

## **K2 Inc.**

### **COMPENSATION COMMITTEE CHARTER**

Adopted by the Board of Directors as of February 11, 2005

This charter, as amended from time to time, shall govern the operations of the Compensation Committee of K2 Inc. (the "*Company*"). The primary purpose of the committee is to have direct responsibility for the compensation of the Company's Chief Executive Officer ("CEO") and other senior management personnel and for making recommendations to the Board of Directors with respect to non-CEO executive officer compensation, and incentive compensation and equity-based plans that are subject to Board approval. The committee also prepares the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement.

#### ***Organization and Qualifications***

The committee shall be appointed by the Board of Directors upon the recommendation of the Corporate Governance and Nominating Committee and shall be comprised of at least three independent directors, including one chair. For purposes hereof, the term "independent" shall mean a director who meets the independence requirements of the New York Stock Exchange, as determined by the Board. Additionally, members of the Compensation Committee must qualify as "non-employee directors" for purposes of Rule 16b-3 under the Securities and Exchange Act of 1934, and as "outside directors" for purposes of Section 162(m) of the Internal Revenue Code.

The committee shall meet as often as may be deemed necessary or appropriate, in its judgment, either in person or telephonically, and at such times and places as the committee determines. The committee shall report regularly to the full Board of Directors with respect to its activities.

The committee shall have the authority to retain such outside counsel, experts and other advisors as it determines appropriate to assist it in the performance of its functions.

#### ***Responsibilities and Processes***

The committee shall follow such procedures and policies as it deems appropriate, and its specific duties and responsibilities shall include, without limitation, the following:

1. The committee shall 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.
2. The committee shall administer and make recommendations to the Board with respect to the Company's incentive compensation and equity-based compensation plans (to the extent such plans are subject to Board approval) for senior management.

3. The committee shall review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the CEO's performance in light of those goals and objectives, and based on this evaluation, recommend the CEO's compensation level to the independent directors for approval or approve such compensation.

4. The committee shall evaluate the performance of senior management personnel other than the CEO, and consider and authorize or make recommendations to the Board concerning compensation arrangements for senior management, including stock option and other stock incentive awards.

5. The committee shall review and approve the design of other benefit plans for senior management.

6. The committee shall review and recommend employment agreements and severance arrangements for senior management, including change-in-control provisions, plans or agreements.

7. The committee shall evaluate its performance annually, and shall review and reassess the adequacy of this charter annually and recommend any changes believed to be appropriate to the Board of Directors.