

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 two 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”), and as “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

Meetings

The Committee shall meet, either in person or telephonically, with such frequency and at such intervals as it determines is necessary to carry out its duties and responsibilities. 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 make recommendations to the Board with respect to executive compensation plans, including incentive compensation and equity-based compensation.
3. Administer and interpret executive compensation plans as required by the terms of the 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.
8. The authority to retain and terminate any consultant engaged to assist the Committee in the evaluation of the compensation of directors, the CEO or other executive officers, including the authority to approve the consultant’s fees and other retention terms.
9. Direct preparation of and approve the annual Committee report on executive compensation for inclusion in the Company’s annual proxy statement.
10. Evaluate annually the performance of the Committee and report the results of the evaluation to the Board.
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. Perform such other duties and responsibilities as the Board may, from time to time, assign to the Committee.