

CALLAWAY GOLF COMPANY

Compensation and Management Succession Committee Charter

1. Members. The Board of Directors shall appoint a Compensation and Management Succession Committee of at least three members, consisting entirely of "independent" directors, and designate one member as chairperson. Each member shall serve on the committee at the pleasure of the Board of Directors and may be removed by the Board at any time with or without cause. For purposes hereof, "independent" shall mean a director who has no relationship to the Company that may interfere in the exercise of his or her independence from management and the Company and who otherwise meets the New York Stock Exchange requirements of "independence." Additionally, members of the Compensation and Management Succession Committee must qualify as "non-employee directors" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code.

2. Purpose. The purpose of the Compensation and Management Succession Committee shall be (i) to discharge the responsibilities of the Board relating to compensation of the Company's executives and (ii) to produce the annual report on executive compensation that is required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.

3. Duties and Responsibilities. In furtherance of the purpose of the Compensation and Management Succession Committee, the committee shall have the following specific duties and responsibilities:

- (i) Oversee the Company's overall compensation structure, policies and programs, and assess whether the Company's compensation structure establishes appropriate incentives for management and employees.
- (ii) Administer and make recommendations to the Board with respect to the Company's incentive-compensation and equity-based compensation plans and approve, amend or modify the terms of any compensation or benefit plan that does not require shareholder approval.
- (iii) Administer the Company's employee stock purchase plans and the Company's other incentive compensation plans and equity-based compensation plans, including granting awards under any such plans.
- (iv) Review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO"), evaluate the CEO's performance in light of those goals and objectives, and set the CEO's compensation level based on this evaluation.
- (v) Set the compensation of other executive officers based upon the recommendation of the CEO.

- (vi) Review and approve employment agreements and severance arrangements for executive officers, including change-in-control provisions, plans or agreements.
- (vii) Review periodically succession plans relating to positions held by executive officers, and make recommendations to the Board regarding the selection of individuals to fill these positions.
- (viii) Annually evaluate the performance of the Compensation and Management Succession Committee and the adequacy of the Compensation and Management Succession Committee charter.
- (ix) Perform such other duties and responsibilities as are consistent with the purpose of the Compensation and Management Succession Committee or as may be assigned from time to time by the Board.

4. Delegations. The Compensation and Management Succession Committee may delegate any of the foregoing duties and responsibilities to a subcommittee consisting of not less than two members of the committee. The Committee in its discretion may delegate to the CEO the authority to set the compensation for certain non-executive officers.

5. Outside Advisors. The Compensation Committee shall have the authority to retain at the expense of the Company such outside counsel, experts, and other advisors as it determines appropriate to assist it in the full performance of its functions, including sole authority to retain and terminate any compensation consultant used to assist the committee in the evaluation of compensation, and to approve the consultant's fees and other retention terms.

6. Meetings. The Compensation and Management Succession Committee meeting shall meet or otherwise take action as often as may be deemed necessary or appropriate in its judgment, either in person, telephonically or by written consent. The Compensation and Management Succession Committee shall report regularly to the full Board of Directors with respect to its meetings. The majority of the members of the Compensation and Management Succession Committee shall constitute a quorum. Every act done or decision made by a majority of the members of the Compensation and Management Succession Committee present at a duly held meeting at which a quorum is present shall be regarded as the act of the Compensation and Management Succession Committee, subject to the provisions of the Company's Certificate of Incorporation or Bylaws and subject to applicable laws or regulations.