

SKECHERS U.S.A., INC.

AUDIT COMMITTEE CHARTER

Purpose:

The purpose of the Audit Committee of the Board of Directors is to assist the Board in fulfilling its responsibility for oversight and evaluation of (1) the quality and integrity of the Company's financial statements, (2) the effectiveness of the Company's internal control over financial reporting, (3) the Company's compliance with legal and regulatory requirements, (4) the registered public accounting firm's qualifications and independence, and (5) the performance of the Company's internal audit function and registered public accounting firm, and such other duties as directed by the Board. The Audit Committee is expected to maintain free and open communication (including separate private executive sessions at least annually) with the registered public accounting firm, the internal auditors and the management of the Company. In discharging this oversight role, the Audit Committee is empowered to investigate any matter brought to its attention, with full power to retain external auditors, outside counsel or other experts for this purpose. The Audit Committee shall review this Charter periodically and recommend any proposed changes to the Board for approval.

Audit Committee Composition and Meetings:

The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall satisfy the independence requirements of the New York Stock Exchange and Section 10A of the Securities Exchange Act of 1934, as amended by the Sarbanes-Oxley Act of 2002, and the rules promulgated thereunder. Each member of the Audit Committee shall be financially literate, as determined by the Board in accordance with the New York Stock Exchange Rules. At least one member of the Audit Committee shall (i) qualify as a "financial expert" within the meaning of the rules of the Securities and Exchange Commission ("SEC") and (ii) have "accounting or related financial management expertise" within the meaning of the rules of the New York Stock Exchange. Audit Committee members shall not simultaneously serve on the audit committees of more than three public companies. Directors' fees (including fees for attendance at meetings of committees of the Board) are the only compensation that an Audit Committee member may receive from the Company.

Audit Committee members shall be appointed by the Board. If an Audit Committee Chair is not designated or present, the members of the Audit Committee may, subject to the provisions of the preceding paragraph, designate a Chair by majority vote of the Audit Committee membership.

The Audit Committee shall meet at least four times annually (in the absence of unusual circumstances), or more frequently as circumstances dictate. The Audit Committee Chair shall approve an agenda in advance of each meeting. The Audit Committee shall report its activities to the Board of Directors on a regular basis and make such recommendations as the Audit Committee may deem necessary or appropriate.

Audit Committee Responsibilities and Duties:

(1) The Audit Committee is directly responsible for the appointment, compensation and oversight of the work of the registered public accounting firm and any other independent auditors engaged by the Company (including resolution of disagreements between management and the auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company or related work. The registered public accounting firm, and any such other independent auditors, shall report directly to the Audit Committee. The Audit Committee shall have the sole authority to appoint or replace the registered public accounting firm that audits the financial statements of the Company. The Audit Committee shall have the ultimate authority and responsibility to evaluate the qualifications, performance and independence of the registered public accounting firm. In the process, the Audit Committee will (i) discuss and consider the auditors' written affirmation that the registered public accounting firm is in fact independent, (ii) discuss the nature and rigor of the audit process, receive and review all reports and (iii) provide to the registered public accounting firm full access to the Audit Committee (and the Board) to report on any and all appropriate matters. The evaluation of the registered public accounting firm shall include a review and evaluation of the lead partner of the registered public accounting firm, taking into account the opinions of management and the Company's internal auditors. The Audit Committee will assure the regular rotation of the registered public accounting firm's lead and concurring audit partners serving on the Company's audit engagement team, as well as the rotation of any other persons on the Company's audit engagement team who fall within the definition of "audit partner," as defined by applicable SEC regulation, in each case as required by applicable law. In order to assure continuing auditor independence, the Audit Committee will consider whether it is appropriate to adopt a policy of rotating the Company's registered public accounting firm itself on a regular basis. The Audit Committee shall present its conclusions with respect to the registered public accounting firm to the full Board of Directors.

(2) The Audit Committee shall obtain and review a report from the registered public accounting firm at least annually regarding (i) the registered public accounting firm's internal quality-control procedures, (ii) any material issues raised by the most recent quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (iii) any steps taken to deal with any such issues, and (iv) all relationships between the registered public accounting firm and the Company.

(3) The Audit Committee shall review the registered public accounting firm's audit plan - discuss scope, staffing, budget, locations, reliance upon management, and internal audit and general audit approach. Pre-approve the fees and other significant compensation to be paid to the registered public accounting firm as well as pre-approve all non-audit engagements with the registered public accounting firm. The Audit Committee shall consult with management but shall not delegate these responsibilities, except that pre-approvals of non-audit services may be delegated to a single member of the Audit Committee.

(4) The Audit Committee shall review the Company's annual audited financial statements prior to filing or distribution, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Review should include discussion with management and the registered public accounting firm of significant issues regarding accounting principles, practices and judgments. The Audit Committee shall advise management and the registered public accounting firm that they are expected to provide to the Audit Committee a timely analysis of significant financial reporting issues and practices; and obtain from the registered public accounting firm assurance that the audit was conducted in a manner consistent with Section 10A of the Securities Exchange Act of 1934, as amended, which sets forth certain procedures to be followed in any audit of financial statements required under the Securities Exchange Act of 1934, as amended.

(5) The Audit Committee shall review reports from the registered public accounting firm on (i) the Company's critical accounting policies and practices, (ii) all alternative treatments of financial information permitted under GAAP that have been discussed with management, the ramifications of the use of such treatments and the treatment preferred by the registered public accounting firm, and (iii) all other material written communications between the registered public accounting firm and management.

(6) The Audit Committee shall review with financial management and the registered public accounting firm the Company's quarterly financial results prior to the release of earnings and/or the Company's quarterly financial statements prior to filing or distribution including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Audit Committee shall review and discuss with financial management earnings press releases (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP, information), and discuss financial information and earnings guidance, if any, provided to analysts and rating agencies. The Audit Committee shall discuss any significant changes to the Company's accounting principles and any items required to be communicated by the registered public accounting firm in accordance with Auditing Standard No. 16, *Communications with Audit Committees*.

(7) The Audit Committee shall, in consultation with management and the registered public accounting firm, consider the adequacy and effectiveness of the Company's financial reporting processes and controls. The Audit Committee shall discuss policies with respect to risk assessment and risk management, including discussion of significant financial risk exposures and risk of fraud and the steps management has taken to monitor, control and report such exposures.

(8) The Audit Committee shall review with the registered public accounting firm significant findings prepared by the registered public accounting firm together with any audit problems or difficulties and management's responses. The review shall include the resolution of any significant problems or difficulties and management's responses, including with respect to: (1) any restrictions on the scope of the registered public accounting firm's activities or access to requested information; (2) any significant disagreements with management; (3) any accounting misstatements or disclosures that were noted or proposed by the auditor but were "passed" as immaterial; (4) any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement; and (5) any "management" or "internal controls" letter issued or proposed to be issued. The review shall include the resolution of any significant problems and material disputes between management and the registered public accounting firm and a discussion with the registered public accounting firm out of management's presence of the quality of the Company's accounting principles as

applied in its financial reporting, including any significant changes in the Company's selection or application of accounting principles, the clarity of the Company's financial disclosures and a discussion of other significant decisions made by management in preparing the financial disclosures.

(9) The Audit Committee shall obtain and review disclosures made by the Company's principal executive officer and principal financial officer regarding compliance with their certification obligations as required under the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder, including the Company's disclosure controls and procedures and internal controls for financial reporting and evaluations thereof.

(10) The Audit Committee shall review with the Company's General Counsel legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.

(11) The Audit Committee shall review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.

(12) The Audit Committee shall meet at least annually and separately with management, with internal auditors (or other personnel responsible for the internal audit function) and with the registered public accounting firm.

(13) With respect to the Company's internal audit and risk management functions, the Audit Committee shall:

- review the appointment, retention and/or replacement of the vice president of the internal audit department (or other person, persons or outside firm responsible for the Company's internal audit function) and ensure the independence of the vice president of the internal audit department, or, at the discretion of the Board, select and contract with an outside accounting firm to serve as the Company's internal auditors and perform the Company's internal audit function;
- approve, and periodically review and revise as necessary, an Internal Audit Charter, which describes the mission, scope of work, independence, authority, and responsibilities conferred by the Audit Committee on the Company's Internal Audit function;
- advise the vice president of the internal audit department (or other person, persons or outside firm responsible for the Company's internal audit function) that he or she is expected to provide to the Audit Committee summaries of and, as appropriate, the significant reports to management prepared by the internal audit department (or other person, persons or outside firm responsible for the Company's internal audit function) and management's responses thereto and review such reports;
- discuss with the Company's registered public accounting firm responsibilities of the internal audit department (or such other person, persons or outside firm responsible for the Company's internal audit function), the budget and staffing relative to the

Company's internal audit function and any recommended changes in the planned scope of the Company's internal audit; and

- discuss with the internal auditor department management's process for assessing the effectiveness of internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002, including any material weaknesses or significant deficiencies identified.

(14) The Audit Committee shall discuss with the registered public accounting firm the characterization of deficiencies in internal control over financial reporting. The Audit Committee shall also discuss with management its remediation plan to address internal control deficiencies.

(15) The Audit Committee shall receive periodic reports from the registered public accounting firm regarding the registered public accounting firm's independence, discuss such reports with them, and, if so determined by the Audit Committee, take appropriate action to satisfy itself of the independence of the registered public accounting firm.

(16) The Audit Committee shall review the Company's policies and practices related to compliance with the law, the Company's Code of Ethical Conduct, and conflicts of interest, to be satisfied that such policies are adequate and adhered to by the Company and its executive officers and directors.

(17) The Audit Committee shall review (i) at least annually a summary of directors' and officers' related party transactions and potential conflicts of interest and the Company's policies relating to the avoidance of conflicts of interest, (ii) past and proposed transactions between the Company, on the one hand, and any related parties, including its directors and executive officers, on the other hand, and (iii) policies and procedures as well as audit results associated with directors' and officers' expense accounts and perquisites, including the use of corporate assets. The Audit Committee will discuss with management the business rationale for the transactions and whether appropriate disclosures have been made under SEC Regulation S-K Item 404. The Audit Committee shall consider the results of any review of any of the foregoing by the Company's registered public accounting firm.

(18) The Audit Committee shall maintain and review annually procedures for (i) the receipt, retention and treatment of complaints received by the Committee regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

(19) The Audit Committee shall set clear hiring policies for employees or former employees of the registered public accounting firm.

(20) The Audit Committee shall annually prepare an audit committee report to stockholders as required by the Securities and Exchange Commission. The report should be included in the Company's annual proxy statement.

(21) The Audit Committee shall annually conduct a self-evaluation of the Audit Committee in conjunction with the self-evaluation performed by the Board of Directors.

(22) The Audit Committee shall have the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

(23) The Audit Committee shall provide for appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the Board, for payment of:

- compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
- compensation of any advisors employed by the Audit Committee to assist the Audit Committee in carrying out its duties; and
- ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

While the Audit Committee has the responsibilities and powers set forth in this Charter, the Audit Committee's function is one of oversight. The Company's management is responsible for preparing the Company's financial statements and, along with the internal auditors, for developing and maintaining systems of internal accounting and financial controls. The registered public accounting firm will assist the Audit Committee in fulfilling its responsibilities for the review of these financial statements and internal controls. The Audit Committee expects the registered public accounting firm to call its attention to any accounting, auditing, internal accounting control, regulatory or other related matters that they believe warrant consideration or action. The Audit Committee recognizes that the financial management and the internal auditors and registered public accounting firm have more knowledge and information about the Company than do Audit Committee members. Consequently, in carrying out its oversight responsibilities, the Audit Committee does not provide any expert or special assurance as to the Company's financial statements or internal controls or any professional certification as to the registered public accounting firm's work.