Crocs, Inc.
Form DEF 14A
April 30, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

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Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

CROCS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Crocs, Inc.

6328 Monarch Park Place
Niwot, Colorado 80503

NOTICE OF THE 2010 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD JUNE 29, 2010

To the Stockholders of Crocs, Inc.:

We will hold the 2010 Annual Meeting of Stockholders of Crocs, Inc. at our headquarters at 6328 Monarch Park Place, Niwot, Colorado, on June 29, 2010, at 9:00 a.m. Mountain Time.

The meeting's purpose is to:

1. elect three Class II directors;

2. ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2010; and

3. consider any other matters that properly come before the meeting or any postponement or adjournment thereof.

Only stockholders of record of our common stock at the close of business on April 30, 2010 are entitled to receive notice of and to vote at the meeting. Each share of common stock is entitled to one vote.

A list of the stockholders entitled to vote at the meeting will be available for examination at the meeting by any stockholder for any purpose relevant to the meeting. The list will also be available on the same basis for ten days prior to the meeting at our principal executive office, 6328 Monarch Park Place, Niwot, Colorado 80503.

All stockholders are cordially invited to attend the meeting in person. Whether or not you plan to attend the meeting in person, please vote your shares, as instructed in the Notice of Internet Availability of Proxy Materials, over the Internet, or by telephone after your receipt of hard copies of the proxy materials, as promptly as possible. You may also request a paper proxy card, which will include a reply envelope, to submit your vote by mail, as described in the Notice of Internet Availability of Proxy Materials. Stockholders who are present at the Annual Meeting may withdraw their proxy and vote in person if they so desire.

BY ORDER OF THE BOARD OF DIRECTORS

John McCarvel
President and Chief Executive Officer

Niwot, Colorado
April 30, 2010

Crocs, Inc.

6328 Monarch Park Place
Niwot, Colorado 80503

2010 ANNUAL MEETING OF STOCKHOLDERS

PROXY STATEMENT

This proxy statement will first be sent to stockholders on or about May 12, 2010. It is furnished to stockholders of Crocs, Inc., a Delaware corporation (the "Company," "we," "us," or "our"), in connection with the solicitation of proxies by our Board of Directors. The proxies being solicited will be voted at the 2010 Annual Meeting of Stockholders (the "Annual Meeting"), to be held on June 29, 2010 at 9:00 a.m., Mountain time, at our headquarters at 6328 Monarch Park Place, Niwot, Colorado or at any postponement or adjournment thereof, for the purpose of voting on proposals as set forth herein as well as other business matters which may properly come before the meeting.

Under the rules of the Securities and Exchange Commission, we are furnishing proxy materials to our stockholders on the Internet, rather than mailing printed copies. If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of the proxy materials unless you request one as instructed in that notice. Instead, the Notice of Internet Availability of Proxy Materials will instruct you as to how you may access and review the proxy materials on the Internet. If you received a Notice of Internet Availability of Proxy Materials by mail and would like to receive a printed copy of our proxy materials, please follow the instructions included in the Notice of Internet Availability of Proxy Materials.

GENERAL INFORMATION REGARDING ANNUAL MEETING

Record Date

Stockholders of record at the close of business on April 30, 2010 are entitled to notice of and to vote at the Annual Meeting. On the record date, there were 85,794,003 shares of our common stock outstanding. Each such share is entitled to one vote on each matter submitted to a vote at the Annual Meeting.

Quorum Requirements

A quorum is required to conduct business at the Annual Meeting. The holders of a majority of the outstanding shares entitled to vote generally in the election of directors must be present in person or by proxy at the Annual Meeting in order for a quorum to exist. Abstentions and broker non-votes count as present for purposes of determining a quorum. A broker non-vote occurs when a broker returns a proxy card but does not vote on one or more matters because the broker does not have the authority to do so without instructions from the beneficial owner. Shares represented by proxies that are marked WITHHOLD with respect to the ratification of our independent registered public accounting firm will be counted as present in determining whether there is a quorum.

Vote Requirements

If a quorum is present at the Annual Meeting, the following vote is required for approval of each matter to be voted on:

Election of Directors: The election of the director nominees will require a plurality of the votes cast in person or by proxy at the Annual Meeting. "Plurality" means that the nominees who receive the highest number of votes cast are elected as directors up to the maximum number of directors to be elected at the Annual Meeting. Proxies marked withhold and broker non-votes will have no effect on the outcome of the election of directors. Cumulative voting is not permitted.

Ratification of Appointment of Deloitte & Touche LLP: The affirmative vote of the holders of a majority of the shares of our common stock present in person or by proxy and entitled to vote on the matter is required for the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2010. Proxies marked ABSTAIN will have the effect of voting against this proposal. Broker non-votes will have no impact on the proposal.

Approval of all Other Proposals: With respect to any other matters properly brought before the Annual Meeting, the affirmative vote of a majority of the shares of common stock present in person or by proxy and entitled to vote on the matter will be the act of the stockholders. Broker non-votes will have no effect on these proposals, and abstentions will have the effect of voting against these proposals.

Your Proxy

Whether or not you are able to personally attend the Annual Meeting, you are encouraged to vote your shares as instructed in the Notice of Internet Availability of Proxy Materials. Shares represented by properly executed methods, and not revoked prior to the Annual Meeting, will be voted at the Annual Meeting as directed in the proxy. **If no directions are specified, such proxies will be voted FOR each of the proposals described in this proxy statement and in the best judgment of the proxy holders as to other matters that may properly come before the Annual Meeting.**

If your shares are held in the name of a bank or brokerage firm, your bank or broker will send you a separate package describing the procedures and options for voting your shares. You should follow the instructions provided by your bank or brokerage firm. On routine matters, such as the ratification of the appointment of our independent registered public accounting firm, your broker will vote your shares for you at his or her discretion if you do not instruct your broker how to vote. For non-routine matters, such as the election of directors, your broker may not vote your shares without specific voting instructions from you.

Revocation

Any stockholder giving a proxy has the power to revoke the proxy, or change the proxy, at any time before the proxy is voted at the Annual Meeting by (i) re-voting online at www.proxyvote.com, (ii) sending another properly executed proxy bearing a later date or a written notice of revocation of the proxy to Corporate Secretary, Crocs, Inc., 6328 Monarch Park Place, Niwot, Colorado 80503 or (iii) voting in person at the Annual Meeting.

Attending the Annual Meeting

You are invited to personally attend the Annual Meeting.

Cost of Proxy Solicitation

We will bear the entire cost of this proxy solicitation. We may reimburse brokers, custodians, nominees and other fiduciaries for normal handling charges incurred for forwarding proxy materials to beneficial owners. Solicitation of proxies may be made personally or by mail or telephone by our directors, officers and other employees, who will receive no additional compensation for such services.

PROPOSAL 1 ELECTION OF DIRECTORS

Our Board of Directors currently consists of seven members divided into three classes, with each director elected to a three-year term. Class II consists of Raymond D. Croghan, Peter Jacobi and Richard L. Sharp, whose terms will expire at the Annual Meeting. Class III consists of Thomas J. Smach and John McCarvel, whose terms will expire at the annual meeting to be held in 2011. Class I consists of Ronald L. Frasch and W. Stephen Cannon, whose terms will expire at the annual meeting to be held in 2012. Under our amended and restated bylaws, each of our directors holds office until his or her successor has been elected and qualified or until such director's earlier death, resignation, disqualification or removal.

Upon the recommendation of the Governance and Nominating Committee, the Board of Directors has nominated Messrs. Croghan, Jacobi and Sharp for election as Class II directors to serve for a three-year term expiring at the 2013 annual meeting of stockholders.

A stockholder cannot vote for more than three nominees. Each of the director nominees has consented to serve for a three-year term. We do not contemplate that any of the nominees will be unable to stand for election, but should any nominee become unable to serve or will not serve for any reason, all proxies (except proxies marked to the contrary) will be voted for the election of a substitute nominee as our Board of Directors may recommend.

Class II Director Nominees

Raymond D. Croghan **(Class II),** age 60, has served as a member of our Board of Directors since August 2004. Since 1999, Mr. Croghan has been retired. From 1991 to 1999, Mr. Croghan managed Croghan & Associates, Inc., a healthcare information technology consulting firm, which merged with Margolis Health Enterprise to form The TriZetto Group. Mr. Croghan serves on the boards of directors of several privately-held companies. We believe Mr. Croghan's executive and business expertise give him the qualifications and skills to serve as a director.

Peter Jacobi**(Class II),** age 66, has served as a member of our Board of Directors since October 2008. Mr. Jacobi was employed by Levi Strauss & Company ("Levi Strauss"), a jeans and casual wear manufacturer, from 1970 until his retirement in 1999. During his nearly 30-year tenure at Levi Strauss, Mr. Jacobi held various senior levels positions, including President of the Men's Jeans Division, President of Global Sourcing, President of Levi Strauss International, and from 1996 until his retirement, President and Chief Operating Officer. We believe that Mr. Jacobi's executive and business expertise, including his background at Levi Strauss, which is in a similar industry to ours, give him the qualifications and skills to serve as a director.

Richard L. Sharp **(Class II),** age 63, has served as the Chairman of our Board of Directors since April 2005. From 1982 to 2002, Mr. Sharp served in various positions with Circuit City Stores, Inc., a retailer of consumer electronics, most recently as President from 1984 to 1997, Chief Executive Officer from 1986 to 2000 and Chairman of the Board from 1994 to 2002. Mr. Sharp served as Chairman and Chief Executive Officer of CarMax, Inc., the nation's largest specialty retailer of used cars and light trucks, from 1994 to 2000 and Chairman from October 2002 to June 2007. In 1992, he was a founding investor of Flextronics International ("Flextronics"), a NASDAQ-listed (Nasdaq: FLEX) leading Electronics Manufacturing Services (EMS) provider. He served as a director of Flextronics from 1993 to October 2008 and as Chairman of the Board from January 2003 to January 2006. We believe that Mr. Sharp's executive and business expertise, including his diversified background in manufacturing and retail companies, give him the qualifications and skills to serve as a director.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ALL OF THE ABOVE-NAMED NOMINEES FOR DIRECTOR.

Information About Continuing Directors

Thomas J. Smach **(Class III),** age 49, has served as a member of our Board of Directors since April 2005. Mr. Smach is currently a co-founding partner of Riverwood Capital Management, a private equity firm. From January 2005 to June 2008, Mr. Smach served as the Chief Financial Officer of Flextronics. From April 2000 to December 2004, Mr. Smach served as Senior Vice President Finance of Flextronics. From 1997 to April 2000, he served as the Senior Vice President, Chief Financial Officer and Treasurer of The Dii Group, Inc., an EMS provider and publicly-traded company that merged with Flextronics in early 2000 ("The Dii Group"). Mr. Smach is a certified public accountant and also serves on the Board of Directors of ADVA AG Optical Networking, a publicly-traded company in Germany. We believe Mr. Smach is qualified to serve on our board of directors and serve as chair of our audit committee based on his executive experience with public companies and his financial and accounting expertise as described above.

John P. McCarvel **(Class III),** age 53, was appointed as a director effective March 1, 2010. He has served as our President and Chief Executive Officer since March 1, 2010 and, prior to that appointment, he served as our Chief Operating Officer and Executive Vice President since February 2007. Previously, Mr. McCarvel served as our Senior Vice President Global Operations from October 2005 to February 2007 and as our Vice President Asian & Australian Operations from January 2005 to September 2005, after providing consulting services to us during 2004. From October 2001 to January 2005, Mr. McCarvel served as Vice President for the Design, Test and Semiconductor division of Flextronics, where he was responsible for building Flextronics' engineering infrastructure in Asia and growing Flextronics' business in the region. From 1999 to October 2001, he served as President of U.S. Operations and Senior Vice President of Worldwide Sales and Marketing for Singapore Technology Assembly Test Services Ltd., a semiconductor services company. He previously worked in executive level positions with Micron Custom Manufacturing Services, Inc., a manufacturer of electronic products for computing and digital applications, and The Dii Group. We believe Mr. McCarvel's executive, financial and business expertise, including his extensive history working for us, as well as his background in manufacturing and retail, give him the qualifications and skills to serve as a director.

Ronald L. Frasch **(Class I),** age 61, has served as a member of our Board of Directors since October 2006. Since February 2007, Mr. Frasch has served as President and Chief Merchandising Officer of Saks Fifth Avenue, a division of Saks, Incorporated, a NYSE-listed luxury fashion retailer. He held the post of Vice Chairman and Chief Merchant of Saks Fifth Avenue from November 2004 until January 2007. From January 2004 to November 2004, Mr. Frasch was employed by Saks in a non-executive capacity. From April 2000 to January 2004, Mr. Frasch served as Chairman and Chief Executive Officer of Bergdorf Goodman (a subsidiary of Neiman Marcus Group, Inc.) and served as President of GFT North America (a subsidiary of Gruppo GFT, based in Turin, Italy, a global producer, marketer and distributor of fine men's and women's clothing, sportswear and furnishings) from 1996 to 2000. Mr. Frasch also served as President and Chief Executive Officer of Escada USA from 1994 to 1996. We believe Mr. Frasch's executive and business expertise, including his diversified background in retail and consumer products, give him the qualifications and skills to serve as a director.

W. Stephen Cannon **(Class I),** age 58, was appointed as a member of our Board of Directors in February 2009. Since 2005, he has served as the Chairman of Constantine Cannon LLP, a law firm, and the Managing Partner of Constantine Cannon's Washington D.C. office. From 1994 to 2005, Mr. Cannon was the Senior Vice President, General Counsel and Secretary of Circuit City Stores, Inc., a retailer of consumer electronics, which, at the time, was publicly traded on the New York Stock Exchange. Prior to joining Circuit City Stores, Inc., Mr. Cannon served as a partner at the law firm of Wunder, Diefenderfer, Ryan, Cannon and Thelen and spent 10 years in government service, including serving as Chief Antitrust Counsel to the United States Senate Judiciary Committee. We believe Mr. Cannon's executive, legal and business expertise, including his background as a general counsel of a public company, give him the qualifications and skills to serve as a director.

EXECUTIVE OFFICERS

In addition to John McCarvel, our President and Chief Executive Officer, whose biographical information is disclosed above under "Election of Directors," our executive officers as of March 31, 2010 include the following individuals:

Name	Age	Position(s)
Daniel P. Hart	51	Executive Vice President, Chief Legal and Administrative Officer
Russell C. Hammer	53	Chief Financial Officer, Senior Vice President Finance and Treasurer

Daniel Hart has served as our Executive Vice President, Chief Legal and Administrative Officer since January 1, 2010. From May 2009 through December 2009, he served as our Executive Vice President of Administration and Corporate Development. Prior to joining us, Mr. Hart was employed by Océ North America, a digital printing and document management division of Océ, N.V., a manufacturing and engineering company publicly traded on the Euronext Amsterdam stock exchange, where he served as Senior Vice President and General Counsel from 2006 to 2009. From 2004 to 2006, Mr. Hart served as Senior Vice President General Counsel and Human Resources for Invensys Controls, a global manufacturing and engineering operation within Invensys plc, a public U.K. conglomerate. From 2002 to 2004, Mr. Hart served as Chief Staff Officer for the Development Division of Invensys, a large portfolio of disposal companies within Invensys plc. Previously, Mr. Hart's experience included service in senior legal positions at Dictaphone Corporation and Brooke Group Ltd. and private legal practice New York City. He was an executive officer of Dictaphone Corporation in Nov 2000 when it filed for protection under Chapter 11 of the U.S. bankruptcy code.

Russell C. Hammer has served as our Chief Financial Officer, Senior Vice President of Finance and Treasurer since January 2008. Prior to joining us, Mr. Hammer was employed for 28 years at Motorola, Inc. ("Motorola"), a global supplier of wireless handsets and mobile communication products. Mr. Hammer served as Chief Financial Officer and Corporate Vice President of Motorola's Connected Home Solutions Business from April 2005 to August 2007. From August 2002 to March 2005, he served as Chief Audit Officer for Motorola, and from August 1998 to July 2002, he served as the Chief Financial Officer of the Asia Cellular Subscriber Business of Motorola. Mr. Hammer also served as the Chief Financial Officer of the Global Subscriber Paging Business and in other executive roles for Motorola's various divisions during his tenure with the company.

BENEFICIAL OWNERSHIP OF OUR COMMON STOCK

The following table sets forth information with respect to the beneficial ownership of our common stock as of March 31, 2010 by:

- each person (or group of affiliated persons) who is known by us to own beneficially more than 5% of our common stock;
- each current director or nominee;
- each of the named executive officers listed in the Summary Compensation Table below (each, an "NEO"); and
- all directors and executive officers as a group.

Beneficial ownership is determined in accordance with the Securities and Exchange Commission ("SEC") rules. In computing percentage ownership of each person, shares of common stock subject to options held by that person that are currently exercisable or convertible, or exercisable or convertible within 60 days after March 31, 2010, are deemed to be outstanding and beneficially owned by that person. In addition, shares that are required to be issued by us to any person pursuant to a restricted stock award agreement within 60 days after March 31, 2010 are also deemed to be outstanding and beneficially owned by that person. None of these shares, however, are deemed outstanding for the purpose of computing the percentage ownership of any other person.

Except as indicated in this table and pursuant to applicable community property laws, each stockholder named in the table has sole voting and investment power with respect to the shares set forth opposite such stockholder's name. Percentage ownership is based on 85,704,194 shares of our common stock outstanding on March 31, 2010. Unless otherwise indicated below, the address for each person who owns more than 5% of our voting securities and for each director and named executive officer listed below is in care of Crocs, Inc., 6328 Monarch Park Place, Niwot, Colorado 80503.

	Beneficial Ownership	
Name of Beneficial Owner	**Shares**	**Percent**
5% Stockholders:		
Blackrock, Inc.(1)	6,345,077	7.4%
Directors:		
Richard L. Sharp(2)	1,577,880	1.8%
Peter Jacobi	70,910	*
Thomas J. Smach(3)	264,320	*
Raymond D. Croghan(4)	231,785	*
W. Stephen Cannon	52,409	*
Ronald L. Frasch	61,914	*
Officers:		
John P. McCarvel(5)	534,175	*
John Duerden(6)	368,920	*
Ron Snyder(7)	1,267,333	1.5%
Russell C. Hammer(8)	163,288	*
Daniel Hart	154,500	*
Erik Rebich (9)	290,900	*
All current directors and executive officers as a group (11 persons)(10)	3,424,884	4.0%

* Less than 1%

(1) Based solely on a Schedule 13G filed with the SEC on January 29, 2010. The address for Blackrock, Inc. is 40 East 52nd Street, New York, New York, 10055.

(2) Shares beneficially owned include 352,430 shares subject to options exercisable within 60 days of March 31, 2010, 874,520 shares beneficially owned by The RLS Trust, 87,610 shares beneficially owned by BES & RS, LLC, 87,610 shares beneficially owned by EGG & RS, LLC, 87,610 shares beneficially owned by RBG & RS, LLC, 29,200 shares beneficially owned by CSS & RS, LLC, and 58,400 shares beneficially owned by the April S. Garnett Irrevocable Trust (GS). Mr. Sharp is the sole trustee of The RLS Trust and the April S. Garnett Irrevocable Trust (GS) and is the sole manager of each of BES & RS, LLC, EGG & RS, LLC, and RBG & RS, LLC and CSS & RS, LLC, and he exercises voting and investment power over all of the shares beneficially owned by each trust and each company. The address for Mr. Sharp is 9020 Stony Point Parkway, #180, Richmond, VA 23235.

(3) Shares beneficially owned include 234,420 shares subject to options exercisable within 60 days of March 31, 2010 and 4,400 shares held as custodian for Mr. Smach's two children under the New York Uniform Gifts to Minors Act. Mr. Smach exercises voting and investment power over the shares.

(4) Shares beneficially owned include 163,510 shares subject to options exercisable within 60 days of March 31, 2010 and an aggregate of 4,960 shares of common stock beneficially owned by two trusts for the benefit of Mr. Croghan's two daughters. Mr. Croghan's spouse is the trustee of both trusts and she exercises sole voting and investment power over the shares. Mr. Croghan disclaims beneficial ownership of such shares.

(5) Mr. McCarvel was appointed as our President and Chief Executive Officer and a director effective March 1, 2010. Shares beneficially owned include 173,711 shares subject to options exercisable within 60 days of March 31, 2010 and 360,464 shares held jointly with his spouse.

(6) Mr. Duerden was appointed as our President and Chief Executive Officer and a director effective March 18, 2009 and resigned from these positions effective March 1, 2010. Pursuant to Mr. Duerden's Separation Agreement, described in further detail in *"Employment Agreements"* later in this document, 100,000 shares of restricted stock and 100,000 stock options vested on an accelerated basis as of March 31, 2010.

(7) Mr. Snyder resigned as our President and Chief Executive Officer effective March 16, 2010 and resigned as a Board member effective June 30, 2010. Pursuant to Mr. Snyder's Separation Agreement, described in further detail in "*Employment Agreements"* later in this document, we accelerated the vesting of certain options to purchase our common stock as well as restricted stock awards.

(8) Shares beneficially owned include 53,229 shares subject to options exercisable within 60 days of March 31, 2010.

(9) Shares beneficially owned include 96,226 shares subject to options exercisable within 60 days of March 31, 2010. Mr. Rebich resigned as our Vice President, General Counsel and Secretary on December 31, 2009. His options continue to vest during the term of his consulting relationship with us.

(10) Shares beneficially owned include 780,063 shares of common stock subject to options issued to seven directors and 323,166 shares of common stock subject to options issued or restricted stock awards granted to five named executive officers that are exercisable or issuable within 60 days of March 31, 2010.

BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

Board Composition

Our Board of Directors currently consists of seven members divided into three classes, with each director elected to a three-year term. Under our amended and restated bylaws, each of our directors holds office until his or her successor is elected and qualified or until such director's earlier death, resignation, disqualification or removal.

At each annual meeting of stockholders, the successors to directors whose terms expire at such meeting will be elected, or such directors will be re-elected, and will serve from the time of election and qualification until the third annual meeting following their election or until their successors are duly elected and qualified. The current authorized number of directors is seven. The authorized number of directors may be changed by resolution of the Board. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. Vacancies on the Board can be filled by resolution of the Board of Directors.

NASDAQ listing standards require that our Board of Directors have a majority of independent directors. The Board of Directors has determined that all of the current non-management members of our Board of Directors (Messrs. Sharp, Jacobi, Smach, Croghan, Cannon and Frasch) are independent directors as defined by NASDAQ listing standards. The Board makes a determination regarding the independence of each director annually based on the relevant facts and circumstances. Applying the standards and independence criteria defined by the NASDAQ listing standards, the Board has made a subjective determination as to each independent director that no relationships exist that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment in carrying out the responsibilities of a director.

During 2009, the Board of Directors met eleven times and acted by written consent once. All directors attended 75% or more of the meetings of the Board of Directors and the meetings of the committees of the Board on which they serve, with the exception of Mr. Croghan, who attended one of the three Audit Committee meetings occurring before February 24, 2009, when he left the Audit Committee. The independent directors of the Board hold executive sessions without members of management present. We encourage, but do not require, our directors to attend the annual meeting. Messrs. Sharp, Cannon, Croghan, Duerden, Frasch, Jacobi and Smach attended our 2009 annual meeting of stockholders.

Stockholders who wish to communicate with the Board of Directors or with specified individual directors may do so by mailing such written communication to: Corporate Secretary, Crocs, Inc., 6328 Monarch Park Place, Niwot, Colorado 80503. The Corporate Secretary will review all correspondence and will forward to the Board or an individual director a summary of the correspondence received and copies of correspondence that the Corporate Secretary determines requires the attention of the Board or such individual director. The Board or an individual director may at any time request copies and review all correspondence received by the Corporate Secretary that is intended for the Board or such individual director.

Board Leadership

The Board does not have a policy regarding separation of the roles of Chief Executive Officer and Chairman of the Board. The Board believes it is in our best interests to make that determination based on our current circumstances. The Board has determined that an independent director serving as Chairman is in the best interests of our stockholders at this time. This structure ensures a greater role of independent directors in the active oversight of our management and in setting agendas and establishing Board priorities and procedures. This structure also allows the Chief Executive Officer to focus to a greater extent on the management of our day-to-day operations.

Risk Oversight

The Board of Directors oversees our risk management activities. The Board implements its risk oversight function both as a whole and through delegation to various committees. These committees meet regularly and report back to the full Board. The Audit Committee has primary oversight responsibility with respect to financial risks as well as oversight responsibility for our overall risk assessment and risk management policies and systems. The Audit Committee oversees the our procedures for the receipt, retention and treatment of complaints relating to accounting and auditing matters and oversees our management of legal and regulatory compliance systems. The Compensation Committee also oversees risks relating to our compensation plans and programs. The Compensation Committee reviewed and considered our compensation policies and programs in light of the board of directors' risk assessment and management responsibilities and will do so in the future on an annual basis. The Compensation Committee believes that we have no compensation policies and programs that give rise to risks reasonably likely to have a material adverse effect on us.

Our Director of Internal Audit coordinates the day-to-day risk management process for us and reports directly to the Chief Financial Officer and to the Audit Committee. The Director of Internal Audit updates the Audit Committee at least quarterly and updates the full Board at least annually regarding our risk analyses and assessments and risk mitigation strategies and activities. In addition, our Treasury Director updates the Audit Committee at least annually, or more frequently as needed, regarding our Directors and Officers Insurance program. The Treasury Director also updates the Audit Committee at least annually, or more frequently as needed, regarding certain financial risks.

Board Committees

Our Board of Directors has the authority to appoint committees to perform certain management and administrative functions. Our Board of Directors has established the following committees:

Audit Committee. Messrs. Smach (Chairman), Frasch and Jacobi are the current members of our Audit Committee. Mr. Croghan served as an Audit Committee member until February 24, 2009. The Audit Committee met ten times in 2009. The functions of the Audit Committee include oversight of the integrity of our financial statements, our compliance with legal and regulatory requirements, the performance, qualifications and independence of our independent auditors and the performance of our internal audit function. Our Audit Committee is directly responsible for the appointment, retention, compensation, evaluation, termination and oversight of the work of any independent auditor engaged for the purpose of preparing or issuing an audit report or related work. The purpose and responsibilities of our Audit Committee are set forth in the Audit Committee Charter, which was amended and restated by our Board of Directors on February 18, 2008. The amended and restated Audit Committee Charter can be found on our website at www.crocs.com.

All of the members of the Audit Committee are independent, as determined in accordance with NASDAQ listing standards and relevant federal securities laws and regulations. Our Board of Directors has determined that Mr. Smach qualifies as an "audit committee financial expert" as defined by the applicable regulations of the SEC.

Compensation Committee. Messrs Croghan (Chairman), Sharp and Cannon are the current members of our Compensation Committee. The Compensation Committee met thirteen times in 2009. The Compensation Committee has overall responsibility for evaluating and approving our executive officer compensation, benefits, severance, equity-based or other compensation plans, policies and programs. The Compensation Committee is also responsible for approving our Compensation Discussion and Analysis for inclusion in our proxy statement. The purpose and responsibilities of our

Compensation Committee are set forth in the Compensation Committee Charter, which was approved by our Board of Directors on June 30, 2005. The Compensation Committee Charter can be found on our website at www.crocs.com. All of the current members of the Compensation Committee are independent, as determined in accordance with NASDAQ listing standards and relevant federal securities laws and regulations.

Role of the Compensation Committee. The Compensation Committee has the authority to establish and monitor our executive compensation programs and to make decisions regarding the compensation of each of the executive officers named in the Summary Compensation Table set forth later in this document ("named executive officer" or "NEO"). The Compensation Committee sets the Chief Executive Officer's compensation. The Compensation Committee also reviews the recommendations of the Chief Executive Officer with respect to compensation of the other NEOs and, after reviewing such recommendations, sets the compensation of the other NEOs. The Compensation Committee also monitors, administers and approves awards under our various incentive compensation plans for all levels of our employees, including awards under our 2007 Equity Incentive Plan and 2008 Cash Incentive Plan.

The Compensation Committee relies on its judgment in making compensation decisions after reviewing our performance and evaluating each executive's performance against established goals, leadership ability and responsibilities, and current compensation arrangements. When setting total compensation for each of the NEOs, the Compensation Committee reviews the NEO's current compensation, which includes equity and non-equity based compensation. The Compensation Committee also evaluates surveys and other available data regarding the executive compensation programs of comparative companies. The compensation program for NEOs and the Compensation Committee assessment process are designed to be flexible so as to better respond to the evolving business environment and individual circumstances.

Role of Consultants. During 2008, the Compensation Committee and management engaged a third party consultant, Mercer, to provide an overall evaluation of our NEO compensation, including a comparison against our peers, on elements of compensation including base pay, performance based bonuses and long-term equity awards. The peer group information, which includes peers utilized in 2007 (detailed in *Executive Compensation and Analysis* later in this document), was collected and presented to the Compensation Committee by Mercer in 2008. Considering the data in the study, the Compensation Committee awarded restricted stock awards and stock options late in 2008 to certain NEOs, which the Compensation Committee deemed sufficient to address the near-term retention imperatives of its key executives. In 2009, the Compensation Committee determined that no additional restricted stock awards or stock option grants were required. As a result, the only stock option and restricted stock awards granted to NEOs in 2009 were to new NEOs (Messrs. Duerden and Hart) with the exception of Mr. Snyder, who did not receive a grant in late 2008.

In 2010, the Compensation Committee and management engaged a third party consultant, Buck Consultants, to provide an evaluation of the 2010 executive bonus plan and other executive compensation matters. While the 2010 executive bonus plan was approved, the result of the review by Buck Consultants is not yet final. (See *"Compensation Discussion and Analysis"* for further description of 2010 bonus metrics.)

Employment and Severance Agreements. Certain of our NEOs have employment agreements, as described more fully later in this document. In addition, unvested options and restricted stock may become vested on a change in control pursuant to individual option or restricted stock award agreements. The NEOs serve at the will of the Board, which enables us to terminate their employment with discretion and to determine the terms of any severance. This is consistent with our performance-based employment and compensation philosophy.

Governance and Nominating Committee. Our Governance and Nominating Committee currently consists of Messrs. Sharp (Chairman) and Cannon. The Governance and Nominating Committee met twice in 2009. The Governance and Nominating Committee assists our Board of Directors in promoting the best interests of the Company and our stockholders through the implementation of sound corporate governance principles and practices. In furtherance of this purpose, the Governance and Nominating Committee identifies individuals qualified to become board members and recommends to our Board of Directors the director nominees for election at each annual meeting of stockholders. It also reviews the qualifications and independence of the members of our Board of Directors and its various committees and makes any recommendations the Governance and Nominating Committee members may deem appropriate concerning any recommended changes in the composition of our Board of Directors and its committees. The Governance and Nominating Committee also recommends to our Board of Directors the corporate governance guidelines and standards regarding the independence of outside directors applicable to us and reviews the provisions of the Governance and Nominating Committee Charter on a regular basis to confirm that such guidelines, standards and charter remain consistent with sound corporate governance practices and with any legal or regulatory requirements of NASDAQ. The Governance and Nominating Committee also monitors and leads our Board of Directors in its annual review of our Board of Directors' performance.

The purpose and responsibilities of our Governance and Nominating Committee are set forth in the Governance and Nominating Committee Charter, which was approved by our Board of Directors on June 30, 2005. The Governance and Nominating Committee Charter can be found on our website at www.crocs.com. All of the members of the Governance and Nominating Committee are independent, as determined in accordance with the NASDAQ listing standards.

Director Nomination Process. In identifying potential director candidates, the Governance and Nominating Committee relies on recommendations from a number of sources, including current directors and officers. The Governance and Nominating Committee may also hire outside consultants, search firms or other advisors to assist in identifying director candidates. The Governance and Nominating Committee will consider director candidates recommended by stockholders on the same basis as it considers other candidates. Any stockholder wishing to recommend a candidate for consideration by the Governance and Nominating Committee may do so by submitting a written recommendation to the Governance and Nominating Committee in accordance with the procedures set forth under "Stockholder Proposals and Nominations for 2011 Annual Meeting."

In evaluating a candidate for director, the Governance and Nominating Committee considers, among other things, the candidate's judgment, knowledge, integrity, business and industry experience, and expertise, which are likely to enhance the Board of Directors' ability to govern our affairs and business. The Governance and Nominating Committee also takes into account independence requirements imposed by law or regulations (including the NASDAQ listing standards). In the case of director candidates recommended by stockholders, the Governance and Nominating Committee may also consider the number of shares held by the recommending stockholder, the length of time that such shares have been held and the relationship, if any, between the recommending stockholder and the recommended director nominee.

Code of Business Conduct and Ethics and Committee Charters

We have adopted a Code of Business Conduct and Ethics that applies to all directors and employees, including our principal executive, financial and accounting officers. The Amended and Restated Code of Business Conduct and Ethics is posted on our website at www.crocs.com. We intend to satisfy the requirements under Item 5.05 of Form 8-K regarding disclosure of amendments to, or waivers from, provisions of our Amended and Restated Code of Business Conduct and Ethics that apply to our directors and principal executive, financial and accounting officers by posting such information on our website. The Audit Committee Charter, Compensation Committee Charter and

Governance and Nominating Committee Charter are also available on our website at www.crocs.com. Any person may request a copy of the Amended and Restated Code of Business Conduct and Ethics or committee charters free of charge by submitting a written request to: Corporate Secretary, Crocs, Inc., 6328 Monarch Park Place, Niwot, Colorado 80503.

Compensation of Directors

The table below summarizes the total compensation paid or earned by each of the non-employee directors for the fiscal year ended December 31, 2009.

Name	Fees Earned or Paid in Cash	Stock Awards(1)	Option Awards(1)	Total
W. Stephen Cannon	$ 80,000	$ 99,999	$	$ 179,999
Raymond D. Croghan	62,500	184,997		247,497
Ronald L. Frasch	60,000	179,999		239,999
Peter Jacobi	60,000	179,999		239,999
Richard L. Sharp	63,750	224,996	17,964	306,710
Thomas J. Smach	110,000	150,001		260,001

(1) Amounts reflect the aggregate grant date fair value of grants made in each respective fiscal year, valued in accordance with ASC Topic 718 "Compensation Stock Compensation" ("ASC Topic 718"). Assumptions used in the calculations of these amounts are included in Footnote 10 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2009. For Mr. Sharp, amount includes approximately $40,000 related to a one-time grant he received for the additional services he performed during the transition of Mr. Duerden as Chief Executive Officer. Also included above is approximately $100,000 related to the annual stock grant made to each director, with the balance for certain directors who elected to receive a portion of their cash compensation in stock.

As of December 31, 2009, each non-employee director had the following number of stock options and unvested shares of restricted stock outstanding. All information regarding options outstanding have been restated, as appropriate, to reflect to the 2-for-1 stock split that occurred on June 14, 2007, which was effected as a 100% common stock dividend distributed on that date.

	Options Outstanding at December 31, 2009	Unvested Restricted Stock Awards Outstanding at December 31, 2009
W. Stephen Cannon		
Raymond D. Croghan	163,510	11,905
Ronald L. Frasch		11,205
Peter Jacobi		11,205
Richard L. Sharp	370,430	11,905
Thomas J. Smach	268,623	7,004

On June 25, 2009, the Board of Directors approved a new compensation plan for non-employee directors, effective as of that date. Pursuant to the plan, each of our non-employee directors receives $80,000 in annual compensation (a) in cash (payable quarterly in $20,000 installments), (b) in shares of restricted stock (based on the fair market value of our common stock on the date of grant) that vest in four successive quarterly installments from the date of grant or (c) in a combination of cash and restricted stock, at the election of each non-employee director. During 2009, Mr. Sharp, Mr. Frasch, Mr. Jacobi and Mr. Croghan elected to receive their director compensation in stock, Mr. Cannon elected to receive his director compensation in cash, and Mr. Smach elected to receive a portion of his director compensation in stock and a portion in cash. In addition, each non-employee director is awarded an annual grant of $100,000 of our common stock based on the fair market value of our common stock on the date of grant.

In addition to the annual compensation and annual grant of common stock described above, the Chairman of the Board is awarded an annual option to purchase 10,000 shares of the our common stock at an exercise price equal to the fair market value of the shares on the date of grant. This option will vest and become exercisable in four equal installments on the respective dates of each of the four annual meetings of stockholders following the year of grant. In 2009, Mr. Sharp, our Chairman of the Board, also received a one-time grant of $40,000 of our common stock, based on the closing price of our common stock on June 25, 2009, for the additional services he performed during the transition of our Mr. Duerden as Chief Executive Officer.

The chairperson of the Audit Committee receives an additional $50,000 and each of the chairpersons of the Compensation Committee and the Governance and Nominating Committee receives an additional $5,000 in annual compensation. Similarly to the payment of the annual compensation to non-employee directors, each chairperson may elect to receive his or her additional annual compensation in cash, in restricted stock or in a combination of cash and restricted stock.

All directors are reimbursed for their reasonable out-of-pocket expenses incurred in attending meetings of the Board of Directors and its committees.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The following discussion and analysis provides information regarding our executive compensation objectives and principles, procedures, practices and decisions, and is provided to help give perspective to the numbers and narratives that follow in the tables within this section. This discussion will focus on our objectives, principles, practices and decisions with respect to the compensation of the following named executive officers (the "NEOs"):

John P. McCarvel, Director, Chief Executive Officer and President and former Chief Operating Officer and Executive Vice President

John H. Duerden, former Director, Chief Executive Officer and President

Ronald R. Snyder, former Director, Chief Executive Officer and President

Daniel Hart, Executive Vice President of Administration and Corporate Development

Russell C. Hammer, Chief Financial Officer, Senior Vice President Finance and Treasurer

Erik Rebich, former Vice President, General Counsel and Secretary

Note that Mr. McCarvel served as our Chief Operating Officer and Executive Vice President from February 2007 to March 1, 2010, when he was appointed as our President and Chief Executive Officer and as a Director. Mr. Duerden served as our President and Chief Executive Officer and as a Director from March 18, 2009 to March 1, 2010, when he resigned from all of these positions. Mr. Snyder served as our President and Chief Executive Officer until March 16, 2009 and ceased to serve as an executive officer on such date. Mr. Snyder also served as a Director until June 30, 2009, when he resigned from the Board of Directors.

Executive Compensation Objectives and Principles

The overall objective of our executive compensation program is to create long-term value for our stockholders by attracting and retaining talented executives, rewarding superior operating and financial performance, and aligning the long-term interests of our executives with those of our stockholders. Accordingly, our executive compensation program incorporates the following principles:

- Compensation should be based on individual job responsibility, demonstrated leadership ability, management experience, individual performance and our performance. Employees in positions of leadership and broad responsibility are generally compensated by elements that are linked to our overall performance and stockholder returns.

- Compensation should reflect the fair market value of the services received. We believe that a fair and competitive pay package for our NEOs is essential to attract and retain talented executives in key positions.

- Compensation is designed to reward NEOs based on both our short-term and long-term performance. Base pay is tied to individual performance and market conditions for similar positions. Bonuses are tied to achievement of short-term quantitative performance goals that we believe closely correlate to share value. Long-term performance is rewarded through equity-based awards such as stock options, the value of which depends on future share prices, and the realization of which is contingent on satisfaction of vesting schedules requiring continued service with us.

- Compensation should foster long-term focus. Compensation is designed to align executives' interests with those of our stockholders. A significant percentage of total compensation is allocated to non-cash compensation as a result of this philosophy. We do not use an exact formula for allocating between cash and non-cash compensation.

The Compensation Committee forms its judgments regarding the levels and component mix of executive compensation by considering the market competition for executive talent, the risk to an executive inherent in employment with a company that has a relatively short operating history, and our financial goals. For the year ended December 31, 2009, we awarded cash incentive bonuses due to our financial performance during the year. Specifically, cash incentive bonuses for our NEOs were payable contingent upon the achievement of certain milestones related to growth in our diluted earnings per share.

Elements of Compensation

Our executive compensation objectives and principles are implemented through the use of the following elements of compensation, each of which is discussed more fully below:

- Base Pay

- Performance-Based Bonus

- Long-Term Equity Awards

- Other Personal Benefits

Our executive compensation program seeks to attract, retain, and motivate exemplary executive talent who are able to succeed in our fast paced, rapidly evolving company. Our executive compensation program also seeks to hold our executives accountable and reward them appropriately for successful business results. We are firmly committed to our stockholders and our executive compensation program is structured to align our executives' compensation with our stockholders' interests. To meet each of these objectives, our core executive compensation program encompasses base salaries, annual performance-based incentive compensation and long term equity incentive awards. We believe that the total compensation opportunities offered to our executives are sufficient to reduce the need for anything other than executive perquisites (which are detailed later in this report) or enhanced benefit programs beyond those that are typically available to all other employees.

The Compensation Committee does not utilize an exact calculation in determining the break-down of NEO compensation among base pay, annual performance-based bonus and long-term equity awards; rather, the Compensation Committee takes into consideration all forms of compensation. Because we are a rapidly evolving company, we believe that a substantial portion of each NEO's compensation should be in the form of annual performance-based bonus and equity awards. In general, base pay of the NEOs is set at levels where we are competitive with our market peers of the S&P 600 Footwear Index and two similar companies due to either their multi-brand business model or similar growth patterns (collectively, "Peers"), with the expectation that shortfalls in base pay, if any, will be recouped through performance bonuses should our performance entitle the NEO to receive performance bonuses. The Peers and the criteria for their inclusion are listed below:

Company	Criteria
Brown Shoe Co., Inc.	S&P 600 Footwear
K-Swiss, Inc.	S&P 600 Footwear
Quiksilver, Inc.	Similar Multi-Brand Business Model
Skechers USA, Inc.	S&P 600 Footwear
Stride Rite CP	S&P 600 Footwear
Timberland Co.	S&P 600 Footwear