

Skechers U.S.A., Inc.
Compensation Committee Charter

Purpose

The purpose of the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Skechers U.S.A., Inc. (the “Company”) is to:

- discharge the Board’s responsibilities relating to compensation of the Company’s executive officers;
- oversee the administration of the Company’s executive compensation plans; and
- produce an annual report on executive compensation for inclusion in the Company’s proxy statement in accordance with applicable rules and regulations.

Membership

The Committee shall consist of no fewer than two members, the exact number to be determined from time to time by the Board. The members of the Committee shall be appointed by a majority vote by the Board from among its members and shall serve until such member’s successor is duly appointed and qualified or until such member’s resignation or removal by a majority vote of the Board. The Committee members shall meet the independence requirements imposed by the listing standards of the New York Stock Exchange (“NYSE”). The Committee members shall also qualify as “non-employee directors” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended, and as “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

Meetings

The Committee shall meet, either in person or telephonically, with such frequency and at such intervals as it determines is necessary to carry out its duties and responsibilities. Two members of the Committee shall constitute a quorum. When more than two members are present, the act of a majority of such members at a meeting at which a quorum exists shall be the act of the Committee, and when only two members are present, the unanimous vote of the two members shall constitute the act of the Committee. The Committee may request that any directors, executive officers or other employees of the Company, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Committee shall report regularly to the Board on matters within the Committee’s responsibilities, and shall maintain minutes of Committee meetings.

Duties and Responsibilities

The Committee will have the following duties and responsibilities:

1. Review and approve the annual compensation of the Chief Executive Officer (“CEO”) and other named executive officers.
2. Review and make recommendations to the Board with respect to executive compensation plans, including incentive compensation and equity-based compensation.
3. Administer and interpret executive compensation plans as required by the terms of the plans.
4. Review and approve performance goals and objectives with respect to the compensation of the CEO and other executive officers consistent with approved compensation plans.
5. Oversee the performance evaluation of the CEO against approved goals and objectives, and, based on the evaluation, set the CEO’s compensation (including annual base salary, incentive compensation, long-term incentive compensation and equity-based compensation).
6. Review and approve employment, severance, change-in-control, termination, and retirement agreements for the CEO and other executive officers.
7. Review and make recommendations to the Board with respect to significant retirement and benefit plans.
8. The authority to retain and terminate any consultant engaged to assist the Committee in the evaluation of the compensation of directors, the CEO or other executive officers, including the authority to approve the consultant’s fees and other retention terms.
9. Direct preparation of and approve the annual Committee report on executive compensation for inclusion in the Company’s annual proxy statement.
10. Evaluate annually the performance of the Committee and report the results of the evaluation to the Board.
11. Perform such other duties and responsibilities as the Board may, from time to time, assign to the Committee.