

DECKERS OUTDOOR CORP
Form DEF 14A
July 29, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

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

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

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

DECKERS OUTDOOR CORPORATION
(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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2015
PROXY STATEMENT 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.

SUMMARY INFORMATION

ANNUAL MEETING OF STOCKHOLDERS

DATE	September 10, 2015
TIME	4:00 p.m. PST
LOCATION	Deckers Outdoor Corporation Corporate Headquarters 250 Coromar Drive Goleta, California 93117
RECORD DATE	July 14, 2015
VOTING	Stockholders as of the Record Date (as defined in this Proxy Statement) are entitled to vote

VOTING ITEMS

PROPOSALS	MATTER	BOARD VOTE RECOMMENDATION	PAGE REFERENCE
1	Election of nine directors	FOR EACH DIRECTOR NOMINEE	9
2	Ratification of KPMG LLP as independent registered public accounting firm for the fiscal year 2016	FOR	66
3	Advisory vote to approve Named Executive Officer compensation	FOR	68
4	Approve the Employee Stock Purchase Plan	FOR	70
5	Approve the 2015 Stock Incentive Plan	FOR	73

We may also transact any other business that may properly come before the Annual Meeting. As of the date of this Proxy Statement, we are not aware of any other business to be presented for consideration at the Annual Meeting other than the matters described in this Proxy Statement.

HOW TO VOTE

Your vote is important to the future of Deckers Outdoor Corporation. You are eligible to vote if you were a stockholder of record at the close of business on July 14, 2015. Please refer to the section of this Proxy Statement titled "Questions and Answers about the 2015 Annual Meeting of Stockholders and Voting" for additional information on how to vote your shares.

PROPOSAL NO. 1
DIRECTOR NOMINEES

The following table provides summary information about each director nominee.

Name, Primary Occupation	Age	Director Since	Independent	Other Public Company Boards	Deckers Committees		
					A	C	CG
Angel R. Martinez Chair of the Board of Directors and Chief Executive Officer	60	2005	NO	1			
John M. Gibbons Corporate Director	66	2000	YES	None	1		
Karyn O. Barsa Corporate Director	54	2008	YES	1	1	1	
Nelson C. Chan Corporate Director	54	2014	YES	3	1		
Michael F. Devine, III Corporate Director	56	2011	YES	2	^a	1	
John G. Perenchio Corporate Director	60	2005	YES	None		1	1
James Quinn Corporate Director	63	2011	YES	2			^a
Lauri M. Shanahan Corporate Director, Independent Consultant	52	2011	YES	1		^a	
Bonita C. Stewart Vice-President, Partner Business Solutions, Americas at Google, Inc.	58	2014	YES	None			1

^a Committee Chair

A: Audit

C: Compensation

CG: Corporate Governance

No director nominee attended fewer than 75% of the meetings of our Board of Directors or meetings of any Board committee on which he or she sits.

Each director nominee is elected annually by a majority of the votes cast at the Annual Meeting.

Our Board of Directors recommends that you vote FOR each of the director nominees named in this Proposal No. 1.

PROPOSAL NO. 2
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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 fiscal year 2016.

Ratification of the selection requires the vote of a majority of the shares present and entitled to vote at the Annual Meeting.

Our Board of Directors recommends that you vote FOR this Proposal No. 2.

PROPOSAL NO. 3

NAMED EXECUTIVE OFFICER COMPENSATION ADVISORY VOTE

We are asking our stockholders to approve, on a non-binding advisory basis, the compensation of our Named Executive Officers, or NEOs, as disclosed in the section of this Proxy Statement titled "Compensation Discussion and Analysis". Below is a summary of the key elements and other features of our executive compensation program. Advisory approval of the proposal requires the vote of a majority of the shares present and entitled to vote at the Annual Meeting.

Our Board of Directors recommends that you vote FOR this Proposal No. 3 because it believes that our compensation policies and practices are effective in achieving our goals of appropriately incenting and paying for financial and operating performance, and aligning our executives' interests with those of our stockholders.

MAIN EXECUTIVE COMPENSATION ELEMENTS

ELEMENT	TYPE	TERMS
Base Salary	CASH	• Base salary increases must be approved by our Compensation Committee.
Annual Cash Incentive	CASH	• Performance-based cash awards are earned based on achievement of annual Company performance goals approved by our Compensation Committee.
2015 NSU Equity Incentive Plan Awards (Nonvested Stock Units, or "NSUs")	EQUITY	• Performance goals for NSUs were based on fiscal year 2015 EPS. Because 2015 EPS goals were achieved at the 97.9% level, 88.9% of the NSUs will vest over a period of approximately 3 years.
2015 Long-Term Equity Incentive Plan ("LTIP") Awards (Restricted Stock Units, or "RSUs")	EQUITY	• Performance goals for RSUs are based on Company performance goals achieved through fiscal year 2017. RSUs will be received, if earned according to plan metrics, 2.5 years after they were granted. • The grant date fair value of these awards was deemed probable at the target level, which would pay out at 100%.

KEY COMPENSATION CHANGES IN FY 2015

	Annual Equity Program
Target Pay Positioning	<ul style="list-style-type: none"> • Formalized grant mix between NSU and LTIP Equity Awards. • NEOs total annual equity grant allocated 40% NSU and 60% LTIP to further align executive and shareholder interests.
<ul style="list-style-type: none"> • Simplified target pay positioning by eliminating "core" and "aspirational" program delineations to drive our NEOs towards stretch budgets and to align with our reduced target pay positioning. • Reduced overall target pay positioning to 60th to 75th percentile range. 	<ul style="list-style-type: none"> • LTIP awards based on achievement of stretch budgets for two metrics - Revenue and EBITDA.
Annual Cash Incentive Plan	Peer Group Size

- Simplified Cash Incentive Plan design to eliminate the Individual Discretionary Portion for the NEOs and further align executive and shareholder interests.
 - Re-evaluated Peer Group and increased Peer Group size to 20 companies.
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PROPOSAL NO. 4
EMPLOYEE STOCK PURCHASE PLAN

We are asking our stockholders to approve the adoption and implementation of the Employee Stock Purchase Plan, which will provide our eligible employees with an opportunity to invest in and accumulate share ownership in our Company through after-tax payroll deductions.

A review of our Peer Group indicates that 40% of our Peer Group offer an ESPP with similar plan provisions.

An authorization of 1,000,000 shares from the stockholders is needed to support the plan for approximately the next 5 years.

Approval of the proposal requires the vote of a majority of the shares present and entitled to vote at the Annual Meeting.

Our Board of Directors recommends that you vote FOR this Proposal No. 4 because it believes this plan will enhance our ability to attract and retain employees and provide employees with an opportunity to participate in ownership of our shares and thereby have an interest in our success and increased value.

PROPOSAL NO. 5
2015 STOCK INCENTIVE PLAN

We are asking our stockholders to approve the adoption of the 2015 Stock Incentive Plan ("2015 SIP"). The 2015 SIP is intended to replace our Company's current 2006 Equity Incentive Plan ("2006 EIP").

As with the 2006 EIP, the purpose of the 2015 SIP is to encourage ownership in the Company by key personnel whose long-term service is considered essential to the Company's continued success, which encourages recipients to act in the stockholders' interests and share in the Company's success.

Approval of 1,275,000 shares, less one share for every one share granted under the 2006 EIP after March 31, 2015 and prior to the effective date of the 2015 SIP.

Approval of the proposal requires the vote of a majority of the shares present and entitled to vote at the Annual Meeting.

Our Board of Directors recommends that you vote FOR this Proposal No. 5 because it believes this plan will provide incentives to attract and retain employees whose contributions are important to our success, by offering them an opportunity to participate in our future performances.

OTHER CORPORATE GOVERNANCE CHANGES

In February 2014, our Board of Directors approved a change in our fiscal year end from December 31 to March 31 to better align with industry and business. As a result of this change, our 2015 fiscal year ran from April 1, 2014 to March 31, 2015 ("FY 2015"), and our Company had a fiscal transition period from January 1, 2014 to March 31, 2014 ("transition period" or "2014T").

In March 2014, our Board of Directors approved a change in the securities exchange on which our Company's shares were listed from the NASDAQ Global Select Market ("NASDAQ") to the New York Stock Exchange ("NYSE"). Our shares began trading on the NYSE in May 2014.

In September 2014 and December 2014, Bonita C. Stewart and Nelson C. Chan, respectively, were elected to our Board of Directors to further enhance board performance and diversity.

NOTICE OF THE ANNUAL MEETING OF
STOCKHOLDERS

Date and Time September 10, 2015, 4:00 p.m. PST
Place Deckers Outdoor Corporation
Corporate Headquarters
250 Coromar Drive
Goleta, California 93117