

# **CROCS, INC.**

## **Compensation Committee Charter**

**Adopted on June 30, 2005**

### **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) discharge the responsibilities of the Board with respect to all forms of compensation of the Company's executive officers, (b) oversee the Company's equity-based incentive plans and (c) report to the stockholders regarding the Company's executive compensation practices and policies.

### **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) is a "non-employee director" for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended;
- (b) satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code; and
- (c) is "independent" as that term is 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.

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.

### **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) establish, review and approve corporate goals and objectives relevant to compensation of the Company's executive officers;
- (b) review and evaluate the performance of the Company's executive officers in light of the goals and objectives of the Company;
- (c) determine, or recommend to the full Board to determine, the compensation of the Company's executive officers in accordance with applicable listing standards of the Nasdaq Stock Market;
- (d) oversee compensation arrangements for the Company's employees generally;
- (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 all employment agreements between the Company and its executive officers;
  - (j) prepare an annual report on executive compensation for inclusion in the Company's annual proxy statement that complies with the rules and regulations of the Securities and Exchange Commission and any other applicable rules and regulations;
  - (k) review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval;
  - (l) undertake such other responsibilities as may be delegated by the Board to the Compensation Committee from time to time; and
  - (m) 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.

#### **OUTSIDE ADVISERS**

The Compensation Committee shall have the authority to retain such outside counsel, experts, and other advisers (including compensation consultants) as it determines appropriate to assist it in the full performance of its functions. The Company will provide for appropriate funding, as determined by the Compensation Committee, for payment of compensation to any outside counsel, experts and other advisers retained by the Compensation Committee.

#### **MEETINGS**

The Compensation Committee shall meet as often as it deems necessary or appropriate. All meetings of the Compensation Committee shall be held pursuant to the Bylaws of the Company with regard to notice and waiver thereof, and written minutes of each meeting shall be duly filed in the Company's corporate records. A majority of the members of the Compensation Committee shall constitute a quorum of the Compensation Committee. The Company's chief executive officer may not be present during voting or deliberations regarding compensation of the Company's chief executive officer.

#### **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;

- (c) appoint a chair of the Compensation Committee, unless a chair is designated by the Board;
- (d) engage and terminate compensation consultants, independent counsel and such other advisers as the Compensation Committee determines necessary to carry out its responsibilities, and approve the fees and other terms of retention of any such consultants and other advisers; and
- (e) cause the officers of the Company to provide such funding as the Compensation Committee shall determine to be appropriate for payment of compensation to any compensation consultants, independent counsel or other advisers engaged by the Compensation Committee.