

## **CHARTER OF THE AUDIT COMMITTEE**

The Audit Committee Charter was adopted by the Board of Directors (the “**Board**”) of Deckers Outdoor Corporation (the “**Company**”) on September 19, 2018.

This Charter is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company’s Certificate of Incorporation and Bylaws, it is not intended to establish by its own force any legally binding obligations.

### **I. PURPOSES**

The Audit Committee (the “**Committee**”), in order to assist the Board in fulfilling its responsibilities, shall oversee:

- A. management’s conduct of, and the integrity of, the Company’s financial reporting to any governmental or regulatory body, shareholders, other uses of Company financial reports and the public;
- B. communication among the Company’s independent auditors, the Company’s financial and senior management, and the Board;
- C. the Company’s systems of internal control over financial reporting and disclosure controls and procedures and risk management;
- D. the qualifications, engagement, compensation, independence and performance of the registered public accounting firm that shall audit the annual financial statements of the Company and review the quarterly reporting (the “**independent auditor**”) 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;
- E. the Company’s legal and regulatory compliance;
- F. the performance of the Company’s internal audit function;
- G. the periodic reviews of the adequacy of the auditing, accounting and financial reporting processes that are conducted by the Company’s independent auditors and the Company’s financial and senior management;
- H. the application of the Company’s Related Person Transaction Policy as established by the Board; and
- I. the application of the Company’s Code of Business Conduct and Ethics as established by the Board.

In connection with the foregoing, the Committee shall engage in such activities as are necessary or appropriate in order for it to render the annual report of the Committee required to be included in the Company's annual report and annual proxy statement to the Securities Exchange Commission ("**SEC**").

All references in this charter to the Company are intended to refer also to any subsidiary of the Company and any "variable interest entity" whose results of operations are consolidated with those of the Company, except where context otherwise requires.

**ACCESS TO INFORMATION; DELEGATED AUTHORITY; RESOURCES.** In discharging its role, the Committee is empowered to inquire into any matter it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of the Company and, subject to the direction of the Board, the Committee is authorized and delegated the authority to act on behalf of the Board with respect to any matter necessary or appropriate to the accomplishment of its purposes. In addition to retaining on behalf of the Company the Company's independent auditor and any other accounting firm the retention of which to prepare or issue any other audit report or to perform any other audit, review or attest services the Committee determines is necessary or appropriate in connection with the conduct of the Company's business and affairs, the Committee is empowered to retain legal counsel and accounting and other advisors and consultants to assist it in carrying out its activities. The Company shall provide adequate resources to support the Committee's independent auditor and any other auditor and any legal counsel, accounting or other advisor or consultant retained by the Company.

## **II. COMMITTEE COMPOSITION AND MEETINGS**

**INDEPENDENCE.** The Committee shall consist of three or more members of the Board, each of whom the Board has selected and determined to be "independent" for purposes of audit committee membership in accordance with applicable listing standards of the New York Stock Exchange (the "**NYSE**") and the rules of the SEC.

**FINANCIAL LITERACY.** All members of the Committee must be financially literate, as the Board determines in its business judgment, and at least one member of the Committee shall have accounting or related financial management expertise, as the Board determines in its business judgment. At least one member shall be an "audit committee financial expert" as such term is defined under applicable SEC rules.

**SERVICE ON MULTIPLE AUDIT COMMITTEES.** No member of the Committee may serve on the audit committee of more than three public companies, including the Company, unless the Board has determined that doing so will not impair the member's ability to serve effectively on the Committee, which determination is properly disclosed in the Company's annual proxy statement.

**TENURE.** The Corporate Governance Committee shall recommend directors to be appointed as members of the Audit Committee to the Board. The Board shall appoint members of the Audit Committee and may replace or remove members from time to time, without cause, by the affirmative vote of the majority of the Board. The Board may appoint the Audit Committee Chair. Committee members shall serve for a period of one year unless a member resigns or is replaced by the Board and their successor appointed. Any Committee member may resign effective upon giving oral or written notice to the Audit Committee Chair or to the full Board.

**MEETINGS.** The Audit Committee shall meet at least four times annually prior to each quarterly earnings release or more frequently as circumstances dictate. The Audit Committee Chair shall prepare and/or approve an agenda in advance of each meeting.

On a quarterly basis, the Audit Committee shall meet in executive session with the independent public accountants, and the Chief Audit Executive or highest ranking manager of Internal Audit, as applicable (the “**CAE**”), and as a committee to discuss any matters that the Audit Committee or each of these groups believes should be discussed. On an annual basis, the Committee shall meet privately with senior accounting management. In its meetings prior to the release of earnings and or quarterly or annual filings with the SEC, the Audit Committee, through any of its members, shall communicate with management and the public accountants to review the Company’s financial statements and significant findings based upon the public accountant’s and CAE’s limited quarterly review procedures and the public accountant’s annual audit.

A majority of the members of the Committee shall constitute a quorum for a meeting and the affirmative vote of a majority of members present at a meeting at which a quorum is present shall constitute the action of the Committee. The Audit Committee may also act through unanimous written consent and such consents will be filed with the minutes of the meetings of the Board. The Committee will be governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), notice and waiver of notice, as are applicable to the Board. The Committee may form, and delegate any of its responsibilities, to a subcommittee so long as such subcommittee is solely comprised of one or more members of the Committee.

### **III. RESPONSIBILITIES AND DUTIES**

**LIMITATION ON THE COMMITTEE’S RESPONSIBILITIES.** The Committee’s role is one of oversight. The Company’s management is responsible for preparing the Company’s financial statements and the independent auditor is responsible for auditing the annual financial statements. The Board and Committee recognize that Company management, the internal audit team, and the independent auditor have more time, knowledge and detailed information about the Company than do Committee members. Each member of the Committee is entitled to rely on the integrity of management, independent auditors, and advisors engaged by the Committee and the accuracy and

completeness of the financial and other information provided to the Committee by such persons and organizations absent actual knowledge to the contrary. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any certification as to the work of any auditor.

**RESPONSIBILITIES AND DUTIES.** The following duties, responsibilities and functions are set forth as a guide to fulfilling the Committee's purposes, with the understanding that the Committee may undertake other and different activities, and that the Committee's activities may diverge from those described below, as appropriate under the circumstances.

In such manner as the Committee determines is appropriate for its purposes, the Committee shall:

- A. ***Oversee the Engagement of the Independent Auditor and if Applicable the Attest Engagements of Other Registered Public Accounting Firms***
1. Recommend to the shareholders the appointment or retention of the independent public accounting firm.
  2. Have the authority and responsibility for the compensation, and oversight of the work of the independent public accounting firm engaged by the Audit Committee for the purpose of preparing or issuing an opinion on the financial reporting of the Company and related internal controls, including resolution of disagreements between management and the auditor regarding financial reporting.
  3. The Committee shall assure the regular rotation of the audit partners as required under the rules promulgated by the SEC.
  4. Approve any discharge of auditors when circumstances warrant.
  5. Obtain from the independent public accounting firm the report required by Section 10A(b) of the Securities Exchange Act of 1934.
  6. Review the independence and performance of the independent public accountants, including receiving periodic reports regarding their independence consistent with disclosures required by the Public Company Accounting Oversight Board ("**PCAOB**") and discuss such report with the public accountants.
  7. Review the independent public accounting firm's audit plan, and



discuss scope, staffing, locations, reliance upon management and general audit approach.

8. Prior to releasing the year-end earnings, discuss the results of the audit with the independent public accounting firm and CAE. When appropriate, discuss certain matters required to be communicated by the independent auditors to Audit Committees in accordance with applicable rules, regulations and auditing guidance, including any matters required to be discussed under the applicable PCAOB Auditing Standards.
9. Consider the independent public accounting firm's and CAE's judgments about the quality and appropriateness of the Company's accounting principles, practices, and standards as applied in its financial reporting.
10. Pre-approve all audit and permitted non-audit services to be performed by the independent public accounting firm.

*The Chair of the Audit Committee may represent the entire Audit Committee for purposes of items 2, 4, 5, 6, 8, 9 and 10 above.*

**B. *Oversee Internal Audit, Internal Controls and Risk Management***

11. Oversee the internal audit function and recommend to the Board the appointment or dismissal of the CAE and consult with executive management about the CAE's performance.
12. Receive reports periodically from the CAE regarding the activities of the internal audit function, including the annual internal audit work plan. Discuss with the independent auditor the responsibilities, budget and staffing of the company's internal audit function and review periodically the performance of the internal audit function, view the CAE's audit plan, and discuss scope, staffing, locations and general audit approach.
13. Establish and oversee the effectiveness of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting, financial reporting, auditing matters, or other whistleblower complaints and review and, as necessary, investigate any reports provided by SEC counsel to the Company regarding evidence of unremediated material violations of U.S. federal or state securities or any similar other law or a material breach of fiduciary duties by directors,



officers, employees or agents of the Company arising under such laws.

14. Obtain reports from management and the Company's CAE the Company's subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's code of ethics.
15. Oversee managements' design and maintenance of the Company's internal control over financial reporting and disclosure controls and procedures, including reviewing and discussing with management, the CAE and the independent auditor, the certification and reports of management and the independent auditor required in the Company's periodic SEC reports concerning the Company's internal control over financial reporting and disclosure controls and procedures, the adequacy of such controls and any remedial steps being undertaken to address any material weaknesses or significant deficiencies in internal control over financial reporting.
16. (i) review and discuss with management, the CAE and the independent auditor the Company's financial risk exposures and assess the policies and processes management has implemented to monitor and control such exposure, (ii) assist the Board in fulfilling its oversight responsibilities by reviewing and discussing with management the Company's policies governing the process by which risk assessment and risk management is undertaken, including any significant non-financial risk exposures, and the steps management has taken to monitor and control major financial risk exposures and (iii) review 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.
17. Review the independence and performance of the CAE, including receiving periodic reports regarding the CAE's independence consistent with Institute of Internal Auditor's standards; discuss such reports with the CAE.

*The Chair of the Audit Committee may represent the entire Audit Committee for purposes of Internal Audit oversight and review.*

C. ***Oversee Financial Reporting and Auditing***

18. Review and discuss with management, the CAE and the independent auditor: (i) the critical accounting policies and practices used by the Company, the accounting treatment to be applied in respect of significant new transactions or other significant events not in the ordinary course of the Company's business and any significant changes in managements' selection or application of accounting principles; (ii) alternative accounting treatments within generally accepted accounting principles ("GAAP") for material items that have been discussed by the independent auditor with management, including the ramifications of the use of such treatments and the treatment preferred by the independent auditor; and (iii) the effect of regulatory and accounting initiatives on the Company's financial statements.
19. Review and as appropriate, discuss with management, the independent auditor and/or the CAE, any significant difficulties encountered in the course of audit work, including any restrictions on the scope of audit activities or on access to requested information and any special audit steps adopted by the independent auditor or the internal audit function in light of any material weakness in the Company's internal control over financial reporting.
20. Oversee the Company's financial reporting , including: (i) resolve any disagreements regarding financial reporting between management and the independent auditor; (ii) review and discuss with the independent auditor any significant findings by the auditors relating to the preparation of the Company's financial statements, including any accounting adjustments that were noted or proposed by the independent auditor but were "passed" (as immaterial or otherwise), and any "management" or "internal control" letter issued or proposed to be issued by the independent auditor to the company; (iii) review and discuss with management, the CAE and the independent auditor prior to public release, the Company's annual and quarterly financial statements to be filed with the SEC including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations;" (iv) with respect to the independent auditor's annual audit report, prior to release of the annual audited financial statements, meet with the independent auditor without any management member present to discuss the independent auditor's views about the qualitative aspects of the Company's significant accounting practices, including accounting policies,



accounting estimates and financial statement disclosures; (v) recommend to the Board whether to include the audited annual financial statements in the Company's Annual Report on Form 10-K to be filed with the SEC; and (vi) prior to submission to any governmental authority of (a) any financial statement of the Company that differs from the financial statements filed or to be filed by the Company with the SEC or (b) any financial statement of a subsidiary of the Company that in the Committee's judgment is material to the Company and that presents information regarding such subsidiary in a way that is materially different from the presentation of such information in the financial statements of the Company filed or to be filed with the SEC, review such financial statements and any report, certification or opinion thereon provided by an independent auditor; and (vii) periodically review the status of the Company's response to previous audit recommendations.

21. Review and discuss with management and the independent auditor any material off-balance sheet financing and any other material financial arrangements that does not appear in the financial statements of the Company.
22. Discuss with management earnings press releases, quarterly conference call scripts and review financial information and earnings guidance provided to analysts and to rating agencies, including any such dissemination of financial information not involving the presentation of financial measures in accordance with GAAP.

**D. *Oversee Legal and Ethical Compliance***

23. Review periodically with a member of the legal department (i) legal and regulatory matters that may have a material impact on the Company's financial statements, including any material reserves for legal contingencies and any related financial statement disclosure, and (ii) the scope and effectiveness of the Company's legal and regulatory compliance policies and programs.
24. In accordance with, and to the extent provided by, the pertinent policies that shall be adopted by the Board upon recommendation of the Committee, review (on an ongoing basis, as appropriate) and approve or ratify on behalf of the Company, if appropriate, any proposed, on-going or completed transaction involving the Company and (i) any director or executive officer of the Company,





25. (ii) any owner of 5% or more of any class or series of shares of the Company or (iii) such other person serving as an officer or member of the senior management of the Company or as a member of the board of directors or similar governing body of any subsidiary of the Company as may be designated in accordance with such policy or (iv) any member of the family of, or any company or other entity affiliated with any such person, in each case considering any audit procedures or safeguards of the Company's interests appropriate to be instituted in connection with such transaction.
26. Review at least annually with management, including a member of the legal department and the CAE, compliance with, the adequacy of and any requests for waivers of potential conflicts under the Company's Code of Business Conduct and Ethics and the Company's policies and procedures concerning trading in Company securities, set forth in its Insider Trading Policy, and with regard to any approval or waiver under such policy, sought with respect to any employee, executive officer or director.
27. Set clear hiring policies for employees or former employees of the Company's independent auditor.

E. ***Report and Self-Evaluate***

27. Oversee the preparation and approve all reports required or appropriate in the conduct of the Committee's responsibilities, including the report for inclusion in the Company's annual meeting proxy statement or annual report required by SEC rules.
28. Conduct an annual self-evaluation of the performance of the Committee including a review of the adequacy of this Charter annually, and recommend to the Board such amendments as the Committee deems appropriate.
29. Report regularly to the Board on Committee findings and recommendations, and any other matters the Committee deems appropriate or the Board requests, and maintain minutes or other records of Committee meetings and activities.

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