

ESCALADE, INCORPORATED

COMPENSATION COMMITTEE CHARTER

Approved by the Board of Directors on March 12, 2015

I. MEMBERSHIP AND QUALIFICATIONS

Number of Members; Chairperson. The Committee will be comprised of three or more members who are appointed annually by the Board of Directors of Escalade, Incorporated (the “Company”) upon the recommendation of the independent members of the Board or the Board’s Nominating and Corporate Governance Committee, if such committee then exists. The Board will appoint one of the members of the Committee to serve as Committee Chair. The Committee may also appoint a Secretary, who need not be a Director.

Independence; Qualifications. All Committee members must meet the independence requirements applicable to NASDAQ listed issuers or such other exchange or system upon which the Company’s securities are listed, quoted and/ or traded (“NASDAQ”) and any standards of independence as may be prescribed for purposes of any federal securities, tax or other laws relating to the Committee’s duties and responsibilities. Each member of the Committee shall meet both the definition of “non-employee director” under Rule 16b-3 under the Securities Exchange Act of 1934 (the “Exchange Act”) and the definition of “outside director” for purposes of Section 162(m) of the Internal Revenue Code of 1986. No member of the Committee shall be an officer or former officer of the Company or an “affiliated person” of the Company or any of its subsidiaries. No member of the Committee may have any interlocking relationships required to be disclosed under the federal securities laws, including Item 402(j)(3) of Regulation S-K.

Term. The members of the Committee shall serve until their successors are duly elected and qualified by the Board. No member of the Committee shall be removed except by majority vote of the independent directors then in officer.

Meetings. The Committee shall meet at least two (2) times annually.

II. PURPOSE OF THE COMMITTEE

The Committee’s primary purpose is to:

- Oversee the Company’s overall compensation policies and the application of those policies;
- Determine the compensation of the Company’s chief executive officer (“CEO”) and the Company’s other executive officers, including but not limited to the Company’s chief financial officer, such compensation to

include salary, bonus, incentive awards and all other compensatory arrangements or benefits to be provided to the CEO and other executive officers from time to time;

- Oversee management's determination of salaries, bonuses and other elements of compensation provided to the Company's non-executive officers and other employees;
- Determine stock option and other incentive grants to the Company's non-executive officers and other employees;
- Approve the Compensation Committee report to be included in the Company's proxy statement when and as required by the rules of the Securities and Exchange Commission, including review and discussion of the Compensation Discussion & Analysis with management and disclosure of whether the Committee has retained or obtained the advice of a compensation consultant and if the work of the compensation consultant has raised any conflict of interest and, if so, the nature of the conflict and how it is being addressed; and
- Annually review the performance of the Committee.

III. RESPONSIBILITIES OF THE COMMITTEE

A. Review Committee Charter

- Review and reassess the adequacy of this charter annually and recommend to the Board any proposed changes to this charter; and
- Publicly disclose the charter and any such amendments at the times and in the manner required by the SEC and/or any other regulatory body or stock exchange having authority over the Company, and in all events post such charter and amendments to the Company's website.

B. Executive Compensation/Approval of Transactions

- Annually review and approve corporate goals and objectives relevant to the CEO's compensation and evaluate the CEO's performance in light of those goals and objectives. In determining the long-term incentive component of CEO compensation, the Committee will consider the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, and the awards given to the CEO in past years. Establish all elements of the CEO's compensation, without the CEO being present during such deliberations and voting of the Committee.

- Annually review and approve corporate goals and objectives relevant to the compensation of the Company's executive officers other than the CEO and evaluate their performance in light of those goals and objectives. Establish all elements of the compensation to be provided to such executive officers, during which deliberations and voting of the Committee the CEO may be present at the discretion of the Committee.
- Annually review and approve, for the CEO and the other executive officers, (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) employment agreements, severance agreements, and change in control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits.
- Annually review and make recommendations to the Board with respect to the compensation of all directors, officers and other key executives, including incentive-compensation plans and equity-based plans, and make any necessary approvals relative to Section 162(m) provisions.
- Adopt, administer, approve and ratify the Company's incentive compensation and stock plans and awards thereunder, including amendments to the plans or awards made under any such plans, and review and monitor awards under such plans.
- Establish the compensation and inducement award, if any, to be provided to any person who may be hired as an executive officer of the Company during the Company's fiscal year.
- In the event the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, the Committee will provide for the recovery from any current or former executive officer of the Company who received incentive based compensation (including stock options awarded as compensation) during the 3-year period preceding the date on which the Company is required to prepare an accounting restatement, based on the erroneous data, in excess of what would have been paid to the executive officer under the accounting restatement.

C. Compliance Oversight

- Periodically review the Company's incentive compensation and stock plans, compensation agreements, plans, policies, benefits and arrangements for its executive officers and directors; adopt amendments or changes to the same as determined appropriate by the Committee; and establish procedures and mechanisms designed to cause the same to

comply with all provisions under the securities, tax, ERISA or other laws and regulations or the requirements of NASDAQ regarding:

- reimbursement of the Company for, or forfeiture of, any profits, bonus or equity-based compensation by the Company's CEO, Chief Financial Officer and/or executive officers in connection with an accounting restatement; and
- investment elections and changes thereto, blackout periods, and restrictions on trading by plan participants, directors, officers and employees of the Company.

D. Consultants and Advisors

In fulfilling its duties enumerated in these resolutions, the Committee may select, or receive advice from, a compensation consultant, legal counsel or other advisor to the Committee, other than in-house legal counsel, only after taking into consideration the following factors:

- the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other advisor;
- the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other advisor;
- the policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;
- any business or personal relationship of the compensation consultant, legal counsel or other advisor;
- any stock of the Company owned by the compensation consultant, legal counsel or other advisor; and
- any business or personal relationship of the compensation consultant, legal counsel, other advisor or the person employing the advisor with an executive officer of the Company.

E. General

- Form and delegate authority to subcommittees when appropriate.

- Retain and terminate any compensation consultant to be used to assist in the evaluation of the compensation for the CEO, other executive officers, and directors, and shall have sole authority to approve the consultant's fees and other retention terms.
- Make regular reports to the Board.

IV. OTHER ADVISORS AND RELIANCE

Authority to Engage Third Parties; Funding. The Committee has the authority, to the extent it deems necessary or appropriate, to retain and/or oversee independent compensation consultants, legal counsel, accounting or other advisors, provided, however, that the Compensation Committee shall obtain the approval of the Audit Committee prior to engaging the Company's independent accounting firm for any services. The Committee shall also have the authority, to the extent it deems necessary or appropriate, to ask the Company to provide the Committee with the support of one or more Company employees to assist it in carrying out its duties. The Company shall provide for appropriate funding, as determined solely by the Committee, for payment of reasonable compensation to any advisors employed by the Committee. The Committee may request any officer or employee of the Company or the Company's outside counsel or other advisors to attend a meeting of the Committee or to meet with any members of, or consultant to, the Committee.

Reliance. In performing their responsibilities, Committee members are entitled to rely in good faith on information, opinions, reports or statements prepared or presented by:

- One or more officers or employees of the Company whom the Committee member reasonably believes to be reliable and competent in the matters presented;
- Counsel, independent auditors, or other persons as to matters which the Committee member reasonably believes to be within the professional or expert competence of such person; or
- Another committee of the Board as to matters within its designated authority which committee the Committee member reasonably believes to merit confidence.

Committee's Judgment. Notwithstanding anything contained herein to the contrary, in fulfilling its duties enumerated in this charter, the Committee shall maintain its ability and obligation to exercise its own judgment in fulfillment of such duties and shall not be required to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other advisor to the Committee.