

# **CROCS, INC.**

## **Compensation Committee Charter**

**Updated March 2014**

### **PURPOSES**

The purposes of the Compensation Committee (the “Compensation Committee”) of the board of directors (the “Board”) of Crocs, Inc. (the “Company”) are to (a) define and articulate the Company’s overall executive compensation philosophy, (b) discharge the responsibilities of the Board with respect to all forms of compensation of the Company’s executive officers, (c) oversee the Company’s equity-based incentive plans, (d) report to the stockholders regarding the Company’s executive compensation practices and policies, (e) monitor compliance of any stock ownership guidelines and (f) make recommendations for approval by the full Board with respect to director compensation.

### **ORGANIZATION AND COMPOSITION**

The Compensation Committee shall consist of at least two directors appointed by, and serving at the discretion of, the Board. A director may serve on the Compensation Committee only if the Board determines that he or she:

- (a) satisfies the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code; and
- (b) is “independent” for purposes of compensation committee membership, as defined in the applicable listing standards of The Nasdaq Stock Market and has no relationship with the Company which, in the opinion of the Board, would interfere with the exercise of independent judgment.

In addition, at least two members of the Compensation Committee shall be determined by the Board to be “non-employee directors” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

The Board shall designate one member of the Compensation Committee to serve as Chairman of the Compensation Committee. The Compensation Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate, provided that the subcommittees are composed entirely of independent directors or “non-employee directors” in the case of any subcommittee authorized by the Committee to approve equity awards to officers of the Company who are subject to Section 16 of the Exchange Act.

### **PRINCIPAL RESPONSIBILITIES**

In carrying out its responsibilities, the Compensation Committee believes that its policies and procedures should remain flexible in order to best react to changing circumstances. The primary duties and responsibilities of the Compensation Committee shall be to:

- (a) review and approve the Company’s compensation and benefits strategy and philosophy, taking into account the corporate goals and objectives of the Company, and the appropriate balance among the principal elements of compensation, including base salary, short-term and long-term incentives, retirement plans and fringe benefits;

- (b) review and approve annually corporate goals and objectives relevant to the compensation of the Chief Executive Officer (“CEO”), evaluate the performance of the CEO in light of such goals and objectives, and based on this evaluation, approve the CEO’s compensation;
- (c) provide oversight of management’s decisions concerning the performance and compensation of other executive officers of the Company;
- (d) oversee compensation and benefits structure (including future healthcare benefit changes) for the Company’s employees generally, including, but not limited to, incentive and equity-based compensation;
- (e) review and make recommendations to the Board for stockholder approval of all new equity-based incentive plans for the Company;
- (f) supervise the administration of the Company’s equity-based incentive plans, including authorizing stock awards, stock option grants, setting option exercise prices and vesting criteria and schedules;
- (g) grant all stock and stock-based awards to executive officers under the Company’s equity-based incentive plans;
- (h) review and recommend to the Board offers of employment for the Company’s executive officers;
- (i) review and recommend to the Board employment agreements, post-employment consulting agreements and any other severance arrangements between the Company and its executive officers;
- (j) report to the Board on any major organizational structure issues and plans, assist the Board in developing and evaluating potential candidates for executive officer positions and oversee the development of succession plans for the Company’s executive officers and ensure that such succession plans are reported to the Board;
- (k) review and discuss with management the Compensation Discussion and Analysis (CD&A) to be included in the Company’s annual proxy statement and/or annual report on Form 10-K, and recommend to the Board the inclusion of the CD&A in the proxy statement and/or Form 10-K; review and approve the Compensation Committee Report to be included in the proxy statement and/or Form 10-K;
- (l) review and recommend to the Board compensation for Board and committee service for outside members of the Board (retainers, meeting fees, stock);
- (m) review and reassess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board for approval;
- (n) undertake such other responsibilities as may be delegated by the Board to the Compensation Committee from time to time;
- (o) take any and all other actions as may be required by the federal securities laws or other applicable laws or regulations regarding the compensation of executive officers; and

- (p) review incentive compensation arrangements to confirm that incentive compensation does not encourage unnecessary risk-taking, and review and discuss, at least annually, the relationship between risk management policies and practices, corporate strategy and executive officer compensation.

#### **AUTHORITY AND RESPONSIBILITIES REGARDING OUTSIDE CONSULTANTS AND ADVISERS**

The Compensation Committee shall have the authority, in its sole discretion, to retain and terminate (or obtain the advice of) a compensation consultant, independent legal counsel or other adviser (“Compensation Adviser”) to assist it with the discharge of its duties under this Charter. The Compensation Committee shall be directly responsible for the appointment, compensation and oversight of the work of any Compensation Adviser retained by the Compensation Committee. The Company will provide for appropriate funding, as determined by the Compensation Committee, for payment of reasonable compensation to any Compensation Adviser retained by the Compensation Committee.

The Compensation Committee may select, or receive advice from, a Compensation Adviser only after taking into consideration the following factors:

- (a) The provision of other services to the Company by the person that employs the Compensation Adviser;
- (b) The amount of fees received from the Company by the person that employs the Compensation Adviser, as a percentage of the total revenue of the person that employs the Compensation Adviser;
- (c) The policies and procedures of the person that employs the Compensation Adviser that are designed to prevent conflicts of interest;
- (d) Any business or personal relationship of the Compensation Adviser with a member of the Compensation Committee;
- (e) Any stock of the Company owned by the Compensation Adviser; and
- (f) Any business or personal relationship of the Compensation Adviser or the person employing the Compensation Adviser with any executive officer.

After considering the independence factors outlined above, the Compensation Committee may select, or receive advice from, any Compensation Advisers it prefers, including ones that are not independent.

If the Compensation Committee determines that the work performed by a Compensation Adviser retained by the Compensation Committee has raised any conflict of interest, the Compensation Committee shall disclose to the Board the nature of such conflict of interest and how it is being addressed. In determining whether a conflict of interest exists, the Compensation Committee shall consider the factors described above and the applicable laws and regulations under the Exchange Act.

#### **MEETINGS**

The Compensation Committee shall meet as often as it deems necessary or appropriate, but shall meet at least quarterly in person or by teleconference. All meetings of the Compensation Committee shall be held pursuant to the Bylaws of the Company with regard to notice and waiver thereof. A majority of the members of the Compensation Committee shall constitute a quorum of the Compensation Committee.

The Company's CEO may not be present during voting or deliberations regarding compensation of the Company's CEO.

The Chairman of the Compensation Committee, in consultation with the other members of the Compensation Committee and management, shall determine the frequency and length of meetings and develop the Compensation Committee's agenda in advance of all meetings. The Compensation Committee shall cause to be kept adequate minutes of its proceedings, and will report on its actions and activities at the next scheduled meeting of the Board.

#### **AUTHORITY**

By adopting this Charter, the Board delegates to the Compensation Committee full authority in its discretion to:

- (a) perform each of the responsibilities of the Compensation Committee described above;
- (b) delegate such of its authority and responsibilities as the Compensation Committee deems proper to members of the Compensation Committee or a subcommittee; and
- (c) appoint a chair of the Compensation Committee, unless a chair is designated by the Board.

LEGAL122770447.1