

DECKERS OUTDOOR CORP
Form DEF 14A
April 13, 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 Pursuant to §240.14a-12

Deckers Outdoor Corporation

(Name of Registrant as Specified In Its Charter)

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

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April 13, 2011

Dear Stockholder:

We cordially invite you to attend our 2011 Annual Meeting of Stockholders to be held at 3:00 p.m., local time, on Tuesday, May 31, 2011 at Deckers Outdoor Corporation's headquarters, 495-A South Fairview Avenue, Goleta, California 93117.

You may have noticed significant changes in the way we are providing proxy materials to our stockholders in connection with our Annual Meeting. This is because we have elected to provide access to our proxy material over the Internet under the Securities and Exchange Commission's "notice and access" rules. These rules allow us to make our stockholders aware of the availability of our proxy materials by sending a Notice of Internet Availability of Proxy Materials, which provides instructions for how to access the full set of proxy materials through the Internet or make a request to have printed proxy materials delivered by mail. We believe compliance with these rules will allow us to provide our stockholders with the materials they need to make informed decisions, while lowering the costs of printing and delivering those materials and significantly reducing the environmental impact of our Annual Meeting.

Your vote is important. Whether or not you plan to attend the Annual Meeting, we hope you will vote as soon as possible using one of the voting methods we have provided to you. You may vote over the Internet or, if you requested to receive printed proxy materials, by telephone or by mailing a proxy or voting instruction card. Please review the instructions on each of your voting options described in this proxy statement as well as in the Notice you received in the mail.

Thank you for your ongoing support of Deckers Outdoor Corporation. We look forward to seeing you at our Annual Meeting.

Sincerely,

/s/ ANGEL R. MARTINEZ

Angel R. Martinez

Chair of the Board, President and Chief Executive Officer

2011 Proxy Summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

Annual Meeting of Stockholders

Time and Date 3:00 p.m., May 31, 2011
 Place Deckers Outdoor Corporation Corporate Headquarters
 495-A South Fairview Avenue
 Goleta, California 93117
 Record Date April 4, 2011
 Voting Stockholders as of the record date are entitled to vote.

Meeting Agenda

Election of 8 directors

Ratification of KPMG as independent registered public accounting firm for 2011

Re-approve the material terms of the performance goals under our 2006 Equity Incentive Plan

Advisory vote on executive compensation

Advisory vote on the frequency of future advisory votes on executive compensation

Transact other business that may properly come before the meeting

Voting Matters

Proposal No.	Matter	Board Vote Recommendation	Page Reference (for more detail)
1	Election of Directors	FOR EACH DIRECTOR NOMINEE	5
2	Ratification of KPMG LLP as Independent Registered Public Accounting Firm for 2011	FOR	48
3	Reapprove Performance Goals under 2006 Equity Incentive Plan	FOR	50
4	Advisory Vote on Executive Compensation	FOR	58
5	Advisory Vote on the Frequency of Future Advisory Votes on Executive Compensation	FOR EVERY YEAR	59

The following is summary information with respect to each of the proposals to be voted on at the meeting.

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Board Nominees

The following table provides summary information about each director nominee. Each director nominee is elected annually by a plurality of votes cast.

Name	Age	Director Since	Occupation	Experience/Qualification	Independent
Angel R. Martinez	55	2005	Chair, President & CEO, Deckers Outdoor Corporation	Leadership Industry Marketing	
Rex A. Licklider	67	1993	CEO & Vice Chair, The Sports Club Company	Leadership Marketing	X
John M. Gibbons(1)(2)	62	2000	Independent Consultant	Leadership Finance	X
John G. Perenchio(1)(3)	55	2005	Private Investor and Chairman, Fearless Records LLC	Leadership Legal Marketing	X
Maureen Conners(1)(3)	64	2006	President, Conners Consulting	Leadership Industry Marketing International	X
Ruth M. Owades(3)	62	2008	Corporate Director	Leadership Industry Marketing	X
Karyn O. Barsa(2)	49	2008	CEO, Coyuchi, Inc.	Leadership Industry Finance Marketing	X
Michael F. Devine, III	52	2011	CFO, Coach, Inc.	Leadership Industry Finance	X

(1) Member of Compensation and Management Development Committee

(2) Member of Audit Committee

(3) Member of Corporate Governance and Nominating Committee

No director nominee who is a current director attended fewer than 75% of the Board meetings and committee meetings on which he or she sits.

Auditors

As a matter of good corporate governance, we are asking our stockholders to ratify the selection of KPMG LLP as our independent registered public accounting firm for 2011. Set forth below is summary information with respect to KPMG's fees for services provided in 2010 and 2009.

Type of Fees	2010	2009
Audit Fees	\$ 1,235,000	\$ 1,200,000
Audit-Related Fees		
Tax Fees	\$ 18,000	\$ 41,000
All Other Fees		
Total	\$ 1,253,000	\$ 1,241,000

Re-approve the material terms of the performance goals under our 2006 Equity Incentive Plan

We are asking our stockholders to re-approve the material terms of the performance goals under our 2006 Equity Incentive Plan. This re-approval is required under Internal Revenue Service regulations in order to preserve the Company's federal income tax deduction when payments related to these awards are made to certain executive officers. We are not seeking approval for any changes to the Plan and re-approval will not increase the number of shares available under the Plan or otherwise represent an enhancement to executive compensation.

Executive Compensation Advisory Vote and Its Frequency

We are asking our stockholders to approve on an advisory basis our named executive officer compensation. The Board recommends a FOR vote because it believes that our compensation policies and practices are effective in achieving our goals of paying for financial and operating performance, and aligning our executives' interests with those of our stockholders.

The Board recommends that our stockholders vote in favor of holding the advisory vote on executive compensation EVERY YEAR.

Executive Compensation Elements

Type	Form	Terms
Equity	Annual Short-Term Equity Awards (Nonvested Stock Units or "NSUs") Long-Term Incentive Equity Awards Level 1 and Level 2 (includes Restricted Stock Units or "RSUs" and Stock Appreciation Rights or "SARs")	If performance goals are achieved, NSUs vest over a period of approximately 3 years RSUs and SARs have performance periods (approximately 5 years for Level 1 and approximately 10 years for Level 2) with 2 objective performance measures
Cash	Salary Annual Cash Incentive Plan Awards Discretionary Bonus	Increases must be approved by compensation committee Based on quantitative and qualitative goals Not guaranteed; Determined by compensation committee based on year-end results
Other	Perquisites	Generally benefits provided to executives mirror those provided to all employees

Other Key Compensation Features

No tax gross-ups as a result of termination following a change of control

Prohibit hedging and speculative transactions with respect to our stock

Stock ownership guidelines for our named executive officers and directors

"Double Trigger" event required for severance benefits upon a change in control

Annual short-term equity awards granted in 2011 are subject to a Clawback Policy to be adopted by the Company following adoption of the relevant rules under Section 954 of the Dodd-Frank Act

2010 Compensation Decisions

In every year since 2006, our annual revenue and diluted earnings per share have steadily increased. Throughout the past five years, our executive team has provided both the leadership and strategic vision to achieve this success.

During fiscal 2010, we achieved a record \$1.001 billion in net sales, a 23.1% increase over the prior year. Furthermore, our executive team successfully implemented strategic goals for our continued long-term success. These goals include broadening the Teva® brand's appeal through product innovation; completing various phases of our transition from a distributor to an international wholesale model in Japan, Benelux, France and UK; and continuing our multi-channel expansion in retail and eCommerce.

Our executive compensation philosophy continues to focus on at-risk pay and limits annual guaranteed pay. Therefore, compensation increases for our executive officers are generally tied to the company's performance and each executive's contributions to that performance through their respective functions. At the same time, we balance our annual guaranteed pay with the at-risk pay so as to mitigate excessive risk taking to the company.

2012 Annual Meeting

Deadline for Stockholder Proposals December 17, 2011

DECKERS OUTDOOR CORPORATION

495-A South Fairview Avenue, Goleta, California 93117

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 31, 2011

TO THE STOCKHOLDERS OF
DECKERS OUTDOOR CORPORATION:

Notice is hereby given that the Annual Meeting of Stockholders (the "Annual Meeting") of Deckers Outdoor Corporation, a Delaware corporation (the "Company"), will be held at the Company's headquarters, 495-A South Fairview Avenue, Goleta, California, 93117, on Tuesday, May 31, 2011, beginning at 3:00 p.m., local time. The Annual Meeting will be held for the following purposes:

1. **Election of Directors.** To elect eight (8) directors of the Company to serve until the Annual Meeting of Stockholders to be held in 2012.
2. **Ratification of Appointment of Independent Registered Public Accounting Firm.** To ratify the selection of KPMG LLP as the Company's independent registered public accounting firm for the year ending December 31, 2011.
3. **Re-approve the material terms of the performance goals under our 2006 Equity Incentive Plan.** To re-approve the material terms of the performance goals under our 2006 Equity Incentive Plan in order to preserve the Company's federal income tax deduction when payments related to these awards are made to certain executive officers.
4. **Advisory Vote on Executive Compensation.** To approve, by a non-binding advisory vote, our executive compensation program.
5. **Advisory Vote on the Frequency of Advisory Votes on Executive Compensation.** To recommend, by a non-binding advisory vote, the frequency of advisory votes on our executive compensation program.
6. **Other Business.** To consider and act upon such other business as may properly come before the Annual Meeting or any postponements or adjournments thereof.

The Board of Directors has fixed the close of business on April 4, 2011 as the record date (the "Record Date") for determining stockholders entitled to notice of and to vote at the Annual Meeting and any continuations, postponements or adjournments thereof. Only stockholders of record at the close of business on the Record Date are entitled to such notice and to vote, in person or by Proxy, at the Annual Meeting.

Your vote is very important. Whether or not you plan to attend the Annual Meeting, we encourage you to read this proxy statement and submit your proxy or voting instructions as soon as possible. For specific instructions on how to vote your shares, please refer to the instructions on the Notice of Internet Availability of Proxy Materials you received in the mail, the section entitled "How to Vote" in this proxy statement or, if you requested to receive printed proxy materials, your enclosed proxy card.

BY ORDER OF THE BOARD OF
DIRECTORS

/s/ ANGEL R. MARTINEZ

Angel R. Martinez
Chair of the Board, President and
Chief Executive Officer

Goleta, California
April 13, 2011

495-A South Fairview Avenue
Goleta, California 93117

ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 31, 2011

PROXY STATEMENT

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of Proxies by the Board of Directors of Deckers Outdoor Corporation, a Delaware corporation (the "Company" or "Deckers"), for use at its Annual Meeting of Stockholders (the "Annual Meeting") to be held at 3:00 p.m., local time, on May 31, 2011, at the Company's headquarters, 495-A South Fairview Avenue, Goleta, California 93117, and any continuations, postponements or adjournments thereof for the purposes set forth in the accompanying Notice of Annual Meeting. This Proxy Statement and the accompanying Proxy Card (the "Proxy") were first mailed to stockholders on or about April 15, 2011.

Annual Meeting Admission

You are entitled to attend the Annual Meeting only if you were a stockholder as of the close of business on April 4, 2011 the record date for the Annual Meeting, or hold a valid proxy for the Annual Meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. You should be prepared to present photo identification for admittance. If you are not a stockholder of record but hold shares through a broker, bank, trustee or other nominee (i.e., in street name), you should provide proof of beneficial ownership as of April 4, 2011, such as your most recent account statement prior to April 4, 2011, a copy of the voting instruction card provided by your broker, bank, trustee or other nominee, or similar evidence of ownership. If you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the Annual Meeting. For security reasons, you and your bags may be subject to search prior to your admittance to the Annual Meeting.

Important Notice Regarding the Availability of Proxy Materials

Under rules issued by the U.S. Securities and Exchange Commission (the "SEC"), we are furnishing proxy materials to our stockholders primarily via the Internet, instead of mailing printed copies of those materials to each stockholder. On April 15, 2011, we mailed to our stockholders (other than those who previously requested electronic or paper delivery) a Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access our proxy materials, including our proxy statement and our Annual Report, each of which are available at www.proxyvote.com. The Notice also instructs our stockholders how to vote their shares through the Internet or by telephone.

This new process is designed to expedite our stockholders' receipt of our proxy materials, lower the cost of our Annual Meeting, and help conserve natural resources. However, if you would prefer to receive printed proxy materials, please follow the instructions included in the Notice. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail unless you elect otherwise.

How to Vote

Stockholders of record can vote by Proxy or by attending the Annual Meeting and voting in person. If you vote by Proxy, you can vote by telephone, by Internet or by mail as described below. Zohar Ziv and Thomas A. George, the designated proxyholders (the "Proxyholders"), are members of the Company's management. If you are a beneficial owner (i.e., if you hold our shares in "street name"), please refer to your proxy card or the information forwarded by your bank, broker or other holder of record to see which voting options are available to you.

Vote by Internet. You can vote by proxy over the Internet by following the instructions provided in the Notice. If you hold shares beneficially in "street name," you may vote by proxy over the Internet by following the instructions provided in the Notice or the proxy card. Internet voting is available 24 hours a day and will be accessible until 11:59 p.m. Eastern Time on May 30, 2011 by visiting www.proxyvote.com and following the instructions. Our Internet voting procedures are designed to authenticate stockholders by using individual control numbers, which are located on the Notice. **If you vote by Internet, you do not need to return your proxy card.**

Vote by Telephone. If you requested to receive printed proxy materials, you can vote by telephone pursuant to the instructions provided on the proxy card. If you hold shares beneficially in "street name" and requested to receive printed proxy materials, you can vote by telephone following the voting instruction card provided to you by your broker, bank, trustee or nominee. Telephone voting is available 24 hours a day and will be accessible until 11:59 p.m. Eastern Time on May 30, 2011. **If you vote by telephone, you do not need to return your proxy card.**

Vote by Mail. If you requested to receive printed proxy materials, you can vote by mail pursuant to the instructions provided on the proxy card. If you hold shares beneficially in "street name" and requested to receive printed proxy materials, you can vote by mail by following the voting instruction card provided to you by your broker, bank, trustee or nominee. In order to be effective, completed proxy cards must be received by 12:00 p.m. Eastern Time on May 31, 2011. If you choose to vote by mail, simply mark your Proxy, date and sign it, and return it in the business reply envelope provided with this Proxy Statement.

Vote at the Annual Meeting. The method you use to vote will not limit your right to vote at the Annual Meeting if you decide to attend in person. If you hold shares beneficially in "street name," you must obtain a Proxy, executed in your favor by your broker or nominee, to be able to vote at the Annual Meeting. All shares that have been properly voted and not revoked will be voted at the Annual Meeting. If you sign and return your proxy card but do not give voting instructions, the shares represented by that Proxy will be voted as recommended by the Board of Directors.

Voting Rights

Meeting Quorum. In order to conduct business at the Annual Meeting, a quorum must be present. The presence at the Annual Meeting, in person or represented by Proxy, of holders of a majority of the outstanding shares of the Common Stock outstanding as of the Record Date, will constitute a quorum at the Annual Meeting. We will treat shares of Common Stock represented by a properly signed and returned Proxy, including abstentions and broker non-votes (each as defined below), as present at the Annual Meeting for the purposes of determining the existence of a quorum.

Vote Required. Each share of Common Stock issued and outstanding on the Record Date is entitled to one vote on any matter presented for consideration and action by the stockholders at the Annual Meeting. The eight directors to be elected at the Annual Meeting (Proposal No. 1) will be elected by a plurality of the votes cast by stockholders present in person or represented by Proxy at the Annual Meeting and entitled to vote and voting. Proposal No. 2 regarding the ratification of the selection of KPMG LLP as the Company's independent registered public accounting firm, Proposal

No. 3 regarding the re-approval of the material terms of the performance goals under our 2006 Equity Incentive Plan, and Proposal No. 4 regarding the advisory vote on executive compensation, will each require the affirmative vote of a majority of the shares present in person or represented by Proxy at the Annual Meeting and entitled to vote (assuming that a quorum is present). With respect to Proposal No. 5 regarding the frequency of future advisory votes on executive compensation, stockholders may vote for "one year," "two years" or "three years," or may abstain from voting. The option of one year, two years or three years that receives a majority of the shares present in person or represented by Proxy at the Annual Meeting and entitled to vote will be the frequency for the advisory vote on executive compensation selected by our stockholders. In the absence of a majority of votes cast in support of any one frequency, the option of one year, two years or three years that receives the greatest number of votes will be considered the frequency selected by our stockholders. With respect to the advisory vote on executive compensation and the advisory vote on the frequency of future advisory votes on executive compensation, each of these votes is advisory (non-binding), and the Board will give consideration to the voting results.

Abstentions. A stockholder may withhold authority to vote for one or more nominees for director and may abstain from one or more of the other matters to be voted on at the Annual Meeting. Shares for which authority is withheld or that a stockholder abstains from voting will be counted for purposes of determining whether a quorum is present at the Annual Meeting. Shares for which authority is withheld will have no effect on the voting for the election of directors (which requires a plurality of the votes cast). Shares that a stockholder abstains from voting will be included in the total of votes cast and have the same effect as a vote AGAINST Proposals No. 2, No. 3, No. 4 and No. 5.

Broker Non-Votes. If your shares are held by a broker, the broker will vote your shares for you if you provide instructions to your broker on how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. "Broker non-votes" are shares held by a broker or other nominee that are represented at the Annual Meeting, but with respect to which the broker or nominee has not received instructions from the beneficial owner of the shares to vote on the particular proposal and does not have discretionary voting power on the proposal. Whether a broker has authority to vote its shares on uninstructed matters is determined by stock exchange rules. Brokers holding shares of record for beneficial owners generally are entitled to exercise their discretion to follow the recommendation of the Board of Directors and vote in favor of Proposal No. 2, but do not have the discretion to vote on Proposals No. 1, No. 3, No. 4 and No. 5 included in this Proxy Statement unless they receive other instructions from their customers. Broker non-votes will be counted for purposes of determining the presence or absence of a quorum at the Annual Meeting but will not be counted for purposes of determining the number of shares represented and voting with respect to a proposal. Accordingly, broker non-votes will have no effect on voting on the election of directors, on the ratification of the independent registered public accounting firm, on the re-approval of the material terms of the performance goals under our 2006 Equity Incentive Plan, on the advisory vote on our executive compensation, or on the advisory vote on the frequency of future advisory votes on executive compensation.

Revocation of Proxy

A stockholder giving a Proxy has the power to revoke it at any time before it is exercised by giving written notice of revocation to the Secretary of the Company, by executing a subsequent Proxy, or by attending the Annual Meeting and voting in person. If you have instructed your broker to vote your shares, you must follow directions received from your broker to change those instructions. Subject to any such revocation, all shares represented by properly executed Proxies will be voted in accordance with the specifications on the enclosed Proxy.

Record Date

In accordance with the Company's Bylaws, the Board of Directors has fixed April 4, 2011 as the Record Date for the determination of stockholders entitled to notice of and to vote at the Annual Meeting and any postponements or adjournments thereof. As of the close of business on April 4, 2011, there were 38,677,632 shares of the Company's Common Stock outstanding and each share of Common Stock is entitled to one vote.

Procedures for Stockholder Nominations

The Company's Bylaws provide that a stockholder seeking to nominate a candidate for election as director at an annual meeting of stockholders must provide timely advance written notice. To be timely, a stockholder's notice generally must be received at our principal executive office on or before the date 90 days prior to the scheduled date of the annual meeting or, if it is a later date, on or before the date seven days after the Company first publishes notice of the annual meeting.

Under our Bylaws, a stockholder's notice of a proposed nomination for director to be made at an annual meeting must include the following information:

the name and address of the stockholder and any Stockholder Affiliate proposing to make the nomination and of the person or persons to be nominated;

the class and number of shares of the Company that are, directly or indirectly, beneficially owned by the stockholder or any Stockholder Affiliate and any derivative positions held or beneficially held by the stockholder or any Stockholder Affiliate and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including, but not limited to, any derivative position, short position, or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such stockholder or any Stockholder Affiliate;

a representation that the holder is a stockholder entitled to vote his or her shares at the annual meeting and intends to vote his or her shares in person or by proxy for the person nominated in the notice;

a description of all arrangements or understandings between the stockholder(s) or Stockholder Affiliate supporting the nomination and each nominee;

any other information concerning the proposed nominee(s) that the Company would be required to include in the Proxy Statement if the Board of Directors made the nomination;

the consent and commitment of the nominee(s) to serve as director;

for each nominee, a completed and signed questionnaire, in a form provided by the Company upon written request, with respect to the background and qualification of such person being nominated and the background of any other person or entity on whose behalf the nomination is being made;

for each nominee, a written representation and agreement, in the form provided by the Company upon written request, with regards to any voting commitments, compensatory arrangements with a third party and compliance requirements applicable to directors of the Company;

a description of all agreements, arrangements and understandings between the stockholder and Stockholder Affiliate and any other person, including their name, in connection with the nominee; and

whether the stockholder or any Stockholder Affiliate intends to conduct a proxy solicitation.

For these purposes, "Stockholder Affiliate" means any person controlling, directly or indirectly, or acting in concert with, any stockholder making the nomination; any beneficial owner of shares of stock of the Company owned of record or beneficially by the stockholder making the nomination; and any person controlling, controlled by or under common control with the Stockholder Affiliate. The presiding officer of the Annual Meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure. Stockholder nominations submitted in accordance with the requirements of the Company's Bylaws will be forwarded to the Corporate Governance and Nominating Committee.

Other Business

If any other matters are promptly presented for consideration at the Annual Meeting including, among other things, consideration of a motion to adjourn the Annual Meeting to another time or place in order to solicit additional Proxies in favor of one or more of the proposals, the persons named as Proxyholders and acting thereunder will have discretion to vote on these matters according to their best judgment to the same extent as the person delivering the Proxy would be entitled to vote. At the date this Proxy Statement went to press, we did not anticipate that any other matter would be raised at the Annual Meeting.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

The Company's Bylaws state that the Board of Directors shall consist of not less than one or more than nine members. The specific number of Board members within this range is established by the Board of Directors and is currently set at nine and will be reduced to eight effective upon the conclusion of the Annual Meeting. There are currently nine Board members, and all directors are elected annually.

At the Annual Meeting, stockholders will be asked to elect eight directors of the Company to serve until the Company's next annual meeting of stockholders to be held in 2012 and until his or her successor is elected and qualified. Proxies cannot be voted for a greater number of persons than the number of nominees named. The names and certain information concerning the persons nominated by the Board of Directors to become directors at the Annual Meeting are set forth below. Each of the proposed nominees currently serves as a member of the Board of Directors. Tore Steen, one of our current directors and a member of the Audit Committee of the Board, is not standing for re-election as director at the Annual Meeting, and his term of office on the Board of Directors will end effective upon the conclusion of the Annual Meeting.

Accordingly, if all nominees for director are elected, then following the Annual Meeting, the Board of Directors will consist of eight members, and a majority of the Board of Directors and all members of each of its standing committees will continue to be "independent" under applicable regulations as described below. In addition, effective upon the conclusion of the Annual Meeting, Michael F. Devine, III, a current director, will become a member of the Audit Committee of the Board.

The election of directors shall be by the affirmative vote of the holders of a plurality of the shares voting in person or by Proxy at the Annual Meeting. The persons named as Proxyholders in the enclosed Proxy will vote to elect all eight proposed nominees named below unless contrary instructions are given in the Proxy. Broker non-votes and Proxies marked "withheld" as to one or more of the

nominees will result in the respective nominees receiving fewer votes. However, the number of votes otherwise received by the nominee will not be reduced by such action.

Although each of the persons named below has consented to serve as a director if elected, and the Board of Directors has no reason to believe that any of the nominees named below will be unable to serve as a director, if any nominee withdraws or otherwise becomes unavailable to serve, the persons named as Proxyholders in the enclosed Proxy will vote for any substitute nominee designated by the Board of Directors.

None of the directors or nominees for director was selected pursuant to any arrangement or understanding, other than with the directors of the Company acting within their capacity as such. There are no family relationships among directors, nominees for director or executive officers of the Company.

Nominees for Director and Director Qualifications

The names of the nominees for director and certain biographical information about them, including public company directorships over the last five years, are set forth below. In addition, information about the specific qualifications, attributes and skills of each nominee that led to the Board's conclusion that each nominee should serve as a director of the Company is set forth below. As detailed under "Nominating Procedures and Criteria" below, the Board believes that there are both general requirements for services on the Company's Board of Directors that are applicable to all directors and that there are other specialized criteria that should be represented on the Board.

Name	Age	Director Since	Principal Occupation
Angel R. Martinez	55	2005	Chair of the Board, President and Chief Executive Officer of the Company
Rex. A. Licklider	67	1993	Chief Executive Officer and Vice Chair of The Sports Club Company
John M. Gibbons(1)(2)	62	2000	Independent Consultant
John G. Perenchio(1)(3)	55	2005	Private Investor and Chairman of Fearless Records LLC
Maureen Connors(1)(3)	64	2006	President of Connors Consulting
Ruth M. Owades(3)	62	2008	Corporate Director
Karyn O. Barsa(2)	49	2008	Chief Executive Officer of Coyuchi, Inc.
Michael F. Devine, III	52	2011	Chief Financial Officer of Coach, Inc.

(1) Current Member of the Compensation and Management Development Committee

(2) Current Member of the Audit Committee

(3) Current Member of the Corporate Governance and Nominating Committee

Angel R. Martinez, age 55, joined Deckers in April 2005 as President and Chief Executive Officer. In September 2005, he became a director of the Company and in May 2008, he became Chair of the Board. Subject to his re-election as a director at the Annual Meeting, Mr. Martinez will remain Chair of the Board. Previously, Mr. Martinez was Chief Executive Officer and Vice Chair of Keen LLC, an outdoor footwear manufacturer, from January 2005 to March 2005, after serving as President and Chief Executive Officer from April 2003 to December 2004, and as an independent consultant since June 2002. Prior thereto he served as Executive Vice President and Chief Marketing Officer of Reebok International Ltd. and as Chief Executive Officer and President of The Rockport Company, a subsidiary of Reebok. Mr. Martinez has been a member of the Board of Directors of Tupperware Brands Corporation (NYSE:TUP) since 1998.

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The experiences above highlight the qualifications and skills that were among the most important to the Board in concluding that Mr. Martinez should serve as a director of the Company. These skills include, but are not limited to, the management of a public company; management in the footwear industry and in a consumer products company; and experience in sales and marketing, the international marketplace, private investments, luxury branding, merchandising, retailing and acquisitions.

Rex A. Licklider, age 67, has served as a director since September 1993. Mr. Licklider has been director and Vice Chair of The Sports Club Company (Pink Sheets: SCYL), a developer and operator of health and fitness clubs, since May 1994. Mr. Licklider has served as the Chief Executive Officer of The Sports Club Company since March 2004 and as Co-Chief Executive Officer of The Sports Club Company from February 2002 to March 2004. From February 1992 to January 1993, Mr. Licklider was Chair of the Board of Resurgens Communications Group, a long distance telecommunications company, and from 1975 until February 1992, Mr. Licklider was Chair of the Board and Chief Executive Officer of Com Systems, Inc., a long distance telecommunications company that merged with Resurgens Communications Group in February 1992.

The experiences above highlight the qualifications and skills that were among the most important to the Board in concluding that Mr. Licklider should serve as a director of the Company. These skills include, but are not limited to, management of a public company; and experience in sales and marketing, private investments, luxury branding and acquisitions.

John M. Gibbons, age 62, has served as a director since June 2000. Mr. Gibbons has been an independent consultant since April 2004. From June 2000 to April 2004, Mr. Gibbons was Vice Chair of TMC Communications, Inc., a long distance, data and internet services provider, and was its Chief Executive Officer from June 2001 to April 2003. From June 2000 to June 2001, he was President of TMC Communications, Inc. He has served as a director of National Technical Systems, Inc., a provider of integrated testing, certification, quality registration and systems evaluation services, since September 2003. Mr. Gibbons was Vice Chair of Assisted Living Concepts, Inc., a national provider of assisted living services, from March 2000 to December 2001. Previously, Mr. Gibbons was employed by The Sports Club Company (Pink Sheets: SCYL), a developer and operator of health and fitness clubs, where he was Chief Executive Officer and a director from July 1999 to February 2000 and was President and Chief Operating Officer from January 1995 to July 1999.

The experiences above highlight the qualifications and skills that were among the most important to the Board in concluding that Mr. Gibbons should serve as a director of the Company. These skills include, but are not limited to, managing a public company; managing a services company; and experience in financial matters, investment banking and commercial lending, private investments, luxury branding, retailing and acquisitions.

John G. Perenchio, age 55, has served as a director since December 2005. Mr. Perenchio is a private investor. Beginning in 1999, he has held controlling interests in and has been the principal manager of various music industry companies. He currently is the Chairman and holds controlling interests in Fearless Records LLC, an independent rock music label and Fearmore Publishing, LLC. Since late 2009, Mr. Perenchio has been involved in the formation of Club Apparel, LLC, a start-up sports apparel company in which he holds a controlling interest. From 1990 to 2003, Mr. Perenchio served as an executive with Chartwell Partners, LLC, a family owned boutique investment and holding company specializing in the entertainment, media and real estate industries. From 1984 to 1990, Mr. Perenchio was a music executive and in-house counsel at Triad Artists, Inc., one of the then premier talent agencies in the world, and prior to that, from 1982 to 1984, practiced law as an attorney in California. From 1992 to 2007, Mr. Perenchio was a director of Univision Communications Inc., the leading Spanish-language media company in the United States.

The experiences above highlight the qualifications and skills that were among the most important to the Board in concluding that Mr. Perenchio should serve as a director of the Company. These skills

include, but are not limited to, legal expertise and training; experience as a director of a public company; management of a consumer products company; and experience in sales and marketing, the international marketplace, private investments, retailing and acquisitions.

Maureen Connors, age 64, has served as a director since September 2006. Ms. Connors is President of Connors Consulting, which she founded in 1992. Connors Consulting has worked with companies such as Johnson & Johnson, Ralph Lauren Footwear, Rockport, Hewlett Packard, Monster.com, Polaroid, Bausch and Lomb, Southcorp Wines, and Western Union Money Zap, providing a range of services including marketing and strategic planning, new product and new business development, and global brand building. Prior to founding Connors Consulting, Ms. Connors held senior level marketing positions with several leading consumer companies, including Senior Vice President of Marketing, Girls Division at Mattel. Prior to that, she served as Director of Marketing, Men's Jean's Division at Levi Strauss, and Group Marketing Manager at Gillette. Ms. Connors has an MBA from the Wharton School of the University of Pennsylvania.

The experiences above highlight the qualifications and skills that were among the most important to the Board in concluding that Ms. Connors should serve as a director of the Company. These skills include, but are not limited to, management in the apparel industry; management in a consumer products company; and experience in sales and marketing, the international marketplace, private investments, luxury branding, merchandising, retailing and acquisitions.

Ruth M. Owades, age 62, has served as a director since May 2008. Ms. Owades' principal occupation is as a Corporate Director for various private companies, and she is a frequent lecturer and consultant on corporate governance. Since 2006, Ms. Owades has served as a director on the Western Advisory Board of Northern Trust Corporation. From 2002 to 2006, Ms. Owades was a director of Armstrong World Industries, a manufacturer and wholesaler of flooring, ceiling and cabinetry products. From 1997 to 2006, she was a director of the J. Jill Group, a women's apparel, accessory and footwear retailer, and between 1998 and 2005 she served as a director of Providian Financial Corporation. From 1988 until 2000, Ms. Owades was the Founder, CEO and Chair of Calyx & Corolla, Inc., the first fresh flower catalog and online retailer. From 2000 to 2002, she served as a consultant to the financial group that purchased Calyx & Corolla. Prior thereto, Ms. Owades was Founder and CEO of Gardener's Eden, Inc., a catalog and retailer of upscale gardening tools, accessories and outdoor furniture. She sold the company to Williams-Sonoma, Inc., continuing to serve for five years as President. Ms. Owades is a graduate of Scripps College in Claremont, California and earned an MBA from Harvard Business School.

The experiences above highlight the qualifications and skills that were among the most important to the Board in concluding that Ms. Owades should serve as a director of the Company. These skills include, but are not limited to, managing an apparel, accessories and footwear retailer; and experience in sales and marketing, private investments, luxury branding, merchandising, retailing and acquisitions.

Karyn O. Barsa, age 49, has served as a director since May 2008. Since April 2009 she has served as Chief Executive Officer of Coyuchi, Inc. a maker of organic cotton bedding, bath and baby products. From February 2008 to April 2009, she was President and Chief Executive Officer of Investors' Circle, a network of individual and institutional investors focused on sustainable business practices. Between May 2007 and February 2008, she was Chief Executive Officer of Embark Stores, Inc., a start-up pet supplies retailer where she remains on the advisory board, and prior to this time she was an independent investor. Between 1999 and 2001, Ms. Barsa was Chief Executive Officer of Smith & Hawken, Ltd., a specialty gardening retailer, and prior to that she was Chief Operating Officer and Chief Financial Officer of Patagonia, Inc., a specialty outdoor apparel and equipment manufacturer. She serves on the boards of Coyuchi, Inc. and The Directors' Organization Ltd., and the advisory board of Embark Stores, Inc. Ms. Barsa holds a BA in Economics from Connecticut College and an MBA from the University of Southern California.

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The experiences above highlight the qualifications and skills that were among the most important to the Board in concluding that Ms. Barsa should serve as a director of the Company. These skills include, but are not limited to, general management, financial and risk assessment experience as a CFO, CEO and a director and experience with branded consumer products.

Michael F. Devine, III, age 52, has served as a director since March 2011. Mr. Devine was appointed Senior Vice President and Chief Financial Officer of Coach, Inc. (NYSE: COH) in December 2001 and Executive Vice President in August 2007. Mr. Devine has recently announced his retirement from Coach, effective August 2011. Prior to joining Coach, Mr. Devine served as Chief Financial Officer and Vice President-Finance of Mothers Work, Inc. from February 2000 until November 2001. From 1997 to 2000, Mr. Devine was Chief Financial Officer of Strategic Distribution, Inc., a Nasdaq-listed industrial store operator. Previously, Mr. Devine was Chief Financial Officer at Industrial System Associates, Inc. from 1995 to 1997, and for the prior six years he was the Director of Finance and Distribution for McMaster-Carr Supply Co. He also serves as a member of the Board of Directors of NutriSystem, Inc. (NASDAQ: NTRI) and Express, Inc. (NYSE: EXPR), where he is also the Chair of the Audit Committee. From 2004 to 2007, Mr. Devine served as a board member and Chair of the Audit Committee of Educate (formerly NASDAQ: EEEE), a leading K-12 education service company with solutions such as Sylvan Learning Center. Mr. Devine holds a Bachelor of Science degree in Finance and Marketing from Boston College and an M.B.A. in Finance from the Wharton School of the University of Pennsylvania.

The experiences above highlight the qualifications and skills that were among the most important to the Board in concluding that Mr. Devine should serve as a director of the Company. These skills include, but are not limited to, managing a public company; managing a company during periods of high growth; managing a multi-channel company and experience in financial matters, the international marketplace, luxury branding, and retailing.

**THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS A VOTE
"FOR" THE ELECTION OF EACH OF THE ABOVE NOMINEES FOR DIRECTOR.**

CORPORATE GOVERNANCE

Corporate Governance Principles

Pursuant to Delaware law and the Company's Bylaws, the Company's business, property and affairs are managed under the direction of the Board of Directors. Thus, the Board of Directors is the ultimate decision-making body of the Company except with respect to those matters reserved to the stockholders.

The Board of Directors selects the senior management team, which is charged with the day-to-day operations of the Company's business. Members of the Board of Directors are kept informed of the Company's business through discussions with the Chief Executive Officer and other senior officers, by reviewing materials requested by them or otherwise provided to them and by participating in meetings of the Board of Directors and its committees. Having selected the senior management team, the Board of Directors acts as an advisor and counselor to senior management, monitors its performance and proposes or makes changes to the senior management team when it deems necessary or appropriate.

Director Independence

The Board affirmatively determines the independence of each director and nominee for election as a director in accordance with guidelines it has adopted, which include all elements of independence set forth in Listing Rule 5605(a)(2) of the NASDAQ Stock Market LLC ("Nasdaq") and applicable rules of the SEC. The guidelines for director independence are set forth in the Company's Corporate Governance Guidelines and are posted on our website at <http://www.deckers.com>. These guidelines help ensure that the Board and its committees are independent from management and that the interests of the Board and management align with the interests of the stockholders. Based on these standards, the Board has determined that each of the Company's directors, other than Mr. Martinez, is independent (including, with respect to Audit Committee members and Compensation and Management Development Committee members, the heightened independence criteria applicable to such committee members under Nasdaq and SEC independence standards).

Board of Directors Meetings

The Board of Directors held 6 meetings during the year ended December 31, 2010. For the fiscal year ended December 31, 2010, each of the directors attended at least 75% of the aggregate number of meetings of the Board of Directors and 100% of the aggregate number of meetings of the committees on which he or she served. Our independent directors also meet in executive session following every Board meeting. As lead director, Mr. Lickliger presided at these executive sessions.

The Company's Corporate Governance Guidelines states that directors are expected to attend the Company's annual meeting of stockholders. All members of the then Board of Directors attended the Company's 2010 Annual Meeting of Stockholders.

Committees of the Board of Directors

The Board of Directors has three committees: an Audit Committee, a Compensation and Management Development Committee and a Corporate Governance and Nominating Committee. The Board of Directors has determined that each of the directors serving on each of these three committees is "independent" as that term is defined under Nasdaq Listing Rule 5605(a)(2) and applicable rules of the SEC, including the heightened independence criteria applicable to Audit Committee members and Compensation and Management Development Committee members.

Audit Committee

The Board has a standing Audit Committee that oversees (i) management's conduct of, and the integrity of, the Company's financial reporting to any governmental or regulatory body, shareholders, public and any other uses of Company financial reports, (ii) the Company's systems of internal controls and procedures over financial reporting and disclosure, (iii) the qualifications, engagement, compensation, independence and performance of the independent registered public accounting firm that shall audit the annual financial statements of the Company and review the quarterly reporting and any other registered public accounting firm engaged to prepare or issue an audit report or to perform other audit, review or attest services for the Company, (iv) the qualifications, engagement, compensation, independence and performance of the Chief Audit Executive, who is responsible for the enterprise risk management process, internal and regulatory compliance audits, and misconduct investigations, (v) the Company's legal and regulatory compliance, (vi) the application of the Company's related person transaction policy as established by the Board, and (vii) the applications of the Company's code of business conduct and ethics as established by management and the Board. The committee held 8 meetings during 2010. At the date of this Proxy Statement, Mr. Gibbons was Chair of the Audit Committee and the committee was comprised of Messrs. Gibbons and Steen and Ms. Barsa. In addition, effective upon the conclusion of the Annual Meeting and assuming Mr. Devine is elected at the Annual Meeting, he will replace Mr. Steen as a member of the Audit Committee. The Board has determined that Mr. Gibbons qualifies as an "audit committee financial expert" as defined under the rules of the SEC. All of the members of the Audit Committee and Mr. Devine meet the independence and experience requirements of the Nasdaq rules and the independence requirements of the SEC. The Audit Committee operates under a formal charter adopted by the Board of Directors, a copy of which is available on the Company's website at <http://www.deckers.com>.

Compensation and Management Development Committee

The Board's Compensation and Management Development Committee (i) reviews and approves corporate goals and objectives relevant to compensation of the executive officers, (ii) evaluates the performance of the executive officers in light of those goals and objectives, (iii) determines and approves the compensation level of the executive officers based on this evaluation, (iv) makes recommendations to the Board with respect to incentive-compensation plans including equity-based plans, and (v) oversees and approves succession plans relating to the executive officer continuity planning process. The Compensation and Management Development Committee also reviews and recommends to the Board any new compensation or retirement plans and administers the Company's 1993 Employee Stock Incentive Plan (the "1993 Plan") and the Company's 2006 Equity Incentive Plan (the "2006 Plan"). The committee held 13 meetings during 2010. At the date of this Proxy Statement, Ms. Conners was Chair of the Compensation and Management Development Committee and the committee was comprised of Messrs. Perenchio and Gibbons and Ms. Conners. All of the members of the Compensation and Management Development Committee meet the independence requirements of all applicable Nasdaq and SEC rules and regulations. The Compensation and Management Development Committee operates under a formal charter adopted by the Board of Directors, a copy of which is available on the Company's website at <http://www.deckers.com>.

Corporate Governance and Nominating Committee

The Board's Corporate Governance and Nominating Committee (i) develops and recommends to the Board a set of Corporate Governance Guidelines applicable to the Company, (ii) recommends the director nominees to be selected by the Board for the next annual meeting of stockholders, (iii) identifies individuals qualified to become Board members, consistent with criteria specified in the Corporate Governance Guidelines, (iv) recommends to the Board membership of the Board committees, and (v) oversees the evaluation of the Board and Board Committees. The committee held

4 meetings during 2010 and communicated frequently throughout the year as was necessary to fulfill its duties. At the date of this Proxy Statement, Mr. Perenchio was Chair of the Corporate Governance and Nominating Committee and the committee was comprised of Mr. Perenchio, Ms. Conners, and Ms. Owades. All of the members of the Corporate Governance and Nominating Committee meet the independence requirements of all applicable Nasdaq and SEC rules and regulations. The Corporate Governance and Nominating Committee operates under a formal charter adopted by the Board of Directors, a copy of which is available on the Company's website at <http://www.deckers.com>.

Nominating Procedures and Criteria

Among its functions, the Corporate Governance and Nominating Committee considers and approves nominees for election to the Board of Directors. In addition to the candidates proposed by the Board of Directors or identified by the committee, the committee considers candidates for director suggested by stockholders, provided such recommendations are made in accordance with the procedures set forth in the Company's Bylaws and described above under "Procedures for Stockholder Nominations." Stockholder nominations that meet the criteria outlined below will receive the same consideration that the committee's nominees receive.

Essential criteria for all candidates considered by the Corporate Governance and Nominating Committee include the following: personal and professional integrity, good business judgment, relevant experience and skills, ability to be an effective director in conjunction with the full Board in collectively serving the long-term interests of the Company stockholders, and a commitment to devoting sufficient time and energy to diligently perform their duties as a director.

In evaluating candidates for certain Board positions, the committee evaluates additional criteria, including the following: financial or accounting expertise; industry expertise; accomplishment in designing, marketing, manufacturing, distribution of footwear, apparel and accessories; business and other experience relevant to public companies of a size comparable to the Company; international experience; and experience in investment banking, commercial lending or other financing activities. While the committee does not have a policy with regard to the consideration of diversity in identifying nominees for director, the committee does generally consider diversity among other factors in identifying nominees for director, including personal characteristics such as race and gender, as well as diversity in the experience and skills that contribute to the Board's performance of its responsibilities in the oversight of the Company's business.

In selecting nominees for the Board of Directors, the committee evaluates the general and specialized criteria set forth above, identifying the relevant specialized criteria prior to commencement of the recruitment process, considers previous performance if the candidate is a candidate for re-election, and considers the candidate's ability to contribute to the success of the Company. In evaluating an existing director for re-election to the Board, the committee considers the existing director's Board and committee meeting attendance and performance, the length of Board service, experience, skills and contributions brought to the Board, and independence.

The Board of Directors' nominees for the Annual Meeting have been recommended by the Corporate Governance and Nominating Committee, as well as the full Board of Directors.

As of the date of this Proxy Statement, Stockholders did not propose any candidates for election at the Annual Meeting.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines that set forth the primary framework of governance principles applicable to the Company. The Corporate Governance Guidelines outline the general principles regarding the role and functions of the Board including director qualifications;

director independence; Board meetings; Board committees; the chair and lead director of the Board; director access to officers, employees, and independent advisers; director compensation; director orientation and continuing education; shareholder rights plans; evaluation of the Chief Executive Officer and management succession; annual Board self-evaluations; and ethical expectations. The complete copy of the Company's current Corporate Governance Guidelines are available on the Company's website at <http://www.deckers.com>.

Management Succession

Pursuant to our Corporate Governance Guidelines, the Compensation and Management Development Committee provides an annual report to the Board on emergency and expected CEO succession planning. The Board works with the Compensation Committee to nominate and evaluate potential successors to the CEO. The CEO provides the Compensation Committee with his input as to potential successors.

Board Leadership Structure and Lead Director

The Company has employed a leadership structure of having a combined Chairman and Chief Executive Officer for many years and the Board believes that this leadership structure has been effective for the Company. The combined Chairman and Chief Executive Officer provides a single leader for the Company who is seen by our employees, customers, business partners and stockholders as providing strong leadership for the Company. Furthermore, the Board believes this structure facilitates communication between the Board and our management. In light of this combined office, the Board has implemented various counterbalancing governance structures including a lead director, a seven-eighths independent board, independent committees, and established governance guidelines.

In March 2008, the Board of Directors established the position of Lead Director and elected Mr. Licklider to serve in that position, effective with the 2008 Annual Meeting, for a two-year term. In 2010, the Board of Directors again elected Mr. Licklider as Lead Director for an additional two-year term, subject to his earlier replacement, retirement or resignation. Pursuant to our Corporate Governance Guidelines, the Lead Director is an independent director who is selected for a two-year term by the independent directors on the Board. The Lead Director's responsibilities include (i) coordinating the scheduling and preparation of agenda for the executive sessions of the Board and other meetings of the Board in the absence of the Chairman of the Board, (ii) chairing executive sessions of the Board and other meetings of the Board in the absence of the Chairman of the Board, (iii) approving information sent to the Board, (iv) serving as a liaison between the Chairman of the Board and the other independent directors, (v) approving the meeting agendas for the Board and approving the meeting schedules of the Board to assure that there is sufficient time for discussion of all agenda items, and (vi) if requested by major stockholders, ensuring that he or she will be available for consultation and direct communication with such major stockholders. The Lead Director has the authority to call meetings of independent directors.

Board Role in Risk Oversight

Our Board is responsible for overseeing our risk management. The Board delegates many of these functions to the Audit Committee. Under its charter, the Audit Committee is responsible for: (i) reviewing and discussing with management, the chief audit executive and the independent registered public accounting firm the Company's financial risk exposures and assessing the policies and processes management has implemented to monitor and control such exposure; (ii) assisting the Board in fulfilling its oversight responsibilities regarding the Company's policies and processes with respect to risk assessment and risk management, including any significant non-financial risk exposures; and (iii) reviewing the Company's annual disclosures concerning the role of the Board in the risk oversight of the Company, such as how the Board administers its oversight function. The Audit Committee also

oversees our internal audit function. In addition to the Audit Committee's work in overseeing risk management, our full Board regularly engages in discussions of the most significant risks that the Company is facing and how these risks are being managed, and the Board receives reports on risk management from the chair of the Audit Committee.

The Company's legal and internal audit executives report directly to the Audit Committee regarding material risks to our business, among other matters, and the Audit Committee meets in executive sessions with the internal audit executive and with representatives of our independent registered public accounting firm. The chair of the Audit Committee reports to the full Board regarding material risks as deemed appropriate. Every Board meeting agenda also includes a time to discuss risk management updates.

Communications with Directors

Stockholders may communicate with the chair of our Audit Committee, Corporate Governance and Nominating Committee, or Compensation and Management Development Committee or with our independent directors as a group, by writing to any such person or group c/o the Secretary of the Company, at the Company's offices at 495-A South Fairview Avenue, Goleta, California 93117.

Communications are distributed to the Board of Directors, or to any individual director, depending on the facts and circumstances described in the communication. In that regard, the Board of Directors has requested that certain items that are unrelated to the duties and responsibilities of the Board of Directors should be excluded, including the following: junk mail and mass mailings; product complaints; product inquiries; new product suggestions; resumes and other forms of job inquiries; surveys; and business solicitations or advertisements. In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will not be distributed, with the provision that any communication that is not distributed will be made available to any independent director upon request.

Code of Ethics

The Company has adopted a Code of Business Conduct and Ethics to help its officers, directors and other employees comply with the law and maintain the highest standards of ethical conduct. The Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics, and is intended to qualify as a "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder. All of the Company's officers, directors and employees must carry out their duties in accordance with the policies set forth in the Code of Business Conduct and Ethics and with applicable laws and regulations. To the extent required by law, any amendments to, or waivers from, any provision of the code will be promptly disclosed publicly on our corporate website. A free copy of the code can also be obtained from our corporate website at <http://www.deckers.com>.

Compensation and Management Development Committee Interlocks and Insider Participation

As of the date of this Proxy Statement, the members of the Compensation and Management Development Committee consisted of Messrs. Perenchio and Gibbons and Ms. Conners, none of whom was an officer or employee of the Company or any of its subsidiaries during fiscal year 2010 or is a former officer or employee of the Company or any of its subsidiaries. None of these directors had any relationship with the Company during 2010 requiring disclosure under Item 404 of Regulation S-K. None of our executive officers currently serves, or in the past year has served, as a member of the Board of Directors or compensation committee of any entity that has an executive officer serving on our Board of Directors or Compensation and Management Development Committee.

EXECUTIVE OFFICERS

Each executive officer of the Company serves at the discretion of the Board of Directors. Biographical information for the executive officers of the Company as of the date this proxy was filed who are not directors is set forth below. There are no family relationships between any executive officer and any other executive officer or director. None of our executive officers were selected pursuant to any arrangement or understanding, other than with the executive officers of the Company acting within their capacity as such.

Executive Officer	Age	Position
Angel R. Martinez	55	Chair of the Board, President and Chief Executive Officer
Thomas A. George	55	Chief Financial Officer
Zohar Ziv	58	Chief Operating Officer
Constance X. Rishwain	53	President of the UGG® Division
Peter K. Worley	50	President of the Teva® and Simple® Divisions

The biographical summary for Mr. Martinez is presented earlier under the heading "Nominees for Director."

Thomas A. George, age 55, has been our Chief Financial Officer since September 2009. Mr. George has over thirty years of experience in corporate finance and accounting, having served in a number of senior level positions with both public and private companies. Most recently, since February 2005 Mr. George was Chief Financial Officer of Ophthonix, Inc., a private technology company. Prior to Ophthonix, from October 1997 through February 2005 Mr. George was the Chief Financial Officer of publicly held Oakley, Inc., now a division of Luxottica Group S.p.A. (NYSE:LUX), a global consumer products brand with wholesale and retail distribution of multiple product categories including sunglasses and prescription eyewear, apparel, footwear, watches and electronics. Prior to Oakley, from December 1987 through October 1997 Mr. George was the Senior Vice President and Chief Financial Officer of REMEC, Inc., a public technology company. Mr. George has also served as Corporate Controller, and Manager of Financial Planning for other public technology firms. He began his career at Coopers & Lybrand where he became a Certified Public Accountant. He received a Bachelor of Science in Business Administration from the University of Southern California.

Zohar Ziv, age 58, has been our Chief Operating Officer since December 2007 after serving as Chief Financial Officer and Executive Vice President, Finance and Administration since March 2006. Mr. Ziv also served as interim Chief Financial Officer after his promotion to Chief Operating Officer from December 2007 to April 2008. He assumed the responsibilities of Principal Financial and Accounting Officer on an interim basis from March 2009 until September 2009. Previously, from February 2004 to December 2005, Mr. Ziv was Chief Financial Officer with EMAK Worldwide, Inc. (NASDAQ: EMAK), a global marketing services firm. Prior to that, Mr. Ziv was Chief Financial Officer of Stravina Operating Company, LLC, a supplier of personalized novelty items in North America, from June 2002 to February 2004.

Constance X. Rishwain, age 53, has been the President of UGG Australia since December 2002. She also served as President of Simple from December 2002 to December 2009. Prior to her promotion to President in December 2002, she served as the Vice President, Brand Manager of UGG since April 1999 and Vice President, Brand Manager of Simple since January 2001. Ms. Rishwain held the positions of Vice President of Domestic Sales for Teva, UGG and Simple from June 1999 to December 1999, Vice President of Sales Western Division for Teva, UGG and Simple from December 1997 to June 1999 and Vice President Merchandising for Teva, UGG and Simple from January 1995 to December 1997. Before joining us in January 1995, Ms. Rishwain held the position of Vice President of Merchandising and Marketing for Impo International Shoe Company from 1988 to 1994 and worked

for Nine West Group Inc. from 1984 to 1988 in several capacities, including Vice President Merchandising of Nine West retail division.

Peter K. Worley, age 50, joined Deckers in March 2006 as President of the Company's Teva brand. On January 1, 2010, Mr. Worley assumed the position of President of the Teva and Simple Divisions. From October 2005 to March 2006, Mr. Worley served as Vice President of U.S. sales with K-Swiss, Inc. From May 1996 to October 2005, Mr. Worley was Vice President of Product Design and Development with K-Swiss. From 1991 to 1996 and from 1986 to 1989, Mr. Worley held various managerial positions with Reebok International Ltd.

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation and Management Development Committee (for purposes of this analysis, the "Committee") of the Board of Directors is responsible for the compensation of our Named Executive Officers (defined below). In this section we discuss and analyze the compensation of our principal executive and financial officers and our three other most highly compensated executive officers (the "Named Executive Officers") for the fiscal year ended December 31, 2010. This section is divided into the following five parts:

Executive Summary

Compensation Philosophy and Objectives

Compensation Consultant and Market Comparisons

2010 Executive Compensation Elements

Other Compensation Considerations

Our Named Executive Officers for 2010 were the following:

Mr. Angel R. Martinez CEO and President

Mr. Thomas A. George Chief Financial Officer

Mr. Zohar Ziv Chief Operating Officer

Ms. Constance X. Rishwain President of the UGG Division

Mr. Colin G. Clark Senior Vice President, Emerging Brands. During 2010, Mr. Clark served as Senior Vice President, International.

All share and related information presented herein reflects the increased number of shares resulting from the three-for-one stock split paid on July 2, 2010.

Executive Summary

The 2010 Fiscal Year in Review

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Fiscal 2010 was another record year at Deckers, with strong financial performance and the successful implementation of several key strategic efforts. Highlights of the year include:

Our total return to stockholders was 135.2%;

Our net sales increased 23.1% to a record \$1.001 billion, including international sales growth of 41.7% to \$236.9 million;

Our diluted earnings per share increased 36.1% and reached a record level of \$4.03 per share;

Our gross margin improved 460 basis points;

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We ended the year with a strong cash balance of \$445.2 million;

Sales of our Teva® brand (including eCommerce and retail) increased 30.5% to surpass \$100 million for the first time;

We effected a three-for-one stock split, in the form of a stock dividend, paid on July 2, 2010;

We returned value to our stockholders through our repurchase of \$10.1 million worth of our shares;

We completed various phases of our transition from a distributor to an international wholesale model in Japan, Benelux, France and UK; and

We opened nine new retail stores, six in the U.S. and three in China through our joint venture.

As demonstrated by the charts below, these achievements represent the continuation of a strong growth trend over the past five fiscal years. We have both steadily and significantly increased our revenues and diluted earnings per share, which has resulted in annual average stockholder returns of 153.2% during the period.

Total Annual Revenue

Annual Diluted Earnings Per Share

We Pay for Performance

Our executive compensation program is designed to pay for performance. Our fiscal 2010 financial performance along with the individual performance of our executive officers, served as key factors in determining compensation for 2010, including as follows:

Annual cash incentive plan awards are based on a combination of diluted earnings per share targets, and individual financial and non-financial performance goals tailored to each executive's role. Examples of these individual performance targets include annual net sales, inventory turn, operating expenses, return on capital, brand contribution and backlog.

Annual short-term equity awards are based on diluted earnings per share targets.

Long-term incentive equity awards are based on long-term annual revenue and diluted earnings per share targets.

We believe that these metrics provide for a balanced approach to measuring annual and long-term company performance and are designed to support the company's strategic objectives.

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Furthermore, our executive compensation mix is heavily weighted toward performance-based compensation, and limits guaranteed annual pay. For example, as illustrated in the chart below, the base salary of our CEO is only approximately 19% of his total compensation for 2010 and

approximately 81% is at-risk and dependent on performance. At the same time, we review annually the guaranteed pay and establish appropriate performance targets so as to mitigate our compensation-related risk.

CEO's 2010 Guaranteed Pay vs. At-Risk Pay

Recent Changes to our Compensation Practices

Recent changes to our compensation practices to further align the interests of our named executive officers with those of our stockholders, include:

Eliminating excise tax gross-ups as a result of termination following a change of control from the Change of Control and Severance Agreements.

Adopting stock ownership guidelines for our named executive officers in 2011 and for our directors in 2010.

Subjecting annual short-term equity awards granted in 2011 to a Clawback Policy to be adopted by the Company following adoption of the relevant rules under Section 954 of the Dodd-Frank Act.

We Maintain Other Compensation Practices that also Benefit our Stockholders

Annual cash incentive awards are only earned if significant financial and non-financial performance levels are achieved.

Once earned, our annual short-term equity awards become fully vested after approximately 3 years, to ensure retention of key executives.

Our long-term equity incentive awards fully vest approximately 5 years (for our Level 1 awards) and approximately 10 years (for our Level 2 awards) after initial grant.

Our insider trading policy prohibits our directors, named executive officers, and other key executives from hedging the economic interest in the Company securities that they hold and from engaging in speculative transaction with respect to our stock, from holding Company securities in margin accounts, and from short sales.

Generally, we do not provide benefits or material perquisites that are not provided to all employees.

Compensation Philosophy and Objectives

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At the direction of the Board, the Committee endeavors to ensure that the compensation programs for executive officers of the Company and its subsidiaries are competitive and consistent with market conditions in order to attract and retain key executives critical to the Company's long-term

success. When reviewing and approving our executive compensation program, the Committee is guided by the following four principles:

To attract key executives with the proper background and experience required for the future growth of the Company

To align the interests of our executives with our stockholders by tying total compensation to our overall financial performance and the creation of long-term stockholder value

To provide a significant proportion of potential total compensation through variable, performance-based components, which can increase or decrease to reflect achievement of pre-established corporate and individual goals

To provide incentives for achieving both short-term and long-term corporate goals

The Committee takes into account various qualitative and quantitative indicators of corporate and individual performance in determining the level and structure of compensation for the Named Executive Officers, as well as other executive officers. The Committee considers such corporate performance measures as net sales, gross margins, operating expenses, diluted earnings per share and other similar quantitative measures. The Committee also appreciates the importance of achievements that may be difficult to quantify, and accordingly recognizes qualitative factors, such as successful supervision of major corporate projects, demonstrated leadership ability and contributions to industry and community development. For 2010, the most important qualitative factor in determining incentive compensation awards to the Named Executive Officers was the Committee's assessments of their contributions to increasing stockholders' value by establishing and implementing a strategy for long-term success, including our expansion internationally, commencing our transition to an international wholesale model, and increasing our number of retail stores.

The Committee also evaluates the total compensation of the Named Executive Officers and other executives in light of information regarding the compensation practices and corporate financial performance of similar companies in the Company's industry. The Committee targets a specific percentile range of the peer company data in determining compensation for executive officers as discussed in more detail below.

Compensation Consultant and Market Comparisons

Compensation Consultant

The Committee also receives assessments and advice regarding the Company's compensation practices from its independent compensation consultant, Frederic W. Cook & Co., Inc. ("FWC"). The use of an independent consultant provides additional assurance that our executive compensation programs are reasonable and consistent with our objectives. FWC did not provide any other services to the Company in 2010. The consultant reports directly to the Committee, and provides information on competitive practices and trends in our industry and makes recommendations regarding the design of our compensation program. Our management did not engage FWC in any other capacity for 2010 and does not direct or oversee the retention or activities of FWC with respect to our executive compensation program. Furthermore, management did not recommend the engagement of FWC.

Market Comparisons

In making compensation decisions, the Committee compares each element of total compensation against a peer group of publicly-traded footwear and apparel companies (collectively, the "Peer Group"). The Peer Group, which is reviewed and updated at least annually by the Committee, consists of companies against which the Committee believes the Company competes for talent and for

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stockholder investment. The Peer Group used for 2010 compensation is composed of companies in related businesses of similar size and market value and consisted of the following 12 companies:

Quiksilver, Inc.	Crocs, Inc.	Skechers U.S.A., Inc.
The Timberland Company	Kenneth Cole Productions, Inc.	Phillips-Van Heusen Corporation
Coach, Inc.	Steven Madden, Ltd.	Wolverine World Wide, Inc.
Columbia Sportswear Company	K-Swiss Inc.	Under Armour, Inc.

For comparison purposes, at the time 2010 compensation was established, the Company's annual revenues were below the median of the Peer Group and the Company's market capitalization was above the median. In developing the competitive compensation data, regression analysis is used to adjust the compensation data for differences in company revenues. The adjusted value is used as the basis of comparison of compensation between the Company and the companies in the Peer Group. The Committee generally sets the target for total direct compensation (base salary plus annual incentive plan, plus annualized long-term incentives) for the Named Executive Officers between the range of the size-adjusted median-to-75th percentile of compensation paid to similarly situated executives of the Peer Group. We believe this is necessary for the Company to attract the appropriate executive personnel for future growth and that our performance goals are set at a level that represents commensurate Company financial performance. By setting the target total compensation in this range, we believe that we can attract and retain the qualified executives necessary to attain top quartile performance. However, while the Compensation Committee uses the Peer Group for general guidance as to the targets for total direct compensation, the Committee continues to exercise its business judgment and considers a variety of factors when setting compensation levels, including general economic conditions and individual performance expectations.

The Committee also reviews where actual total direct compensation (base salary plus annual incentive plan, plus annualized long-term incentives) and other benchmarked compensation amounts fall relative to targeted levels to ensure actual compensation is aligned with actual performance. For all of the Named Executive Officers, the average 2010 actual total direct compensation was approximately 20% above the targeted amounts. The average 2010 actual total direct compensation was approximately 20% higher than the target due to the value of the cash incentive plan awards and discretionary bonuses. The annual cash award amounts, including both the annual cash incentive plan awards and discretionary bonuses, for all of the Named Executive Officers was between approximately 79% and 186% higher than the target due to achievement of maximum payment under the plan and discretionary bonus amounts which the Committee granted based on superior performance in 2010.

For 2011 compensation decisions, the Peer Group has changed from the companies listed above to eliminate Coach, Kenneth Cole, and K-Swiss and now includes Fossil, Lululemon, and Warnaco Group. These changes reflect the Company's continued growth and will provide the Committee with data that reflects the Company's current business stage and competitors so that the Company can continue to evaluate pay levels versus an appropriate peer set.

The Committee also looks at proprietary survey information from FWC, which include non-industry specific data on pay levels and design practices for similarly-sized companies. The data covers more than 300 companies across industries other than financial services, and are sized-adjusted based on the Company's revenues. The Committee reviews this data and the Proxy data as a guideline to determine the appropriate level and mix of compensation. There is no pre-established policy or target for the allocation between either cash and non-cash or short-term and long-term incentive compensation.

2010 Executive Compensation Elements

Type	Form	Purpose	Performance Criteria
Cash	Base Salary	Fixed annual compensation to attract and retain key executives with necessary experience for our future growth	Not performance-based
Cash	Annual Cash Incentive Plan Award	Incentive for executives to achieve annual pre-established goals	Company and individual performance goals, both quantitative and qualitative, approved by the Committee annually
Cash	Discretionary Bonus	Only provided to recognize exceptional Company or individual achievement; reward past performance	At the discretion of the Committee, includes exceptional achievement of financial and strategic goals
Equity	Annual Short-Term Equity Awards (Nonvested Stock Units or "NSUs")	Incentive to achieve annual Company financial goals; encouraging executive stock ownership; retention of key executives	Diluted earnings per share target during year of grant
Equity	Long-Term Equity Incentive Awards Level 1 and Level 2 (includes Restricted Stock Units or "RSUs" and Stock Appreciation Rights or "SARs")	Incentive to achieve long-term Company financial goals; aligning executives' interests with stockholders; retention of key executives	Diluted earnings per share and revenue targets approximately 5 and 10 years from year of grant
Perquisites and Other Personal Benefits	401(k) match; health and welfare benefits; long-term disability insurance; life insurance; product and gym membership discounts	Provide competitive, broad-based employee benefits structure	Not performance-based
Severance Arrangements	Change of Control and Severance Agreements; Provisions in Equity Awards	To recruit and retain key executives and maintain a stable and effective management team in the event of a change of control	Not performance-based

Base Salary.*What this Compensation Element is Designed to Reward*

We provide base salaries to attract and retain key executives with the necessary experience for our future growth. Base salaries reflect each Named Executive Officer's responsibility level, individual performance, and business experience. Base salaries also provide a guaranteed base amount of compensation. The Committee balances the levels of guaranteed pay through base salaries with at-risk pay, to properly maintain the Company's compensation-related risk.

How We Choose Amount of this Compensation Element

The Committee establishes base salaries after review of the Peer Group compensation data and in light of the Committee's goal to focus on performance-based compensation, while also attracting and retaining qualified executive candidates. Salaries are reviewed periodically and adjusted as warranted to reflect sustained individual performance, responsibility level, and comparable market salaries. As a result of the Committee's goal to focus on performance-based compensation, the Committee generally sets base salary at or moderately below the 50th percentile of compensation paid to similarly situated executives of the companies in the Peer Group so that performance-based pay represents a larger portion of total compensation. The following table summarizes adjustments made, if any, to base salaries for the Named Executive Officers during 2010 compared to 2009:

Named Executive Officer	Base Salary	Base Salary Change
Angel R. Martinez	\$ 950,000	Increased by 26.7%
Thomas A. George	\$ 350,000	No increase
Zohar Ziv	\$ 500,000	Increased by 33.3%
Constance X. Rishwain	\$ 400,000	Increased by 14.3%
Colin G. Clark	\$ 300,000	Increased by 20.0%

Consistent with our salary review described above, each of the Named Executive Officers, except for Mr. George who was hired in September 2009, received base salary increases in 2010. These increases were made to align this compensation element with market comparables and to retain executives we believe have been instrumental to our financial success. Furthermore, the 2010 base salary increase is the first base salary increase for Mr. Martinez, Mr. Ziv and Mr. Clark since 2008 due to concerns at the time about the economic environment and its potential impact on the Company.

Effective as of January 1, 2011, the Committee increased Mr. Martinez's salary to \$1,000,000, Mr. George's salary to \$400,000, Mr. Ziv's salary to \$600,000, and Ms. Rishwain's salary to \$420,000. These salary increases were implemented following a review of each named executive officer's performance, the Company's financial results and the competitive environment.

Bonus and Annual Cash Incentive Plan Compensation.*What this Compensation Element is Designed to Reward*

The Committee believes in tying our executives' total incentive compensation with the short and long-term strategic objectives of the Company to align our executives' interests with those of our stockholders and therefore has designed our annual cash incentive plan to reward achievement of our financial and strategic goals. At the beginning of each year, the Committee reviews our financial and strategic plan for the next fiscal year and for the years ahead and then establishes specific annual goals for each executive. This provides our executives with clearly defined goals, which they are then responsible for achieving. By establishing annual goals, the Committee sets appropriate performance expectations for our executives and makes our executives accountable for our continued growth and

success. Furthermore, the executives will only receive payment under this plan if the Company performs well for our stockholders.

In addition, the Committee may exercise discretion and award amounts outside of the annual cash incentive plan, which is included in the Summary Compensation Table below in the Bonus column. This flexibility allows the Committee to consider the executive's and the Company's performance holistically and to reward successes with respect to circumstances which were unforeseen at the beginning of the year. It also provides the Committee with the discretion to pay bonuses for exceptional performance or effort even where results with respect to our financial goals may be outside of the control of the executives.

How We Choose Amount of this Compensation Element

Each of the Named Executive Officers may receive annual cash incentive plan compensation calculated as follows:

The components of the annual cash incentive plan compensation are:

Company Profit. Based on the Company's 2010 diluted earnings per share ("EPS").

Quantitative Management by Objectives, or "MBO." Based on individual strategic and financial goals for each officer.

Qualitative MBO. Based on other individual goals for each officer.

The Committee establishes an EPS goal, which is the same for each officer, and quantitative and qualitative MBO goals, which are unique to each officer, at the beginning of each year and the officers receive compensation for the subsequent attainment of these goals. Each component of the award for each officer is calculated separately by multiplying the full target bonus amount by the percentage of target earned for each component and then multiplying this amount by the percentage allocated to each component in accordance with the terms of the cash incentive plan.

In order to retain key executives and incentivize them to reach our growth goals, which we believe to be at the high end compared to those of our peers, the Committee generally sets the annual cash incentive plan target compensation levels at or above comparable levels compared to the target bonus opportunities paid to similarly situated executives of the companies in the Peer Group. The annual cash incentive plan target compensation is expressed as a percentage of each of the executive's annual salary, and is determined so that the total annual cash compensation opportunity, at target, (base plus annual cash incentive plan compensation) is in the median-to-75th percentile range of the Peer Group.

The target amount for the total award for 2010 for each executive, other than the Chief Financial Officer, was 100% of base salary, with the potential to exceed the target and earn up to 200% for the company profit portion and up to 200% for the quantitative and qualitative MBO portions. The Committee believes that limiting the maximum potential awards mitigates compensation-related risk by discouraging the executives from taking unnecessary risk to achieve higher performance. In addition, as discussed above, the Committee has discretion to pay discretionary cash bonuses for exceptional performance.

The target amounts and relative weight of the company profit portion and MBO portions of executive annual cash incentive plan compensation may be varied by the Committee from year to year. Those executives that are responsible for brands and have influence over brand decisions are less heavily weighted on the company profit portion than those executives whose efforts cannot be directly attributed to specific brands. For threshold performance, 50% of each component would be earned.

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Amounts attributable to the company profit portion and quantitative MBO portion shall not be effected by the calculation of the qualitative MBO portion and are intended to qualify as "performance-based compensation" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). Based on the continued success of the Company, including the continued growth in sales and achievement of strategic accomplishments such as diversification to the product lines and expansion of our selling season, the Committee determined to award amounts outside of the non-equity incentive compensation plan this year as an additional bonus. The allocation of the 2010 annual cash incentive plan compensation and respective percentages and amounts earned are as follows:

Name	Earned (%) and Earned (\$)								
	Target Percentage of Salary	Company Profit Portion	Quantitative MBO Portion	Qualitative MBO Portion	Quantitative MBO		Qualitative MBO		Bonus in Addition to Non-Equity Incentive Plan Compensation
					Company	MBO	MBO	MBO	
Angel R. Martinez	100%	50%	30%	20%	200%	200%	200%	200%	\$ 350,000
					\$950,000	\$570,000	\$380,000		
Thomas A. George	50%	50%	30%	20%	200%	200%	200%	200%	\$ 150,000
					\$175,000	\$105,000	\$70,000		
Zohar Ziv	100%	50%	30%	20%	200%	200%	200%	200%	\$ 229,000
					\$500,000	\$300,000	\$200,000		
Constance X. Rishwain	100%	25%	55%	20%	200%	200%	200%	200%	\$ 200,000
					\$200,000	\$440,000	\$160,000		
Colin G. Clark	100%	25%	55%	20%	200%	200%	95%		\$
					\$150,000	\$330,000	\$57,000		

Performance Targets under the Annual Cash Incentive Plan

The performance targets under the Annual Cash Incentive Plan are summarized below. The Committee selects these targets based on categories that the Committee believes will drive the Company's short-term and long-term success and therefore return value to our stockholders.

Officer	Component	Target Performance	Results
All NEOs	Company Profit	Fully diluted annual EPS of \$3.13	Exceeded Target
Angel R. Martinez	Quantitative MBO	Sales of \$914 million Inventory turnover rate of 2.83 Non-UGG brand sales of \$131 million	Substantially exceeded sales and inventory turn targets and achieved between threshold and target in Non-UGG brand sales. Overachievement in the first two goals was well above maximum levels, which offset below target performance in non-UGG brand sales in the bonus calculation, and resulted in a maximum quantitative MBO payout.
	Qualitative MBO	Business: Maintain a compelling vision and strategy for the Company and anticipate short and long-term trends that may affect key strategies Team: Drive the leadership team accountability to meet the Company's strategic plan while delivering bench strength at the executive management level Personal: Set the tone and pace for change, strong culture and performance	Exceeded in all categories; oversaw a number of strategic accomplishments this year, including diversification of our product lines, expansion of our selling seasons and an increase in our global footprint; leadership role established the strong culture for success at the Company and can be seen in the Company's continued sales and earnings growth
Thomas A. George	Quantitative MBO	Timely SEC filings and favorable SOX opinions Inventory turnover rate of 2.83 Operating expenses not exceeding approximately 26% of net sales Return on capital of 22%	Achieved timely SEC filings and favorable SOX opinions and substantially exceeded all other targets

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Officer	Component	Target Performance	Results
	Qualitative MBO	<p>Business: Facilitate transition to wholesale model in UK and Benelux and continue Company's positive investor relations program</p> <p>Team: Continue to establish finance department development while establishing best practices and fostering team growth</p> <p>Personal: Cultivate a strong leadership presence in the finance department</p>	<p>Exceeded in all categories; successfully facilitated phases of our wholesale transitions while laying groundwork for future growth; demonstrated leadership by hosting annual corporate finance summit; challenged people as partners in finance in order to implement best practices</p>
Zohar Ziv	Quantitative MBO	<p>Sales of \$914 million</p> <p>Inventory turnover rate of 2.83</p> <p>Operating expenses not exceeding approximately 26% of net sales</p>	<p>Substantially exceeded all targets</p>
	Qualitative MBO	<p>Business: Ensure the establishment of the appropriate infrastructure to support transition to wholesale model in Europe</p> <p>Team: Continue to lead the executive management team to support long-term strategies for growth</p> <p>Personal: Cultivate network with executives of high-growth companies; attend continuing education events</p>	<p>Exceeded in all categories; oversaw phases of transition to wholesale model in the UK and Benelux; oversaw opening of 9 new retail stores; led executive team to achieve goals such as improving gross margins by 460 basis points; networked with executives in order to gain insight for Company's future growth</p>
Constance X. Rishwain	Quantitative MBO	<p>UGG brand sales of \$782 million</p> <p>UGG brand inventory turnover rate of 2.83</p> <p>Contribution income growth of 9%</p> <p>Backlog increase of 10% over prior year</p>	<p>Substantially exceeded all targets</p>
	Qualitative MBO	<p>Business: Drive a compelling strategic vision for accelerated top-line growth and global expansion of the UGG brand</p> <p>Team: Continue to stretch brand staff development toward leadership and innovation</p> <p>Personal: Continue to develop worldwide vision and leadership roles to expand the UGG brand</p>	<p>Exceeded in all categories; led the UGG brand to a sales increase of 23%, including increased sales in Europe and Asia</p>
Colin G. Clark	Quantitative MBO	<p>International sales of \$197 million</p> <p>International inventory turnover rate of 2.79</p> <p>Contribution income decline of approximately 8%</p> <p>Backlog increase of approximately 11% over prior year</p>	<p>Exceeded sales, contribution income growth and backlog targets, while did not meet inventory turnover goal. Overachievement in the first three goals was well above maximum levels, which offset falling short of inventory turnover goal in the bonus calculation, and resulted in a maximum quantitative MBO payout.</p>
	Qualitative MBO	<p>Business: Establish a vision to expand and grow our international business through a multi-channel distribution structure with integrated strategies</p> <p>Team: Identify key team member development needs to ensure the effective management of dynamic future international growth</p>	<p>Achieved near target performance in all categories; resulting in achievement of international sales goals while continuing to evolve his leadership effectiveness</p>

Personal: Develop insights and strategies for
effective leadership

Performance-based Short-Term and Long-Term Equity Incentive Compensation.

What this Compensation Element is Designed to Reward

Our equity incentive compensation program is designed to address many of our compensation objectives. First, by requiring long-term vesting provisions, these equity awards serve to retain our key executives. Second, because these awards will only be earned upon achievement of Company financial goals that will drive value for our stockholders and the awards are equity-based, these awards serve to align the interests of our executives with those of our stockholders. Furthermore, by requiring achievement of financial goals, these awards support the Company's pay-for-performance philosophy. Finally, the annual short-term equity awards reward achievement of our short-term goals and our long-term equity awards reward achievement of our long-term goals (approximately 5 and 10 years after the grant year).

How We Choose Amount of this Compensation Element

Long-term incentives are granted under the 2006 Plan, which authorizes the Committee to make grants and awards such as stock options, stock appreciation rights ("SARs"), nonvested stock units ("NSUs") and restricted stock units ("RSUs"). The compensation attributable to SARs, NSUs and RSUs is intended to qualify as "performance-based compensation" under Section 162(m) of the Code. A summary of the equity awards currently utilized by the Company and their respective vesting provisions are:

Compensation Element	Award Type	Vesting Provisions
Annual Short-Term Equity	NSU	Once earned, vest based on continued employment after approximately three years according to the following schedule: 25% on March 31, June 30, September 30, and December 31
Long-Term Equity (Level 1)	RSU SAR	Vest subject to (1) the achievement of revenue and earnings goals, which goals are based on a high rate of growth for sales, and (2) satisfaction of long-term service conditions over approximately a five-year period
Long-Term Equity (Level 2)	RSU SAR	Vest subject to (1) the achievement of revenue and earnings goals, which goals are based on a high rate of growth for sales, and (2) satisfaction of long-term service conditions over approximately a ten-year period

Annual Short-Term Equity

Beginning in December 2004, the Board and the Committee determined to cease issuing stock options to directors, officers and employees of the Company. Officers and employees are now issued NSUs, which are stock units payable in shares upon satisfying specific performance and service-related vesting conditions. NSUs are considered to continue to align the interests of the officers and employees with those of the stockholders at a lower cost than the previous stock option grants. This policy is reviewed by the Board and the Committee periodically and may be changed in the future.

Officers and key employees are eligible to receive NSUs annually, or as circumstances warrant, in an amount to be determined by the Board or the Committee. The amount of NSUs granted is primarily determined by the employee's level within the organization and the extent that their position is critical to the organization. In March 2010, NSUs were granted with respect to fiscal 2010

performance. The Committee sets these annual equity grants in the median-to-75th percentile range of the Peer Group.

Specifically, the NSUs granted in 2010 were earned based on the achievement of the 2010 diluted EPS goal. The 2010 diluted EPS goals established on the date of grant were a threshold of \$2.98 and a target of \$3.13. The vesting schedule for these awards was determined to encourage officers and key employees to remain with the Company for the long-term. As discussed further under "Potential Payments Upon Termination or Change of Control" below, this vesting schedule may be accelerated if the executive's employment is terminated for various reasons or upon a change in control followed by a termination.

Long-Term Equity

In May 2007, the Company's Board of Directors, upon recommendation of the Committee, adopted two types of long-term incentive award agreements under the 2006 Plan for issuance to the Company's senior executive officers. These award types consist of SAR awards and RSU awards. The SAR and RSU awards are designed to vest based on the achievement of two objective financial performance measures. The Committee selected these performance measures to align the executive's interests with the long-term financial success of the Company. In establishing the performance measure criteria, the Committee sought to balance the metrics between earnings and revenue growth so that profitability would not be sacrificed at the expense of revenue and vice versa. For Level 1 grants, sales must increase approximately 65% and diluted earnings per share must increase approximately 110% over these levels at the time these awards were adopted by the Board. For Level 2 grants, sales must increase over 220% and diluted earnings per share must increase approximately 320% over these levels at the time these awards were adopted by the Board. The 2010 targets of the Level 1 performance conditions were met as of December 31, 2010, and therefore 80% of the Level 1 SAR and RSU awards vested on December 31, 2010. The SARs became exercisable and the RSUs were issued on March 1, 2011. If the Level 1 performance conditions continue to be met as of December 31, 2011, the remaining 20% of the Level 1 awards will vest on December 31, 2011. Provided that the Level 2 performance conditions are met, the Level 2 SAR and RSU awards will vest 80% on December 31, 2015 and 20% on December 31, 2016. These awards were designed to motivate the executive team to outperform the Company's Peer Group (otherwise the awards would not vest) as well as for retention purposes. In May 2007, the Committee granted these SARs and RSUs to the Named Executive Officers at that time. In approving 2007 grants, the Committee considered industry comparisons and competitive data as well as the responsibility levels of the executives relative to one another. No grants of these types of awards have been made since 2007.

In addition, the Committee evaluates aggregate equity awards based on a Shareholder Value Transfer ("SVT") rate. SVT is the fair value of all equity awards granted during the year as a percentage of company market capitalization value. The Committee believes this measure is valuable because it allows the Company to compare the annual cost of its equity program versus the Peer Group. The Committee set the SVT rate in 2010 so that it would be approximately 1%, which is in line with the Peer Group median. Other factors considered in share-based award grants were the fair value of awards granted to each individual, total outstanding equity awards for each executive, company-wide annual share usage, and total potential dilution under all employee stock plans. The Committee assessed where the Company and its Named Executive Officers ranked in these areas versus the Peer Group.

Stock Ownership Guidelines for Named Executive Officers

In March 2011, the Committee adopted stock ownership guidelines for the Named Executive Officers.

The stock ownership guidelines require that the Named Executive Officers maintain a minimum stock ownership level (including, 60% of earned and unvested RSUs and NSUs) to align further the interests of these individuals with the stockholders. The CEO must hold stock equal to at least six (6) times his annual base salary and the other Named Executive Officers must hold stock equal to at least three (3) times his or her annual base salary. Each Named Executive Officer must meet the ownership requirement within five (5) years of the later of the date the guidelines were adopted or the date the person was initially designated a Named Executive Officer.

Perquisites and Other Personal Benefits.

What this Compensation Element is Designed to Reward

The personal benefits provided to our Named Executive Officers establish a competitive benefits structure necessary to attract and retain key employees. Generally, these personal benefits reflect those provided to all of our employees.

How We Choose Amount of this Compensation Element

There is no specific policy on perquisites and other personal benefits awarded to the Named Executive Officers. The Company provides a 401(k) defined contribution plan that eligible employees may elect to participate through tax-deferred contributions. The Company matches 50% of each eligible participant's tax-deferred contributions on up to 6% of eligible compensation on a per payroll period basis, with a true-up contribution if such eligible participant is employed by the Company on the last day of the calendar year. The Company also pays the premiums for long-term disability insurance and group term life insurance for the Named Executive Officers both of which are generally available to all employees. The Named Executive Officers are also eligible to participate in our health and welfare benefit plans, product discounts, and gym membership discounts generally available to all employees. In 2010, no additional material perquisites and other personal benefits were approved by the Committee for the Named Executive Officers.

Beginning on February 1, 2010, the Named Executive Officers are also eligible to make contributions to the Company's Nonqualified Deferred Compensation Plan, described in further detail below under the section titled "Nonqualified Deferred Compensation." This plan is not available to all employees.

Severance Arrangements.

What this Compensation Element is Designed to Reward

In December 2009, the Committee adopted Change of Control and Severance Agreements for each of the Named Executive Officers to replace the employment agreements which expired on December 31, 2009. The terms of employment for all Named Executive Officers with the Company is "at will."

Separation benefits described below are intended to ease a Named Executive Officer's transition due to an unexpected employment termination by the Company due to on-going changes in the Company's employment needs. Separation benefits include cash payments and other benefits in an amount the Company believes is appropriate, taking into account the time it is expected to take a separated executive to find another job. The Company considers it likely that it will take more time for higher-level employees to find new employment commensurate with their prior experience, and therefore senior management generally are paid severance for a longer period. The Company benefits by requiring a general release, and non-solicitation provisions in connection with the individual separation agreements.

Furthermore, the change in control followed by a subsequent termination arrangements (or "double trigger" events) are intended to preserve morale and productivity and encourage retention in the face of the disruptive impact of a change in control of the Company. The change-in-control benefits encourage the Named Executive Officers to remain focused on the business and interest of our stockholders when considering strategic alternatives that are beneficial to our stockholders.

How We Choose Amount of this Compensation Element

The Change of Control and Severance Agreements for each executive specifically details various provisions for benefits and cash payments in the event of a separation during the normal course of business and in the event of a change in control followed by a subsequent termination. Generally, these agreements specify conditions and benefits within the following categories: death, disability, termination by the Company for cause; termination by the executive without good reason; termination by the executive with good reason and termination by the Company without cause.

The Company's change in control provisions for the Named Executive Officers provide for severance benefits and the accelerated vesting of certain equity awards upon a "double trigger" event, meaning the termination of the executive's employment in connection with a change in control. There are no benefits triggered solely based on the occurrence of a change in control as long as the change in control is approved by a majority of the directors and the successor entity provides for the continuance of the award. However, upon a change in control, the performance conditions of the SARs and RSUs are deemed satisfied, but the awards remain subject to the service-based vesting conditions. Based on a competitive analysis of the change in control arrangements maintained by the Company's Peer Group, the Committee believes that these benefits are customary among the Company's Peer Group for executives in similar positions as the Named Executive Officers.

NSUs, RSUs and SARs cannot be sold, assigned, transferred or pledged other than by will or laws of descent.

Please refer to the discussion under "Potential Payments upon Termination or Change of Control" for a more detailed discussion of the severance and change in control arrangements.

Other Compensation Considerations

Role of Executive Officers in Compensation Decisions

The CEO, CFO and COO provide compensation and related data to the Committee to facilitate its decisions and the Committee considers the CEO's recommendations when making its determinations. However, our CEO may not be present during deliberations and voting regarding his own compensation, as well as during other executive sessions of the Committee. The Committee uses the information provided by the CEO, CFO, COO and FWC to make compensation decisions for the Named Executive Officers as well as other executive officers. The Committee, which includes only independent members of the Board, approves all elements of compensation for the Named Executive Officers. The Committee also reviews and approves aggregate equity awards to all employees of the Company based on the recommendations of executive management. The Committee can exercise its discretion in modifying any recommended adjustments or awards to executives.

Risk Considerations

The Committee believes that although the majority of compensation provided to our executive officers is performance-based, our executive compensation programs do not encourage excessive and unnecessary risk-taking. We believe that the design of our compensation programs encourages our executive officers to remain focused on both the short- and long-term operational and financial goals of the Company. First, our program consists of guaranteed pay (salary) and at-risk pay (annual cash

incentive plan awards and annual and long-term equity awards) and the Committee reviews this balance annually. Second, our program establishes appropriate short-term and long-term performance goals that are designed to encourage sustained growth and long-term success. Third, our program requires executive retention through our vesting provisions. For example, our long-term incentive equity awards only become fully vested approximately 5 years (for our Level 1 awards) and approximately 10 years (for our Level 2 awards) after their initial grant. Fourth, amounts to be paid under our annual cash incentive plan compensation are capped at 200%. Fifth, performance goals for our annual cash incentive plan balance between corporate, business unit and individual performance and financial and non-financial goals. Finally, the Committee retains ultimate oversight over the compensation of our named executive officers and retains the ability to use discretion where appropriate.

Tax Implications

Taxation and Deductibility of Executive Compensation

To the extent readily determinable, and as one of the factors in its consideration of compensation matters, the Committee considers the anticipated tax treatment to the Company and to the executives of various payments and benefits. Some types of compensation payments and their deductibility depend upon the timing of an executive's vesting of previously granted awards.

Under Section 162(m) of the Code, a public company generally will not be entitled to a deduction for non-performance-based compensation paid to certain executive officers to the extent such compensation exceeds \$1.0 million. Special rules apply for performance-based compensation, including the approval of the performance goals by the stockholders of the Company. The Company has not adopted any formal policy with respect to Section 162(m) of the Code. However, the Committee generally structures compensation to be deductible and considers cost and value to the Company in making compensation decisions, which would result in non-deductibility. The Board has on occasion made decisions resulting in non-deductible compensation. The qualitative MBO portion of the annual non-equity incentive plan compensation and the additional bonuses awarded outside of the non-equity incentive compensation plan are not intended to qualify as "performance-based compensation" under Section 162(m) of the Code. The Committee and the Board believe that these payments were appropriate and in the best interests of the Company and serve to retain key executives and reward past performance.

The Company believes that the company profit portion and the quantitative MBO portion of its non-equity incentive plan and its grants of NSUs, RSUs and SARs meet the exception for performance-based compensation described in the previous paragraph.

COMPENSATION COMMITTEE REPORT

The Compensation and Management Development Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation and Management Development Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

THE COMPENSATION AND MANAGEMENT
DEVELOPMENT COMMITTEE

Maureen Conners, Chair
John M. Gibbons
John G. Perenchio

The Report of the Compensation and Management Development Committee on Executive Compensation shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

SUMMARY COMPENSATION TABLE

The following table sets forth, for the years ended December 31, 2010, 2009, and 2008 all compensation paid or awarded to the Named Executive Officers.

Name and principal position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)(2)	All Other Compensation (\$)(3)	Total (\$)
Angel R. Martinez Chief Executive Officer and President	2010	\$ 950,000	\$ 350,000	\$ 1,863,000	\$ 1,900,000	7,350	\$ 5,070,350
	2009	750,000	441,715	706,725	1,458,285	6,900	\$ 3,363,625
	2008	750,000	300,000	1,526,400	1,500,000	6,900	\$ 4,083,300
Thomas A. George Chief Financial Officer	2010	350,000	150,000	828,000	350,000	7,350	\$ 1,685,350
	2009	95,577	73,333(4)	105,315	116,667		\$ 390,892
Zohar Ziv Chief Operating Officer	2010	500,000	229,000	1,242,000	1,000,000	7,350	\$ 2,978,350
	2009	375,000	150,000	471,150	750,000	6,900	\$ 1,753,050
	2008	375,000	75,000	1,017,600	750,000	6,900	\$ 2,224,500
Constance X. Rishwain President of the UGG Division	2010	400,000	200,000	1,242,000	800,000	7,350	\$ 2,649,350
	2009	350,000	200,000	471,150	700,000	6,900	\$ 1,728,050
	2008	300,000	225,000	954,000	600,000	6,900	\$ 2,085,900
Colin G. Clark Senior Vice President of International	2010	300,000		897,000	537,000		\$ 1,734,000
	2009	250,000	150,000	340,275	500,000	6,462(5)	\$ 1,246,737
	2008	250,000	93,750	763,200	500,000	24,000(5)	\$ 1,630,950

- (1) The amounts in this column are the aggregate grant date fair value computed in accordance with ASC Topic 718 and exclude the impact of estimated forfeitures related to service-based vesting conditions.
- (2) The amounts in this column reflect the value of cash awards to the named individuals under our annual cash incentive plan, which is discussed in further detail under the heading "Bonus and Annual Cash Incentive Plan Compensation."
- (3) The amounts in this column reflect the Company's 401(k) matching contributions to the named executive officers unless noted otherwise.
- (4) This amount includes a \$40,000 sign-on bonus paid by the Company to Mr. George.
- (5) The amounts in this column reflect a housing differential paid by the Company to Mr. Clark.

GRANTS OF PLAN BASED AWARDS IN 2010

The following table sets forth all grants of plan-based awards made to the Named Executive Officers during the fiscal year ended December 31, 2010. For further discussion regarding the grants, see above under "Compensation Discussion and Analysis."

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			Grant Date Fair Value of Stock Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	
Angel R. Martinez	3/30/2010(3)	\$ 475,000	\$ 950,000	\$ 1,900,000	20,250	40,500	40,500	\$ 1,863,000
Thomas A. George	3/30/2010(3)	87,500	175,000	350,000	9,000	18,000	18,000	828,000
Zohar Ziv	3/30/2010(3)	250,000	500,000	1,000,000	13,500	27,000	27,000	1,242,000
Constance X. Rishwain	3/30/2010(3)	200,000	400,000	800,000	13,500	27,000	27,000	1,242,000
Colin G. Clark	3/30/2010(3)	150,000	300,000	600,000	9,750	19,500	19,500	897,000

- (1) The amounts set forth in the columns below represent the "threshold," "target" and "maximum" amounts of non-equity incentive plan compensation that were payable to our Named Executive Officers pursuant to our annual cash incentive plan with respect to fiscal year 2010. Additional information regarding the annual cash incentive plan, including the methodology for calculating the non-equity incentive plan awards and the determination of the actual non-equity incentive plan amounts actually paid to the Named Executive Officers with respect to fiscal year 2010, is set forth under the heading "Bonus and Annual Cash Incentive Plan Compensation."
- (2) The amounts set forth in the columns represent the "threshold," "target" and "maximum" number of NSUs that could have been earned by our Named Executive Officers based on the Company's performance in fiscal year 2010. Each of the NSUs were granted pursuant to the 2006 Plan. Additional information regarding the terms of the NSUs, including the performance targets and vesting conditions associated with each, is set forth under the heading "Performance-based Short-Term and Long-Term Equity Incentive Compensation."
- (3) The number of NSUs awarded in the 2010 annual grant was primarily based on the executive's respective level within the Company and the level of criticality of his or her position.

OUTSTANDING EQUITY AWARDS AT 2010 FISCAL YEAR END

The following table sets forth equity awards of the Named Executive Officers outstanding as of December 31, 2010.

Name	Stock Appreciation Rights (SAR) Awards (1)					Stock Awards			
	Number of securities unexercised SARs (#) exercisable	Number of securities unexercised SARs (#) underlying	Number of securities unexercised SARs (#) underlying	SAR exercise price (\$)	SAR expiration date	Number of stock awards that have not vested (#)	Market value of units of stock that have not vested(3)(\$)	Number of unearned stock awards that have not vested(2)(#)	Market value of unearned units that have not vested(3)(\$)
Angel R. Martinez	240,000	60,000	300,000	\$ 26.73	5/9/2017	117,000(4)	\$ 9,329,580	45,000(9)	\$ 3,588,300
Thomas A. George						22,500(5)	1,794,150		
Zohar Ziv	60,000	15,000	75,000	26.73	5/9/2017	78,000(6)	6,219,720	12,600(10)	1,004,724
Constance X. Rishwain	60,000	15,000	75,000	26.73	5/9/2017	76,500(7)	6,100,110	12,600(11)	1,004,724
Colin G. Clark	60,000	15,000		26.73	5/9/2017	57,000(8)	4,545,180	2,100(12)	167,454

- (1) All SARs were granted on May 9, 2007. SARs vest subject to long-term performance objectives and long-term service conditions. 80% of Level 1 SAR awards vested on December 31, 2010 and became exercisable on March 1, 2011. Provided the conditions are met, 20% of Level 1 SAR awards will vest on December 31, 2011 and Level 2 SAR awards will vest 80% on December 31, 2015 and 20% on December 31, 2016.
- (2) This column includes RSUs, all of which were granted on May 9, 2007. RSUs vest subject to long-term performance objectives and long-term service conditions. Provided the conditions are met, 20% of Level 1 RSU awards will vest on December 31, 2011 and Level 2 RSU awards will vest 80% on December 31, 2015 and 20% on December 31, 2016.
- (3) The closing price of the Company's Common Stock on December 31, 2010 was \$79.74.
- (4) Consists of: (i) 36,000 nonvested stock units granted on February 27, 2008, which shares vest in equal quarterly installments starting March 31, 2011; (ii) 40,500 nonvested stock units granted on March 30, 2009, which shares vest in equal quarterly installments starting March 31, 2012; and (iii) 40,500 nonvested stock units granted on March 30, 2010, which shares vest in equal quarterly installments starting March 31, 2013.
- (5) Consists of (i) 4,500 nonvested stock units granted on September 11, 2009, which shares vest in equal quarterly installments starting September 30, 2012; and (ii) 18,000 nonvested stock units granted on March 30, 2010, which shares vest in equal quarterly installments starting March 31, 2013.
- (6) Consists of (i) 24,000 nonvested stock units granted February 27, 2008, which shares vest in equal quarterly installments starting March 31, 2011; (ii) 27,000 nonvested stock units granted on March 30, 2009, which shares vest in equal quarterly installments starting March 31, 2012; and (iii) 27,000 nonvested stock units granted on March 30, 2010, which shares vest in equal quarterly installments starting March 31, 2013.
- (7) Consists of (i) 22,500 nonvested stock units granted on February 27, 2008, which shares vest in equal quarterly installments starting March 31, 2011; (ii) 27,000 nonvested stock units granted on March 30, 2009, which shares vest in equal quarterly installments starting March 31, 2012; and (iii) 27,000 nonvested stock units granted on March 30, 2010, which shares vest in equal quarterly installments starting March 31, 2013.
- (8) Consists of (i) 18,000 nonvested stock units granted on February 27, 2008, which shares vest in equal quarterly installments starting March 31, 2011; (ii) 19,500 nonvested stock units granted on March 30, 2009, which shares vest in equal quarterly installments starting March 31, 2012; and (iii) 19,500 nonvested stock units granted on March 30, 2010, which shares vest in equal quarterly installments starting March 31, 2013.
- (9)

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Consists of: (i) 7,500 restricted stock units granted on May 9, 2007, which shares vest on December 31, 2011, subject to the satisfaction of performance conditions; (ii) 37,500 restricted stock units granted on May 9, 2007, which share vest 80% on December 31, 2015 and 20% on December 31, 2016, subject to the satisfaction of performance conditions.

(10)

Consists of: (i) 2,100 restricted stock units granted on May 9, 2007, which shares vest on December 31, 2011, subject to the satisfaction of performance conditions; (ii) 10,500 restricted stock units granted on May 9, 2007, which shares vest 80% on December 31, 2015 and 20% on December 31, 2016, subject to the satisfaction of performance conditions.

(11)

Consists of: (i) 2,100 restricted stock units granted on May 9, 2007, which shares vest on December 31, 2011, subject to the satisfaction of performance conditions; (ii) 10,500 restricted stock units granted on May 9, 2007, which shares vest 80% on December 31, 2015 and 20% on December 31, 2016, subject to the satisfaction of performance conditions.

(12)

Consists of 2,100 restricted stock units granted on May 9, 2007, which shares vest December 31, 2011, subject to the satisfaction of performance conditions.

2010 OPTION EXERCISES AND STOCK VESTED

The following table provides information, for the Named Executive Officers, regarding stock option exercises and stock award vesting during 2010, including the number of shares acquired upon exercise or vesting and the value realized, before payment of any applicable withholding tax and broker commissions.

	SARs Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting #(1)(2)	Value Realized on Vesting \$(3)
Angel R. Martinez		\$	66,000	\$ 4,519,710
Thomas A. George				
Zohar Ziv			26,400	1,707,699
Constance X. Rishwain			26,400	1,707,699
Colin G. Clark			26,400	1,707,699