

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 three 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 and all other eligibility 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 (the “Exchange Act”). Unless a Chair is designated by the Board, the Committee may designate a Chair by majority vote of the full Committee membership.

Meetings

The Committee shall meet at least four times annually (in the absence of unusual circumstances), or more frequently as circumstances dictate. 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 executive officers.
2. Review and approve or make recommendations to the Board with respect to executive compensation plans and arrangements in which officers participate.
3. Administer and interpret incentive and equity-based compensation plans and arrangements, including executive compensation plans and arrangements in which officers participate, and make grants of cash-based and equity-based awards under these 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 and oversee the Company’s succession planning for the CEO and other executive officer roles.
8. Direct preparation of and approve the annual Committee report on executive compensation for inclusion in the Company’s annual proxy statement. To the extent that the Company is required to include a “Compensation Discussion and Analysis” (“CD&A”) in the Company’s Annual Report on Form 10-K or annual proxy statement, the Committee will review and discuss with management the Company’s CD&A and will consider whether it will recommend to the Board that the Company’s CD&A be included in the appropriate filing. In addition and as appropriate, the Committee will review and discuss with management any further disclosures related to executive compensation and human capital management not contained in the Company’s CD&A but provided elsewhere in the Company’s annual proxy statement or Annual Report on Form 10-K, as applicable.
9. Review the results of the most recent say-on-pay vote in connection with the Committee’s ongoing determinations and recommendations regarding executive compensation policies and practices.

10. Advise the Board on management proposals to stockholders regarding executive compensation matters (e.g., say-on-pay and equity plan proposals) and proposals received from stockholders regarding executive compensation matters.

11. Assess annually the extent to which risks, if any, arising from the Company's compensation policies and practices for its employees are reasonably likely to have a material adverse effect on the Company, and if triggered, direct preparation of and approve the required disclosure in the Company's annual proxy statement.

12. Consistent with any applicable requirements of the Exchange Act and NYSE listing standards, the Committee: (i) may, in its sole discretion, retain or obtain the advice of, and terminate, a compensation consultant, legal counsel or other adviser ("compensation advisers"); (ii) shall be directly responsible for the appointment, determination of compensation and oversight of the work of any compensation advisers retained by the Committee; (iii) subject to any exceptions under NYSE listing standards, undertake an analysis of the independence of each compensation adviser to the Committee, taking into consideration all factors relevant to that person's independence from management, including the independence factors specified in the applicable requirements of the Exchange Act and NYSE listing standards, with such analysis to occur prior to selection of such compensation advisor and as appropriate thereafter; and (iv) have such additional authority and responsibility as may be required from time to time under the rules and guidelines of the Exchange Act and NYSE listing standards. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to a compensation adviser retained by the Committee.

13. Review and make recommendations to the Board regarding director compensation.

14. Comprehensively address miscellaneous expenses (e.g., purchase of general industry executive compensation surveys). 15. Administer and oversee the Company's compliance with the compensation recovery policy and stock ownership policy required by applicable SEC and NYSE rules.

16. Oversee the Company's strategies, policies and practices with respect to human capital management and talent development, including with respect to matters such as diversity, equity and inclusion, workplace environment and culture, employee engagement and effectiveness, and talent recruitment, development and retention.

17. Perform such other duties and responsibilities as the Board may, from time to time, assign to the Committee and exercise any other powers and carry out any other responsibilities consistent with this Charter, the purposes of the Committee, the Company's bylaws and applicable NYSE rules. In fulfilling its responsibilities, the Committee has the authority to delegate any or all of its responsibilities to a subcommittee of the Committee or as otherwise permitted by the terms of any compensation or benefit plan, program, policy, agreement or arrangement approved by the Committee or the Board.

18. Evaluate annually the performance of the Committee and report the results of the evaluation to the Board.

19. Periodically review and reassess this Charter and submit any recommended changes to the Board for its consideration.