to lodge the statements whereby all candidates accept their nomination and attest, on their own responsibility, that no causes exist for ineligibility or incompatibility as provided by law and Articles of Association, and that they meet the requirements, if any, prescribed by law and by rules for the Board of Directors by the regulations in force with reference to their respective offices. Together with the statements, a curriculum vitae for each candidate shall be lodged, concerning personal and professional features, possibly including the indication of his or her suitability for qualifying as independent according to the regulations in force and within the limits to the cumulation of offices described above.

Lists failing to comply with the above provisions shall be deemed as not submitted.

At least one of the members of the Board of Directors, if the Board of Directors consists of up to seven members, or two members of the Board of Directors, if the Board of Directors consists of more than seven members, shall have the aforementioned independency requirements. An independent director who, after his or her appointment, ceases to meet the mentioned independence requirements, shall immediately inform the Board of Directors and, in any case, shall cease to hold office.

The Board periodically assesses the directors’ independence and integrity. If the independence and

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integrity requirements do not exist or are no longer met, or if the minimum number of independent directors established in this Article of Association no longer exists, the Board of Directors shall declare removed from office the Director failing to meet said requirement and, shall see to his or her replacement.

Each person entitled to vote shall only be allowed to vote for one list. Each list shall include a number of candidates equal to the maximum number of members of the Board of Directors as indicated in art. 15, and, among them, at least two candidates shall feature the above mentioned independence requirements.

The election of the directors is carried out as follows:

- a) Eight tenths of the directors to be elected will be drawn from the list having obtained the majority of the votes cast by the Shareholders, according to the progressive number corresponding to each candidate in the list. In case of fractions, the number shall be rounded down to the next lower unit.
- b) The remaining directors shall be drawn from the other lists. It is understood that at least one director needs to be expressed by a list that is not connected in any way, not even indirectly, to the shareholders who have submitted or voted the list under a) which obtained the highest number of votes; to this end, the votes obtained by the lists themselves will be subsequently divided by one, two, three and so forth, according to the progressive number of directors to be elected. The fractions obtained in this way shall be progressively assigned to the candidates of each of those lists, according to their order, as respectively provided for. The fractions assigned in this way to the candidates of the different lists shall be arranged in a single descending ranking. Those who will have obtained the highest fractions will be elected. If several candidates obtain the same fraction, the elected candidate shall be the one belonging to the list which has not yet elected any director, or which has elected the smallest number of directors. If none of said lists has yet elected a director, or if they all have elected the same number of directors, the candidate elected from among said lists will be the one belonging to the list which has received the highest number of votes. If, in case of equal fractions, the lists have received the same amount of votes, the whole Shareholders' Meeting shall proceed to a new voting; the elected candidate will be the one who has received the simple majority of votes. It is also understood that, if only one director is drawn from among the minority lists, the name of said director may not be drawn from the list submitted by the Board of Directors, if any.

If the candidates elected by means of the procedure indicated above do not ensure the appointment of a Director featuring the independence requirements referred to above, the non-independent candidate elected as last in the progressive sequence in the list obtaining the highest number of votes, mentioned in a) above, shall be replaced by the non-elected independent candidate belonging to the same list, according to the progressive sequence.

For the purpose of distributing the directors to be elected, the lists which will have not obtained a percentage of votes at least equal to half the amount required by the Article of Association for the submission of the lists themselves will not be taken into account.

If only one list is submitted or if no list is submitted, the Shareholders' Meeting shall decide by legal majority, without abiding by the procedure described above, it being understood that the minimum number of independent directors established in this Articles of Association will have to be respected.

The duration of the Director's office is established upon appointment by the Shareholders' Meeting and may not exceed three years. The Directors cease to hold office on the date of the Shareholders' Meeting called for the approval of the financial statements referring to their last year of office.

Without prejudice to what is set out in the next paragraph, if one or several Directors cease to hold office during the three-year period for any reason, the Board of Directors shall see to their replacement pursuant to art. 2386 of the Civil Code. If one or several ceased Directors were drawn from a list including names of candidates who were not elected, the Board of Directors shall replace them by appointing, according to the progressive sequence, people drawn from the list to which the ceased Director belonged who are still eligible and willing to accept office. If the ceased Director is

an independent director, the replacement shall be performed, as far as possible, by appointing the first independent Director who was not elected in the list which the ceased Director had been drawn from; the election of the directors appointed pursuant to art. 2386 of the Civil Code is performed by the Shareholders' Meeting by legal majority, appointing the substitutes based on the same criteria described in the paragraph above; the Directors appointed in this way shall cease to hold office together with those who are already in office upon their appointment. If the aforementioned list does not include previously non-elected candidates, or if the replacement procedure described above does not permit the minimum number of independent Directors to be guaranteed, or if only one list was submitted, or if no list was submitted, the Board of Directors will replace the ceased Directors pursuant to art. 2386 of the Civil Code, without compliance with the criteria indicated above, while the Shareholders' Meeting decides by legal majority, without prejudice to compliance with the minimum number of independent Directors; the directors thus appointed shall cease to hold office together with those who are already in office upon their appointment. During the course of office, should the majority of Directors appointed by the Shareholders' Meeting no longer exist, the entire Board of Directors is deemed removed from office; the remaining Directors holding office shall urgently call a Shareholders' Meeting to form the new Board of Directors.

It is understood that if during the year one or several Directors cease to hold office, as long as the majority is still represented by Directors appointed by the Shareholders' Meeting, the Shareholders' Meeting has the right to decide to reduce the number of members of the Board to the number of Directors still holding office for the remaining period of their appointment, as long as the minimum number of Directors meeting the independence requirements referred to above is guaranteed, and as long as there is at least one Director drawn from the minority lists (if previously elected).

If the number of Directors is set below the maximum number provided for by the preceding art. 15, the Shareholders' Meeting, even during the tenure of the Board of Directors, may increase said number within the maximum limit set in the article mentioned. In order to appoint further members of the Board of Directors, the following procedure shall be applied: additional Directors are drawn from the list which has obtained the highest amount of votes cast by the Shareholders upon appointing the members currently holding office, among the candidates who are still eligible, and the Shareholders' Meeting decides by legal majority and in compliance with said principle; if, conversely, the aforementioned list does not include any previously non-elected candidates, or if only one list was submitted, or if no list was submitted, the Shareholders' Meeting shall proceed to the appointment without compliance with the procedure here described, deciding by legal majority. The directors thus appointed shall cease to hold office together with those who are already in office upon their appointment.

The Shareholders' Meeting establishes the overall remuneration due to the Directors, including the Directors entrusted with particular duties. The Board of Directors, after receiving the opinion of the Board of Statutory Auditors, allocates among its members the overall remuneration set by the Shareholders' Meeting. The Directors are entitled to the reimbursement of the expenses incurred to perform their duties.

d) Authorization to increase the Share Capital

On July 27, 2004, the Extraordinary Shareholders' Meeting has decided an increase of the share capital, for a maximum nominal amount of 800,000.00 euro (eight hundred thousand/00), for the purpose of one or several shareholding incentive plans (the aforementioned Stock Option Plans) reserved for the directors, employees and/or independent contractors of the Company and/or subsidiaries pursuant to art. 2359, paragraph 1, subparagraph 1) of the Civil Code, divisible and open until December 31, 2008, with the exclusion of the Shareholders' right of option pursuant to art. 2441, paragraphs 5 and 8 of the Civil Code, through the issue of a maximum number of common shares amounting to 8,000,000 (eight million) shares, whose nominal value is 0.10= euro (zero point ten) each, regular ranking for dividends. The issue price of the shares is to be determined by the Board of Directors, according to the minimum price defined by the Board of

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Directors itself on the basis of the value of the Company's capital as resulting from the latest half-yearly report or balance sheet approved upon allotting the options included in the incentive plan(s), as well as based on the performance of the quotations during the last six months, and shall therefore be at least equal to the arithmetical means of the prices recorded during the last month of share dealing.

3. COMPLIANCE

In the meeting of the Board of Directors held on January 22, 2007, the Company has formally adopted the Self-Governance Code for Listed Companies prepared by Borsa Italiana's Committee for Corporate Governance and approved on March 14, 2006 (the "Code").

4. MANAGEMENT AND COORDINATION ACTIVITIES

The Company is the entity managing and coordinating the companies belonging to the Geox S.p.A. Group, also in the field of governance, by recommending the adoption of specific regulations, all of which are published in the pertinent section of the company's website HYPERLINK "http://www.geox.com" www.geox.com. Even though it is controlled by another company, Geox S.p.A. does not consider itself subject to other parties' management and coordination activities, since the decision-making bodies and the management centre of the whole Group is concentrated within Geox S.p.A.'s internal structure.

5. BOARD OF DIRECTORS

5.1 Composition

In compliance with art. 15 of the Articles of Association, the Company is managed by a Board of Directors (hereinafter called "BoD") made up of a minimum of five to a maximum of nine members. Directors can be re-elected.

The Directors currently holding office were appointed, on the basis of the list submitted by the majority shareholder LIR S.r.l., by the Shareholders during the Meeting on April 22, 2007, and will hold office until the Meeting approving the balance sheet as of December 31, 2009.

Name	Office	In office since	List	Exec.	Non-exec.	Indep.	Indep. TUF	BoD %	Other offices
Mario Moretti Polegato	Chairman	12.04.2007	M	X				100	-
Diego Bolzonello	Managing Director	12.04.2007	M	X				87,5	-
Enrico Moretti Polegato	Director	12.04.2007	M	X				100	-
Francesco Gianni	Director	12.04.2007	M		X	X	X	87,5	2
Bruno Barel	Director	12.04.2007	M		X	X	X	100	3
Alessandro Antonio Giusti	Director	12.04.2007	M		X	X	X	100	8
Giuseppe Gravina	Director	12.04.2007	M		X	X	X	100	-
Renato	Director	12.04.2007	M		X	X	X	100	-

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Umberto Paolucci	Director	12.04.2007	M		X	X	X	87,5	8

Name	Office	Executive Committee	EC %	Remuneration Committee	RC %	Internal Audit Committee	IAC %
Mario Moretti Polegato	Chairman	P	80				
Diego Bolzonello	Managing Director	M	87				
Enrico Moretti Polegato	Director	M	93				
Francesco Gianni	Director					M	100
Bruno Barel	Director			M	100	M	100
Alessandro Antonio Giusti	Director			M	100	P	100
Giuseppe Gravina	Director						
Renato Alberini	Director			M	100		
Umberto Paolucci	Director						

With resolution dated January 22, 2007, the Board of Directors decided to establish the maximum number of appointments as a director or statutory auditor in other companies listed in regulated markets (including foreign markets), financial corporations, banks, insurance companies, or large companies, that may held by each Director of Geox S.p.A. at ten. This provision was also included in art. 16 of the Articles of Association.

The current composition of the Board complies with said criterion.

The personal and professional features of all directors are included in their curricula published on the website, HYPERLINK "http://www.geox.com" www.geox.com, in the “Investor Relations/Corporate Governance/Corporate Bodies” section.

5.2 Role of the Board of Directors

During 2007, the Board of Directors met eight times, the meetings lasted an average of one hour, and were called according to the procedure provided for in the Articles of Association. All the directors took part in the meetings. During the current year, the Board of Directors is expected to hold 8-10 meetings.

The running of the company is the exclusive task of the Board of Directors, who perform all actions necessary for the actuation and achievement of the company purposes, with the sole exception of those tasks which must be performed by the Shareholders' Meeting in accordance with law and the Articles.

Pursuant to article 2365, paragraph 2, Italian Civil Code, the Board of Directors also has the task of: (a) deciding on mergers as provided for by articles 2505 and 2505-b Italian Civil Code; (b) establishing and closing branch offices; (c) reducing the share capital in the event of the withdrawal of a shareholder; (d) amending the Articles to ensure compliance with legislative measures; (e) transferring the company headquarters to another council district within Italy (article 15 of the Articles).

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The issue of bonds is also the duty of the Board of Directors, with the exception of the issue of bonds convertible into Company shares or in any case backed by warrants for the underwriting of Company shares, which is decided on by the Extraordinary Shareholders' Meeting (article 8 of the Articles).

Pursuant to the Articles, the Board of Directors alone is entitled to make provisions regarding trademarks, patents and other intellectual property rights, for any reason and of any kind (article 17 of the Articles). Moreover, it is the exclusive duty of the Board of Directors, which is not subject to proxy, upon proposal of the Chairman of the Board of Directors, to take decisions regarding the strategic development and direction of company management, also on a long-term basis, and also regarding the annual industrial and economic-financial plan (budget) and long-term plans with relative investment plans (article 15 of the Articles).

Without prejudice to the tasks thus attributed which, as illustrated above, may not be delegated by law or by provision of the Articles, the Board of Directors has specified further matters over which it holds exclusive decisional power, considering the particular significance of the relative transactions.

In particular, the Board of Directors currently has exclusive decisional power regarding, amongst other matters:

- a) takeovers or sales, also by means of underwriting or assignment, of equity investments and/or companies and/or company branches, if the overall value of the individual transaction exceeds €10 (ten) million;
- b) the granting of loans, if the aggregate value for the year exceeds €5 (five) million;
- c) the granting of collateral and/or personal security, if the aggregate value for the year exceeds €5 (five) million;
- d) the issue of bonds or financial instruments, if the overall value of each individual issue exceeds €10 (ten) million;
- e) the obtaining of loans and/or other financial debt transactions, if the overall value of the individual transaction exceeds €40 (forty) million;
- f) transactions as set forth in the points (a), (c), (d) and (e) above with companies in the Group, if they should exceed 50% of the respective threshold levels set forth above, and the granting of loans to companies in the Group, if the aggregate value per year exceeds €2.5 (two point five) million for each company;
- g) all transactions with related parties outside the Group which are not typical or usual transactions to be dealt with according to standard conditions;
- h) verification of the adequacy of the organizational and overall administrative structure of the company and of the group as established by the managing directors;

During the year 2007, according to the provisions included in the Articles of Association and referred to above, and without prejudice to the decisions taken by the Managing Director and Executive Committee, on the basis of the given powers and in line with the provisions of art. 1.C.1 of the Code, the Board of Directors of Geox S.p.A. discussed the industrial and financial strategic plans of Geox S.p.A. and of the Group, the corporate governance system, the organizational, administrative and general accounting structure, with particular reference to the internal auditing system and the management of conflicts of interest, and the managers' general performance, taking into account the information supplied by the Directors and Executive Committee and through periodical benchmarking of the achievement with the targets, and the Group's structure. Furthermore, the Board of Directors examined and approved the operations of relevant strategic importance of the Parent Company and its subsidiaries, and ratified the minor operations between related companies, approved by the Executive Committee.

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The assessment of the suitability of the organizational, administrative and accounting general structure of the subsidiaries having strategic importance, with particular reference to the internal auditing system and the management of conflicts of interest, is the subject of the Internal Auditing System Adjustment Plan of Extra-EU companies, being currently prepared, in compliance with art. 39 of the new CONSOB's Market Rules.

During the meeting held on April 12, 2007, the Board of Directors established, after examining the proposals of the Remuneration Committee and hearing the opinion of the Board of Statutory Auditors, the remuneration of the Managing Director and of the Chairman, as well as the allocation of the overall remuneration due to the members of the Board, as decided by the Shareholders' Meeting held on the same date.

The Board of Directors holds exclusive decisional power regarding the examination and preventive approval of the transactions carried out by Geox S.p.A. and its subsidiaries, in compliance with the procedure governing the transactions with related parties. This procedure provides, in particular, that before taking decisions regarding a transaction with related parties, the competent body has to provide adequate information on the nature of the relation, the transaction executive procedures, the conditions, including the economic ones, of its performance, the assessment procedure followed, the underlying interest and motivations, and any risks for the Company. If the nature, value or other characteristics of a transaction with related parties require it, in order to prevent the transaction from being performed at different conditions from those which would probably have been negotiated between unrelated parties, the competent body requests the assistance of one or more independent experts. Such experts are called upon to express their opinion, as the case may be, on the economic conditions and/or legitimacy and/or technical aspects of a given transaction.

Any directors' interests in corporate transactions, if existing, have always been reported to the Board of Directors or to the Executive Committee. All transactions with related parties are included in the balance sheet as of 31.12.2007.

On January 22, 2007, the Board of Directors performed a positive assessment of the current size, composition and performance of the Board itself and of its committees, appreciating the variety of fields of expertise of each director, and the different contributions each director was able to give during office. Such characteristics, combined with high individual professional levels, allowed the directors to take action and make decisions with full knowledge of the facts and independently, pursuing the priority goal, i.e., the creation of value for the Shareholders. Furthermore, it was possible to rely on various internal committees, so as to avoid – as much as possible – concentrating the offices upon a limited number of people.

The Board of Directors has also expressed its orientation with reference to the maximum number of offices as a director or statutory auditor in other companies listed in regulated markets (including foreign markets), financial corporations, banks, insurance companies, or large companies, which can be considered compatible with the effective performance as a director of the Issuer. With respect to the director's current engagement and the nature of the offices held, the threshold was set at ten offices.

In line with the recommendations in art. 1 of the Code, the Board of Directors is entrusted with a central role in the Company's Corporate Governance system. The Board of Directors meets on a regular basis, organizing itself and working in such a way as to ensure the effective and efficient performance of its functions. In the period leading up to board meetings, the Company, in the person of the Chairman of the Board, provides Directors with the information necessary to ensure that they are adequately informed on the items on the agenda (art. 17 of the Articles of Association).

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The Chairman summons the Board meetings, also when this is requested in writing by at least two Directors or Statutory Auditors or by a Managing Director (art. 19 of the Articles of Association).

For decisions to be deemed valid, the majority of the Directors in office must be present. The decisions of the Board of Directors are taken by absolute majority of the Directors present. In the case of a tied vote, the Chairman has the casting vote. For decisions regarding provisions on trademarks, patents and other intellectual property rights, for any reason and of any kind, the Board of Directors decides by favourable vote of five sevenths of its members, rounded up to the next higher number (art. 19 of the Articles of Association).

5.3 Executive positions

a) Managing Director

Availing itself of its right as set forth in article 17 of the Articles, on October 20, 2004 the Board of Directors confirmed Mr. Diego Bolzonello in the position of Managing Director of the Company, revoked the powers delegated to him and conferred upon him a new proxy. Within the limits of law and the Articles, in compliance with the duties performed exclusively the Shareholders' Meeting, the Board of Directors and the Executive Committee, in compliance with the limitations, the Board of Directors conferred upon the Managing Director the following powers of ordinary and extraordinary administration:

- (i) with complete decisional independence and responsibility, to supervise the production, technological, commercial and technical sectors, to coordinate all aspects of the Company's productive activity, within the limits of the pre-established production and expenditure programs, as well as to supervise and coordinate the Company's administrative and financial sector, establishing rules for its organization and functioning, moreover ensuring coordination with independent contractors;
- (ii) to ensure also by means of constant maintenance, repairs and replacements, that the systems with which the Company is equipped are entirely compliant with the provisions aimed at containing the emissions/introduction of smoke, gases, dusts, fumes, liquid and solid residues within the limits laid down by national legislation, so that these do not contribute to pollution of the atmosphere, soil and water and to do not exceed the limits of normal tolerability for those living nearby;
- (iii) to assume commitments in matters regarding company activity, in particular concluding contracts with customers, including franchising contracts, and with suppliers of products, raw materials and services; to sell Company products, drawing up the relative documents and also granting extensions of payment and discounts, negotiating prices and payment methods, provided that, as far as concerns contracts with suppliers, the overall sum does not exceed a €1,000,000 (one million) per individual contract;
- (iv) to enter into contracts regarding the purchase and sale of machinery, equipment, vehicles and other movables, also registered in Public Registers, drawing up the relative documents, negotiating the relative prices and payment methods, and granting extensions of payments and discounts, provided that the overall sum does not exceed € 500,000 (five hundred thousand) per individual contract;
- (v) to purchase the services of any type necessary for performance of the company activity, with express faculty to conclude the relative contracts, including contracts of insurance cover and/or to conclude work and/or consultancy contracts of any kind, to negotiate

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prices and payment methods, provided that the overall sum does not exceed € 500,000 (five hundred thousand) per individual contract;

- (vi) to conclude lease, *comodato* (gratuitous loan for use), hire and leasing contracts regarding movables and real estate necessary for the performance of the company activity, provided that the overall value does not exceed € 500,000 (five hundred thousand) per individual contract;
- (vii) to open bank and postal current accounts in the name of the Company, both in national and foreign currency, arrange overdrafts, open safety deposit boxes, rent them and exercise any relative rights;
- (viii) to perform, with regard to Company commitments, the following transactions on the accounts of the Company, in Italy and abroad, up to the limit of € 3,000,000 (three million) per individual transaction:
 - to draw current-account checks also for use of overdrawn sums, within the limits of the overdrafts granted;
 - to draw giros;
 - to endorse current-account bank checks, postal orders or telegraphic orders and any other instrument of credit in favor of the Company, or banker's drafts in favor of third parties;
 - to make withdrawals ;
 - to issue letters or credit and provide for their payment.

As far as regards transfers of funds between banks, the aforementioned limit is raised to € 20,000,000 (twenty million), provided that the transactions are authorized by the additional signature of Diego Bolzonello, Luciano Santel and Livio Libralesso. The aforementioned limit of € 3,000,000 (three million) regarding this subsection (viii) is not applied for the payment of duties, taxes and social security contributions owed by the company pursuant to current legislation;
- (ix) exclusively for the purposes of arranging cover for risks involved in exchange and/or interest rates, and only to the extent necessary for this, to purchase, sell and in general to perform any transaction involving foreign currency, and also to conclude and cancel contracts on interest rates and exchange rates. Such transactions must comply with current currency regulations, and with any further regulations which may be introduced in the future, and must not exceed the limit of € 20,000,000 (twenty million) per individual transaction with joint signature of Luciano Santel;
- (x) to proceed with the recapitalization and financing of subsidiaries in the form considered most suitable, up to the limit of € 2,000,000 (two million) per individual transaction;
- (xi) to make deposits in current accounts, endorse for discount and for collection bank checks, postal orders, certificates of credit, bills of exchange and postal orders, payable by credit agencies, post and telegraph offices, and in general by any natural person or corporation; to endorse orders of payment, including orders from the Treasuries of the State, the Regions, the Provinces, the Municipal authorities and any State Banking Institution; to endorse bank drafts, issuing in each case the corresponding receipts;
- (xii) to conclude and cancel any other contract which seems useful or necessary for the pursuit of the company purpose, including licensing, agency, distribution, representation, intermediation and business procurement contracts and any other

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contracts which in any case regard distribution of the company's products, provided that the overall value and/or expenditure (even when the contracts are long-term) does not exceed € 250,000 (two hundred and fifty thousand) per individual contract;

- (xiii) to grant securities and/or sureties, collect the loaned sum, entirely or in part, and issue receipts for the same. These transactions may be performed up to a value of euro 250.000 (two hundred and fifty thousand) per individual transaction;
- (xiv) to take out bank and financial credit lines in general;
- (xv) to deal with relations with any public or governmental body, none excluded, including by way of example but not limitation, Chambers of Commerce, Business Registries and Public Register Offices, and draw up any relative documents, applications or receipts in the name of the Company;
- (xvi) to deal with the relations with any fiscal, customs, central government or local government office, also abroad, and to perform any transaction regarding taxes, duties and social security contributions; to contest registrations and inspections; to provide direct or indirect tax statements, including statements and any other requirements provided for by VAT legislation, certificates, forms and questionnaires; to present applications, complaints and claims, memorandums and documents before any office or Tax Court, to collect reimbursement and interest from tax collection agencies, issuing relative receipts in the name of the Company;
- (xvii) to take any action and deal with any matter in the field of social security, and to deal with the relations with social security, welfare and insurance institutions, providing for the requirements laid down by current labor legislation, especially as far as regards insurance, contributions, indemnities and taxes;
- (xviii) to deal with the relations with any authority, body, and institution which deals with labor matters, and with trade union organizations (both of employers and employees); to appear before industrial tribunals and conciliation and arbitration boards; to settle disputes, to perform any other act and to deal with any situation in the field of working relationships, which may be considered in the best interests of the Company;
- (xix) to deal with the relations with the postal Administration and with companies of rail, sea, air and land transport, draw up any document and application, receive recorded delivery and insured mail, packages and letters of any type, collect reimbursement and sums of any type, and issue receipts for the same;
- (xx) with regards to the matters listed in the points above from (i) to (xix), and within the respective limits provided for above, to represent the Company with regards to any third party, whether public and/or private, acting in the name of and on behalf of the Company, signing any document;
- (xxi) to sign correspondence and documents in general;
- (xxii) to represent the Company before every Judicial Authority of any order, degree and type of jurisdiction, in any disputes or proceedings of any kind, whether as plaintiff or defendant, and also before Tax Courts of every degree, with the power to appoint attorneys, proxies *ad lites* and *ad negotia*, referees or arbitrators, consultants or experts,

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withdrawing and/or replacing their appointments, in Italy and abroad, with the power to elect domicile, settle disputes and make recourse to conciliation and in any case deal with related matters, and to sign any proxies necessary for such purposes;

- (xxiii) to issue protests and injunctions for non-payment, to proceed with preventive measures and execution proceedings, to withdraw them where necessary, to participate in bankruptcy proceedings, composition, receivership and apply for their declaration, to make and accept tenders of performance;
- (xxiv) to the exception of dealings with company middle management and executives, to perform, or delegate, any action regarding employees such as, by way of example but not limitation:
- hiring employees of Geox S.p.A.;
 - transforming labor contracts (for example, from part-time to full-time, from temporary contract to permanent contract, etc.);
 - disciplinary warnings and measures;
 - disciplinary dismissals, for a justified and motivated reason;
 - promotions and various salary increases;
 - granting one-off bonuses and management-by-objective bonuses;
 - transferal of the office and contracts of transfer/mission abroad regarding employees;
 - contracts for collaboration on specific projects and relative variations.
- (xxv) to appoint, within the framework of the powers conferred above, proxies *ad acta* or general proxies, attributing relative powers to them, and to withdraw such appointments.

b) The Chairman

The Chairman did not receive executive management delegation, however he plays a specific role in devising the company strategies and is the Sole Director of LIR S.r.l., which is the controlling shareholder of Geox S.p.A.

c) Executive Committee

On April 12, 2007, the Board of Directors confirmed the appointment of ordinary and extraordinary management powers given to the Executive Committee by the Board of Directors on December 9, 2004. In particular, the Committee received the Company's ordinary and extraordinary management powers, with the following exceptions:

- (i) the duties specified in articles 2420-ter 2423, 2443, 2446, 2447, 2501-ter, 2506-bis Italian Civil Code; and
- (ii) the matters reserved for the Board of Directors under the Articles – being, in particular: the provision, for any reason and of any kind, of trademarks, patents and other intellectual property rights of the Company; the development and direction of company strategy, also on a long-term basis; the annual industrial and economic-financial plan (budget); the long-term plans and relative investment plans; and
- (iii) the further following matters, identified by and reserved for the Board of Directors, taking into consideration, as illustrated above, the recommendations of the Code of Self-Governance.

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During 2007, the Executive Committee met fifteen times. The meetings lasted an average of thirty minutes. For the current year, no specific number of meetings has been scheduled. To date, four meetings have been held.

d) Information to the Board

The Managing Director reported to the Board on the activities carried out by exercising the proxies conferred during the first meeting.

5.4 Other Executive Directors

The Chairman, Mr. Mario Moretti Polegato, is to be considered an executive director, even though he is not entrusted with any specific management proxies, on account of his specific role in the development of the Company's strategies (art. 2.C.1 of the Code).

Mr. Enrico Moretti Polegato is also to be considered an executive director, on account of his office as a member of the Executive Committee and his systematic involvement in the Company's day-to-day management.

In compliance with art. 2.C.2 of the Code, the Chairman encourages the participation of the directors in the meetings of the Board of Directors and in the Shareholders' Meetings, as well as other events aimed at increasing their knowledge of the company and its mechanisms, by means of, for instance, direct exchanges with key managers, visits to the Group's production plants, etc.

5.5 Independent Directors

The Board of Directors assessed the independence of the six non-executive members both before their appointment and when the majority shareholder submitted the list including the attached individual statements. Their independence was also assessed after the Shareholders' Meeting appointed them on April 12, 2007. In doing so, the Board of Directors applied all the criteria provided for by the Code.

The Board of Statutory Auditors also verified the correct application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members.

During the year 2007, the independent directors met once in order to assess the outcome of the meetings, some of them held with the key company managers.

5.6 Leading independent director

In consideration of the role played by the Chairman of the Board of Directors, Mr. Giuseppe Gravina was appointed as the Leading Independent Director; he represents the reference person and coordinator of the petitions and contributions from the non-executive directors and, more specifically, from the independent ones, in order to improve the activity and performance of the Board of Directors.

During the year 2007, the Leading Independent Director had the opportunity to serve as a connection between the other independent directors and the Company's key managers, by providing up-to-date information concerning the Company and the internal processes considered the most useful for understanding the Company and its business in general.

6. TREATMENT OF COMPANY INFORMATION

In line with the provisions of art. 4 of the Code, the Company, during the meeting of the Board of Directors held on April 20, 2006, completed the organizational adjustment on the subject of market

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abuse, according to CONSOB resolution n. 15232 of 29 November 2005, by approving the “Regulations on the management of privileged information and creation of a Register of people with access to it,” and by creating the related Register. Subsequently, the other companies of the Group also adopted the aforementioned Regulations, guaranteeing compliance to it and delegating Geox S.p.A. to manage and keep the Register so as to allow for a concerted management of the circulation of privileged information.

The procedure concerning the management of privileged information and of the Register of the people with access to it was always followed during 2007.

7. COMMITTEES INTERNAL TO THE BOARD

a) Appointment Committee

The Board of Directors, on January 22, 2007, decided that the establishment of an Appointment Committee was not appropriate. Even though such a Committee would be able to ensure the adequate identification of candidates to the office of director, the Board of Directors complied with the Code’s comment stating that its role is fundamental in companies whose shares, unlike Geox S.p.A.’s, are dispersed among a high number of holders, in order to ensure an adequate degree of independence of the directors with respect *to the management*.

b) Remuneration Committee

The Board of Directors, on April 12, 2007, confirmed the creation of a Remuneration Committee entrusting it with the tasks described in art. 7 of the Code.

In particular, the Remuneration Committee has the task of (i) formulating proposals to the Board for the remuneration of the Managing Director and of those other directors who hold particular positions, and also, when instructed by the Managing Director, of establishing the criteria for the remuneration of the Company’s top management, which should be such as to attract and motivate persons of adequate level and experience; (ii) making proposals for any incentive plans for the directors, employees and independent contractors; (iii) providing opinions on issues from time to time presented to it by the Board of Directors regarding remuneration or any other inherent or related matter.

The Committee consists of three non-executive independent directors: Mr. Renato Alberini, Mr. Bruno Barel and Mr. Alessandro Antonio Giusti.

In the performance of its task, the Remuneration Committee has the right to avail itself of external advisors, at the Company’s expense.

During 2007, the Remuneration Committee met twice in order to assess the fairness of the Directors’ remuneration to be submitted to the Shareholders’ Meeting, and to discuss suggestions regarding the Stock Options. Said meetings were duly put on record.

The Rules of the Remuneration Committee provide that members of the Committee shall refrain from voting when they are in a situation of conflict of interests with reference to the item on the agenda.

In the performance of its tasks, the Committee had the possibility of accessing the data and company departments necessary for this, as well as of availing itself of external advisors. Whenever persons who are not members of the Committee participated in the meetings, they did so after being invited by the Committee itself, and with regard to specific items on the agenda.

For eventual expenses incurred, the Committee has the right to avail itself of financial resources allotted on the basis of incidental needs.

10. APPOINTMENT AND REMUNERATION OF THE DIRECTORS

In addition to reimbursement of expenses sustained in the performance of their duties, Directors are entitled to an annual indemnity whose amount was established by the Board of Directors on April 12, 2007, within the limits of the overall Board remuneration established by the Ordinary Shareholders' Meeting of April 12, 2007 in favour of the Board, including those Directors with particular duties (art. 16 of the Articles).

The remuneration of the executive directors is set as a fixed amount, as this is considered the most suitable means for correctly acknowledging the quality of the office held. One of the directors benefits from share-based incentive plans.

The remuneration of non-executive directors is also set as a fixed amount, as it is believed that the reference to performance might compromise the quality of their activities. Their remuneration is determined on the basis of their work both inside the Board of Directors and in the activities of the various internal committees.

Name	Appointment emolument (euro)	Non-monetary benefits	Bonuses and other incentives	Other fees	Total
Mario Moretti Polegato	1,400,000				1,400,000
Diego Bolzonello	350,000	6,990		240,450	597,440
Enrico Moretti Polegato	23,250				23,250
Francesco Gianni	32,250				32,250
Bruno Barel	41,250				41,250
Alessandro Antonio Giusti	56,250				56,250
Giuseppe Gravina	23,250				23,250
Renato Alberini	30,750				30,750
Umberto Paolucci	32,250				32,250

11. INTERNAL AUDIT COMMITTEE

The Internal Audit Committee was established by the Board of Directors on December 9, 2004, and confirmed by the Board of Directors on April 12, 2007.

The Committee was entrusted with the tasks described in art. 8 of the Code.

The Internal Audit Committee consists exclusively of non-executive (art. 8.P.4.) and independent Directors: Mr. Francesco Gianni, Bruno Barel and Alessandro Antonio Giusti. The Chairman of the Board of Statutory Auditors, or another Statutory Auditor chosen by the Chairman of the Board itself, as well as the Managing Director of the Company also take part in the work of the Committee.

One of the members, Mr. Giusti, is a chartered accountant whose accounting and financial experience is well recognized.

During the year 2007, the Committee formally met four times. The meetings were duly put on record. Whenever people who were not members of the Committee participated in the meetings, they did so after being invited by the Committee itself, and relative to specific items on the agenda. In the performance of its tasks, the Committee has the possibility of accessing the information and company departments necessary for this, as well as of availing itself of external advisors.

It should be underlined that the Internal Audit Committee, in its reports to the Board of Directors, has deemed adequate the conditions of the Company's internal audit.

For eventual expenses incurred, the Committee has the right to avail itself of financial resources allotted on the basis of incidental needs.

During the year 2007, in compliance with the provisions of art. 8.C.1 of the Self-Governance Code for Listed Companies, the Internal Audit Committee aided the Board of Directors in the performance of the following activities:

- the development of the internal audit system guidelines, so as to ensure that the main risks for the company and its subsidiaries are correctly identified, as well as adequately measured, managed, monitored, so as to render them compatible with a healthy and proper management of the company;
- the assessment of the adequacy, efficacy and actual performance of the internal auditing system.

Furthermore, the Committee monitored the verification of the auditing protocols provided for by the Organization and Management Model, ex Legislative Decree n. 231/2001 in certain relevant business processes, performed by Geox's Surveillance Body with the support of the Internal Audit Department. In compliance with the provisions included in art. 8.C.3, subparagraph a) of the Self-Governance Code for Listed Companies, the Internal Audit Committee met and assessed – jointly with the manager responsible for the preparation of the accounting records, and with the auditors – the correct application of the accounting standards, and their homogeneity for the purpose of drafting the consolidated financial statements.

In compliance with the provisions included in art. 8.C.3, subparagraph b) of the Self-Governance Code for Listed Companies, the Internal Audit Committee, prompted by the Board of Directors, since no director was specifically appointed for the task, expressed its opinion on specific aspects concerning the identification of the main risks.

In compliance with the provisions included in art. 8.C.3, subparagraph c) of the Self-Governance Code for Listed Companies, the Internal Audit Committee examined and approved the Auditing plan for the year 2008 prepared by the Internal Audit Supervisor, as well as the periodical reports on the auditing activities carried out during the year 2007.

With reference to the overall arrangements of the internal auditing system, the Committee assessed the work carried out by the Internal Audit Department which, in turn, availed itself of the aid from external resources.

In compliance with the provisions included in art. 8.C.3, subparagraph d) of the Self-Governance Code for Listed Companies, the Internal Audit Committee evaluated the auditing work plan prepared by the auditing firm Reconta Ernst & Young S.p.A., in coordination with the activity of the Board of Statutory Auditors.

Furthermore, in compliance with the provisions included in art. 8.C.3, subparagraph e) of the Self-Governance Code for Listed Companies, the Internal Audit Committee controlled the efficacy of the auditing process.

The Committee assessed the state of implementation of the internal procedures defined and circulated up to now.

Lastly, in compliance with the provisions included in art. 8.C.3, subparagraph e) of the Self-Governance Code for Listed Companies, the Internal Audit Committee reported to the Board of Directors on the adequacy of the Internal Control System.

12. INTERNAL AUDITING SYSTEM

The internal auditing system of Geox S.p.A. is meant as a process involving all corporate functions, aimed at protecting the efficacy and efficiency of corporate operations, reliability of financial information, respect of applicable legislation and safeguard of corporate assets.

The Board of Directors defines the guidelines for the internal auditing system by coordinating the related internal bodies and by assessing their periodical reports, so as to ensure that the main risks for the Company and its subsidiaries are correctly identified, as well as adequately measured, managed and monitored, by establishing criteria to ensure the compatibility of such risks with a healthy and proper business management.

During 2007, the Board of Directors assessed the adequacy of the internal auditing system on the occasion of the half-yearly report on the activities of the Internal Audit Committee and Surveillance Body.

12.1 Executive Director Responsible for the Supervision of the Internal Auditing System Performance

During 2007, the Board of Director did not identify an executive director responsible for the supervision of the internal auditing system performance (art. 8.C.1 of the Code) since, up to now, the system has been efficiently controlled by the combined activity of a dedicated internal workgroup, the Internal Audit Committee and the Supervisor responsible for the internal audit.

12.2 Internal Audit Supervisor

The Internal Audit Supervisor, Mr. Stefano Romito, in carrying out his tasks, had direct access to all the information that he needed to perform his duty, and periodically reported about his work to the Chairman of the Board of Directors, the Internal Audit Committee, and the Statutory Auditors.

The Managing Director (who appointed him) considered his remuneration in line with the Company's remuneration policies.

The internal auditing division also availed itself of the competence of an internal auditor, a separate office from the Internal Audit Supervisor.

For eventual expenses incurred, the Supervisor has the possibility of availing himself of financial resources allotted on the bases of incidental needs.

The internal audit control activities during the year 2007 took the shape of an audit plan which involved different departments and created a flow of reports from the internal audit department to the Internal Audit Committee.

The Surveillance Body also performed its own audit plan aimed at detecting eventual risks according to the ex Legislative Decree 231/2001, also availing itself of the internal audit department.

Neither of the aforementioned auditing bodies detected any critical issues.

12.3 Organizational Model According to ex Legislative Decree 231/2001

During the year 2007, the Company updated its Model of organization, management and control pursuant to Legislative Decree 231/2001 ("Model 231") – following the entry into force of art. 9 of Law n. 123, 3 August 2007 which defines the Measures relating to the protection of health and safety at work and includes the Government delegation for the rehabilitation and reform of legislation on this matter, which included the amendment of Legislative Decree n. 231, 8 June 2001 – by adding art. 25-septies: "Manslaughter and serious or very serious negligent injuries, committed in violation of the regulations concerning safety and hygiene and health protection at work."

Therefore, new criminal subject matters were included, and a specific special part was created.

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Furthermore, following the Parent Company's recommendation, the subsidiaries took steps to ensure the adoption of their own general part of Model 231 and the appointment of their individual Surveillance Body. It is understood that the applicability of Model 231 to the companies whose seat is abroad is subordinated to the local regulations in force relating to the subject matters covered by the Decree and the verification of conformance of the Model with the aforementioned legislation, with the provisions of labour law and with the Company's system of rules and procedures.

The Model 231 general part is available in the "Investor Relations" section of the website □ HYPERLINK "<http://www.geox.com>" □ www.geox.com □.

12.4 Auditing firm

The Shareholders' Meeting held on April 12, 2007, entrusted Reconta Ernst & Young S.p.A. with the auditing for the years from December 31, 2007, to December 31, 2012.

12.5 Manager Responsible for the Preparation of the Accounting Records

The Board of Directors, at the suggestion by the Managing Director, in agreement with the Chairman, and after receiving the opinion of the Board of Statutory Auditors, appointed Mr. Luciano Santel, Corporate Manager of Geox S.p.A., as the manager responsible for the preparation of the corporate accounting records.

Art. 17 bis provides that said manager is chosen from among the managers who have carried out administrative, management, or monitoring activities for an adequate period of time, and who possess the integrity requirements provided for by the regulations in force.

For the performance of his duties, the manager has at his disposal an annual budget and has the possibility of availing himself of the activities and resources of the above-mentioned Guide Committee.

13. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

Article 18 of the Articles of Association represents an initial adjustment of the Company's corporate governance model in order to comply with the suggestions in article 9 of the Code, insofar as it obliges the Directors to report sufficiently and with all due haste, and in any case at least on a quarterly basis, both to the Board of Directors and to the Board of Statutory Auditors, on any transactions with related parties or parties in which they have an interest, either directly or on behalf of third parties. Furthermore, if the person with a vested interest, either directly or on behalf of third parties, is the Managing Director, he must refrain from performing the transaction, and entrust the Board of Directors with its performance.

14. APPOINTMENT OF STATUTORY AUDITORS

The rules applying to the appointment and replacement of statutory auditors are provided for by art. 21 of the Articles of Association, and are included below.

"Upon appointment of the Statutory Auditors and before they accept office, the Shareholders' Meeting is informed with regard to management and monitoring offices they hold in other companies.

People holding office as standing Statutory Auditor in more than seven companies issuing securities in regulated markets (except if more restrictive limitations are applied pursuant to art. 148-bis of Legislative Decree 58/1998) may not be appointed as Statutory Auditors.

Statutory auditors are appointed for the first time in the Articles of Association and thereafter by the ordinary Shareholders' Meeting, which also appoints from among them the Chairman of the Board

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of Statutory Auditors, according to the procedure indicated below. Before appointing Statutory Auditors, the Shareholders' Meeting determines the Statutory Auditors' remuneration for their entire term of office.

Auditors are appointed on the basis of lists submitted by the Members, in which candidates are to be listed by progressive number.

Each Member may submit or participate in the submission of one single list. Only the Members who, by themselves or together with other Members submitting the same list, represent at least one fortieth of the capital stock (or any other lower limit provided for by the law in force at the date of the Shareholders' Meeting).

Each Shareholder, as well as Shareholders belonging to the same group (a group being the controlling subject, corporate or not, pursuant to art. 93 of Legislative Decree n. 58/1998, as well as subsidiaries and related companies of the same subject), or partaking in a Shareholders' Agreement pursuant to art. 122 of Legislative Decree n. 58/1998, may not submit or contribute in submitting or vote for – directly, through a third party, or through a trust company – more than one list. Each Member submitting or participating in the submission of the lists shall send to the registered office, at least two days prior to the date set for the Shareholders' Meeting, on first call, a certificate issued by the intermediaries under the laws in force, substantiating legitimation to exercise the rights.

The number of candidates contained in each list shall not exceed the maximum number of members of the Board of Statutory Auditors.

The lists submitted by the Members are to be lodged with the registered office and published on at least one Italian newspaper circulating all over the country no less than ten days prior to the date set for Shareholders' Meeting, on first call and timely published on the Company's website.

Each candidate may stand for election on only one of the lists, under penalty of ineligibility. When lodging the list with the registered office, the declarations by the individual candidates must also be lodged, whereby they accept their nomination and attest, under their responsibility, that they do not find themselves in situations of ineligibility and incompatibility, and that they fulfill the requirements set forth by the applicable legislation and by the Articles. Together with the aforementioned declarations, each candidate shall lodge a curriculum vitae regarding the personal and professional features of the same including the indication of his or her suitability to qualify as independent.

The lists not complying with the above dispositions shall not be considered as submitted lists. Each shareholder has the right to vote for only one list.

From the list obtaining the largest number of votes cast by the Members, two Statutory Auditors and an Alternate Auditor shall be drawn under their progressive order in the same list; the remaining Statutory Auditor and Alternate Auditor shall be drawn from the second of the lists in order of decreasing number of votes obtained. In case of parity of votes between two or more lists obtaining the largest number of votes, the candidates to be elected Auditors, both statutory and alternate, shall be the ones who are junior by age, to the extent of the positions to be assigned, ensuring that Statutory Auditors are drawn from at least two different lists.

For the purpose of implementing this article's provisions, the lists submitted by minority Shareholders who are connected, in any way, even indirectly, with Shareholders who have submitted or voted for the list obtained the highest amount of votes shall be excluded.

The chairmanship of the Board of Statutory Auditors is due to the standing Statutory Auditor who was indicated as the first candidate on the list obtaining, at the Meeting, the second highest amount of votes.

The previous provisions related to the appointment of the Board of Statutory Auditors are not applicable when the Shareholders' Meetings have to make the appointments required by law to reconstitute the Board of Statutory Auditors following the replacement or lapse of Statutory Auditors, or when the Statutory Auditors who – for any reason whatsoever, including failing to

submit more than one list – could not be elected by list-based voting. In such cases, the Shareholders’ Meeting decides by legal majority.

The Statutory Auditors hold office for three years and cease to hold office on the date of the Shareholders’ Meeting called for the approval of the financial statements referring to their last year of office. Statutory auditors’ lapse due to expiry of term takes effect when the Board of Statutory Auditors has been reconstituted. In case of lapse, for any reason, of a standing Statutory Auditor, the substitute Statutory Auditor belonging to the same list as the auditor leaving office takes his or her place. The new Statutory Auditors remain in office until the next Shareholders’ Meeting, which then reconstitutes the Board of Statutory Auditors as per legal requirements.”

15. AUDITORS

Pursuant to art. 21 of the Articles of Association, the Board of Statutory Auditors consists of three standing members and two alternate members.

The Statutory Auditors currently holding office were appointed, based on the list submitted by the majority shareholder LIR S.r.l., by the Shareholders during the Meeting held on April 22, 2007, and will hold office until the Meeting approving the balance sheet as of December 31, 2009.

During the year 2007, the Board of Statutory Auditors met nine times.

Name	Office	In office since	List	Independent according to the Code	BoSA part. %	Other offices
Fabrizio Colombo	Chairman	12.04.2007	M	X	100	2
Achille Frattini	Standing Statutory Auditor	12.04.2007	M	X	100	7
Francesco Mariotto	Standing Statutory Auditor	12.04.2007	M	X	100	-
Francesca Meneghel	Alternate Statutory Auditor	12.04.2007	M	X	-	-
Laura Gualtieri	Alternate Statutory Auditor	12.04.2007	M	X	-	-

The compliance with the independence criteria was verified on the occasion of the appointment pursuant to both art. 148, par. 3, of Legislative Decree n. 58/1998, and art. 10 of the Self-Governance Code. Furthermore, the Board of Statutory Auditors assessed the independence of its member at the first opportunity after their appointment, and the persistence of the requirements during the year 2007, by applying all the criteria provided for by the Code with reference to the independence of the directors.

The responsibility of informing the other Statutory Auditors and the Chairman of the Board in a timely and comprehensive manner about interests possibly arising in a given transaction performed by the Company, specifying their nature, terms, origin and scope, is left to the initiative of each Statutory Auditor.

The Board of Statutory Auditors monitored the independence of the auditing firm, verifying its compliance with the pertinent regulations, as well as the nature and amount of services other than auditing supplied to the Company and its subsidiaries by the same auditing firm and other organizations belonging to its network.

In the performance of its duties, the Board of Statutory Auditors coordinated its activities with the internal audit department and with the Internal Audit Committee, by periodically participating in updating meetings on the subject of internal auditing.

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The standing Statutory Auditor Mr. Luca Rosati ceased to hold office during the year 2007.

Name	Office	In office since/to	List	Independent according to the Code	BoSA part. %	Other offices
Andrea Luca Rosati	Standing Statutory Auditor	from 20.10.2004 to 12.04.2007	-	X	100	-

16. RELATIONS WITH THE SHAREHOLDERS

In line with the recommendations included in art. 11 of the Code, all information relevant for the shareholders is made available in the “Corporate Governance” section of the website, www.geox.com, particularly with reference to the procedures related to participating and exercising the right to vote at the meetings, as well as material concerning the issues included in the agenda. The lists of candidates for the appointment as a Director and Statutory Auditor were also included, with the indication of their personal and professional features.

Great attention has always been paid to the fact that the Directors who are able to give a significant contribution in the discussion on account of the offices held in the Board or in the committees, participate in the meetings.

The relations with the investors are managed by Corporate Director Mr. Luciano Santel, Administrative Director Mr. Livio Libralesso, and Ms. Marina Cargnello.

17. SHAREHOLDERS’ MEETINGS

According to art. 12 of the Articles of Association, the Shareholders who are allowed to participate in the Meeting are those for whom the Company has received, within the two days preceding the Shareholders’ Meeting on first call, the notification provided for by the last part of Article 2370, paragraph 2, of the Italian Civil Code, and who, as of the meeting date, have the appropriate certification issued by the intermediary.

Participation in the Shareholders’ Meeting via telecommunication media is allowed, in ways permitting identification of all participants and enabling the latter to follow the discussion and to intervene in real time in the discussion of the topics addressed.

The procedure for the Meeting is governed by the dedicated regulations on the proceedings of the Shareholders’ Meeting, available in the “Investor relations/Corporate Governance/Meeting” section of the website, www.geox.com.

According to art. 6 of the Meeting Rules, all Shareholders are allowed to ask to speak about any topic at issue, asking for information and formulating proposals.

The Board, during the Meeting held on April, 12, 2007, reported on the performed and planned activities and saw that the Shareholders received adequate information necessary to take the decisions falling within the Meeting’s competence, with full knowledge of the facts.

18. CHANGES THAT HAVE TAKEN PLACE SINCE THE CLOSE OF THE BUSINESS YEAR

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The Board of Directors held on February 27, 2008, appointed Mr. Enrico Moretti Polegato as Vice-Chairman of the Board and executive director responsible for supervising the performance of the internal auditing system (art. 8.C.1 of the Code).

The Board of Directors approved the exercisability the first of the three option instalments deriving from the Stock Option Plan in favour of the Company's managers approved in November 2004, after recognising that the performance results (EBIT) established in the same plan with reference to the three years 2005-2006-2007 had been achieved.

Furthermore, the Board of Directors decided to submit for approval to the next Shareholders' Meeting a new Stock Option Plan in favour of the Managing Director and other managers and Company's collaborators. The plan concerns a block of shares falling within the scope of the increase of share capital decided by the Shareholders' Meeting held in July 2004. The option price shall be equal to the normal value of the shares as of the date of allotment. It shall be possible to exercise the option in two instalments following a vesting period, lasting, respectively, three and four years. The exercise of the right of option is also subordinated to the achievement of the performance results (EBIT) described in the new three-year industrial plan approved by the Board of Directors today. The allotment will be carried out during the Board of Directors meeting to be held on April 7, 2008.

Lastly, the internal audit system Adjustment Plan of Extra-EU companies, prepared pursuant to art. 39 of the new CONSOB's Market Rules, was lodged with CONSOB.

20 March, 2008

For the Board of Directors
the Chairman
Mario Moretti Polegato

List of the offices held by Geox S.p.A. Directors and Statutory Auditors in other companies listed in regulated markets (including foreign markets), financial corporations, banks, insurance companies, or large companies.

Board of Directors

Name	Office	Other offices
Francesco Gianni	Director	Board Member: <ul style="list-style-type: none"> - SO.FIN.IND S.p.A. - Cassa di Risparmio di Ravenna S.p.A.
Bruno Barel	Director	<ul style="list-style-type: none"> - Chairman, Board of Directors, Numeria SGR S.p.A. - Independent Member, Board of Directors, IRCA S.p.A. and SIPA S.p.A.
Alessandro Antonio Giusti	Director	Standing Statutory Auditor: <ul style="list-style-type: none"> - Planetnetwork S.p.A., parent of Retelit S.p.A., company listed in regulated markets - Toscana Finanza S.p.A., company listed in regulated markets - STB Società delle Terme e del Benessere S.p.A. - E-VIA S.p.A., company listed in regulated markets - Fidicontrol S.p.A. - Intercontinental S.p.A. - Prato Province Board Member: <ul style="list-style-type: none"> - Eurofly S.p.A., company listed in regulated markets
Umberto Paolucci	Director	<ul style="list-style-type: none"> - Chairman, Enit-Ente Nazionale Italiano Turismo, Microsoft S.r.l., Immobiliare AmCham S.r.l., American Chamber of Commerce in Italy - Board Member, Aeffe S.p.A., Datalogic S.p.A., Coesia S.p.A., Fondazione Collegio San Carlo

Board of Statutory Auditors

Name	Office	Other offices
Fabrizio Colombo	Chairman	<ul style="list-style-type: none"> - Independent Director, Brioschi Sviluppo Immobiliare S.p.A. - Standing Statutory Auditor, RdM Realty S.p.A.
Achille Frattini	Standing Statutory Auditor	Standing Statutory Auditor: <ul style="list-style-type: none"> - Arnoldo Mondadori Editore S.p.A. - Deutsche Bank S.p.A. - Delmi S.p.A. - Hopa S.p.A. - Mediolanum Assicurazioni S.p.A. - Mediolanum Vita S.p.A. - Robert Bosch S.p.A.