

Crocs, Inc.  
Form DEF 14A  
April 29, 2011

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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

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**CROCS, INC.**

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(Name of Registrant as Specified In Its Charter)

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- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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**Crocs, Inc.**

**6328 Monarch Park Place  
Niwot, Colorado 80503**

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**NOTICE OF THE 2010 ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD JUNE 28, 2011**

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To the Stockholders of Crocs, Inc.:

We will hold the 2011 Annual Meeting of Stockholders of Crocs, Inc. at the St. Julien Hotel, 900 Walnut Street, Boulder, Colorado, on June 28, 2011 at 2 p.m. Mountain Time.

The meeting's purpose is to:

1. elect two Class III directors;
2. ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2011;
3. approve the Amendment and Restatement of our 2007 Equity Incentive Plan;
4. hold an advisory vote on the compensation of our named executive officers;
5. hold an advisory vote on the frequency of future advisory votes on the compensation of our named executive officers; and
6. 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 29, 2011 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

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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 29, 2011

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## Crocs, Inc.

6328 Monarch Park Place  
Niwot, Colorado 80503

### 2011 ANNUAL MEETING OF STOCKHOLDERS

### PROXY STATEMENT

This proxy statement will first be made available to stockholders on or about April 29, 2011. It is furnished to stockholders of Crocs, Inc., a Delaware corporation ("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 2011 Annual Meeting of Stockholders (the "Annual Meeting"), to be held on June 28, 2011 at the St. Julien Hotel, 900 Walnut Street, Boulder, Colorado at 2 p.m. Mountain Time, or at any postponement or adjournment thereof, for the purpose of voting on the 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 (the "SEC"), 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. This proxy statement and our 2010 annual report to stockholders are available at [www.proxyvote.com](http://www.proxyvote.com).

### GENERAL INFORMATION REGARDING ANNUAL MEETING

**Record Date.** Stockholders of record at the close of business on April 29, 2011 are entitled to notice of and to vote at the Annual Meeting. On the record date, there were 88,519,710 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 election of our Class III directors 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 two director nominees receiving the highest number of "for" votes cast in person or by proxy at the Annual Meeting will be elected as directors. Proxies marked

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withhold and broker non-votes will have no effect on the outcome of this proposal. 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 proposal is required for the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2011. Abstentions will have the effect of voting against this proposal. Broker non-votes will have no impact on this proposal.

**Approval of the Amendment and Restatement of the 2007 Equity Incentive Plan.** 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 proposal is required for the approval of the amendment. Abstentions will have the effect of voting against this proposal. Broker non-votes will have no effect on the outcome of this proposal.

**Advisory Vote on Named Executive Officer Compensation.** 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 proposal is required to approve the advisory resolution approving the compensation of our named executive officers. Abstentions will have the effect of voting against this proposal. Broker non-votes will have no effect on the outcome of this proposal.

**Advisory Vote on Frequency of Future Advisory Votes on Named Executive Officer Compensation.** At the annual meeting you will be asked to vote to approve the frequency every year, every two years or every three years of the advisory vote on the compensation of our named executive officers. The voting frequency option that receives the highest number of votes cast by the holders of the shares of our common stock present in person or by proxy and entitled to vote on the proposal will be deemed the frequency for the advisory vote on executive compensation that has been selected by stockholders. Abstentions and broker non-votes will have no effect on the outcome of this proposal.

**Approval of all Other Proposals.** With respect to any other matters properly brought before the Annual Meeting, 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 proposals will be the act of the stockholders. Abstentions will have the effect of voting against these proposals. Broker non-votes will have no effect on these proposals.

**Board Recommendations.** Our Board of Directors' recommendation is set forth together with the description of each proposal. In summary, our Board of Directors recommends a vote:

*FOR* election of each of the Class III director nominees (see Proposal 1);

*FOR* the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2011 (see Proposal 2);

*FOR* the approval of the Amendment and Restatement of our 2007 Equity Incentive Plan (see Proposal 3);

*FOR* the approval of the compensation of our named executive officers as disclosed in this proxy statement (see Proposal 4);  
and

*FOR* a frequency of *every three years* for future advisory votes on the compensation of our named executive officers (see Proposal 5).

**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**

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**will be voted FOR each of the proposals described in this proxy statement and for a frequency of "every three years" for Proposal 5 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, which include all other matters to be voted upon at the Annual Meeting, 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](http://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.

**Cost of Proxy Solicitation.** Our Board of Directors is soliciting the proxies. We will bear the entire cost of this proxy solicitation. We have retained the services of Georgeson, Inc., a professional proxy solicitation firm, to aid in the solicitation of proxies. Georgeson, Inc. may solicit proxies by personal interview, mail, telephone, facsimile, email or otherwise. We will pay Georgeson, Inc. its customary fee, estimated to be approximately \$20,000, plus reasonable out-of-pocket expenses incurred in the process of soliciting proxies. We may also 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 (the "Board") currently consists of seven members divided into three classes, with each director elected to a three-year term. Class III consists of Thomas J. Smach and John P. McCarvel, whose terms will expire at the Annual Meeting. Class I consists of Ronald L. Frasch and W. Stephen Cannon, whose terms will expire at the annual meeting to be held in 2012. Class II consists of Raymond D. Croghan, Peter A. Jacobi and Richard L. Sharp, whose terms will expire at the annual meeting to be held in 2013. 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 resignation 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 eight. 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.

Upon the recommendation of the Nominating and Governance Committee, the Board has nominated Messrs. Smach and McCarvel for re-election as Class III directors to serve for a three-year term expiring at the 2014 annual meeting of stockholders.

A stockholder cannot vote for more than two 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



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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 the Board may recommend.

**Class III Director Nominees**

**Thomas J. Smach (Class III)**, age 50, has served as a member of the Board since April 2005 and is currently serving as our Acting Chairman. 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 International ("Flextronics") a NASDAQ-listed electronics manufacturing services (EMS) provider. 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. Mr. Smach has extensive accounting and financial management experience having served as the chief financial officer of global public companies. In addition, Mr. Smach has significant experience with international manufacturing and business from his leadership positions at Flextronics. This experience is useful as we continue to expand our international operations. Mr. Smach is also well versed in SEC compliance and risk oversight, which makes him particularly well suited to serve as the chairman of the Audit Committee and as the Board's Acting Chairman.

**John P. McCarvel (Class III)**, age 54, was appointed as a director effective March 1, 2010. He has served as our President and Chief Executive Officer since March 1, 2010. Prior to this 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. Mr. McCarvel has served us as an executive since 2005. He has been our chief operating officer and has extensive knowledge of our day-to-day operations along with a strategic vision as our chief executive officer. Mr. McCarvel's leadership, extensive knowledge of our business and previous manufacturing expertise provide significant value and insights to the Board.

**THE BOARD RECOMMENDS A VOTE "FOR" EACH OF THE ABOVE-NAMED NOMINEES FOR DIRECTOR.**

**Information About Continuing Directors**

**Raymond D. Croghan (Class II)**, age 61, has served as a member of the Board 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. Mr. Croghan has successfully operated and grown private companies and has served on the boards of several companies in a variety of industries. His experience successfully operating companies in different industries provides us with a unique perspective as does his board

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experience. In addition, Mr. Croghan is our longest serving director and has extensive knowledge of our company and its operations.

**Peter A. Jacobi (Class II)**, age 67, has served as a member of the Board 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 29 years of 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. Mr. Jacobi has extensive executive experience in the apparel industry gained through his tenure at Levi Strauss. The apparel industry is similar and complementary to the footwear industry and Mr. Jacobi has provided us significant insights from this industry. In addition, Levi Strauss is an established international brand. Mr. Jacobi's experience with a global brand has helped us as we continue to build our brand internationally.

**Richard L. Sharp (Class II)**, age 64, has served as the Chairman of the Board 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. He served as a director of Flextronics from 1993 to October 2008 and as Chairman of the Board from January 2003 to January 2006. Mr. Sharp is currently a director of Star Scientific, Inc., a publicly-traded smokeless tobacco company. Mr. Sharp has founded and successfully operated large public companies in diverse businesses such as retail consumer electronics, used car retail and electronics manufacturing. He brings a unique perspective to the Board both as an entrepreneur and a former chief executive and chairman of other publicly traded companies. His business leadership and experience with large companies in retail industries make him well suited to serve as the Chairman of our Board. As previously disclosed, Mr. Sharp is currently on a leave of absence from the Board for personal reasons.

**Ronald L. Frasch (Class I)**, age 62, has served as a member of the Board 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. From November 2004 until January 2007, he held the post of Vice Chairman and Chief Merchant of Saks Fifth Avenue. From January 2004 to November 2004, he 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. Mr. Frasch has extensive executive expertise in the fashion retail industry, most notably demonstrated by his current position at Saks Fifth Avenue. Mr. Frasch's experience and insight into this industry is invaluable to the Board and management in understanding the consumer retail and fashion industry, including current buying trends by our wholesale customers.

**W. Stephen Cannon (Class I)**, age 59, has served as a member of the Board since 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 ten years in government service, including serving as Chief Antitrust Counsel to the United States Senate Judiciary Committee. Mr. Cannon has

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demonstrated significant legal and business expertise through his role as general counsel of Circuit City, a public company with significant retail operations. This experience assists the Board with its risk oversight and retail expansion plans. Mr. Cannon's legal expertise also allows him to effectively chair the Nominating and Governance Committee and understand corporate governance and SEC developments.

## CORPORATE GOVERNANCE

Crocs, Inc. is committed to maintaining sound corporate governance practices. The Board has formalized several policies, procedures and standards of corporate governance some of which are described below. We continue to monitor best practices and legal and regulatory developments with a view to further revising our governance policies and procedures, as appropriate.

**Director Independence.** NASDAQ listing standards require that the Board consist of a majority of independent directors. The Board has determined that all of its current non-management members of the Board (Messrs. Cannon, Croghan, Frasch, Jacobi, Smach and Sharp) are independent directors as defined by NASDAQ listing standards. The Board makes a determination regarding the independence of each director annually based on 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 which, in the opinion of the Board, would interfere with the exercise of his independent judgment in carrying out the responsibilities of a director. The independent directors of the Board regularly hold executive sessions without members of management present.

**Communicating with Directors.** Stockholders who wish to communicate with the Board 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 and any 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 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 business, including risk management oversight, 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 oversees our risk management activities. The Board implements its risk oversight function both as a whole and through delegation to its 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 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 oversees risks relating to our compensation plans and programs. The Compensation Committee also has reviewed and considered our compensation policies and programs in light of the Board's 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.

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The Chief Legal and Administrative Officer serves as our chief compliance officer and chairs an inter-disciplinary Compliance Council which is charged with assessing and managing our legal and other compliance obligations on a global basis. The Chief Legal and Administrative Officer reports to the Audit Committee regularly on our legal and compliance obligations.

The Director of Internal Audit coordinates the day-to-day risk management process and reports directly to the Chief Financial Officer and to the Audit Committee. The Director of Internal Audit performs a risk assessment annually, and updates the Audit Committee at least quarterly regarding our risk analyses, assessments, risk mitigation strategies and activities. The Treasury Director updates the Audit Committee at least annually, or more frequently as needed, regarding our directors and officers insurance coverage and on matters regarding certain financial risks.

**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](http://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 Nominating and Governance Committee Charter are also available on our website at [www.crocs.com](http://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.

**BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD**

During 2010, the Board met six times. All directors attended 75% or more of the Board's meetings and the meetings of the Board committees on which they served. We encourage, but do not require, our directors to attend the annual meeting of stockholders. Messrs. Cannon, Frasch, Jacobi, McCarvel, Smach and Sharp attended our 2010 Annual Meeting of Stockholders.

**Board Committees.** The Board has the authority to appoint committees to perform certain management and administrative functions and has established the following committees.

*Audit Committee.* Messrs. Smach (Chairman), Frasch and Jacobi are the current members of the Audit Committee. The Audit Committee met eight times in 2010. 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. The 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 the Audit Committee are set forth in the Audit Committee Charter. The Audit Committee Charter can be found on our website at [www.crocs.com](http://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. The Board 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), Cannon and Sharp are the current members of the Compensation Committee. The Compensation Committee, which met six times in 2010, has overall responsibility for evaluating and approving our executive officer compensation, benefits, severance, equity-based or other compensation plans, policies and programs. The Compensation

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Committee is also responsible for approving our Compensation Discussion and Analysis for inclusion in this proxy statement. The purpose and responsibilities of our Compensation Committee are set forth in the Compensation Committee Charter. The Compensation Committee Charter can be found on our website at [www.crocs.com](http://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.

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. In addition, 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 when 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, including 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.* In 2010, the Compensation Committee and management engaged a third party consultant, Buck Consultants, to provide an evaluation of the 2010 executive bonus plan, long-term incentives and other executive compensation matters. Please see "Compensation Discussion and Analysis" for further description of 2010 bonus metrics and long-term incentives.

*Nominating and Governance Committee.* Our Nominating and Governance Committee currently consists of Messrs. Cannon (Chairman) and Croghan. Mr. Sharp served as chairman of the Nominating and Governance Committee until his leave of absence in December 2010. The Nominating and Governance Committee met twice in 2010. The Nominating and Governance Committee assists the Board in promoting our best interests and that of our stockholders through the implementation of sound corporate governance principles and practices. In furtherance of this purpose, the Nominating and Governance Committee identifies individuals qualified to become board members and recommends to the Board the director nominees for election at each annual meeting of stockholders. It also reviews the qualifications and independence of the members of the Board and its various committees and makes any recommendations the Nominating and Governance Committee members may deem appropriate concerning any changes in the composition of the Board and its committees. The Nominating and Governance Committee also recommends to the Board the corporate governance guidelines and standards regarding the independence of outside directors applicable to us and reviews the provisions of the Nominating and Governance Committee Charter on a regular basis to confirm that such guidelines, standards and charter remain consistent with sound corporate governance practices and with any applicable legal or regulatory requirements and the NASDAQ listing standards. The Nominating and Governance Committee also monitors and leads the Board in its annual review of the Board's performance.

The purpose and responsibilities of our Nominating and Governance Committee are set forth in the Nominating and Governance Committee Charter. The Nominating and Governance Committee

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Charter can be found on our website at [www.crocs.com](http://www.crocs.com). All of the members of the Nominating and Governance Committee are independent, as determined in accordance with the NASDAQ listing standards.

*Director Nomination Process and Director Qualifications.* In identifying potential director candidates, the Nominating and Governance Committee relies on recommendations from a number of sources, including current directors and officers. The Nominating and Governance Committee may also hire outside consultants, search firms or other advisors to assist in identifying director candidates. The Nominating and Governance 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 Nominating and Governance Committee may do so by submitting a written recommendation to the Nominating and Governance Committee in accordance with the procedures set forth under "Stockholder Proposals and Nominations for 2012 Annual Meeting."

In evaluating a candidate for director, our Nominating and Governance Committee considers, among other things, the candidate's judgment, knowledge, integrity, diversity, expertise and business and industry experience, and expertise, which are likely to enhance the Board's ability to govern our affairs and business. We do not have a separate policy regarding consideration of diversity in identifying director nominees but the Nominating and Governance Committee strives to nominate directors with a variety of complementary skills and backgrounds so that, as a group, the Board will possess a broad perspective and the appropriate talent, skills and expertise to oversee our business. The Nominating and Governance 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 Nominating and Governance 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.

## 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, 2011 include the following individuals:

Name	Age	Position(s)
Daniel P. Hart	52	Executive Vice President, Chief Legal and Administrative Officer
Jeffrey J. Lasher	46	Corporate Controller, Chief Accounting Officer and interim Principal Financial Officer
Scott E. Crutchfield	49	Senior Vice President of World Wide Operations

**Daniel P. Hart** has served as our Executive Vice President, Chief Legal and Administrative Officer since January 2010. From June 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 in New York City. He was an executive officer of Dictaphone Corporation in November 2000 when it filed for protection under Chapter 11 of the U.S. bankruptcy code.

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**Jeffrey J. Lasher** has served as our Corporate Controller and Chief Accounting Officer since June 2009. In January 2011, Mr. Lasher was appointed as our principal accounting officer and interim principal financial officer and effective April 28, 2011, Mr. Lasher was appointed as our Chief Financial Officer. Prior to joining us, Mr. Lasher was a Senior Consultant for Connelly Consulting, a privately-held financial services company, from October 2008 to June 2009. From December 2005 to September 2008, he was the Vice President Corporate Controller for Corporate Express Inc., a publicly-held business supplies and equipment company. Mr. Lasher was also the Vice President Finance of AutoNation, Inc., a publicly-held automotive retail company, from December 2000 to December 2005.

**Scott E. Crutchfield** has served as our Senior Vice President of World Wide Operations since May 2010. From February 2006 to May 2010, he served as our Vice President for World Wide Operations. Prior to joining us, he served as Senior Director, U.S. and South America Operations for Jabil Circuit, a publicly-held design and manufacturing company from May 2004 to January 2006. Mr. Crutchfield was also Vice President, General Manager Central/Eastern U.S. and South America for Flextronics from March 2000 to April 2004. Previously, Mr. Crutchfield also held senior leadership positions at Dovatron International, a subsidiary of the Dii Group, and at Square D, a subsidiary of Schneider Electric.

**BENEFICIAL OWNERSHIP OF OUR COMMON STOCK**

***Ownership by Our Directors, Executive Officers and Greater than 5% Stockholders***

The following table sets forth information with respect to the beneficial ownership of our common stock as of March 31, 2011 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; and

all directors and executive officers as a group.

Beneficial ownership is determined in accordance with 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 exercisable within 60 days after March 31, 2011, are 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 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 88,410,942 shares of our common stock outstanding on March 31, 2011. Unless otherwise indicated below, the address for each director and

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named executive officer listed below is in care of Crocs, Inc., 6328 Monarch Park Place, Niwot, Colorado 80503.

Name of Beneficial Owner	Beneficial Ownership	
	Shares	Percent
<b>5% Stockholders:</b>		
Blackrock, Inc.(1)	6,520,840	7.4%
The Vanguard Group, Inc(2)	4,497,234	5.1%
<b>Directors:</b>		
Richard L. Sharp(3)	1,185,319	1.3%
Peter A. Jacobi(4)	49,584	*
Thomas J. Smach(5)	195,719	*
Raymond D. Croghan(6)	70,720	*
W. Stephen Cannon(7)	61,746	*
Ronald L. Frasch	50,588	*
<b>Officers:</b>		
John P. McCarvel(8)	466,364	*
Daniel P. Hart(9)	137,943	*
John Duerden(10)	51,912	*
Russell C. Hammer(11)	24,100	*
All current directors and executive officers as a group (10 persons)(12)	2,293,995	2.6%

\*  
Less than 1%

- (1) Based solely on a Schedule 13G/A filed with the SEC on February 3, 2011. The address for Blackrock, Inc. is 40 East 52<sup>nd</sup> Street, New York, New York, 10022.
- (2) Based solely on a Schedule 13G filed with the SEC on February 10, 2011. The address for The Vanguard Group, Inc. is 100 Vanguard Blvd., Malvern, PA 19355.
- (3) Shares beneficially owned include 357,930 shares subject to options exercisable within 60 days of March 31, 2011, 666,507 shares beneficially owned by The RLS Trust, 39,610 shares beneficially owned by BES & RS, LLC, 39,610 shares beneficially owned by EGG & RS, LLC, 39,610 shares beneficially owned by RBG & RS, LLC, 39,600 and shares beneficially owned by CSS & RS, LLC. Mr. Sharp is the sole trustee of The RLS Trust 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.
- (4) Shares beneficially owned include 47,249 shares held in trust by Peter A Jacobi & Mary Louise Jacobi Living Trust.
- (5) Shares beneficially owned include 151,813 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.
- (6) Shares beneficially owned include 58,406 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.





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- (7) Shares beneficially owned are held in trust by The W. Stephen Cannon Revocable Trust.
- (8) Shares beneficially owned include 146,915 shares subject to options exercisable within 60 days of March 31, 2011 and 208,964 shares held jointly with his spouse.
- (9) Shares beneficially owned include 8,333 shares subject to options exercisable within 60 days of March 31, 2011.
- (10) Mr. Duerden retired as President and Chief Executive Officer effective March 1, 2010.
- (11) Mr. Hammer resigned as our Chief Financial Officer, Senior Vice President Finance and Treasurer effective December 31, 2010.
- (12) Shares beneficially owned include 568,149 shares of common stock subject to options issued to directors and 155,248 shares of common stock subject to options issued to named executive officers that are exercisable or issuable within 60 days of March 31, 2011.

**Section 16 Beneficial Ownership and Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers and persons who own more than ten percent of our common stock to file with the SEC and any exchange or other system on which such securities are traded or quoted, initial reports of ownership and reports of changes in ownership of our common stock.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations from certain of our officers and directors that no other reports were required, we believe that all required reports of our officers, directors and greater than ten percent stockholders under Section 16(a) were timely filed during the year ended December 31, 2010.

**CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS**

**Related Person Transactions**

We had no transactions with related persons during 2010 which are required to be disclosed by the rules of the SEC.

**Policy on Transactions with Related Persons**

Our Business Code of Conduct and Ethics requires that any transaction involving us in which one of our directors, nominees for director, executive officers, or greater than five percent stockholders, or one of the aforementioned's immediate family members (each, a "related person"), have a material interest be approved or ratified by the Audit Committee if the amount involved, when aggregated with the amount of all other transactions between the related person and us, exceeds \$100,000 in a fiscal year. The full Board reviews ordinary course of business transactions in which directors have an interest as part of the Board's annual director independence review, and our Business Code of Conduct and Ethics permits the full Board to waive any conflicts of interest between us and any director or officer. In determining whether to approve or ratify any such transaction, the Audit Committee must consider, in addition to other factors it deems appropriate, whether the transaction is on terms no less favorable to us than those involving unrelated parties.

**Director and Officer Indemnification**

We have entered into agreements to indemnify certain directors and executive officers in addition to the indemnification provided for in our certificate of incorporation and bylaws. These agreements, among other things, provide for indemnification of our directors and executive officers for certain

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expenses (including attorneys' fees), judgments, fines and settlement amounts incurred by any such person in any action or proceeding, including any action by us or in our right, arising out of such person's services as a director or executive officer of ours, any subsidiary of ours or any other company or enterprise to which the person provided services at our request. We believe that these provisions and agreements are necessary to attract and retain qualified persons as directors and executive officers.

**DIRECTOR COMPENSATION**

The table below summarizes the total compensation paid to each non-employee directors during the fiscal year ended December 31, 2010.

Name	Fees Earned or Paid in Cash	Stock Awards(1)	Option Awards(1)	Total
<b>W. Stephen Cannon</b>	\$ 90,000	\$ 99,999	\$	\$ 189,999
<b>Raymond D. Croghan</b>	3,125	291,017		294,142
<b>Ronald L. Frasch</b>		280,623		280,623
<b>Peter A. Jacobi</b>		280,623		280,623
<b>Richard L. Sharp</b>		291,017	62,262	353,279
<b>Thomas J. Smach</b>	\$ 90,000	\$ 204,010	\$	\$ 294,010

(1)

Represents the grant date fair value. Assumptions used in to calculate these values are included in Note 9 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2010.

As of December 31, 2010, each non-employee director had the following number of stock options and unvested shares of restricted stock outstanding:

**Options  
Outstanding at  
December 31, 2010**