

**STEVEN MADDEN, LTD.  
COMPENSATION COMMITTEE CHARTER**

**(approved as of June 27, 2013)**

**Purpose**

The purpose of the Compensation Committee (the "Committee") is to (i) assist the Board of Directors (the "Board") of Steven Madden, Ltd. (the "Company") in discharging the Board's responsibilities relating to management organization, performance, compensation and succession, (ii) establish and modify compensation and incentive plans and programs, (iii) review and approve compensation and awards under compensation and incentive plans and programs for the Company's executive officers, (iv) administer the Company's equity compensation plans and (v) review and recommend to the Board a compensation program for outside members of the Board.

**Appointment, Membership and Organization**

The Committee shall consist of at least two (2) members of the Board appointed by the Board. The Board shall determine the Committee's exact number and can at any time remove or replace a Committee member. Each of the Committee members shall have been determined to be independent pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules of the Nasdaq Stock Market. Each member of the Committee must qualify as a "non-employee director" for the purposes of Rule 16b-3 under the Exchange Act, and as an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, and satisfy any other requirements imposed by applicable law. The Board may designate one of the Committee members as the Chair of this Committee. The Committee may also form and delegate authority to subcommittees if the Committee determines this be appropriate. The Committee may also delegate its authority to the Company's officers with respect to compensation for employees and consultants who are not officers of the Company for purposes of Section 16 of the Exchange Act if it feels this is appropriate.

**Responsibilities and Authority**

The Committee will have the following powers and responsibilities:

- review plans for the development, retention and replacement of the executive officers of the Company;
- review and make recommendations to the Board on matters relating to organization and executive succession plans;
- review executive education and development programs;
- review recruitment and retention performance and programs;
- review and approve corporate goals and objectives relevant to the chief executive officer and executive officer compensation, evaluate chief executive officer and executive officer performance in light of those goals and objectives and, determine and approve

chief executive officer and executive officer compensation, including, but not limited to, salaries, bonuses, perquisites and equity awards, based on this evaluation;

- evaluate the competitiveness of the compensation of the chief executive officer and other executive officers, and of the Company's overall compensation plan;
- review and recommend to the Board compensation programs for outside directors;
- review and approve individual compensation packages of the Company's employees and consultants to the extent such authority is delegated to it from time to time by the Board;
- review and approve the terms of the offer letters, employment agreements, severance agreements, change-in-control agreements, indemnification agreements and other material agreements between the Company and its chief executive officer and other executive officers;
- review and approve policies and procedures relating to the perquisites and expense accounts of the Company's chief executive officer and other executive officers;
- provide oversight of the Company's overall compensation plans and benefit programs (including, but not limited to, reviewing the Company's overall employee compensation philosophy, reviewing the budget and structure of employee cash compensation plans, reviewing the budget and structure of employee equity compensation plans and administering the Company's equity plans), and make recommendations to the Board with respect to improvements to such plans or the adoption of new plans; administer incentive, deferred compensation and equity based plans, including, but not limited to, making awards under such plans;
- monitor total equity usage for compensation and make recommendations to the Board regarding appropriate equity dilution levels;
- report regularly to the Board with respect to (i) those matters that are relevant to the Committee's discharge of its responsibilities and (ii) recommendations that the Committee may deem necessary or appropriate. The report to the Board may take the form of an oral report by the Chairman of the Committee or any other member of the Committee;
- review and discuss with management the annual Compensation Discussion and Analysis ("CD&A") disclosure regarding named executive officer compensation in the Company's annual report on Form 10-K and annual proxy statement;
- create and approve an annual Compensation Committee Report to be included in the Company's annual report on Form 10-K and annual proxy statements;
- review and recommend to the Board for approval the frequency with which the Company will conduct Say-on-Pay votes, taking into account the results of the most recent stockholder advisory vote on frequency of Say-on-Pay votes required by Section 14A of the Exchange Act, and review and approve the proposals regarding the Say-on-Pay vote

and the frequency of the Say-on-Pay vote to be included in the Company's annual proxy statement; and

- perform a review and evaluation, at least annually, of the performance of the Committee and its members and of the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or valuable.

During voting or deliberations by the Committee relating to the chief executive officer's compensation, the chief executive officer shall not be present.

In addition to the foregoing responsibilities and authority, the Committee has the power to investigate any matter brought to its attention, with full access to all of the Company's books, records, facilities and employees. Nothing contained in this Charter shall be construed as precluding discussion of chief executive officer and executive officer compensation with the Board generally as it is not the intent of this Charter to impair communications among members of the Board.

### **Outside Advisers**

The Committee will have the authority, in its sole discretion, to select and retain or obtain the advice of compensation consultants, legal counsel or other advisers as it deems necessary to carry out its duties and responsibilities. The Committee will be directly responsible for the compensation and oversight of the work of any compensation consultant, legal counsel or other adviser retained by the Committee. The Committee will have the sole authority to approve the fees and other retention terms for the Committee's compensation consultants, outside legal counsel and other advisers, and the Company will provide the Committee with funding sufficient to compensate such advisers.

Before retaining or receiving advice from any compensation consultant, legal counsel or other adviser, the Committee shall assess such adviser's independence from management taking into consideration the following independence factors:

1. whether other services are provided to the company by the compensation adviser or entity that employs such advisor (the "Consulting Firm");
2. the amount of fees received from the company by the Consulting Firm, as a percentage of such entity's total revenue;
3. whether there are any policies of the Consulting Firm designed to prevent conflicts of interest;
4. whether the compensation adviser has any business or personal relationship with a member of the compensation committee;
5. whether the compensation adviser owns any company stock; and
6. whether the compensation adviser or the Consulting Firm has any business or personal relationship with a company executive officer.

The Committee may retain, or receive advice from, any compensation advisor it prefers, including one that is not independent, after considering the specified independence factors. The Committee is not required to assess the independence of any compensation consultant or other adviser that acts in a role limited to consulting on any broad-based plan that does not discriminate in scope, terms or operation in favor of executive officers or directors and that is generally available to all salaried employees or providing information that is not customized for a particular company or that is customized based on parameters that are not developed by the consultant or adviser, and about which the consultant or adviser does not provide advice.

### **Meetings**

The Committee will meet at least annually and at such other times as it deems necessary to perform its duties upon the call of its Chairman or any other Committee member. All meetings of the Committee will be held pursuant to the Company's bylaws with regard to notice and waiver thereof and written minutes of each meeting will be filed in the Company's records. The Committee may meet in person or by telephone conference call, and may act by unanimous written consent. The Committee may invite such members of management to its meetings as it deems appropriate.