

# **CROCS, INC.**

## **Compensation Committee Charter**

**Updated December 2017**

### **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”). Any action taken by the Compensation Committee during a period in which one or more of the members subsequently is determined to have failed to meet the membership qualifications shall nevertheless constitute duly authorized actions of the Compensation Committee and shall be valid and effective for all purposes, except to the extent required by law or determined appropriate by the Committee to satisfy regulatory standards. The members of the Compensation Committee may be removed, with or without cause for any reason, and replaced by a majority vote of the Board.

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 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 and short-term and long-term incentives;
- (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 structure 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, including any amendments thereto;
- (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, including any amendments thereto;
- (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.
- (q) conduct an annual evaluation of its performance and report the results of that evaluation of the Compensation Committee to the [Board or Governance & Nominating Committee].
- (r) review and approve the implementation or revision of any clawback policy allowing the Company to recoup compensation paid to executive officers and other employees.
- (s) approve or make recommendations to the Board with respect to the adoption or modification of policies regarding the pledging or hedging of Company stock, if any, and monitor compliance with respect to any adopted policy on pledging and hedging.
- (t) establish and monitor compliance with any stock ownership and holding guidelines of the Company that are applicable to executive officers or directors and monitor compliance with any adopted share ownership guidelines.
- (u) determine the Company's policy with respect to the application of Section 162(m) of the Internal Revenue Code of 1986, as amended, and when compensation may be paid by the Company that is not deductible for federal income tax purposes.
- (v) recommend to the Board for approval the frequency with which the Company will include in its proxy and information statement a management proposal permitting shareholders to have an advisory vote on executive compensation ("Say on Pay"). This review should take into account the most recent shareholders advisory vote on the frequency of Say on Pay resolutions at the Company.
- (w) review and consider the results of the Company's most recent Say on Pay vote, if any, and any other feedback garnered through the Company's ongoing shareholder outreach that may be in effect from time-to-time, and determine whether and, if so, how the Company should respond to Say on Pay vote outcomes and shareholder feedback.
- (x) monitor compensation and regulatory developments and trends and solicit independent advice where appropriate.

## **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 in accordance with the requirements of the NASDAQ Stock Market listing standards, only after taking into consideration the independence factors under applicable NASDAQ Stock Market listing standards and any other factors deemed relevant by the Committee.

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 act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Compensation Committee. The Compensation Committee may meet by teleconference and shall be authorized to take action by unanimous written consent as permitted by applicable law. In the sole discretion of the Compensation Committee, the Compensation Committee may meet in executive session, without management of the Company present, at any time. 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.