

# **QUIKSILVER, INC.**

## **Charter for Compensation Committee**

### **ARTICLE I FORMATION**

The Board of Directors of Quiksilver, Inc., a Delaware corporation (the “Company”), has established the Compensation Committee pursuant to Section 141(c)(2) of the Delaware General Corporation Law and Article III, Section 10 of the Company’s Bylaws.

### **ARTICLE II COMPOSITION**

The Compensation Committee (the “Committee”) shall be comprised of not less than two members of the Board of Directors of the Company. Subject to the foregoing, the exact number of members of the Compensation Committee shall be fixed and may be changed from time by resolution duly adopted by the Board of Directors. The Committee members will be appointed by the Board of Directors and may be removed by the Board in its discretion. Each member shall be independent as defined in the listing standards of the New York Stock Exchange in effect from time to time (referred to below as the “Listing Standards”) and the Board of Directors shall have affirmatively determined that the member is independent. As more clearly set forth in the Listing Standards, members must not have any current or past relationships with the Company which would interfere with their exercise of independent judgment or otherwise fail to meet the independent standards set forth in the Listing Standards. In addition, each member of the Committee also shall satisfy all requirements necessary from time to time to be “disinterested directors” under Securities and Exchange Commission Rule 16b-3 and qualified “outside directors” under Section 162(m) of the Internal Revenue Code and related regulations, all as amended from time to time.

### **ARTICLE III PURPOSE AND RESPONSIBILITIES**

The primary purpose of the Compensation Committee is to: (i) assist the Board of Directors in discharging its responsibilities in respect of compensation of the Company’s executive officers and directors; and (ii) produce an annual report on executive compensation for inclusion in the Company’s proxy statement.

The Committee shall:

- Review and approve the Company’s goals and objectives, relevant to CEO compensation, evaluate the CEO’s performance in light of those goals and

objectives, and have sole authority to/together with the other independent directors determine the CEO's compensation level based on this evaluation.

- Consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEO's at comparable companies, and the awards given to the Company's CEO in past years when determining the long-term component of the CEO's compensation.
- Make recommendations to the Board with respect to non-CEO executive compensation, incentive-compensation plans and equity based plans.
- Review and approve on behalf of the full Board, the annual salary, bonus and other benefits, direct and indirect, of executive officers. This authority extends to the approval of employment agreements between the Company and such employees.
- Review and approve individual stock option grants for employees pursuant to plans approved by the Board.
- Review periodically and administer the Company's existing stock option, stock incentive, stock purchase and stock bonus plans or arrangements and make recommendations to the full Board for changes, if any, to such plans.
- Review periodically and submit to the full Board recommendations concerning existing or new executive compensation, employee benefits, stock plans or management perquisites.
- Produce an annual report on executive compensation for inclusion in the proxy statement as the Compensation Committee Report.
- Conduct an annual review of non-employee director compensation and, if appropriate, recommend any changes in the type or amount of non-employee director compensation. The Committee should consider that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which a director is affiliated. Compensation of non-employee directors should be comparable to that offered by other companies of similar size and scope and a portion of director compensation should be in the form of stock or stock options.
- Make regular reports to the Board and propose any necessary action to the Board.
- Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.

- Evaluate its performance as the Compensation Committee on an annual basis.
- Perform such other specific functions as the Company's Board of Directors may from time to time direct.

#### **ARTICLE IV AUTHORITY AND PROCEDURES**

The Compensation Committee shall meet at least twice a year and shall keep regular minutes of its meetings. The Committee, as it may determine to be appropriate, may meet in separate executive sessions with other directors, the CEO and other Company employees, agents or representatives invited by the Committee. The Committee's Chairman shall be designated by the full Board or, if it does not do so, the Committee members shall elect a Chairman by a vote of a majority of the full Committee. The Chairman of the Committee will preside at each meeting of the Committee and, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each meeting. The Committee is at all times authorized to have direct, independent access to the Company's other directors and management. The Committee shall have the power to hire independent legal, financial or other advisors, as it deems necessary, without consulting or obtaining the approval of any officer of the Company in advance. The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate, provided the subcommittee is composed entirely of independent directors and has a published committee charter.