

## **COMPENSATION COMMITTEE CHARTER OF GOLFSMITH INTERNATIONAL HOLDINGS, INC.**

The Board of Directors (the “Board”) of Golfsmith International Holdings, Inc. (the “Company”) has constituted and established a Compensation Committee (the “Committee”) with the authority, responsibility and specific duties as described in this Compensation Committee Charter (this “Charter”).

### **I. Purpose**

The primary purpose of the Committee is (1) to assist the Board in fulfilling its responsibilities relating to compensation of the Company’s directors, Chief Executive Officer (the “CEO”) and other executive officers, and (2) to produce an annual report on executive compensation for public disclosure in the Company’s proxy statement or otherwise, as required by applicable securities laws and the rules and regulations promulgated thereunder.

The purposes and provisions specified in this Charter are meant to serve as guidelines, and the Committee is delegated the authority to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities. Unless otherwise prescribed in this Charter, the rules and procedures applicable to the operation of the Board shall apply to the operation of the Committee with any necessary changes. Nothing herein is intended to expand applicable standards of liability under state or federal law for directors of a corporation.

### **II. Membership**

The members of the Committee shall consist of two or more members of the Board. At such time as the Company shall cease to qualify as a “controlled company” under the rules of the Nasdaq National Market (the “CC Termination Date”), the size of the Committee shall be increased to three members, one member of the Committee shall qualify as an “independent director” under applicable law and the rules of the Nasdaq National Market. Ninety days following the CC Termination Date, a majority of the members of the Committee shall qualify as “independent directors.” Within one year following the CC Termination Date, all members of the Committee shall qualify as “independent directors.”

The Committee’s members shall be appointed by and serve at the discretion of the Board. Members shall serve until their successors are duly designated and qualified. Any member of the Committee may be removed at any time, with or without cause, by a majority of the Board then in office. Any vacancy in the Committee occurring for any cause whatsoever may be filled by a majority of the Board then in office.

The Committee’s chairperson shall be designated by the Board. A majority of the members of the Committee shall constitute a quorum for the transaction of business and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

### **III. Meetings and Authority**

The Committee shall meet at least two times annually or more frequently as circumstances require. The chairperson of the Committee will preside at each meeting of the Committee and, in consultation with the other member(s) of the Committee, shall determine the frequency and length of each meeting and the agenda of items to be addressed at each meeting.

The Committee may ask members of management or others to attend meetings and provide pertinent information, as necessary.

The Committee shall have the power to retain, without Board approval and at the Company's expense, and terminate, as it deems appropriate, outside counsel, compensation consultants, and other experts and consultants to assist the Committee in connection with its responsibilities, and shall have the sole authority to approve such firms' fees and other retention terms.

The Committee may delegate its authority to subcommittees established from time to time by the Committee, which subcommittees shall consist of one or more members of the Committee or the Board of Directors, and shall report to the Committee.

### **IV. Duties and Responsibilities**

The Committee shall have the power and authority of the Board to perform the following duties and to fulfill the following responsibilities:

1. Review from time to time and approve the overall compensation policies of the Company, including, in particular, policies applicable to the Company's executive officers, to ensure that management is rewarded appropriately for its contributions to the Company's growth and profitability, and that such compensation policies are aligned with the Company's objectives and stockholders' interests.
2. Review corporate goals and objectives relevant to the compensation of the CEO of the Company, evaluate the performance of the CEO in light of the such goals and objectives, and recommend elements of compensation of the CEO to the Board based on such evaluation. In determining the long-term incentive component of the CEO's compensation, the Committee shall consider the Company's performance and relative stockholder return, the value of similar incentive awards to chief executive officers at other companies comparable to the Company and the awards given to the CEO in past years. The CEO may not be present during deliberations or voting concerning compensation of the CEO.
3. Review, approve and at least annually evaluate the Company's compensation and other benefit plans, including incentive compensation and equity-based plans and programs for the CEO and other named executive officers, and make recommendations to the Board as necessary. Review and propose any amendments and modifications to any such incentive compensation and equity-based plans or programs requiring approval of the Board, subject to applicable stockholder approval requirements.

4. Establish rules and regulations and perform all other administrative or management duties required of the Board or the Committee by the provisions of any compensation or benefit plan maintained by the Company.
5. Review and approve the granting of options, restricted stock, stock appreciation rights and other equity-based grants consistent with the Company's incentive compensation plans and programs and compensation strategy.
6. Oversee compliance with the compensation reporting requirements of the Securities and Exchange Commission.
7. Review, periodically evaluate and make recommendations to the Board regarding the compensation and benefits for the Company's non-employee directors.
8. Periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for consideration and approval. Conduct an annual self-performance evaluation of the Committee.
9. Perform any other activities consistent with this Charter, the Company's bylaws and applicable law as the Committee or the Board may deem appropriate.

**V. Reporting**

The Committee will apprise the Board regularly of significant developments in the course of performing the above responsibilities and duties.

Last amended: May 6, 2008