

**CHARTER OF THE COMPENSATION COMMITTEE  
OF THE BOARD OF DIRECTORS  
OF  
MALIBU BOATS, INC.**

This Compensation Committee Charter (“Charter”) has been adopted by the Board of Directors (the “Board”) of Malibu Boats, Inc. (the “Company”). This Charter, as adopted by the Board on January 6, 2014, is effective as of January 30, 2014.

**ARTICLE I.**

**Purpose**

The Compensation Committee (the “Committee”) of the Company is appointed by the Board to discharge the Board’s oversight responsibilities relating to the compensation plans, policies and programs of the Company, including performance review responsibilities as more particularly set forth herein.

**ARTICLE II.**

**Composition**

The Committee shall be comprised of two or more directors, as determined by the Board. The members of the Committee shall be appointed and may be removed by the Board on the recommendation of the independent directors of the Board. Subject to the applicable phase-in periods following the initial public offering of the Company’s shares of Class A Common Stock under the listing of such shares on The Nasdaq Stock Market (“Nasdaq”), each Committee member shall meet the independence and other requirements for serving on compensation committees, as set forth in the applicable Nasdaq rules. In the event that any member of the Committee does not qualify as a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), such member may continue to serve on the Committee so long as (i) the Board approves all equity-based awards and compensatory equity grants made by the Company in accordance with Rule 16b-3 under the Exchange Act or (ii) any such member who does not qualify as a “non-employee director” for purposes of Rule 16b-3 under the Exchange Act abstains and recuses himself or herself from the approval of any equity-based awards and compensatory equity grants made by the Company in accordance with Rule 16b-3 under the Exchange Act (with a subcommittee consisting solely of two or more “non-employee directors” approving such awards and grants). In addition, at least two members of the Committee shall each qualify as an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”). Only members of the Committee who qualify as outside directors shall participate in discussions regarding awards that are intended to qualify as performance-based compensation within the meaning of Section 162(m) of the Internal Revenue Code. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the Board.

The Board will designate one member of the Committee to serve as its Chair. The Chair shall be responsible for leadership of the Committee, including scheduling and presiding over meetings, preparing agendas and making regular reports to the Board.

### **ARTICLE III.**

#### **Meetings**

The Committee will meet as often as the members deem necessary to perform the Committee's responsibilities or as circumstances require but, in any case, not less than twice per year. The Committee should, as often as it determines is necessary, reasonable or appropriate, meet with the executive officers of the Company and other members of management in separate executive sessions to discuss any matters that the Committee or any of these persons believe should be discussed privately. The Committee shall keep minutes of its actions.

The Committee may set its own rules of procedure and may delegate authority to subcommittees of its members. The Committee may also delegate to the Company's Chief Executive Officer ("CEO") the authority to make, within the framework of the Committee's compensation philosophy or objectives that it has adopted from time to time, compensation decisions with respect to non-executive employees of the Company. Such delegation may include the authority to make equity incentive awards to such non-executive employees pursuant to the equity incentive arrangements that have been duly adopted by the Company.

### **ARTICLE IV.**

#### **Committee Authority and Responsibilities**

1. The Committee is generally responsible for the following:
  - (a) reviewing and approving compensation arrangements with the CEO (without the presence of the CEO during voting or related deliberations) and each of the other executive officers of the Company, including without limitation, to the extent applicable, each officer of the Company who is a "named executive officer" as defined in Item 402 of Regulation S-K or who is an "officer" for purposes of Section 16 of the Exchange Act, and for such other senior officers of the Company as the Committee deems appropriate (collectively, the "Executive Officers"), including:
    - (i) annual base salary level;
    - (ii) bonus and other annual incentives;
    - (iii) options, equity grants, supplemental executive retirement plans and other long-term incentives;
    - (iv) employment agreements, offer letters, term sheets, retention agreements, severance/separation/release arrangements, and change in control provisions/agreements, and/or relocation agreements, and any amendments, supplements and policy modifications thereto, in each case to the extent applicable;
    - (v) any other perquisites or supplemental benefits, other than those available generally to salaried employees;
    - (vi) any other employment, compensation, or benefit related-terms that is either non-customary or not in the form approved by the Committee; and

- (vii) any amendments, supplements or modifications to any of the foregoing clauses (i) through (vi).
  - (b) reviewing and advising the CEO with respect to compensation, including equity and non-equity incentives for key non-executive management employees of the Company;
  - (c) making recommendations to the Board regarding the Company's overall equity-based incentive compensation programs;
  - (d) approving, adopting, amending and/or terminating any of the Company's employee incentive plans, including without limitation, (i) the Long-Term Incentive Plan and (ii) any plan relating to the grant of restricted stock, options or other equity awards or equity-based compensation, and all other employee incentive plans.
  - (e) administering and granting awards under the Company's equity-based incentive plans and non-equity-based incentive plans;
  - (f) overseeing the administration of other material employee benefit plans for the Company and its subsidiaries, including any 401(k) plan
  - (g) consistent with paragraph 2 of this Article, administering a performance review process for the CEO and other Executive Officers;
  - (h) reviewing and advising the CEO with respect to a review process for key non-executive management team members;
  - (i) with the CEO, overseeing a key non-executive management development program;
  - (j) periodically reviewing the succession plan for the CEO and other Executive Officers as appropriate; and
  - (k) reviewing the Company's director compensation and benefits at least every three years and recommending any appropriate changes to the Board.
2. The Committee shall annually review and approve corporate goals and objectives relevant to the compensation of the CEO and the Executive Officers, evaluate the performance of the CEO and the Executive Officers in light of those goals and objectives, and approve, or recommend to the independent directors the approval of, the compensation levels for the CEO and the Executive Officers based on this evaluation. In determining the long-term incentive component of executive officer compensation, the Committee will consider the Company's performance and relative stockholder return, the value of similar incentive awards to executive officers at comparable companies and the awards given to the CEO and Executive Officers in past years. The Committee shall annually review incentive compensation arrangements to confirm that incentive pay arrangements do not encourage unnecessary risk-taking and report the results thereof to the Board.
3. The Committee shall make regular reports to the Board at least annually and will propose any necessary action to the Board. The Committee shall produce an executive compensation report for inclusion in the Company's proxy statement for its annual stockholders meeting as the "Compensation Committee Report." The Committee shall review and discuss with the Company's management the "Compensation Discussion and Analysis," as and if required by SEC

rules and regulations to be included in the Company's proxy statement and Annual Report on Form 10-K, and determine whether to recommend to the Board that the "Compensation Discussion and Analysis" be included in the Company's proxy statement and Annual Report on Form 10-K.

4. The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of and terminate the services of one or more compensation consultants, independent legal counsel or other advisers (each, an "Adviser") as it determines necessary to fulfill or assist with the execution of its duties and responsibilities. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Adviser retained by the Committee and shall evaluate whether any Adviser that is a compensation consultant retained or to be retained by the Committee has any conflict of interest requiring disclosure in accordance with SEC rules and regulations. The Committee may select an Adviser only after taking into consideration all factors relevant to such Adviser's independence from management of the Company, including any and all applicable factors set forth in SEC rules and regulations and applicable Nasdaq rules. Notwithstanding the foregoing, the Committee may select or obtain advice from any Adviser it prefers, including Advisers that are not independent, provided that it has considered any and all applicable independence factors before selecting or obtaining advice from the Adviser. Further, the Committee is not required to assess the independence of any Adviser that acts in a role limited to (a) consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors of the Company and that is generally available to all salaried employees or (b) providing information that is not customized for the Company or that is customized based on parameters that are not developed by the Adviser, and about which the Adviser does not provide advice. The Company shall provide appropriate funding for the Committee, as determined by the Committee, for the payment of reasonable compensation to any Adviser retained by the Committee. Notwithstanding anything herein to the contrary, the Committee shall not be required to implement or act consistently with the advice or recommendations of any Adviser, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in the fulfillment of its duties under this Charter.

## **ARTICLE V**

### **Annual Performance Evaluation**

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee will conduct an annual self-evaluation to determine whether it is functioning effectively. The Committee will receive comments from all directors and report annually to the Board with an assessment of its performance. The assessment will focus on the Committee's contribution to the Company and specifically focus on areas in which the Board believes the Committee could improve.

## **ARTICLE VI**

### **Reliance On Others**

Nothing in this Charter is intended to preclude or impair the protection provided in Section 141(e) of the Delaware General Corporation Law for good faith reliance by members of the Committee on reports or other information provided by others.