



Effective Date: July 21, 2013

## COMPENSATION COMMITTEE CHARTER

This Charter (the "**Charter**") of the Compensation Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Fox Factory Holding Corp., a Delaware corporation (the "**Company**"), was adopted by the Board on July 21, 2013.

### I. Purpose

The primary purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities related to the Company's compensation structure and compensation, including equity compensation and other remunerations paid by the Company ("**Compensation and other Remunerations**").

The Committee has overall responsibility for: (a) overseeing the Company's compensation policies, plans and benefit programs; (b) reviewing the compensation of members of the Board ("**Directors**"); (c) reviewing and determining, or recommending to the Board for determination, (i) annual base salaries, (ii) annual incentive bonuses, including the specific goals and amounts, (iii) annual equity compensation, (iv) employment agreements, (v) severance arrangements and change in control arrangements, and (vi) any other Compensation and other Remunerations for the Company's executive officers (within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended (each a "**Section 16 Officer**")), including but not limited to the Company's Chief Executive Officer (the "**CEO**"); and (d) preparing the Committee report to shareholders for inclusion in the Company's annual proxy statement, as required by Item 407(e)(5) of Regulation S-K.

### II. Membership and Qualification

Membership: The Committee shall consist of three (3) Directors or such greater number of Directors as the Board appoints. Members of the Committee, including its Chairman, shall be designated by the Board, on the recommendation of the Board's Nominating and Governance Committee, at the annual meeting of the Board and shall serve until their successors have been duly elected and qualified or until their earlier resignation, death or removal by the Board.

Qualification: Each member of the Committee shall:

- satisfy the independence requirements of the NASDAQ Listing Rules;
- satisfy the requirements for a "nonemployee director" contained in Rule 16b-3 ("**Rule 16b-3**") of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"); and
- satisfy the requirements for "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986 and related regulations, all as amended from time to time ("**Section 162(m)**").

Chairman: The Board may designate a Chairman of the Committee (the "**Chairman**"). In the absence of such designation, the Committee, consistent with the recommendation of the



Board's Nominating and Corporate Governance Committee, may designate the Chairman by majority vote of the Committee.

Resignation, Removal and Replacement: Any member of the Committee may resign from the Committee at any time upon notice of such resignation to the Board. A member who ceases to be independent under the NASDAQ Listing Rules, ceases to be a "nonemployee director" for purposes of Rule 16b-3 or an "outside director" under Section 162(m) shall promptly resign from the Committee to the extent required for the Company to comply with applicable laws, rules and regulations.

The Board shall have the power at any time to remove a member of the Committee with or without cause, to fill all vacancies, and to designate alternate members, upon the recommendation of the Committee, to replace any absent or disqualified members, so long as the Committee shall at all times have at least three members and be composed solely of independent Directors.

### III. Meetings and Other Actions; Delegation of Authority

*Meetings and Other Actions.* The Committee shall hold such regular or special meetings as its members deem necessary or appropriate. The Chairman (or in the Chairman's absence, a member of the Committee designated by a majority of the Committee members present at such meeting) shall preside at all meetings of the Committee. The Chairman shall prepare and/or approve an agenda in advance of each meeting. The Committee will keep minutes of its meetings and will regularly report to the Board on its activities, making recommendations as appropriate. All meetings of and other actions by the Committee shall be held and taken pursuant to the Bylaws of the Company (as may be amended, restated, supplemented or otherwise modified from time to time, the "**Bylaws**"), including provisions governing notice of meetings and waiver thereof, the number of Committee members required to take actions at meetings and by written consent, and other related matters. The Committee may invite any Director who is not a member of the Committee, management, counsel, representatives of service providers or other persons to attend meetings and provide information as the Committee, in its sole discretion, considers appropriate.

As appropriate, the Committee may meet in executive sessions.

#### *Delegation of Authority.*

- a. The Committee may create a subcommittee of the Committee consisting of one or more directors on the Committee and may delegate any of its duties and responsibilities to such subcommittee, unless otherwise prohibited by applicable laws or listing rules.
- b. The Committee may delegate any of its duties and responsibilities, including the administration of equity incentive or employee benefit plans, to one or more directors on the Committee, another director or other persons (including Section 16 Officers), unless otherwise prohibited by applicable laws or listing rules.

## COMPENSATION COMMITTEE CHARTER

Effective Date: October 29, 2018



- c. Any subcommittee, director or other person will provide a written or oral report to the Committee regarding any activities undertaken pursuant to such delegation.
- d. The Committee may terminate any such subcommittee and revoke any such delegation at any time.

#### **IV. Goals, Responsibilities and Authority**

The following are the general goals, responsibilities and authority of the Committee and are set forth only for its guidance. The Committee, however, may diverge from these responsibilities and/or may assume such other responsibilities as the Board may delegate from time to time and/or as the Committee may deem necessary or appropriate from time to time in performing its functions in accordance with the Bylaws and other governance documents of the Company and in accordance with applicable law (it being understood that the Committee may condition its approval of any compensation on Board ratification to the extent so required to comply with applicable tax law, such as Section 162(m)).

Nothing in this Charter shall be interpreted as diminishing or derogating the duties, responsibilities or obligations of the Board. Subject to the requirements of the Bylaws, the Committee shall:

##### **A. Compensation and Other Remuneration for Section 16 Officers**

- 1. Annually review and approve the Company's corporate goals and objectives relevant to Compensation and other Remunerations and the Company's executive compensation structure and compensation range to ensure that it is designed to achieve the objectives of rewarding the Section 16 Officers appropriately for their contributions to corporate growth and profitability.
- 2. Annually review and determine, or recommend to the Board for determination, the compensation (including, without limitation, salary, bonus, incentive compensation, deferred compensation, equity-based compensation, perquisites, change-in-control and severance compensation, and all other forms of executive compensation) of the CEO and other Section 16 Officers.

##### **B. Director Compensation**

- 1. Select peer groups of companies that shall be used for purposes of determining competitive director compensation packages.
- 2. Periodically evaluate and make recommendations to the Board concerning the reimbursement of directors' expenses, if any, for attendance at Board and committee meetings.
- 3. Periodically evaluate and make recommendations to the Board concerning the total compensation package for Directors including, without limitation,

### **COMPENSATION COMMITTEE CHARTER**

Effective Date: October 29, 2018



the annual retainer fee, meeting fees, incentives, equity-based compensation, and other benefits paid to Directors, taking into account the compensation of Directors at selected peer groups of companies. The Committee shall recommend to the Board any adjustments in director compensation that the Committee considers appropriate.

**C. Long-Term Incentive Plans**

1. Determine, or recommend to the Board for determination, all long-term incentive awards for the Section 16 Officers.
2. Periodically evaluate (and approve any proposed amendments to) the terms and administration of the Company's and, if applicable, its subsidiaries' annual and long-term incentive plans to assure that they are structured and administered in a manner consistent with the Company's and its subsidiaries' goals and objectives relating to participation in such plans, target annual incentive awards, corporate financial goals and total funds reserved for payment under the compensation plans.
3. Determine when it is necessary (based on advice of counsel) or otherwise desirable to: (a) modify, discontinue or supplement any such plans; or (b) submit such amendment or adoption to a vote of the full Board and/or the Company's stockholders to the extent required by law.
4. Evaluate and make recommendation to the Board concerning the adoption of any new equity-related plans.
5. The Committee may approve adoption of such equity and incentive plans as it deems appropriate, and shall approve adoption of any such plans covering Section 16 Officers, in each case in the discretion of the Committee, except that in the case of any plan or matter required to be submitted for approval to stockholders, the Committee shall recommend such plan or matter to the full Board for submission to stockholders.
6. The Committee will oversee the administration of the Company's equity plans and the incentive compensation plans covering Section 16 Officers, and to the extent that such actions do not require stockholder approval, may approve, amend, interpret or ratify the terms of, modify, or terminate any such plans and any awards made under such plans.
7. The Committee will monitor the effectiveness of non-equity based benefit plan offerings, in particular benefit plan offerings and perquisites pertaining to Section 16 Officers, and approve any material new employee benefit plan or change to an existing plan that creates a material financial commitment to the Company. In its discretion, the Committee may otherwise approve, amend, ratify or interpret the terms of, modify, or terminate any non-equity based benefit plan or delegate such authority to the extent delegation is permitted.

**COMPENSATION COMMITTEE CHARTER**

Effective Date: October 29, 2018



**D. Other**

1. Fulfill any disclosure, reporting or other requirements imposed on or required of the Committee by the Securities and Exchange Commission, NASDAQ or other applicable laws, rules and regulations, as the forgoing may be amended from time to time.
2. In connection with exercising its duties, the Committee shall consider the Company's remedies of recoupment and claw-back, pursuant to its Policy Regarding Recoupment of Incentive Compensation Upon Restatement or Misstatement of Financial Results, or as Required by Law, in connection with the grant of compensation awards to Directors and Section 16 Officers.
3. Review organizational and staffing matters with respect to the Company.
4. Perform an annual self-evaluation of the Committee's performance and annually reassess the adequacy of and, if appropriate, propose to the Board, any desired changes in, the Committee's Charter, all to supplement the oversight authority by the Board's Nominating and Corporate Governance Committee with respect to such matters.
5. From time to time, the Committee will develop guidelines for the ownership of the Company' stock by the directors and Section 16 Officers and monitor compliance with such guidelines.
6. Make regular reports to the Board and propose any necessary action to the Board. Such reports shall provide information with respect to any delegation of authority by the Committee to the Company and its subsidiaries' executive officers or to a third party.
7. Review and discuss the "Compensation Discussion and Analysis" disclosure with management and recommend to the Board its inclusion in the Company's annual proxy statement, and prepare a report for inclusion in such proxy statement that certifies that the Committee has discharged this duty, as required by Item 407(e)(5) of Regulation S-K.
8. Perform such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board or as designated in the Plan documents.

The forgoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its duties.

**V. Authority to Retain Advisors**

In the course of its duties, the Committee will have access to the Company's human resources, legal and accounting staff and other personnel as it deems necessary to carry out its

**COMPENSATION COMMITTEE CHARTER**

Effective Date: October 29, 2018



responsibilities. In addition, the Committee will have sole authority, at the Company's expense, only after considering such factors as may be required by applicable law or listing rules, or as the Committee otherwise deems appropriate, to directly engage and terminate outside compensation consultants, independent legal counsel, and other experts and advisors as the Committee deems advisable, with respect to the evaluation of director, CEO or executive compensation or other matters. The Committee will be directly responsible for the appointment, compensation and oversight of the work such compensation consultants, independent legal counsel, other experts and advisors. The factors that will be considered in selecting such experts and advisors include, but are not limited to, the following:

- The provision of other services to the Company by the person or entity that employs the compensation consultant, legal counsel or other expert or adviser (such person or entity, the "Advisory Firm");
- The amount of fees received from the Company by the Advisory Firm, as a percentage of the total revenue of the Advisory Firm;
- The policies and procedures of the Advisory Firm that are designed to prevent conflicts of interest;
- Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
- Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
- Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the Advisory Firm employing the adviser with an executive officer of the Company.

In addition, the Committee is authorized to approve such ordinary administrative and other expenses as it deems necessary or advisable to carry out its duties.

#### **VI. Amendments**

Any amendments to this Charter must be approved or ratified by a majority vote of the Board, including a majority of the independent Directors.

#### **VII. Disclosure of Charter**

This Charter will be made available on the Company's website at [www.ridefox.com](http://www.ridefox.com).

---

### **COMPENSATION COMMITTEE CHARTER**

Effective Date: October 29, 2018