Corporate Governance Guidelines

The following Corporate Governance Guidelines have been adopted by the Board of Directors (the "Board") of Skechers USA, Inc. (the "Issuer") to assist the Board in the exercise of its responsibilities. These Corporate Governance Guidelines reflect the Board's commitment to monitor the effectiveness of policy and decision making both at the Board and management level, with a view to enhancing long-term stockholder value. These Corporate Governance Guidelines are not intended to change or interpret any Federal or state law or regulation, including the Delaware General Corporation Law, or the Certificate of Incorporation or By-laws of the Issuer. These Corporate Governance Guidelines are subject to modification from time to time by the Board.

I. Composition of Board of Directors

1. Size of Board. The Board believes that it should generally have no fewer than 5 and no more than 9 members. The size of the Board could, however, be increased or decreased if determined to be appropriate by the Board. For example, it may be desirable to increase the size of the Board in order to accommodate the availability of an outstanding candidate for director.
2. Board Membership Criteria. The Board seeks members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. This assessment will include consideration of diversity including of criteria such as gender and ethnicity, age, skills and experience in the context of the needs of the Board. A majority of the Board shall consist of directors who are independent under the rules of the New York Stock Exchange unless the Issuer relies on an available exemption.
3. Director Service on other Public Company Boards

   (a) Conflicts of Interest

   Directors should advise the Chairman of the Board before accepting an invitation to serve on the board of another company. If the Board determines a conflict of interest exists by serving on the Board of another company, the Director is expected to act in accordance with the Board's recommendation.

   (b) Limitations on Service on other Public Company Boards

   i. Directors should not serve on more than three boards of public companies in addition to the Board.
   ii. Audit Committee members should not serve on the Audit Committees of more than three public companies, including the Issuer.
   iii. Management Directors should not serve on any outside public company boards unless such service is at the request of the Issuer to serve an Issuer business purpose.
   iv. Directors who also serve as an Chief Executive Officer or in an equivalent position should not serve on more than one board of public companies in addition to the Board.

v. Current positions in excess of these limits may be maintained unless the Board determines that doing so would violate the law, or impair the director's service on the Board; provided that, each director in excess of these limits shall use reasonable efforts to reduce service to the limit set forth above by January 1, 2006.

Exceptional candidates who do not meet all of these criterions may still be considered.

4. New Directors. Nominees for directors will be identified, screened and recommended by the Chairman of the Board and presented to the full Board.
5. Directors' Tenure and Succession

(a) Term Limits. The Board does not favor term limits for directors, but believes that it is important to monitor overall Board performance. Therefore, the Board shall review each director's continuation on the Board every three years. This will allow each director the opportunity to confirm his or her desire to continue as a member of the Board, and also allow the Board an opportunity to review director performance and suitability.

(b) Resignation Policy - Non-independent Directors. Non-independent directors shall offer to resign from the Board upon their resignation, removal or retirement as an officer of the Issuer. The Board has discretion as to whether or not it should accept a tendered resignation.

(c) Directors Changing Their Present Job Responsibilities. Upon a change in a director's business position including, without limitation, retirement from the position on which a director's original nomination was based, the director must notify the Board, which shall review the appropriateness of the affected director remaining on the Board given the changed circumstances. While a change in position or retirement from a position does not mean that the director will be forced to leave the Board, the affected director is expected to act in accordance with the Board's recommendation following such review.

II. Conduct

1. Directors' Duties. The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Issuer and its shareholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Issuer's officers, employees, outside advisors and independent auditors.

   Directors are expected to attend Board meetings, meetings of committees on which they serve and meetings of stockholders absent exceptional cause, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Directors are expected to review meeting materials prior to Board, committee and stockholder meetings and, when possible, should communicate in advance of meetings any questions or concerns that they wish to discuss so that management will be prepared to address the same. Each director's attendance at, and preparation for, Board meetings, stockholder meetings and meetings of committees on which they serve, shall be considered by the Board when voting on director nominees.

2. Board Meetings

(a) Selection of Agenda Items and Executive Sessions. The Chairman and Chief Executive Officer should establish the agenda for Board meetings. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is also free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will meet at least three times a year, in executive session without any members of the Issuer's management, whether or not they are directors, who may otherwise be present and at least once per year, in executive session with only the independent directors present. There may, but does not need to be, a single presiding director at all executive sessions; however the directors meeting in executive session shall have to formulate and disclose the manner by which a presiding director shall be selected for each executive session. If, however, one director is chosen to preside at all executive sessions, his or her name shall be disclosed in the annual proxy statement. The annual proxy statement shall also disclose how interested persons may communicate with any such person or the directors who meet in executive session as a group.

(b) Distribution of Materials. The Issuer shall distribute, sufficiently in advance of meetings to permit meaningful review, any written materials that are important to the Board's understanding of the agenda items and other topics to be considered at a Board meeting. In the event of a pressing need for the Board to meet on short notice or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written materials may not be available in advance of the meeting.

(c) Attendance of Non-Directors. The Board encourages the Chief Executive Officer to bring members of management from time to time into Board meetings to (i) provide management insight into items being discussed by the Board which involve the manager; (ii) make presentations to the Board on matters which involve the manager; and (iii) bring managers with significant potential into contact with the Board. Attendance of management personnel at Board meetings is at the discretion of the Board. Should the Chief Executive Officer desire to add additional members of management as attendees on a regular basis, this should be suggested to the Board for its concurrence.

(d) Number of Meetings. The Board shall hold a minimum of four meetings per year.

3. Share Ownership by Directors. The Board believes that the number of shares of the Issuer's stock owned by each director is a personal decision and encourages stock ownership.
4. Director Compensation. The Board will periodically review directors' fees and other compensation, including how such compensation relates to director compensation for companies of comparable size and complexity. As part of such review, the Board also will consider the impact that excessive director compensation could potentially have on director independence. The Board's

review will include an examination of both direct and indirect forms of compensation to the Issuer's directors, including charitable contributions to organizations in which a director is affiliated, and consulting or similar arrangements.

5. Continuing Director Education. Directors shall be encouraged to participate in continuing education programs.
6. Assessing Board Performance. The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Board will utilize the results of this self-evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board.
7. Access to Officers and Employees. Board members have complete and open access to the Issuer's Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, General Counsel and Chief Compliance Officer. Board members who wish to have access to other members of management should coordinate such access through one of the foregoing.
8. Interaction with Third Parties. The Board believes that management should speak for the Issuer and that the Chairman should speak for the Board. It is suggested that each director shall refer all inquiries from institutional investors, analysts, the press or customers to the Chief Executive Officer or his or her designee.
9. Board Authority. The Board and each committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Issuer in advance.
10. Confidentiality. The Board believes maintaining confidentiality of information and deliberations is an imperative. Information learned during the course of service on the Board is to be held confidential and used solely in furtherance of the Issuer's interests.

III. Committee Issues

1. Board Committees. The Board will have at all times an Audit Committee. Such Committee will consist solely of independent directors satisfying applicable legal, regulatory and stock exchange requirements. Committee members will be appointed by the Board. The Board may, from time to time, establish or maintain additional committees as it deems necessary or appropriate.
2. Rotation of Committee Assignments and Chairs. Committee assignments and the designation of committee chairs should be based on each director's knowledge, interests and areas of expertise. The Board does not favor mandatory rotation of committee assignments or chairs. The Board believes experience and continuity are more important than rotation. Committee members and chairs may be rotated in response to changes in the membership of the Board and in all cases should be rotated only if rotation is likely to improve committee performance.
3. Committee Charters. Each committee shall have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board. The charters will also provide that each committee will annually evaluate its own performance.

4. Frequency and Length of Committee Meetings. The chair of each committee, in consultation with the committee members, will determine the frequency and length of the committee meeting consistent with any requirements set forth in the committee's charter.

IV. Chief Executive Officer Evaluation and Services

The Board should set policies and principles for the selection and performance review of the Chief Executive Officer, as well as policies regarding succession in the event of an emergency or the retirement of the Chief Executive Officer. The Board also shall establish policies and principles for the long-term succession to the position of the Chief Executive Officer.

The Board will conduct an annual review and approve corporate goals and objectives relevant to Chief Executive Officer compensation and set the Chief Executive Officer's compensation level based on this evaluation.