



Callaway Golf Company








ELY NYSE

Leisure Products

Market Capitalization USD:

\$333.00 mm

CONCERN LEVEL: VERY

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap. 
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less. 
- 3 The CEO's annual cash incentives rose or fell in line with annual performance. 
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years. 
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less. 
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Oliver G. Brewer**Age: 48****CEO Since: 2012**

	2009	2010	2011
Base Salary	\$925,000	\$966,918	\$480,822
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$0	\$0	\$0
Benefits and Perquisites	\$136,105	\$187,055	\$3,716,970
TOTAL ANNUAL COMPENSATION	\$1,061,105	\$1,153,973	\$4,197,792
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$2,133,333	\$1,066,667	\$1,600,000
Stock Awards	\$3,066,667	\$1,066,667	\$1,600,000
TOTAL COMPENSATION	\$6,261,105	\$3,287,307	\$7,397,792
Median of Other Named Executive Officers Total Compensation	\$1,304,142	\$748,686	\$1,081,049
Value Realized on Exercise of Stock Option	\$0	\$0	\$0
Value Realized on Vesting of Stock	\$0	\$657,041	\$5,812,538
TOTAL REALIZED EQUITY COMPENSATION	\$0	\$657,041	\$5,812,538

Proxy Date: 11 Apr 2012

Annual Meeting Date: 23 May 2012

Equity Reserves: 18.50%

Stock Option Run Rate: 3.36%

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Performance Comparison

■ S&P500 ■ Industry ■ ELY



Peer Comparisons (TRBC) =Leisure Products

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
ELY	Callaway Golf Company	\$6,261,105	\$3,287,307	\$7,397,792	\$333,002,626
JAKK	JAKKS Pacific, Inc.	\$1,120,250	\$4,409,900		\$515,414,815
RGR	Sturm, Ruger & Company, Inc.	\$1,530,001	\$1,292,040	\$4,522,102	\$491,281,800
LVB	Steinway Musical Instruments, Inc.	\$763,520	\$1,089,645		\$266,282,687
LF	LeapFrog Enterprises, Inc.	\$2,180,946	\$2,018,563		\$221,084,634
WGO	Winnebago Industries, Inc.	\$407,398	\$403,099		\$201,558,535
SWHC	Smith & Wesson Holding Corporation	\$1,486,335	\$1,629,304		\$162,821,058

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Compensation Comparison Group: Arctic Cat Inc., Coach, Inc., Columbia Sportswear Company, Fossil, Inc., Hasbro, Inc., Jakks Pacific, Inc., LeapFrog Enterprises, Inc., Movado Group, Inc., Nautilus, Inc., Oxford Industries, Polaris Industries, Inc., Quiksilver, Inc., The Timberland Company.

In addition to the Compensation Comparison Group, the Compensation Committee from time to time uses a broader peer group as a guide in setting performance targets under the short-term and long-term incentive programs. The performance comparison group generally consists of corporations in the S&P 400 and S&P 600 that are in the consumer durables and apparel industry, but the Company also uses other benchmarks as well.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
John C. Cushman	Chairman	71	Male	9	Outside
John F. Lundaren	Member	60	Male	3	Outside
Richard L. Rosenfield	Member	66	Male	18	Outside Related
Ronald S. Beard	Member	73	Male	11	Outside Related
Samuel H. Armacost	Member	73	Male	9	Outside