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

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**FORM 10-K**

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-23939

**COLUMBIA SPORTSWEAR COMPANY**

(Exact name of registrant as specified in its charter)

**Oregon**

(State or other jurisdiction of incorporation or organization)

**93-0498284**

(IRS Employer Identification Number)

**14375 Northwest Science Park Drive, Portland Oregon 97229**

(Address of principal executive offices and zip code)

**(503) 985-4000**

(Registrant's telephone number, including  
area code)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class

Trading Symbol(s)

Name of each exchange on which registered

**Common Stock**

**COLM**

**The NASDAQ Global Select Market**

Securities registered pursuant to Section 12(g) of the Act:

**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2023, based upon the closing price of the common stock on the last business day of the registrant's most recently completed second fiscal quarter, was \$ 2,479,189,736 .

The number of shares outstanding of the registrant's common stock on February 9, 2024 was 59,795,682 .

Portions of the registrant's proxy statement related to its 2024 Annual Shareholders' Meeting to be filed subsequently are incorporated by reference into Part III of this Annual Report on Form 10-K. Except as expressly incorporated by reference, the registrant's proxy statement related to its 2024 Annual Shareholders' Meeting shall not be deemed to be part of this report.

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of federal securities laws. Forward-looking statements often use words such as "will", "anticipate", "estimate", "expect", "should", "may" and other words and terms of similar meaning or reference future dates. Forward-looking statements include any statements related to our expectations regarding the effectiveness of our investments, future performance or market position, the promotional environment, storage and processing capacity, inventory levels, inventory carrying costs, shipment timing, consumer spending and preferences, freight charges, scale efficiencies, inflationary pressures, foreign currency translation, the geopolitical environment, consumer behaviors and expectations, the regulatory environment, the impact of seasonal trends, materiality of legal matters, risk management strategies, the performance of our profit improvement program, capital expenditures, our short and long-term cash needs and our ability to meet those needs, amortization expenses, and maturities of liabilities.

These forward-looking statements, and others we make from time to time expressed in good faith, are believed to have a reasonable basis; however, each forward-looking statement involves risks and uncertainties. Many factors may cause actual results to differ materially from projected results in forward-looking statements, including the risks described in Item 1A of this Annual Report on Form 10-K. Forward-looking statements are inherently less reliable than historical information. Except as required by law, we do not undertake any duty to update forward-looking statements after the date they are made or to conform them to actual results or to changes in circumstances or to reflect changes in events, circumstances or expectations. New factors emerge from time to time and it is not possible for us to predict or assess the effects of all such factors or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

## PART I

### ITEM 1. BUSINESS

#### GENERAL

Founded in 1938 in Portland, Oregon, as a small, family-owned, regional hat distributor and incorporated in Oregon in 1961, Columbia Sportswear Company has grown to become a global leader in designing, developing, marketing, and distributing outdoor, active and lifestyle products, including apparel, footwear, accessories, and equipment.

Unless the context indicates otherwise, the terms "we," "us," "our," "the Company," and "Columbia" refer to Columbia Sportswear Company, together with its wholly owned subsidiaries and entities in which it maintained a controlling financial interest.

#### BRANDS AND PRODUCTS

We connect active people with their passions by providing them with the products they need to seek inspiration and adventure. We meet the diverse needs of our customers and consumers through our four brands by designing, developing, marketing, and distributing our outdoor, active and lifestyle products, including apparel, footwear, accessories and equipment.

**Columbia®** | Founded in 1938, our Columbia brand's mission is to unlock the outdoors for everyone. Our Columbia brand offers authentic, high-value outdoor apparel, footwear, accessories and equipment products suited for hiking, trail running, snow, and fishing and hunting activities, as well as everyday outdoor activities.

**SOREL®** | Acquired in 2000, our SOREL brand has evolved from a men's utility boot brand into a contemporary lifestyle brand bringing style to the outdoors. Our SOREL brand leverages its rich heritage, innovation and style to offer distinct, compelling, and unexpected footwear to consumers around the world.

**Mountain Hard Wear®** | Acquired in 2003, our Mountain Hardwear brand's mission is to encourage and equip people to seek a wilder path in life. With over 30 years of wild wisdom, our Mountain Hardwear brand continues to design essential, premium apparel, accessories and equipment products for climbers, mountaineers, skiers, snowboarders, and trail athletes.

**prAna®** | Acquired in 2014, our prAna brand's mission is to inspire an intentional, authentic life. Energized by the culture of yoga and climbing, our prAna brand offers apparel, accessories and equipment products for consumers defining their own kind of movement.

Across our diverse portfolio of brands, our products have gained recognition for their innovation, quality, value, and performance. Our products incorporate the cumulative design, fabrication, fit, and construction technologies that we have pioneered over several decades and continue to innovate. Our apparel, accessories and equipment products are designed to be used for all seasons, activities and locations. Our footwear products include durable, lightweight hiking boots, trail running shoes, rugged cold weather boots for activities on snow and ice, sandals and shoes for use in water activities, and footwear for lifestyle wear.

#### SEASONALITY AND VARIABILITY OF BUSINESS

Our business is affected by the general seasonal trends common to the industry, including seasonal weather and discretionary consumer shopping and spending patterns. Our products are marketed on a seasonal basis, and our sales are weighted substantially toward the third and fourth quarters, while our operating costs are more equally distributed throughout the year.

#### PRODUCT DESIGN AND INNOVATION

We are committed to designing innovative and functional products for consumers who participate in a wide range of outdoor, active and lifestyle activities, enabling them to enjoy those activities longer and in greater comfort. We distinguish our products in the marketplace by placing significant value in the design and fit, including the overall appearance and image, and technical performance features of our products.

Our team of specialists leads both our internal research and development efforts and works closely with independent suppliers to conceive, develop and commercialize innovative technologies and products to provide the unique performance benefits desired by consumers. We utilize our working relationships with specialists in the fields of chemistry, biochemistry, engineering, industrial design, materials research, graphic design, and other related fields, along with consumer insights and feedback, to develop and test innovative performance products, processes, packaging, and displays. These efforts, coupled with our drive for continuous improvement, represent key factors in the ongoing success of our products.

## MANUFACTURING AND SOURCING

We seek to substantially limit our invested capital and avoid the costs and risks associated with large production facilities and the associated labor forces; therefore, we do not own, operate or manage manufacturing facilities. The majority of our finished goods are produced by contract manufacturers located outside the United States. We establish and maintain long-term relationships with key finished good manufacturing partners, but generally do not maintain formal long-term manufacturing volume commitments. The use of contract manufacturers for our finished goods maximizes our flexibility and improves our product pricing.

We value legal, ethical and fair treatment of people involved in manufacturing our products. Independent contractors manufacturing our products are subject to our standards of manufacturing practices to facilitate safe and humane working conditions, as well as to promote ethical business practices. We have programs in place to monitor manufacturer practices and assess alignment against these standards.

We maintain eight manufacturing liaison offices in seven Asia Pacific countries. Our personnel in these offices monitor production at our contract manufacturers' facilities to ensure our products are manufactured to our specifications.

In 2023, our apparel, accessories and equipment products for our wholesale and direct-to-consumer ("DTC") businesses were manufactured into finished goods in 15 countries. In 2023, finished goods manufacturers in Vietnam, Bangladesh, Indonesia, and India produced approximately 40%, 20%, 15% and 10%, respectively, of these products. Five of the largest contract finished goods manufacturers account for approximately 30% of our apparel, accessories and equipment production, with the largest manufacturer accounting for approximately 10%.

In 2023, our footwear products for our wholesale and DTC businesses were manufactured into finished goods in five countries. In 2023, finished goods manufacturers in Vietnam and China produced approximately 75% and 20%, respectively, of these products. Five of the largest contract finished goods manufacturers account for approximately 75% of our footwear production, with the two largest manufacturers accounting for approximately 20% each and three manufacturers accounting for approximately 15%, 10% and 10% individually.

Raw materials for the finished goods manufacturing of our apparel, accessories, equipment, and footwear products are primarily sourced from Asia and are purchased directly by our contract manufacturers. In addition, our trademark licensees directly contract for the manufacture of their products.

## MARKETING

Our portfolio of brands enables us to target a wide range of consumers with differentiated products. Our marketing supports and enhances our competitive position in the marketplace, drives alignment through seasonal initiatives, builds brand equity, raises brand relevance and awareness, infuses our brands with excitement, and, most importantly, stimulates consumer demand for our products.

Our integrated marketing efforts deliver consistent messages about the performance benefits, features and styles of our products within each of our brands and their target consumers. We utilize a variety of means to deliver our marketing messages, including digital marketing, social media interactions, television and print publications, experiential events, brand ambassadors, enhanced product store displays, and consumer-focused public relations efforts. In addition, we reinforce our brands' marketing messages with our key wholesale customers by utilizing digital platforms, television, print and advertising campaigns, as well as in-store branded visual merchandising display tools and favorable product presentation.

We operate branded e-commerce and marketing sites and maintain an active presence on a variety of global social media platforms. We also authorize and encourage our international distributors to connect with consumers by operating e-commerce and marketing sites and maintaining a presence on social media platforms. Digital marketing and social media engagement increase our ability to build strong emotional connections with consumers through consistent, brand-enhancing content. Our digital media connects our consumers to brand content and products, while facilitating their direct product purchases or directing them to nearby retail locations.

## SALES AND DISTRIBUTION

We sell our products in more than 100 countries and operate in four geographic segments: United States ("U.S."), Latin America and Asia Pacific ("LAAP"), Europe, Middle East and Africa ("EMEA"), and Canada. Each geographic segment operates predominantly in one industry: the design, development, marketing, and distribution of outdoor, active and lifestyle apparel, footwear, accessories, and equipment products.

We sell our products through a mix of distribution channels. Our wholesale distribution channel consists of small, independently operated specialty outdoor and sporting goods stores, regional, national and international sporting goods chains, large regional, national and international department store chains, internet retailers, international distributors where we generally do not have our own direct operations, and certain other retailers. Our DTC distribution channel consists of our own network of branded and outlet retail stores, brand-specific e-commerce sites, and concession or franchise based arrangements with third-parties at branded, outlet and shop-in-shop retail locations in the LAAP and EMEA regions. In addition, we earn revenue through licensing certain of our trademarks across a range of apparel, accessories, equipment, and home products.

### U.S.

U.S. is our largest segment and provides apparel, accessories and equipment products through our Columbia, Mountain Hardwear, and prAna brands and footwear products through our Columbia and SOREL brands. These products are sold by our U.S. wholesale and DTC businesses. We have over 1,850 wholesale customers in the U.S. In 2023, our four largest U.S. wholesale customers accounted for approximately 20% of U.S. net sales, and were less than 10% individually. As of December 31, 2023, we directly operated 161 retail stores and 34 temporary clearance locations.

We distribute the majority of our U.S. products from distribution centers that we own and operate in Portland, Oregon and Robards, Kentucky, as well as through third-party logistics companies that operate distribution centers in Cincinnati, Ohio and Louisville, Kentucky and other facilities located near United States ports. We also arrange to have products directly shipped from contract manufacturers to wholesale customer-designated facilities in the United States.

### LAAP

LAAP provides apparel, accessories and equipment products through our Columbia, Mountain Hardwear and prAna brands and footwear products through our Columbia and SOREL brands. These products are sold by our wholly-owned subsidiaries in Japan, Korea and China, and through distributors in other LAAP markets. We have nearly 350 wholesale customers, including distributors, in LAAP. In 2023, our four largest LAAP wholesale customers accounted for approximately 15% of LAAP net sales, and were less than 10% individually. As of December 31, 2023, we directly operated 248 retail stores, and third-parties operated 27 concession and 47 franchise based stores.

We distribute LAAP products through third-party logistics companies that operate distribution centers near Tokyo, Seoul, and Shanghai for our Japan, Korea and China businesses, respectively. The vast majority of our products sold to LAAP distributors are shipped directly to the distributors from the contract manufacturers from which we source our products.

### EMEA

EMEA provides apparel, accessories and equipment products through our Columbia, Mountain Hardwear and prAna brands and footwear products through our Columbia and SOREL brands. These products are sold by our Europe-direct and EMEA distributor businesses. We have over 3,400 wholesale customers, including distributors, in EMEA. In 2023, our three largest EMEA wholesale customers accounted for approximately 15% of EMEA net sales, and were less than 10% individually. As of December 31, 2023, we directly operated 31 retail stores and third-parties operated 23 concession-based stores.

We distribute the majority of EMEA products from a distribution center that we own and operate in France for our Europe-direct business, as well as through third-party logistics companies that operate facilities located near receiving ports. The vast majority of our products sold to EMEA distributors are shipped directly to the distributors from the contract manufacturers from which we source our products.

### CANADA

Canada provides apparel, accessories and equipment products through our Columbia, Mountain Hardwear and prAna brands and footwear products through our Columbia and SOREL brands. These products are sold by our Canada wholesale and DTC businesses. We have nearly 550 wholesale customers in Canada. In 2023, our two largest Canada wholesale customers accounted for approximately 25% of Canada net sales, and were approximately 15% and 10% individually. As of December 31, 2023, we directly operated 13 retail stores.

We distribute the majority of Canada products from a distribution center that we own and operate in the province of Ontario in Canada, as well as through third-party logistics companies that operate facilities located near receiving ports.

See Part II, Item 7 and Item 8 in this Annual Report on Form 10-K for further discussion regarding our reportable segments.

## INTELLECTUAL PROPERTY

Our trademarks create a market for our products, identify our company and differentiate our products from competitors' products. We own many trademarks, including Columbia Sportswear Company®, Columbia®, SOREL®, Mountain Hard Wear®, prAna®, the Columbia diamond shaped logo, the Mountain Hardwear nut logo, the SOREL polar bear logo, and the prAna sitting pose logo, as well as many other trademarks relating to our brands, products, styles, and technologies.

Our design and utility patents describe the technologies, processes and designs incorporated into many of our most important products. We file applications for United States and foreign patents to protect inventions, designs and enhancements that we deem to have commercial value. We have design and utility patents, which expire at various times, as well as pending patent applications in the United States and other countries.

We vigorously protect these proprietary rights against counterfeit reproductions and other infringing activities.

## COMPETITION

The markets for outdoor, active and lifestyle apparel, footwear, accessories, and equipment products are highly competitive and we face significant competition from numerous companies. Our competition includes large companies with significant financial, marketing and operational resources, small companies with limited resources but deep entrenchment in their local markets, emerging brands with a large DTC presence, and other branded competitors. We also face competition from our wholesale customers who, under their own private brand names, produce and distribute similar products to our target consumers through their own retail stores and e-commerce businesses. We identify our primary competitive factors in the markets for outdoor, active and lifestyle products to be brand strength, product innovation, design, functionality, durability, and price, as well as effective marketing and delivery of product in alignment with consumer expectations.

## GOVERNMENT REGULATION

As a company with global operations, we are, and our products are, subject to the laws of the United States and multiple foreign jurisdictions in which we operate and the rules and regulations of various governing bodies, which may differ among jurisdictions, including laws and regulations concerning product safety, environmental standards, trade, information security, privacy, labor and employment, health, marketing, competition, and safety.

See Item 1A of this Annual Report on Form 10-K for more information of risks relating to these laws, rules, and regulations.

## SUSTAINABILITY

Our sustainability strategy is to sustain active lifestyles through investing in initiatives that have a positive impact on the people we reach, the places we touch and the products we make through:

- empowering people;
- sustaining places; and
- maintaining responsible practices.

Each of our four brands focuses on impacts that are unique to their positioning within this strategy.

Detailed information regarding our (and our brands') corporate responsibility priorities and progress can be found in our latest "Impact Report: Environmental, Social, Governance" at <http://columbia.com/corporate-responsibility>. The content of such report is not incorporated by reference.



## HUMAN CAPITAL

We believe that attracting and retaining talent strengthens our enterprise. As part of these efforts, we strive to offer a competitive compensation and benefits program and promote employee well-being.

As of December 31, 2023, our employee workforce of approximately 10,070 employees consisted of approximately 5,770 full-time and part-time retail employees, 1,150 distribution center employees and 3,150 corporate and/or office employees. From December 31, 2022 to December 31, 2023, we had an overall employee turnover rate of approximately 57%, impacted by approximately 80% and 66% turnover rates in our retail and distribution employee base, respectively. Approximately 29% of our workforce was located outside of the United States as of December 31, 2023.

### *Compensation and Benefits*

Our compensation plans aim to reward performance. We offer competitive wages and, to align the interest of our management with those of our shareholders, shares of our common stock through a stock incentive plan. Globally, we offer employees affordable, competitive and comprehensive benefit programs. In the United States, for our largest employee base, we sponsor comprehensive medical, dental, vision and health savings or flexible spending account plans. We also provide 401(k) plan matching of employee contributions, paid time off, an employee assistance plan, life insurance, and short-term and long-term disability insurance.

### *Diversity, Equity and Inclusion*

A Diversity, Equity and Inclusion Leadership Team was formed in 2020 to focus on diversity, equity, and inclusivity in the workplace. This team focuses on supporting strategies and efforts in the following categories: listening and learning, diversifying talent, creating and sponsoring opportunities, and being a force for good.

As of December 31, 2023, our global workforce was self-disclosed as 54% female, 43% male, less than 1% non-binary and 2% undisclosed or chose not to identify. In the United States, the self-disclosed ethnicity of our workforce, including retail and distribution employees, was 56% White, 23% Hispanic or Latino, 7% Asian, 6% Black, less than 1% American Indian or Alaskan Native, less than 1% Native Hawaiian or other Pacific Islander, 4% two or more races and 2% undisclosed or chose not to identify.

### *Employee Well-Being*

We align our employee programs to the five elements of well-being: physical health, career, social and emotional health, financial, and community.

For more information on our efforts to support our workforce, see our "Impact Report: Environmental, Social, Governance" at <http://columbia.com/corporate-responsibility>. The content of such report is not incorporated by reference.

## AVAILABLE INFORMATION

We make available free of charge on or through the investor relations section on our website at <http://investor.columbia.com/sec-filings> our proxy statements, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we file these materials with the Securities and Exchange Commission ("SEC").

The content contained on or accessible through any website referred to in this Annual Report on Form 10-K, including those mentioned above, is not incorporated by reference in this annual report unless expressly noted.

## INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following table sets forth information about our executive officers. All information is as of the date of the filing of this report.

Name	Age	Position
Timothy P. Boyle	74	Chairman, President and Chief Executive Officer
Joseph P. Boyle	43	Executive Vice President, Columbia Brand President
Peter J. Bragdon	61	Executive Vice President, Chief Administrative Officer and General Counsel
Lisa A. Kulok	58	Executive Vice President, Chief Supply Chain Officer
Richelle T. Luther	55	Executive Vice President, Corporate Affairs and Chief Human Resources Officer
Skip Potter	53	Executive Vice President, Chief Digital Information Officer
Jim A. Swanson	49	Executive Vice President, Chief Financial Officer
Craig Zanon	64	Executive Vice President, Emerging Brands, EMEA and Asia Direct

Timothy P. Boyle joined the Company in 1971 as General Manager, served as the Company's President from 1988 to 2015 and reassumed the role in 2017. Mr. Boyle has served as Chief Executive Officer since 1988. He has served as a member of the Board of Directors since 1978, and as Interim Chairman of the Board of Directors from November 2019 until his appointment as Chairman of the Board of Directors in January 2020. Mr. Boyle is also a member of the Board of Directors of Northwest Natural Holding Company (NYSE: NWN), and its subsidiary, Northwest Natural Gas Company. Mr. Boyle is a third-generation member of the Company's founding Boyle family, the father of Joseph P. Boyle, and the son of Gertrude Boyle, who served as the Chairman of the Board of Directors from 1970 until her death in 2019.

Joseph P. Boyle joined the Company in 2005 and has served in numerous roles of increasing leadership and responsibility, including General Merchandising Manager of Outerwear, Accessories, Equipment, Collegiate and Licensing, Vice President of Apparel Merchandising, and Senior Vice President of Columbia Brand Merchandising & Design. He was promoted to Executive Vice President, Columbia Brand President in 2017. Prior to joining the Company, Mr. Boyle served in a business development role for Robert Trent Jones II Golf Course Architects. Mr. Boyle is a fourth-generation member of the Company's founding Boyle family, and the son of Timothy P. Boyle.

Peter J. Bragdon joined the Company in 1999 and served as Senior Counsel and Director of Intellectual Property until January 2003. From 2003 to 2004, Mr. Bragdon served as Chief of Staff in the Oregon Governor's office. Mr. Bragdon returned to Columbia in 2004 as Vice President, General Counsel and Secretary, was named Senior Vice President of Legal and Corporate Affairs, General Counsel and Secretary in 2010 and Executive Vice President, Chief Administrative Officer, General Counsel and Secretary in 2015. In 2017, he assumed oversight of the Company's international distributor business. Prior to joining the Company, Mr. Bragdon served as an attorney in the corporate securities and finance group at Stoel Rives LLP, and Special Assistant Attorney General for the Oregon Department of Justice.

Lisa A. Kulok joined the Company in 2008 as Senior Director of Global Planning. She was promoted to Senior Vice President of Global Supply Chain Operations in 2015, was named Senior Vice President of Global Supply Chain Operations and Manufacturing in July 2020 and Executive Vice President, Chief Supply Chain Officer in November 2020. Prior to joining the Company, Ms. Kulok held various leadership positions at Nike, Inc., including USA Apparel Marketplace Planning Director and Director of Regional Planning.

Richelle T. Luther joined the Company in 2008 as Deputy General Counsel. She was appointed Senior Vice President & Chief Human Resource Officer in September 2015 and named Executive Vice President, Corporate Affairs and Chief Human Resources Officer in January 2023. Prior to joining the Company, she served at Northwest Natural Gas from 2002 to 2008, most recently as Corporate Secretary and Chief Governance Officer, and was an attorney at Stoel Rives LLP from 1997 to 2002.

Skip Potter joined the Company in 2021 as Executive Vice President, Chief Digital Information Officer. Prior to joining the Company, Mr. Potter held various leadership positions, including Chief Technology Officer and Managing Vice President of Engineering with Nike, Inc., as well as Vice President of Technology Innovation with Capital One, and CIO/CTO for British Telecommunication's Enterprise Group.

Jim A. Swanson joined the Company in 2003 and has served in numerous roles of increasing responsibility during his tenure, being named Vice President of Finance in 2015 and promoted to Senior Vice President, Chief Financial Officer in 2017 and to Executive Vice President and Chief Financial Officer in 2020. Prior to joining the Company, Mr. Swanson served in a variety of financial planning and analysis, tax, and accounting roles, including senior financial analyst at Freightliner Corporation and at Talify Corporation, and as a senior tax and business advisory associate at Arthur Andersen.

Craig Zanon joined the Company in 2021 as Senior Vice President, Emerging Brands and was elevated to Executive Vice President, Emerging Brands, EMEA and Asia Direct in February 2024. Prior to joining the Company, Mr. Zanon spent more than 20 years with Nike, Inc. and held various leadership roles, including Vice President and General Manager of Global Basketball, as well as Vice President of U.S. Footwear and General Manager for the Americas.

## Item 1A. RISK FACTORS

In addition to the other information contained in this Annual Report on Form 10-K, the following risk factors should be considered carefully in evaluating our business. Our business, financial condition, results of operations, or cash flows may be materially adversely affected by these and other risks. Please note that additional risks not presently known to us or that we currently deem immaterial may also impair our business and operations.

### CHANGES IN PRODUCT DEMAND CAN ADVERSELY AFFECT OUR FINANCIAL RESULTS

*We are Subject to a Number of Risks Which May Adversely Affect Consumer and/or Wholesale Customer Demand for Our Products and Lead to a Decline in Sales and/or Earnings.*

These risks include, but are not limited to:

- **Volatile Economic Conditions.** We are a consumer products company and are highly dependent on consumer discretionary spending. Consumer discretionary spending behavior is inherently unpredictable. Consumer demand, and related wholesale customer demand, for our products may not support our sales targets, or may decline, especially during periods of heightened economic uncertainty in our key markets.
- **Highly Competitive Markets.** In each of our geographic markets, we face significant competition from global and regional branded apparel, footwear, accessories, and equipment companies. More recently this competition has extended to emerging brands that may not be viewed as outdoor brands but are participating in the outdoor apparel industry. Retailers who are our wholesale customers often pose a significant competitive threat by designing, marketing and distributing apparel, footwear, accessories, and equipment under their own private labels. We also experience direct competition in our DTC business from retailers that are our wholesale customers. This is particularly the case in the digital marketplace, where increased consumer expectations and competitive pressure related to various aspects of our e-commerce business, including speed of product delivery, shipping charges, return privileges, and other evolving expectations are key factors.
- **Consumer Preferences and Fashion/Product Trends.** Changes in consumer preferences, consumer interest in outdoor activities, and fashion/product trends may have a material adverse effect on our business. We also face risks because our success depends on our and our customers' abilities to anticipate consumer preferences and our ability to respond to changes of such preferences in a timely manner. Product development and/or production lead times for many of our products may make it more difficult for us to respond rapidly to new or changing fashion/product trends or consumer preferences.
- **Brand Images.** Our brands have wide recognition, and our success has been due in large part to our ability to maintain, enhance and protect our brand image and reputation and our consumers' and customers' connection to our brands. Our continued success depends in part on our ability to adapt to a rapidly changing media environment, including our increasing reliance on social media and online dissemination of advertising campaigns. In addition, consumer and customer sentiment could be shaped by our sustainability policies and related design, sourcing and operational decisions.
- **Weather Conditions, Including Global Climate Change Trends.** Our sales are affected by weather conditions. Our DTC sales are dependent in part on the weather and our DTC sales growth is likely to be adversely impacted or may even decline in years in which weather conditions do not stimulate demand for our products. Unseasonably warm weather also impacts future sales to our wholesale customers, who may hold inventory into subsequent seasons in response to unseasonably warm weather. Our results may be negatively impacted if management is not able to adjust expenses in a timely manner in response to unfavorable weather conditions and the resulting impact on consumer and customer demand. The magnitude of climate change and whether resulting weather patterns continue to trend warmer will influence the extent to which consumer and customer demand for our outerwear products will be negatively affected.
- **Shifts in Retail Traffic Patterns.** Shifts in consumer purchasing patterns in our key markets may have an adverse effect on our DTC operations and the financial health of certain of our wholesale customers, some of whom may reduce their brick and mortar store fleet, file for protection under bankruptcy laws, restructure, or cease operations. These related business impacts have already occurred at certain of our wholesale customers. We face increased risk of order reduction and cancellation when dealing with financially ailing wholesale customers. We also extend credit to our wholesale customers based on an assessment of the wholesale

customer's financial condition, generally without requiring collateral. We may choose (and have chosen in the past) to limit our credit risk by reducing our level of business with wholesale customers experiencing financial difficulties and may not be able to replace those revenues with other customers or through our DTC businesses within a reasonable period or at all.

- Innovation. To distinguish our products in the marketplace and achieve commercial success, we rely on product innovations, including new or exclusive technologies, inventive and appealing design or other differentiating features. If we fail to introduce innovative products that appeal to consumers and customers, we could suffer reputational damage to our brands and demand for our products could decline.

***Our Orders from Wholesale Customers are Subject to Cancellation, Which Could Lead to a Decline in Sales or Gross Profit, Write-downs of Excess Inventory, Increased Discounts or Extended Credit Terms to Our Wholesale Customers.***

We do not have long-term contracts with any of our wholesale customers. We do have contracts with our independent international distributors; although these contracts may have annual purchase minimums that must be met in order to retain distribution rights, the distributors are not otherwise obligated to purchase products from us. Sales to our wholesale customers (other than our international distributors) are generally on an order-by-order basis and are subject to rights of cancellation and rescheduling prior to shipment of orders. We place the majority of our orders for products with our contract manufacturers for our wholesale customers based on these advance orders. We consider the timing of delivery dates in our wholesale customer orders when we forecast our sales and earnings for future periods. If any of our major wholesale customers experience a significant downturn in business or fail to remain committed to our products or brands, or if we are unable to deliver products to our wholesale customers in the agreed upon manner or reach mutually agreeable accommodations, these customers could postpone, reduce, cancel, or discontinue purchases from us, including after we have begun production on any order, or seek to impose chargebacks.

***Our Inability to Accurately Predict Consumer and/or Customer Demand for Our Products Could Lead to a Build-up of Inventory or a Lack of Inventory and Affect Our Gross Margin.***

We place orders for our products with our contract manufacturers in advance of the related selling season and, as a result, are vulnerable to changes in consumer and/or customer demand for our products. Therefore, we must accurately forecast consumer and/or customer demand for our products well in advance of the selling season. We are subject to numerous risks relating to consumer and/or customer demand (see "We are Subject to a Number of Risks Which May Adversely Affect Consumer and/or Customer Demand for Our Products and Lead to a Decline in Sales and/or Earnings" and "Our Orders from Wholesale Customers are Subject to Cancellation, Which Could Lead to a Decline in Sales or Gross Profit, Write-downs of Excess Inventory, Increased Discounts or Extended Credit Terms to Our Wholesale Customers" for additional information). Our ability to accurately predict consumer and/or customer demand well in advance of the selling season for our products is impacted by these risks, as well as our reliance on manual processes and judgments that are subject to human error. These risks are heightened during periods of macroeconomic and geopolitical volatility, such as we are currently experiencing.

Our failure to accurately forecast consumer and/or customer demand could result in inventory levels in excess of demand (as currently is the case), which may cause inventory write-downs and/or the sale of excess inventory at discounted prices through our outlet stores, temporary clearance locations, or third-party liquidation channels and could have a material adverse effect on our brand image and gross margin. In addition, we have experienced and may continue to experience additional costs and margin pressure relating to the storage and processing of excess inventory, including through our outlet stores and temporary clearance locations.

Conversely, if we underestimate consumer and/or customer demand for our products or if our contract manufacturers or third-party logistics providers are unable to supply or deliver products when we need them, we may experience inventory shortages, which may prevent us from fulfilling product orders or having optimal inventory assortments for our DTC channels resulting in lost sales, negatively affect our wholesale customer and consumer relationships, result in increased costs to expedite production and delivery, or diminish our ability to build brand loyalty.

## **WE ARE SUBJECT TO VARIOUS RISKS IN OUR SUPPLY CHAIN**

***Our Reliance on Contract Manufacturers, Including Our Ability to Enter Into Purchase Order Commitments with Them and Maintain Quality Standards of Our Products and Standards of Manufacturing Processes at Contract Manufacturers, May Result in Lost Sales and Impact our Gross Margin and Results of Operations.***

Our products are manufactured by contract manufacturers worldwide, primarily in the Asia Pacific region. Although we enter into purchase order commitments with these contract manufacturers each season, we generally do not maintain long-term manufacturing commitments with them, and various factors could interfere with our ability to source our products. Without long-term commitments, there is no assurance that

we will be able to secure adequate or timely production capacity and our competitors may obtain production capacities that effectively limit or eliminate the availability of our contract manufacturers. If we are unable to obtain necessary production capacities, we may be unable to meet consumer demand, resulting in lost sales.

In addition, contract manufacturers may fail to perform as expected. If a contract manufacturer fails to ship orders in a timely manner, we could experience supply disruptions that result in missed delivery deadlines, which may cause our customers to cancel their orders, refuse to accept deliveries or demand a reduction in purchase price or cause us to incur additional freight costs.

Reliance on contract manufacturers also creates quality control risks. Contract manufacturers may need to use sub-contracted manufacturers to fulfill our orders, which could result in compromised quality of our products. A failure in our quality control program, or a failure of our contract manufacturers or their subcontractors to meet our quality control standards, may result in diminished product quality, which in turn could result in increased order cancellations, price concessions, product returns, decreased consumer and customer demand for our products, non-compliance with our product standards or regulatory requirements, or product recalls or other regulatory actions.

We impose standards of manufacturing practices on our contract manufacturers for the benefit of workers and require compliance with our restricted substances list and product safety and other applicable laws, including environmental, health and safety and forced labor laws. We also require that our contract manufacturers impose these practices, standards and laws on their subcontractors. If a contract manufacturer or subcontractor violates labor or other laws or engages in practices that are not generally accepted as safe or ethical, we may experience production disruptions, lost sales or significant negative publicity that could result in long-term damage to our reputation. In some circumstances, parties may assert that we are liable for our contract manufacturers' or subcontractors' labor and operational practices, which could have a material adverse effect on our brand image, results of operations and our financial condition.

***Volatility in the Availability of and Prices for Raw Materials We Use in Our Products Could Have a Material Adverse Effect on Our Revenues, Costs, Gross Margins and Profitability.***

Our products are derived from raw materials that are subject to both disruptions to supply availability and price volatility. If there are supply disruptions or price increases for raw materials we use in our products and we are unable to obtain sufficient raw materials to meet production needs or offset rising costs by increasing the price of our products or achieving efficiency improvements, we could experience negative impacts to our sales and profitability.

***For Certain Materials We Depend on a Limited Number of Suppliers, Which May Cause Increased Costs or Production Delays.***

As an innovative company, some of our materials are highly technical and/or proprietary and may be available from only one source or a very limited number of sources. As a result, from time to time, we may have difficulty satisfying our material requirements. Although we believe that we can identify and qualify additional contract manufacturers to produce or supply these materials or alternative materials as necessary, there are no guarantees that additional contract manufacturers will be available. In addition, depending on the timing, any changes in sources or materials may result in increased costs or production delays.

***Our Success Depends on Third-Party Logistics Providers and Our and Third-Party Distribution Facilities.***

The majority of our products are manufactured outside of our principal sales markets, which requires these products to be consolidated and transported, sometimes over large geographical distances. A small number of third-party logistics providers currently consolidate, deconsolidate and/or transload almost all of our products. Any disruption in the operations of these providers or changes to the costs they charge, due to capacity constraints, volatile fuel prices or otherwise, could materially impact our sales and profitability. A prolonged disruption in the operations of these providers could also require us to seek alternative distribution arrangements, which may not be available on attractive terms and could lead to delays in distribution of products, either of which could have a significant and material adverse effect on our business, results of operations and financial condition.

In addition, the ability to move products over larger geographical distances could be negatively affected by ocean, air and trucking cargo capacity constraints or labor disruptions, or such constraints or disruptions at ports or borders, or geopolitical conflicts (such as is occurring currently in the Red Sea). These constraints, conflicts and disruptions could hinder our ability to satisfy demand through our wholesale and DTC businesses, and we may miss delivery deadlines, which may cause our customers to cancel their orders, refuse to accept deliveries or demand a reduction in purchase price. Furthermore, increases in distribution costs, including but not limited to freight costs, could adversely affect our costs, which we may not be able to offset through price increases or decreased promotions.

We receive our products from third-party logistics providers at our owned distribution centers in the United States, Canada and France. The fixed costs associated with owning, operating and maintaining such distribution centers during a period of economic weakness or declining sales can result in lower operating efficiencies, financial deleverage and potential impairment in the recorded value of distribution assets.

We also receive and distribute our products through third-party operated distribution facilities internationally and domestically. We depend on these third-parties to manage the operation of their distribution facilities as necessary to meet our business needs. If the third-parties fail to manage these responsibilities, our international and domestic distribution operations could face significant disruptions or we could incur additional expense. Transitions within our distribution network amongst third-party distribution partners, as is currently occurring, exacerbates this risk.

Our ability to meet consumer and customer expectations, manage inventory, complete sales, and achieve our objectives for operating efficiencies depends on the proper operation of our existing distribution facilities, as well as the facilities of third-parties, the development or expansion of additional distribution capabilities and services, and the timely performance of services by third-parties, including those involved in moving products to and from our distribution facilities and facilities operated by third-parties. The uneven flow of inventory receipts during peak times at our distribution centers may cause us to miss delivery deadlines, as we work through inventory, which in turn may cause our customers to cancel their orders, refuse to accept deliveries or demand a reduction in purchase price.

## **OUR INVESTMENT IN STRATEGIC PRIORITIES EXPOSES US TO CERTAIN RISKS**

### ***We May Be Unable to Execute Our Strategic Priorities, Which Could Limit Our Ability to Invest in and Grow Our Business.***

Our strategic priorities are to drive brand awareness and sales growth through increased, focused demand creation investments, enhance consumer experience and digital capabilities in all of our channels and geographies, expand and improve global DTC operations with supporting processes and systems and invest in our people and optimize our organization across our portfolio of brands.

To implement our strategic priorities, we must continue to, among other things, modify and fund various aspects of our business, effectively prioritize our initiatives and execute effective change management. These efforts, coupled with a continuous focus on expense discipline, may place strain on internal resources, and we may have operating difficulties as a result.

Our strategic priorities also generally involve increased expenditures, which could cause our profitability or operating margin to decline if we are unable to offset our increased spending with increased sales or gross profit or comparable reductions in other operating costs (as is currently occurring). This could result in a decision to delay, modify, or terminate certain initiatives related to our strategic priorities.

### ***Initiatives to Upgrade Our Business Processes and Information Technology Systems to Optimize Our Operational and Financial Performance Involve Many Risks Which Could Result in, Among Other Things, Business Interruptions, Higher Costs and Lost Profits.***

We regularly implement business process improvement and information technology initiatives intended to optimize our operational and financial performance. Transitioning to these new or upgraded processes and systems requires significant capital investments and personnel resources. Implementation is also highly dependent on the coordination of numerous employees, contractors and software and system providers. The interdependence of these processes and systems is a significant risk to the successful completion and continued refinement of these initiatives, and the failure of any aspect could have a material adverse effect on the functionality of our overall business. We may also experience difficulties in implementing or operating our new or upgraded business processes or information technology systems, including, but not limited to, ineffective or inefficient operations, significant system failures, system outages, delayed implementation and loss of system availability, which could lead to increased implementation and/or operational costs, loss or corruption of data, delayed shipments, excess inventory and interruptions of operations resulting in lost sales and/or profits.

### ***We May Not Realize Returns on Our Fixed Cost Investments in Our DTC Business Operations.***

We continue to make investments in our digital capabilities and our DTC operations, including new stores. (See "Initiatives to Upgrade Our Business Processes and Information Technology Systems to Optimize Our Operational and Financial Performance Involve Many Risks Which Could Result in, Among Other Things, Business Interruptions, Higher Costs and Lost Profits".) Since many of the costs of our DTC operations are fixed, we may be unable to reduce expenses in order to avoid losses or negative cash flows if we have insufficient sales. We may not be able to exit DTC brick and mortar locations and related leases at all or without significant cost or loss, renegotiate the terms thereof, or effectively manage the profitability of our existing brick and mortar stores. In addition, obtaining real estate and effectively



renewing real estate leases for our DTC brick and mortar operations is subject to the real estate market and we may not be able to secure adequate new locations or successfully renew leases for existing locations.

## **WE ARE SUBJECT TO CERTAIN INFORMATION TECHNOLOGY RISKS**

***We Rely on Information Technology Systems, including Third-Party Cloud-based Solutions, and Any Failure of These Systems May Result in Disruptions or Outages in Our E-Commerce and In-Store Retail Platforms, Loss of Processing Capabilities, and/or Loss of Data, Any of Which May Have a Material Adverse Effect on Our Financial Condition, Results of Operations or Cash Flow.***

Our reputation and ability to attract, retain and serve consumers and customers is dependent upon the reliable performance of our underlying technology infrastructure and external service providers, including third-party cloud-based solutions. These systems are vulnerable to damage or interruption and we have experienced interruptions in the past. We rely on cloud-based solutions furnished by third-parties primarily to allocate resources, pay vendors, collect from customers, manage loyalty programs, process transactions, develop demand and supply plans, manage product design, production, transportation, and distribution, forecast and report operating results, meet regulatory requirements and administer employee payroll and benefits, among other functions. In addition, our DTC operations, both in-store and online, rely on cloud-based solutions to process transactions. We have also designed a significant portion of our software and computer systems to utilize data processing and storage capabilities from third-party cloud solution providers. Both our on-premises and cloud-based infrastructure may be susceptible to outages due to any number of reasons, including human error, fire, floods, power loss, telecommunications failures, terrorist attacks and similar events. Despite the implementation of security measures that we believe to be reasonable, both our on-premises and our cloud-based infrastructure may also be vulnerable to hacking, computer viruses, the installation of malware and similar disruptions either by third-parties or employees, which may result in outages. We do not have redundancy for all of our systems and our disaster recovery planning may not account for all eventualities. If we or our existing third-party cloud-based solution providers experience interruptions in service regularly or for a prolonged basis, or other similar issues, our business could be seriously harmed and, in some instances, our consumers and customers may not be able to purchase our products, which could significantly and negatively affect our sales. Additionally, our existing cloud-based solution providers have broad discretion to change and interpret their terms of service and other policies with respect to us, and they may take actions beyond our control that could harm our business. We also may not be able to control the quality of the systems and services we receive from our third-party cloud-based solution providers. Any transition of the cloud-based solutions currently provided to different cloud providers would be difficult to implement and may cause us to incur significant time and expense.

If we and/or our cloud-based solution providers are not successful in preventing or effectively responding to outages or cyberattacks, our financial condition, results of operations and cash flow could be materially and adversely affected.

***A Security Breach of Our or Our Third-Parties' Systems, Exposure of Personal or Confidential Information or Increased Government Regulation Relating to Handling of Personal Data, Could, Among Other Things, Disrupt Our Operations or Cause Us to Incur Substantial Costs or Negatively Affect Our Reputation.***

We and many of our third-party vendors manage and maintain various types of proprietary information and sensitive and confidential data relating to our business, such as personally identifiable information of our consumers, our customers, our employees, and our business partners, as well as credit card information in certain instances. Unauthorized parties may attempt to gain access to these systems or information through fraud or other means of deceiving our employees or third-party service providers. The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly changing and evolving, and may be difficult to anticipate or detect for long periods of time. The ever-evolving threats mean we and our third-parties must continually evaluate and adapt our systems and processes, and there is no guarantee that these efforts will be adequate to safeguard against all data security breaches or misuses of data. Any breaches of our or our third-parties' systems could expose us, our customers, our consumers, our suppliers, our employees, or other individuals to a risk of loss or misuse of this information, result in litigation and potential liability for us, damage our reputation, or otherwise harm our business. While we maintain cyber liability insurance policies for coverage in the event of a cybersecurity incident, we cannot be certain that our existing coverage will continue to be available on acceptable terms or will be available, and in sufficient amount, to cover the potentially significant losses that could result from a cybersecurity incident or that the insurer will not deny coverage as to any future claims.

In addition, as the regulatory environment related to information security, data collection and use and privacy becomes increasingly rigorous, with new and constantly changing requirements applicable to our business, compliance with those requirements could also result in additional costs or liabilities. Non-U.S. data privacy and data security laws and regulations, various U.S. federal and state laws and other information privacy and security standards may be and are applicable to us. Violations of these requirements could result in significant penalties,

investigations or litigation. Significant legislative, judicial or regulatory changes have been and could be issued in the future. As new requirements are issued, new processes must be implemented to ensure compliance. In addition, previously implemented processes must be continually refined. This work is accomplished through significant efforts by our employees. The diverted attention of these employees may impact our operations and there may be additional costs incurred by us for third-party resources to advise on the constantly changing landscape. We have experienced this with the new privacy laws in China. Limitations on the use of data may also impact our future business strategies. Additionally, our DTC business depends on customers' willingness to entrust us with their personal information. Events that adversely affect that trust could adversely affect our brand and reputation.

#### ***We Depend on Certain Legacy Information Technology Systems, Which May Inhibit Our Ability to Operate Efficiently.***

Our legacy product development, retail and other systems, on which we continue to manage a portion of our business activities, rely on the availability of limited internal and external resources with the expertise to maintain the systems. In addition, our legacy systems, including aged systems in our Japanese and Korean businesses, may not support desired functionality for our operations and may inhibit our ability to operate efficiently. As we continue to transition from our legacy systems and implement new systems, certain functionality and information from our legacy systems, including that of third-party systems that interface with our legacy systems, may not be fully compatible with the new systems.

### **WE ARE SUBJECT TO LEGAL AND REGULATORY RISKS**

#### ***Our Success Depends on the Protection of Our Intellectual Property Rights.***

Our registered and common law trademarks, our patented or patent-pending designs and technologies, trade dress and the overall appearance and image of our products have significant value and are important to our ability to differentiate our products from those of our competitors.

As we strive to achieve product innovations, extend our brands into new product categories and expand the geographic scope of our marketing, we face a greater risk of inadvertent infringements of third-party rights or compliance issues with regulations applicable to products with technical features or components. We may become subject to litigation based on allegations of infringement or other improper use of intellectual property rights of third-parties. In addition, failure to successfully obtain and maintain patents on innovations could negatively affect our ability to market and sell our products.

We regularly discover products that are counterfeit reproductions of our products or that otherwise infringe on our proprietary rights. Increased instances of counterfeit manufactured products and sales may adversely affect our sales and the reputation of our brands and result in a shift of consumer preference away from our products. The actions we take to establish and protect trademarks and other proprietary rights may not be adequate to prevent imitation of our products by others or to prevent others from seeking to block sales of our products as violations of proprietary rights. In markets outside of the United States, it may be more difficult for us to establish our proprietary rights and to successfully challenge use of those rights by other parties.

Litigation is often necessary to defend against claims of infringement or to enforce and protect our intellectual property rights. Intellectual property litigation may be costly and may divert management's attention from the operation of our business. Adverse determinations in any litigation may result in the loss of our proprietary rights, subject us to significant liabilities or require us to seek licenses from third-parties, which may not be available on commercially reasonable terms, if at all.

#### ***Certain of Our Products Are Subject to Product Regulations and/or Carry Warranties, Which May Cause an Increase to Our Expenses in the Event of Non-Compliance and/or Warranty Claims.***

Our products are subject to increasingly stringent and complex domestic and foreign product labeling, performance, environmental and safety standards, laws and other regulations, including those pertaining to perfluoroalkyl and polyfluoroalkyl substances and other environmental impacts. These requirements could result in greater expense associated with compliance efforts, and failure to comply with these regulations could result in a delay, non-delivery, recall, or destruction of inventory shipments during key seasons, a loss of advance orders from wholesale customers or in other financial penalties. Significant or continuing noncompliance with these standards and laws could disrupt our business and harm our reputation.

Our products are generally used in outdoor activities, sometimes in severe conditions. Product recalls or product liability claims resulting from the failure, or alleged failure, of our products could have a material adverse effect on the reputation of our brands and result in additional



expenses. Most of our products carry limited warranties for defects in quality and workmanship. We maintain a warranty reserve for estimated future warranty claims, but the actual costs of servicing future warranty claims may exceed the reserve.

#### ***We May Have Additional Tax Liabilities or Experience Increased Volatility in Our Effective Tax Rate.***

As a global company, we determine our income tax liability in various tax jurisdictions and our effective tax rate based on an analysis and interpretation of local tax laws and regulations and our financial projections. This analysis requires a significant amount of judgment and estimation and is often based on various assumptions about the future, which, in times of economic disruptions, are highly uncertain. These determinations are the subject of periodic domestic and foreign tax audits. Although we accrue for uncertain tax positions, our accruals may be insufficient to satisfy unfavorable findings. Unfavorable audit findings and tax rulings may result in payment of taxes, fines and penalties for prior periods and higher tax rates in future periods.

Other changes in the tax laws of the jurisdictions where we do business, including an increase in tax rates or an adverse change in the treatment of an item of income or expense, could result in a material increase in our tax expense. For example, changes in the tax laws of foreign jurisdictions could arise as a result of the Base Erosion and Profit Shifting project undertaken by the Organization for Economic Co-operation and Development ("OECD"). The OECD, which represents a coalition of member countries, has recommended changes to numerous long-standing tax principles. The OECD Pillar 2 global minimum tax rules, which generally provide for a minimum effective tax rate of 15%, are intended to apply for tax years beginning in 2024. On February 2, 2023, the OECD issued administrative guidance providing transition and safe harbor rules around the implementation of the Pillar 2 global minimum tax. Under a transitional safe harbor released July 17, 2023, the undertaxed profits rule top-up tax in the jurisdiction of a company's ultimate parent entity will be zero for each fiscal year of the transition period if that jurisdiction has a corporate tax rate of at least 20%. The safe harbor transition period will apply to fiscal years beginning on or before December 31, 2025 and ending before December 31, 2026. We are closely monitoring developments and evaluating the impact these new rules are anticipated to have on our tax rate, including eligibility to qualify for these safe harbor rules. As these changes are adopted by countries, tax uncertainty could increase and may adversely affect our provision for income taxes.

Due to the nature of the findings in the Korea 2009 through 2014 income tax audits, the Company has invoked the Mutual Agreement Procedures outlined in the United States-Korean income tax treaty. The Company does not anticipate that adjustments relative to these findings will result in material changes to its financial condition, results of operations or cash flows.

## **WE OPERATE GLOBALLY AND ARE SUBJECT TO SIGNIFICANT RISKS IN MANY JURISDICTIONS**

### ***Global Regulation and Economic and Political Conditions, as well as Potential Changes in Regulations, Legislation and Government Policy, May Negatively Affect Our Business.***

We are subject to risks generally associated with doing business internationally. These risks include, but are not limited to, the burden of complying with, and unexpected changes to, foreign and domestic laws and regulations, such as anti-corruption and forced labor regulations and sanctions regimes, sustainability regulations, the effects of fiscal and political crises and political and economic disputes, changes in diverse consumer preferences, foreign currency exchange rate fluctuations, managing a diverse and widespread workforce, political unrest, terrorist acts, military operations, disruptions or delays in shipments, disease outbreaks, natural disasters, and changes in economic conditions in countries in which we contract to manufacture, source raw materials or sell products. Our ability to sell products in certain markets, demand for our products in certain markets, our ability to collect accounts receivable, our contract manufacturers' ability to procure raw materials or manufacture products, distribution and logistics providers' ability to operate, our ability to operate brick and mortar stores, our workforce, and our cost of doing business (including the cost of freight and logistics) may be impacted by these events should they occur and laws and regulations that are enacted in response to such events. Our exposure to these risks is heightened in Vietnam, where a significant portion of our contract manufacturing is located, and in China, where a large portion of the raw materials used in our products is sourced by our contract manufacturers. Should certain of these events occur in Vietnam or China, they could cause a substantial disruption to our business and have a material adverse effect on our financial condition, results of operations or cash flows.

In addition, many of our imported products are subject to duties, tariffs or other import limitations that affect the cost and quantity of various types of goods imported into the United States and other markets, including the punitive tariffs on U.S. products imported from China imposed in 2019. In addition, goods suspected of being manufactured with forced labor could be blocked from importation into the U.S., which could materially impact sales.

In connection with the United Kingdom's exit from the European Union (commonly referred to as "Brexit"), on December 24, 2020, the European Union ("E.U.") and the United Kingdom ("U.K.") reached an agreement, the E.U.-U.K. Trade and Cooperation Agreement, to govern aspects of the relationship of the E.U. and U.K. following Brexit. As a result of no longer having "free circulation" between the U.K. and

the E.U., we have incurred and will continue to incur additional duties. We are investigating alternatives to mitigate these additional costs in the future.

***Fluctuations in Inflation and Currency Exchange Rates Could Result in Lower Revenues, Higher Costs and/or Decreased Margins and Earnings.***

We derive a significant portion of our sales from markets outside the United States, which consist of sales to wholesale customers and directly to consumers by our entities in Europe, Asia, and Canada and sales to independent international distributors who operate within EMEA and LAAP. The majority of our purchases of finished goods inventory from contract manufacturers are denominated in United States dollars, including purchases by our foreign entities. These purchase and sale transactions expose us to the volatility of global economic conditions, including fluctuations in inflation and foreign currency exchange rates. Our international revenues and expenses generally are derived from sales and operations in foreign currencies, and these revenues and expenses could be and have been affected by currency fluctuations, specifically amounts recorded in foreign currencies and translated into United States dollars for consolidated financial reporting, as weakening of foreign currencies relative to the United States dollar adversely affects the United States dollar value of the Company's foreign currency-denominated sales and earnings.

Our exposure is increased with respect to our wholesale customers (including international distributors), where, in order to facilitate solicitation of advance orders for the spring and fall seasons, we establish local-currency-denominated wholesale and retail price lists in each of our foreign entities approximately six to nine months prior to United States dollar-denominated seasonal inventory purchases. As a result, our consolidated results are directly exposed to transactional foreign currency exchange risk and have been and could be further impacted by the United States dollar strengthening during the six to nine months between when we establish seasonal local-currency prices and when we purchase inventory. In addition to the direct currency exchange rate exposures described above, our wholesale business is indirectly exposed to currency exchange rate risks. Weakening of a wholesale customer's functional currency relative to the United States dollar makes it more expensive for it to purchase finished goods inventory from us, which may cause a wholesale customer to cancel orders or increase prices for our products, which may make our products less price-competitive in those markets. In addition, in order to make purchases and pay us on a timely basis, our international distributors must exchange sufficient quantities of their functional currency for United States dollars through the financial markets and may be limited in the amount of United States dollars they are able to obtain.

We employ several strategies in an effort to mitigate this transactional currency risk, but these strategies may not and, in the current environment, have not fully mitigated the negative effects of adverse foreign currency exchange rate fluctuations on the cost of our finished goods in a given period and there is no assurance that price increases will be accepted by our wholesale customers, international distributors or consumers. Our gross margins are adversely affected whenever we are not able to offset the full extent of finished goods cost increases caused by adverse fluctuations in foreign currency exchange rates.

Currency exchange rate fluctuations may also create indirect risk to our business by disrupting the business of independent finished goods manufacturers from which we purchase our products. When their functional currencies weaken in relation to other currencies, the raw materials they purchase on global commodities markets become more expensive and more difficult to finance. Although each manufacturer bears the full risk of fluctuations in the value of its currency against other currencies, our business can be and has been indirectly affected when adverse fluctuations cause a manufacturer to raise the prices of goods it produces for us, disrupt the manufacturer's ability to purchase the necessary raw materials on a timely basis, or disrupt the manufacturer's ability to function as an ongoing business.

**WE ARE SUBJECT TO NUMEROUS OPERATIONAL RISKS**

***Our Ability to Manage Fixed Costs Across a Business That is Affected by Seasonality May Impact Our Profits.***

Our business is affected by the general seasonal trends common to the outdoor industry. Our products are marketed on a seasonal basis and our annual net sales are weighted heavily toward the fall/winter season, while our operating expenses are more equally distributed throughout the year. As a result, often a majority of our operating profits are generated in the second half of the year. If we are unable to manage our fixed costs in the seasons where we experience lower net sales, our profits may be adversely impacted.

***Labor Matters, Changes in Labor Laws and Our Ability to Meet Our Labor Needs May Reduce Our Revenues and Earnings.***

Our business depends on our ability to source and distribute products in a timely manner. While a majority of our own operations are not subject to organized labor agreements, certain of our operations in Europe include a formal representation of employees by a Works Council and the application of a collective bargaining agreement. Matters that may affect our workforce at contract manufacturers where our goods are produced, shipping ports, transportation carriers, retail stores, or distribution centers create risks for our business, particularly if these

matters result in work shut-downs (with little to no notice), slowdowns, lockouts, strikes, or other disruptions. The foregoing includes potential impacts to our business as a result of the International Longshore and Warehouse Union and Teamsters negotiations. Labor matters may have a material adverse effect on our business, potentially resulting in canceled orders by customers, inability to fulfill potential e-commerce demand, unanticipated inventory accumulation and reduced net sales and net income.

In addition, our ability to meet our labor needs at our distribution centers, retail stores, corporate headquarters, and regional subsidiaries, including our ability to find qualified employees while controlling wage and related labor costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified people in the work force of the markets in which our operations are located, unemployment levels within those markets, absenteeism, prevailing wage rates, changing demographics, parental responsibilities, health and other insurance costs, and adoption of new or revised employment and labor laws and regulations. Our ability to source, distribute and sell products in a timely and cost-effective manner may be negatively affected to the extent we experience these factors. Our ability to comply with labor laws, including our ability to adapt to rapidly changing labor laws, as well as provide a safe working environment may increase our risk of litigation and cause us to incur additional costs.

***We May Incur Additional Expenses, Be Unable to Obtain Financing, or Be Unable to Meet Financial Covenants of Our Financing Agreements as a Result of Downturns in the Global Markets.***

Our vendors, wholesale customers, licensees and other participants in our supply chain may require access to credit markets in order to do business. Credit market conditions may slow our collection efforts as our wholesale customers find it more difficult to obtain necessary financing, leading to higher than normal accounts receivable. This could result in greater expense associated with collection efforts and increased bad debt expense. Credit conditions and/or supply chain disruptions may impair our vendors' ability to finance the purchase of raw materials or general working capital needs to support our production requirements, resulting in a delay or non-receipt of inventory shipments during key seasons.

Historically, we have limited our reliance on debt to finance our working capital, capital expenditures and investing activity requirements. We expect to fund our future capital expenditures with existing cash, expected operating cash flows and credit facilities, but, if the need arises to finance additional expenditures, we may need to seek additional funding. Our ability to obtain additional financing will depend on many factors, including prevailing market conditions, our financial condition and our ability to negotiate favorable terms and conditions. Financing may not be available on terms that are acceptable or favorable to us, if at all.

Our credit agreements have various financial and other covenants. If an event of default were to occur, the lenders could, among other things, declare outstanding amounts due and payable. If we were to borrow under our credit agreements, we would be subject to market interest rates and may incur additional interest expense when borrowing in a high interest rate environment.

***Acquisitions Are Subject to Many Risks.***

From time to time, we may pursue growth through strategic acquisitions of assets or companies. Acquisitions are subject to many risks, including potential loss of significant customers or key personnel of the acquired business as a result of the change in ownership, difficulty integrating the operations of the acquired business or achieving targeted efficiencies, the incurrence of substantial costs and expenses related to the acquisition effort, and diversion of management's attention from other aspects of our business operations.

Acquisitions may also cause us to incur debt or result in dilutive issuances of our equity securities. Our acquisitions may cause large one-time expenses or create goodwill or other intangible assets that could result in significant impairment charges in the future (as has recently occurred with the prAna brand). We also make various estimates and assumptions in order to determine purchase price allocation and estimate the fair value of assets acquired and liabilities assumed. If our estimates or assumptions used to value these assets and liabilities vary from actual or future projected results, we may be exposed to losses, including impairment losses, that could be material.

We do not provide any assurance that we will be able to successfully integrate the operations of any acquired businesses into our operations or achieve the expected benefits of any acquisitions. The failure to successfully integrate newly acquired businesses or achieve the expected benefits of strategic acquisitions in the future could have an adverse effect on our financial condition, results of operations or cash flows. We may not complete a potential acquisition for a variety of reasons, but we may nonetheless incur material costs in the preliminary stages of evaluating and pursuing such an acquisition that we cannot recover.

***Extreme Weather Conditions, Climate Change, and Natural Disasters Could Negatively Impact Our Operating Results and Financial Condition.***

Extreme weather conditions in the areas in which our retail stores, suppliers, consumers, customers, distribution centers, headquarters and vendors are located could adversely affect our operating results and financial condition. Moreover, climate change and natural disasters such as earthquakes, hurricanes and tsunamis, whether occurring in the United States or abroad, and their related consequences and effects, including energy shortages and public health issues, could disrupt our operations, the operations of our vendors and other suppliers or result in economic instability and changes in consumer preferences and spending that may negatively impact our operating results and financial condition.

***An Outbreak of Disease or Similar Public Health Threat, Such as a Pandemic, Could Have an Adverse Impact on Our Business, Operating Results and Financial Condition.***

An outbreak of disease or similar public health threat, such a pandemic, could have an adverse impact on our business, financial condition and operating results, including in the form of lowered net sales and the delay of inventory production and fulfillment in impacted regions.

***Our Investment Securities May Be Adversely Affected by Market Conditions.***

Our investment portfolio is subject to a number of risks and uncertainties. Changes in market conditions, such as those that accompany an economic downturn or economic uncertainty, may negatively affect the value and liquidity of our investment portfolio, perhaps significantly. Our ability to find diversified investments that are both safe and liquid and that provide a reasonable return may be impaired, potentially resulting in lower interest income, less diversification, longer investment maturities, or other-than-temporary impairments.

***We Depend on Certain Key Personnel.***

Our future success will depend in part on our ability to attract, retain and develop certain key talent and to effectively manage succession. We face intense competition for these individuals worldwide, and there is a significant concentration of well-funded apparel and footwear competitors near our headquarters in Portland, Oregon. We may not be able to attract qualified new employees or retain existing employees, which may have a material adverse effect on our financial condition, results of operations or cash flows.

***We License our Proprietary Rights to Third-Parties and Could Suffer Reputational Damage to Our Brands if We Fail to Choose Appropriate Licensees.***

We currently license, and expect to continue licensing, certain of our proprietary rights, such as trademarks or copyrighted material, to third-parties. We rely on our licensees to help preserve the value of our brands. Although we attempt to protect our brands through approval rights, we cannot completely control the use of our licensed brands by our licensees. The misuse of a brand by or negative publicity involving a licensee could have a material adverse effect on that brand and on us.

In addition, from time to time we license the right to operate retail stores for our brands to third-parties, primarily to our independent international distributors. We provide training to support these stores and set operational standards. However, these third-parties may not operate the stores in a manner consistent with our standards, which could cause reputational damage to our brands or harm these third-parties' sales.

## **RISKS RELATED TO OUR SECURITIES**

***Our Common Stock Price May Be Volatile.***

Our common stock is traded on the NASDAQ Global Select Market. Factors such as general market conditions, actions by institutional investors to rapidly accumulate or divest of a substantial number of our shares, fluctuations in financial results, variances from financial market expectations, changes in earnings estimates or recommendations by analysts, or announcements by us or our competitors may cause the market price of our common stock to fluctuate, perhaps substantially.

***Certain Shareholders Have Substantial Control Over Us and Are Able to Influence Corporate Matters.***

As of December 31, 2023, three related shareholders, Timothy P. Boyle, Joseph P. Boyle, and Molly E. Boyle, controlled just under 50% of our common stock outstanding. As a result, if acting together, Timothy P. Boyle, Joseph P. Boyle, and Molly E. Boyle are able to exercise

significant influence over all matters requiring shareholder approval. These holdings could be significantly diminished (and with them the related effective control percentage) to satisfy any applicable estate or unrealized gains tax obligations of the holders.

***The Sale or Proposed Sale of a Substantial Number of Shares of Our Common Stock Could Cause the Market Price of Our Common Stock to Decline.***

Shares held by Timothy P. Boyle, Joseph P. Boyle, and Molly E. Boyle, are available for resale, subject to the requirements of, and the rules under, the Securities Act of 1933 and the Securities Exchange Act of 1934. The sale or the prospect of the sale of a substantial number of these shares may have an adverse effect on the market price of our common stock.

We also may issue our capital stock or securities convertible into our capital stock from time to time in connection with a financing, acquisition, investment, or otherwise. Any such issuance could result in substantial dilution to our existing shareholders and cause the market price of our common stock to decline.

## **ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.

## **ITEM 1C. CYBERSECURITY**

Our management team is responsible for identifying, assessing and managing the material risks facing Columbia, supported by an enterprise risk management program. This program includes an annual enterprise risk assessment, during which interviews are conducted with independent directors and members of senior management seeking participants' judgement and assessment of the material risks facing Columbia. The enterprise risk management program then monitors the risks identified and mitigation efforts underway through periodic meetings with senior management.

Our enterprise risk management program addresses risks facing Columbia from cybersecurity threats impacting our internal systems and/or systems supported by third-party software providers. Our Chief Digital Information Officer ("CDIO") and Chief Information Security Officer ("CISO") are responsible for identifying, assessing and managing these risks. Our CDIO has served in various information technology and digital engineering roles for nearly 30 years. See Item 1 in this Annual Report on Form 10-K for further discussion of our CDIO's background. Our CISO has served in various information technology and information security roles for over 20 years, including management of information security programs in the Department of Defense, private and public companies, as well as holds multiple industry certifications in information security. We leverage certain third-party providers and our internal Incident Response Team to alert us when a cybersecurity event occurs. Cybersecurity events may include unauthorized access, attacks on our resources, compromised accounts, malware, or ransomware. Upon alert of an event, we estimate the level of severity, create a response plan, and communicate to management as needed. Based on the estimated level of severity, timing of incident communication to management may range from immediate to quarterly. Our risk assessment process related to cybersecurity threats is subject to change in the future as threats may evolve over time.

Our Information Security committee oversees this cybersecurity program and consists of senior management, including our CDIO, Chief Financial Officer and Chief Administrative Officer and General Counsel. At least quarterly, this committee reviews updates regarding cybersecurity threats and incidents that have occurred. Periodically, this committee approves cybersecurity strategy and initiatives proposed by our CISO.

Our Board of Directors ("Board") generally oversees Columbia's risk management practices and processes. Annually, the Board reviews the results of the annual enterprise risk management program, including updates from our CISO related to cybersecurity matters. The Audit Committee also receives an update on the enterprise risk management program annually. The Board has delegated primary oversight of the management of cybersecurity risk to the Audit Committee. The Audit Committee annually reviews the strategies, investments and risk related to Columbia's information technology systems, including a review of Columbia's cybersecurity programs, and also receives quarterly updates from our CISO. The Board is informed of cybersecurity events to the extent they may materially impact Columbia or management otherwise believes they should be escalated.

See Item 1A of this Annual Report on Form 10-K for more information of risks relating to cybersecurity, including the risk factors "We Rely on Information Technology Systems, including Third-Party Cloud-based Solutions, and Any Failure of These Systems May Result in Disruptions or Outages in Our E-Commerce and In-Store Retail Platforms, Loss of Processing Capabilities, and/or Loss of Data, Any of Which May Have a Material Adverse Effect on Our Financial Condition, Results of Operations or Cash Flow" and "A Security Breach of Our or Our Third-

Parties' Systems, Exposure of Personal or Confidential Information or Increased Government Regulation Relating to Handling of Personal Data, Could, Among Other Things, Disrupt Our Operations or Cause Us to Incur Substantial Costs or Negatively Affect Our Reputation".

## ITEM 2. PROPERTIES

The following is a summary of principal properties owned or leased by us.

Location	Use	Ownership
Portland, Oregon	Corporate Headquarters <sup>(1)</sup>	Owned
Carlsbad, California	prAna Headquarters	Leased
Richmond, California	Mountain Hardwear Headquarters	Leased
Portland, Oregon	U.S. Distribution Center	Owned
Robards, Kentucky	U.S. Distribution Center	Owned
London, Ontario	Canadian Operations and Distribution Center	Owned
Geneva, Switzerland	Europe Headquarters	Leased
Strasbourg, France	Europe Administrative Operations	Owned
Cambrai, France	Europe Distribution Center	Owned
Shanghai, China	China Headquarters	Leased
Tokyo, Japan	Japan Headquarters	Leased
Seoul, Korea	Korea Headquarters	Leased

<sup>(1)</sup> Corporate Headquarters is an approximate 30-acre site consisting of over 10 buildings, which includes the Columbia and SOREL brands' headquarters and centrally-managed departmental functions, including consumer digital technology, certain supply chain functions, finance, human resources and legal.

In addition, as of December 31, 2023, we directly operated approximately 450 retail stores and 34 temporary clearance locations. The vast majority of our retail stores are leased under a variety of arrangements, including long-term, short-term, and variable-payment leases. Our temporary clearance locations are leased on a short-term basis. We also have several leases globally for showrooms, office space, warehouse facilities, storage space, vehicles, and equipment, among other things. Refer to Note 9 in Part II, Item 8 of this Annual Report on Form 10-K for further lease-related disclosures.

## ITEM 3. LEGAL PROCEEDINGS

We are involved in litigation and various legal matters arising in the normal course of business, including matters related to employment, retail, intellectual property, contractual agreements, and various regulatory compliance activities. We have considered facts related to legal and regulatory matters and opinions of counsel handling these matters and do not believe the ultimate resolution of these proceedings will have a material adverse effect on our financial condition, results of operations or cash flows.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## PART II

### Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

#### MARKET INFORMATION

Our common stock is traded on the NASDAQ Global Select Market under the symbol "COLM".

#### HOLDERS

As of February 9, 2024, we had 247 shareholders of record, although we have a much larger number of beneficial owners, whose shares of record are held by banks, brokers and other financial institutions.

#### DIVIDENDS

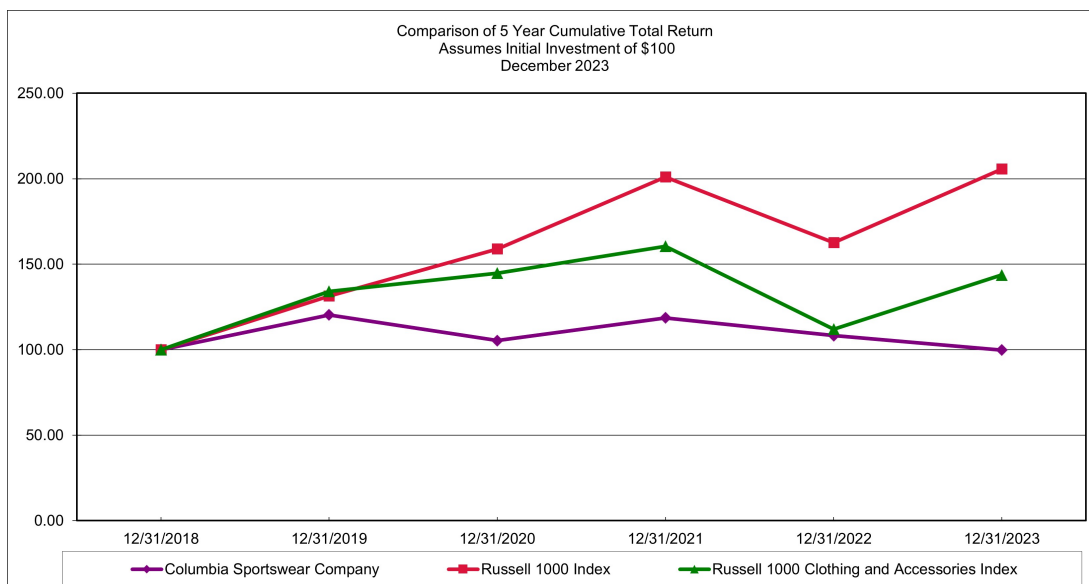
Our current dividend policy is dependent on our earnings, capital requirements, financial condition, restrictions imposed by our credit agreements, and other factors considered relevant by our Board of Directors. Quarterly dividends on our common stock, when declared by our Board of Directors, are paid in March, May, August, and November.

Our Board of Directors approved a regular quarterly cash dividend of \$0.30 per share, payable on March 22, 2024 to shareholders of record on March 8, 2024.

#### PERFORMANCE GRAPH

The line graph below compares the cumulative total shareholder return of our common stock with the cumulative total return of the Russell 1000 Index and Russell 1000 Clothing and Accessories Index for the period beginning December 31, 2018 and ending December 31, 2023.

The graph and table below assume that \$100 was invested on December 31, 2018, and that any dividends were reinvested. Historical stock price performance should not be relied on as indicative of future stock price performance.





## Total Return Analysis

	Year Ended December 31,					
	2018	2019	2020	2021	2022	2023
Columbia Sportswear Company	\$ 100.00	\$ 120.35	\$ 105.34	\$ 118.64	\$ 108.23	\$ 99.79
Russell 1000 Index	\$ 100.00	\$ 131.43	\$ 158.98	\$ 201.03	\$ 162.58	\$ 205.72
Russell 1000 Clothing and Accessories Index	\$ 100.00	\$ 134.10	\$ 144.76	\$ 160.46	\$ 111.99	\$ 143.67

## PURCHASES OF EQUITY SECURITIES BY THE ISSUER

Since the inception of our share repurchase program in 2004 through December 31, 2023, our Board of Directors has authorized the repurchase of \$2.0 billion of our common stock, excluding excise tax. Shares of our common stock may be purchased in the open market or through privately negotiated transactions, subject to market conditions, and generally settle subsequent to the trade date. The repurchase program does not obligate us to acquire any specific number of shares or to acquire shares over any specified period of time. Under this program as of December 31, 2023, we had repurchased 34.1 million shares at an aggregate purchase price of \$1,654.7 million, and had \$345.3 million remaining available, excluding excise tax.

The following is a summary of our common stock repurchases, excluding excise tax, during the quarter ended December 31, 2023:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
				(in millions)
October 1, 2023 through October 31, 2023	200,706	\$ 72.04	200,706	\$ 370.3
November 1, 2023 through November 30, 2023	335,411	\$ 74.32	335,411	\$ 345.3
December 1, 2023 through December 31, 2023	—	\$ —	—	\$ —
Total	536,117	\$ 73.47	536,117	\$ 345.3

## ITEM 6. [Reserved]

Not applicable.

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with "Special Note Regarding Forward-Looking Statements", Item 1, Item 1A, and Item 8 of this Annual Report on Form 10-K. In addition, refer to Item 7 in our Annual Report on Form 10-K for the year ended December 31, 2022 for our discussion and analysis comparing financial condition and results of operations from 2022 to 2021.

### OVERVIEW

As a global leader in designing, developing, marketing, and distributing outdoor, active and lifestyle products, our mission is to connect active people with their passions. We manage our product line in two major categories: apparel, accessories, and equipment products and footwear products. We provide our products through our four brands: Columbia, SOREL, Mountain Hardwear, and prAna. Apparel, accessories, and equipment products are provided by our Columbia, Mountain Hardwear and prAna brands. Footwear products are provided by our Columbia and SOREL brands. We sell our products in more than 100 countries and operate in four geographic segments: U.S., LAAP, EMEA, and Canada.



We are investing in our strategic priorities to:

- accelerate profitable growth;
- create iconic products that are differentiated, functional and innovative;
- drive brand engagement through increased, focused demand creation investments;
- enhance consumer experiences by investing in capabilities to delight and retain consumers;
- amplify marketplace excellence, with digitally-led, omni-channel, global distribution; and
- empower talent that is driven by our core values through a diverse and inclusive workplace.

Ultimately, we expect our investments to enable market share capture across our brand portfolio, expand gross margin, improve selling, general and administrative expense efficiency, and drive improved operating margin over the long-term.

### **Profit Improvement Program**

As part of our strategic priorities, we are implementing a multi-year profit improvement program to accelerate profitable growth and improve the efficiency of our operations. We are focused on four areas of cost reduction and realignment, including:

- operational cost savings;
- organizational cost savings;
- operating model improvements; and
- indirect, or non-inventory, spending.

When the benefits of this program are combined with the cost savings we anticipate to receive from normalized inventory levels, we believe we can reach \$125 million to \$150 million in annualized savings by 2026. We anticipate these cost savings will ramp up over the course of 2024 and 2025, with the full benefit being realized in 2026. In 2024, we anticipate realizing approximately \$75 million to \$90 million in realized cost savings.

### **Business Environment and Trends**

**Changing U.S. Marketplace** | We believe there has been some moderation of the U.S. outdoor market following the exit from the COVID-19 pandemic. There are also new entrants into the historical U.S. outdoor market in the form of emerging brands and historically lifestyle and/or active brands. These brands are crossing over as we believe U.S. consumers and customers use more lifestyle products during outdoor activities.

**Economic Environment Impacting Demand** | We believe general economic uncertainty is impacting consumer and wholesale customer behavior and demand. Wholesale customers have been increasingly cautious managing inventory and in placing advance orders. This cautiousness has been most pronounced in the U.S., but we believe that retailer prudence is spreading to other regions, including Canada and Europe. Consumer demand, particularly in the U.S and Korea, has been generally soft for outdoor apparel and footwear products. We anticipate these trends will persist into 2024.

**Promotional and Clearance Environment** | We believe consumers are seeking value and promotions in the marketplace, which has dampened demand in full price channels, particularly in the U.S., including our direct-to-consumer e-commerce sites and branded stores. In 2023, our promotional levels were above levels prior to the COVID-19 pandemic as we leveraged our outlet stores and temporary clearance locations to profitably clear excess inventory. The proportion of older season clearance inventory being marked down and sold through our outlet stores and temporary clearance locations increased and resulted in lower DTC product margins. We anticipate continuing to utilize our fleet of outlet stores and temporary clearance locations to assist with inventory liquidation in 2024 and believe elevated promotional activity will continue into the first half of 2024.

**Changing Consumer Shopping Habits** | We believe consumers in the U.S. have adjusted shopping habits in a post-COVID pandemic world and have shifted back to brick-and-mortar retail shopping experiences. As a result, we expect our e-commerce channel to continue to be challenged year-over-year.

**Distribution Center and Third-Party Capacity Pressure** | As a result of highly volatile shifts in supply and demand and supply chain challenges, we exited 2022 with elevated inventory. These elevated inventory levels resulted in storage and process capacity pressures within our distribution centers and third-party logistics operations throughout 2023. These pressures included additional inventory carrying costs related to incremental outside storage, and other inventory related holding and handling costs, including losses in productivity, as we

worked to normalize our inventory position. We exited 2023 with more normalized inventory levels. As these storage and process capacity pressures have alleviated, we expect to see a benefit to our operating results in 2024.

**Normalized Freight Charges** | For the majority of 2022, we experienced elevated ocean freight costs, which had a substantially unfavorable impact on our gross margin. Beginning in the fourth quarter of 2022, we began to experience significant declines in ocean freight costs and have since seen ocean freight container rates return to historical levels. Throughout 2023, our gross margin realized the benefits of these lower costs. We anticipate these lower ocean freight costs will persist and continue to benefit gross margin through the first quarter of 2024.

**Seasonality** | Our business is affected by the general seasonal trends common to the industry, including seasonal weather and discretionary consumer shopping and spending patterns. Our products are marketed on a seasonal basis, and our sales are weighted substantially toward the third and fourth quarters, while our operating costs are more equally distributed throughout the year. In 2023, nearly 60% of our net sales and nearly 80% of our operating income were realized in the second half of the year.

**Heightened Geopolitical Risk** | We sell our products in more than 100 countries and our ability to sell in certain markets may be impacted by ongoing geopolitical tensions. We believe these tensions will remain elevated and have manifested, and will continue to manifest, themselves in certain regions where we operate.

**Increasing Regulatory Environment** | Recently, the number of regulations at the global and jurisdictional level impacting our business, and in particular our products, has significantly increased. We expect this trend to continue, and as a result, will impact our expenses, product input costs and ultimately our products, which may in turn impact our revenue. These regulatory matters at a minimum include regulations related to climate, privacy and product chemistry. For example, in anticipation of the effectiveness of the regulations in California and New York states related to perfluoroalkyl and polyfluoroalkyl substances ("PFAS"), we have been working to eliminate PFAS chemicals across our global product line. We intend to stop manufacturing any apparel or footwear with PFAS intentionally added prior to our Fall 2024 season. This transition has the potential to impact the flow of our wholesale business in 2024, as well as our inventory management strategies for existing merchandise. In addition, these PFAS matters may result in a more promotional environment in 2024 as retailers move through merchandise containing PFAS.

## RESULTS OF OPERATIONS

The following discussion of our results of operations and liquidity and capital resources should be read in conjunction with Part II, Item 8 of this Annual Report on Form 10-K.

### Non-GAAP Financial Measure

To supplement financial information reported in accordance with accounting principles generally accepted in the United States ("GAAP"), we disclose constant-currency net sales information, which is a non-GAAP financial measure, to provide a framework to assess how the business performed excluding the effects of changes in foreign currency exchange rates against the United States dollar between comparable reporting periods. We calculate constant-currency net sales by translating net sales in foreign currencies for the current period into United States dollars at the exchange rates that were in effect during the comparable period of the prior year. Management believes that this non-GAAP financial measure reflects an additional and useful way of viewing an aspect of our operations that, when viewed in conjunction with our GAAP results, provides a more comprehensive understanding of our business and operations. In particular, investors may find the non-GAAP measure useful by reviewing our net sales results without the volatility in foreign currency exchange rates. This non-GAAP financial measure also facilitates management's internal comparisons to our historical net sales results and comparisons to competitors' net sales results. Constant-currency financial measures should be viewed in addition to, and not in lieu of or superior to, our financial measures calculated in accordance with GAAP.

The following discussion includes references to constant-currency net sales, and we provide a reconciliation of this non-GAAP measure to the most directly comparable financial measure calculated in accordance with GAAP below.

## Results of Operations — Consolidated

The following table presents the items in our Consolidated Statements of Operations, both in dollars and as a percentage of net sales:

(in millions, except for percentage of net sales and per share amounts)	Year Ended December 31,			
	2023		2022	
Net sales	\$	3,487.2	100.0 %	\$ 3,464.2 100.0 %
Cost of sales		1,757.3	50.4 %	1,753.1 50.6 %
Gross profit		1,729.9	49.6 %	1,711.1 49.4 %
Selling, general and administrative expenses		1,416.3	40.6 %	1,304.4 37.7 %
Impairment of goodwill and intangible assets		25.0	0.7 %	35.6 1.1 %
Net licensing income		21.7	0.6 %	22.0 0.7 %
Operating income		310.3	8.9 %	393.1 11.3 %
Interest income, net		13.7	0.4 %	2.7 0.1 %
Other non-operating income, net		2.2	0.1 %	1.6 0.1 %
Income before income tax		326.2	9.4 %	397.4 11.5 %
Income tax expense		74.8	2.1 %	86.0 2.5 %
Net income	\$	251.4	7.3 %	\$ 311.4 9.0 %
Diluted earnings per share	\$	4.09		\$ 4.95

## Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

**Net Sales.** Net sales by brand, product category and channel are summarized in the following table:

	Year Ended December 31,					
	Reported Net Sales 2023	Adjust for Foreign Currency Translation	Constant- currency Net Sales 2023 <sup>(1)</sup>	Reported Net Sales 2022	Reported Net Sales % Change	Constant- currency Net Sales % Change <sup>(1)</sup>
<i>(in millions, except for percentages)</i>						
<b>Brand Net Sales:</b>						
Columbia	\$ 2,935.1	\$ 19.4	\$ 2,954.5	\$ 2,864.3	2%	3%
SOREL	336.7	(0.3)	336.4	347.3	(3)%	(3)%
prAna	113.6	0.1	113.7	143.1	(21)%	(21)%
Mountain Hardwear	101.8	0.8	102.6	109.5	(7)%	(6)%
Total	<u>\$ 3,487.2</u>	<u>\$ 20.0</u>	<u>\$ 3,507.2</u>	<u>\$ 3,464.2</u>	1%	1%
<b>Product Category Net Sales:</b>						
Apparel, Accessories and Equipment	\$ 2,676.6	\$ 15.7	\$ 2,692.3	\$ 2,661.1	1%	1%
Footwear	810.6	4.3	814.9	803.1	1%	1%
Total	<u>\$ 3,487.2</u>	<u>\$ 20.0</u>	<u>\$ 3,507.2</u>	<u>\$ 3,464.2</u>	1%	1%
<b>Channel Net Sales:</b>						
Wholesale	\$ 1,874.0	\$ 7.5	\$ 1,881.5	\$ 1,867.7	—%	1%
Direct-to-consumer	1,613.2	12.5	1,625.7	1,596.5	1%	2%
Total	<u>\$ 3,487.2</u>	<u>\$ 20.0</u>	<u>\$ 3,507.2</u>	<u>\$ 3,464.2</u>	1%	1%

<sup>(1)</sup> Constant-currency net sales is a non-GAAP financial measure. See "Non-GAAP Financial Measure" above for further information.

Overall, global net sales increased, driven by international sales growth in our Columbia brand, primarily from our Europe-direct, China and LAAP distributor businesses. In Europe-direct and China markets, healthy consumer demand drove growth in both our wholesale and DTC businesses throughout the year. Sales growth in our LAAP distributor business reflected strong demand for Spring and Fall 2023 merchandise. Earlier shipment of Spring 2024 also aided sales for our LAAP distributor business in the fourth quarter of 2023.

International sales growth was partially offset by softness in the U.S., driven by a culmination of factors including macro-economic uncertainty, warm winter weather, shifts in consumer shopping behavior, and slowing outdoor market trends. As a result, sales of all our brands declined in the U.S. during 2023.

Footwear sales growth reflected increased demand of clearance product sales, which more than offset weak demand for full price merchandise. Throughout 2023, footwear sales in the outdoor industry softened while competitive pressures within the footwear category were amplified. These headwinds, combined with warm winter weather in the fourth quarter of 2023, led to declining sales for both Columbia and SOREL footwear.

Our global DTC net sales reflected a 6% increase in brick-and-mortar business, offset by a 6% decrease in e-commerce business for the year ended December 31, 2023 compared to the same period in the prior year. The growth from our DTC retail store business was driven by contributions from new stores and temporary clearance locations to liquidate excess inventory. The decline in our DTC e-commerce sales was predominantly focused in the U.S. and driven by the same U.S. region factors mentioned above, as well as a shift in consumer shopping behavior back to physical in-store shopping.

**Gross Profit.** Gross profit is summarized in the following table:

(in millions, except for percentages and basis points)	Year Ended December 31,			
	2023	2022	Change	
Gross profit	\$ 1,729.9	\$ 1,711.1	\$ 18.8	1 %
Gross margin	49.6 %	49.4 %	20 bps	

Gross margin expanded primarily due to the following factors:

- an approximate 240 bps increase related to lower inbound freight costs; partially offset by
- unfavorable channel profitability reflecting lower DTC product margins and lower wholesale margins.

Lower DTC margins discussed above were primarily driven by higher clearance and promotional activity, including a greater proportion of sales of excess inventory through our DTC outlet stores and temporary clearance locations. Lower wholesale margins discussed above were primarily driven by actions to reduce excess inventory, and, to a lesser extent, inflationary product costs which were partially offset by price increases.

**Selling, General and Administrative Expenses.** SG&A expenses is summarized in the following table:

(in millions, except for percentages and basis points)	Year Ended December 31,			
	2023	2022	Change	
Selling, general and administrative expenses	\$ 1,416.3	\$ 1,304.4	\$ 111.9	9 %
Selling, general and administrative expenses as percent of net sales	40.6 %	37.7 %	290 bps	

SG&A expenses growth reflected investments to support growth strategies, increased distribution and fulfillment costs related to elevated inventory, and inflationary pressures including increases in employee salaries and wages.

SG&A expenses increased primarily due to the following factors:

- higher omni-channel expenses of \$46.2 million, primarily reflecting higher DTC expenses, including personnel expenses and costs associated with new stores and temporary clearance locations;
- higher supply chain expenses of \$31.0 million, reflecting increased global distribution center expenses resulting from elevated inventory levels, including higher warehousing and fulfillment expenses, as well as third-party logistics transition-related costs; and
- higher information technology related expenses, reflecting increased personnel expenses to support digital strategies.

**Impairment of Goodwill and Intangible Assets.** For the year ended December 31, 2023, we recognized a \$25.0 million impairment charge related to goodwill attributable to the prAna reporting unit resulting from our annual fourth quarter impairment testing. For the year ended December 31, 2022, we recognized \$35.6 million of impairment charges related to the prAna brand as a result of our annual fourth quarter impairment testing. These charges consisted of an \$18.7 million impairment charge related to prAna's trademark, an indefinite-lived intangible asset, and a \$16.9 million impairment charge related to goodwill attributable to the prAna reporting unit.

Refer to our Critical Accounting Policies and Estimates below for further information regarding impairments.

**Interest Income, net.** Interest income, net is summarized in the following table:

(in millions, except for percentages)	Year Ended December 31,			
	2023	2022	Change	
Interest income, net	\$ 13.7	\$ 2.7	\$ 11.0	407 %
Interest income, net as a percent of net sales	0.4 %	0.1 %		

Interest income, net increased primarily reflecting higher yields on increased levels of cash, cash equivalents and short-term investments.

**Income Tax Expense.** Income tax expense and the related effective income tax rate are summarized in the following table:

(in millions, except for percentages)	Year Ended December 31,		
	2023	2022	Change
Income tax expense	\$ 74.8	\$ 86.0	\$ (11.2) (13)%
Effective income tax rate	22.9 %	21.6 %	

Our effective income tax rates for the years ended December 31, 2023 and 2022 were impacted by discrete tax items, which lowered the effective income tax rate in each period. For the year ended December 31, 2023, our effective income tax rate was primarily impacted by a non-recurring benefit related to a foreign currency loss resulting from an intercompany transaction and a non-recurring foreign tax benefit. For the year ended December 31, 2022, our effective income tax rate was primarily impacted by a non-recurring benefit related to the finalization of the U.S. and foreign tax audits, a non-recurring benefit related to a decrease in accrued foreign withholding taxes and a non-recurring benefit related to a foreign currency loss resulting from an intercompany transaction.

### Results of Operations — Segment

Segment operating income includes net sales, cost of sales, SG&A expenses, and net licensing income for each of our four reportable geographic segments. Operating income as a percentage of net sales in the U.S. is typically higher than the other segments primarily due to scale efficiencies associated with the larger base of net sales in the U.S. and, to a lesser extent, incremental licensing income.

We anticipate this trend to continue until other segments achieve scale efficiencies from higher levels of net sales volume relative to the fixed cost structure necessary to operate the business.

### Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Net sales by geographic segment are summarized in the following table:

(in millions, except for percentage changes)	Year Ended December 31,					
	Reported Net Sales 2023	Adjust for Foreign Currency Translation	Constant-currency Net Sales 2023 <sup>(1)</sup>	Reported Net Sales 2022	Reported Net Sales % Change	Constant-currency Net Sales % Change <sup>(1)</sup>
U.S.	\$ 2,241.4	\$ —	\$ 2,241.4	\$ 2,302.2	(3)%	(3)%
LAAP	519.8	22.0	541.8	473.9	10%	14%
EMEA	469.2	(10.7)	458.5	438.6	7%	5%
Canada	256.8	8.7	265.5	249.5	3%	6%
	<u>\$ 3,487.2</u>	<u>\$ 20.0</u>	<u>\$ 3,507.2</u>	<u>\$ 3,464.2</u>	<u>1%</u>	<u>1%</u>

<sup>(1)</sup> Constant-currency net sales is a non-GAAP financial measure. See "Non-GAAP Financial Measure" above for further information.

Operating income for each reportable segment and unallocated corporate expenses are summarized in the following table:

(in millions)	Year Ended December 31,		
	2023	2022	Change
U.S.	\$ 415.7	\$ 519.8	\$ (104.1)
LAAP	61.8	47.0	14.8
EMEA	99.0	80.2	18.8
Canada	55.6	53.0	2.6
Total segment operating income	632.1	700.0	(67.9)
Unallocated corporate expenses	(321.8)	(306.9)	(14.9)
Operating income	<u>\$ 310.3</u>	<u>\$ 393.1</u>	<u>\$ (82.8)</u>

## U.S.

U.S. operating income decreased \$104.1 million to \$415.7 million, or 18.5% of net sales, in 2023 from \$519.8 million, or 22.6% of net sales, in 2022. The decrease was driven primarily by decreased net sales and increased SG&A expenses. U.S. net sales decreased \$60.8 million, or 3%, in 2023, compared to 2022. U.S. net sales decreased primarily due to decreased wholesale shipments and lower DTC consumer demand. As of December 31, 2023, our U.S. business operated 161 retail stores, compared to 156 stores as of December 31, 2022. In addition, as part of our plan to reduce excess inventory, we operated 34 temporary clearance locations as of December 31, 2023 to support excess inventory liquidation efforts. SG&A expenses increased as a percentage of net sales to 31.0% in 2023 compared to 27.7% in 2022, primarily driven by increased warehousing and fulfillment expenses resulting from elevated inventory levels and higher DTC expenses reflecting higher personnel and costs associated with new stores and temporary clearance locations.

## LAAP

LAAP operating income increased \$14.8 million to \$61.8 million, or 11.9% of net sales, in 2023 from \$47.0 million, or 9.9% of net sales, in 2022. The increase was driven primarily by increased net sales. LAAP net sales increased \$45.9 million, or 10% (14% constant-currency), in 2023, compared to 2022. Increased LAAP net sales were primarily driven by our China and LAAP distributor businesses, partially offset by declines in our Korea business. Increased China net sales reflected higher consumer demand, partially aided by the lapping of prior year government mandated restrictions to prevent the spread of COVID-19. LAAP distributor net sales increased due to higher Spring 2023 and Fall 2023 orders compared to the same periods in the prior year, as well as earlier shipment of Spring 2024 orders compared to the shipment of Spring 2023 orders. Decreased Korea net sales reflected challenging market conditions and efforts to reset the business to support long-term growth opportunities. LAAP SG&A expenses decreased as a percentage of net sales to 44.4% in 2023 compared to 46.0% in 2022.

## EMEA

EMEA operating income increased \$18.8 million to \$99.0 million, or 21.1% of net sales, in 2023 from \$80.2 million, or 18.3% of net sales, in 2022. The increase was driven primarily by increased net sales and gross margin. EMEA net sales increased \$30.6 million, or 7% (5% constant-currency), in 2023, compared to 2022, driven by increased net sales in our Europe-direct business, partially offset by declines in our EMEA distributor business. Europe-direct net sales increased primarily due to broad-based growth across our DTC and wholesale businesses, including the earlier shipment of Spring 2024 orders compared to prior year. EMEA distributor net sales decreased primarily due to our anniversary of the prior year shipments to Russia (for orders that were placed prior to the invasion of Ukraine). Gross margin increased primarily due to favorable channel shifts driven by a lower proportion of distributor sales, which generally carry lower gross margins. EMEA SG&A expenses increased as a percentage of net sales to 27.1% in 2023 compared to 26.1% in 2022.

## Canada

Canada operating income increased \$2.6 million to \$55.6 million, or 21.7% of net sales, in 2023 from \$53.0 million, or 21.2% of net sales in 2022. The increase primarily resulted from increased net sales. Canada net sales increased \$7.3 million, or 3% (6% constant-currency), in 2023, compared to 2022, driven by increased net sales in our Canada DTC business. Canada SG&A expenses increased as a percentage of net sales to 25.9% in 2023, compared to 25.0% in 2022.

## Unallocated Corporate Expenses

Unallocated corporate expenses increased by \$14.9 million to \$321.8 million in 2023 from \$306.9 million in 2022, largely driven by higher personnel expenses, partially offset by the impacts of the \$25.0 million impairment charge related to prAna compared to the \$36.5 million impairment charges in 2022.

## LIQUIDITY AND CAPITAL RESOURCES

Including cash, cash equivalents, short-term investments and available committed credit lines, we had approximately \$1.25 billion in total liquidity as of December 31, 2023. Our liquidity may be affected by the general seasonal trends common to the industry. Our products are marketed on a seasonal basis and our sales are weighted substantially toward the third and fourth quarters, while our operating costs are more equally distributed throughout the year. Our cash and cash equivalents and short-term investments balances generally are at their lowest level just prior to the start of the U.S. holiday season and increase during the fourth quarter from collection of wholesale business receivables and fourth quarter DTC sales. This trough cash position is impacted by the amount of product we order from our contract manufacturers in anticipation of customer demand and is more heavily impacted in advance of periods of expected high demand.

## Cash Flow Activities

Cash flows are summarized in the following table:

(in millions)	Year Ended December 31,		
	2023	2022	Change
Net cash provided by (used in):			
Operating activities	\$ 636.3	\$ (25.2)	\$ 661.5
Investing activities	(461.8)	72.7	(534.5)
Financing activities	(254.8)	(360.8)	106.0
Net effect of exchange rate changes on cash	0.4	(19.8)	20.2
Net decrease in cash and cash equivalents	\$ (79.9)	\$ (333.1)	\$ 253.2

The change in cash flows provided by operating activities was driven by a \$713.5 million increase in cash provided by changes in assets and liabilities, partially offset by a \$52.0 million decrease in cash provided by net income and non-cash adjustments. The most significant comparative changes in assets and liabilities included *Inventories*, and to a lesser extent, *Accounts Receivable*, *Accounts Payable* and *Accrued liabilities*. The \$683.7 million increase in cash provided by *Inventories* reflected a decrease in inventory as we curtailed inventory purchases to compensate for elevated inventories exiting 2022 and liquidated excess inventory levels throughout 2023. The \$188.3 million increase in cash provided by *Accounts receivable* was primarily driven by higher fourth quarter 2022 wholesale sales collected in 2023 compared to the same period in the prior year. These amounts were partially offset by the \$126.3 million increase in cash used in *Accounts payable* primarily resulting from the earlier production of and payment for Spring 2024 and Fall 2024 inventory, as well as the \$82.9 million increase in cash used in *Accrued liabilities*, which was primarily driven by higher sales reserves at the beginning of 2023 compared to 2022 resulting from higher sales in the fourth quarter of 2022.

Net cash used in investing activities was \$461.8 million for 2023, compared to \$72.7 million of cash provided by investing activities for 2022. For 2023, net cash used in investing activities consisted of \$407.2 million in cash used for net purchases of short-term investments, as well as \$54.6 million in cash used for capital expenditures. For 2022, net cash provided by investing activities consisted of \$131.2 million in net sales and maturities of short-term investments partially offset by \$58.5 million in cash used for capital expenditures.

Net cash used in financing activities was \$254.8 million for 2023 compared to \$360.8 million for 2022. For 2023, net cash used in financing activities primarily consisted of repurchases of common stock of \$184.0 million and dividend payments to our shareholders of \$73.4 million. For 2022, net cash used in financing activities primarily consisted of repurchases of common stock of \$287.4 million and dividend payments to our shareholders of \$75.1 million.

## Sources of Liquidity

### Cash and cash equivalents and short-term investments

As of December 31, 2023, we had cash and cash equivalents of \$350.3 million and short-term investments of \$414.2 million, compared to \$430.2 million and \$0.7 million, respectively, as of December 31, 2022.

### Domestic Credit Facility

Refer to Note 7 in Part II, Item 8 of this Annual Report on Form 10-K for further information regarding the domestic credit facility.

As of December 31, 2023, we had available an unsecured, committed revolving credit facility, which provides for borrowings up to \$500.0 million. We were in compliance with all associated covenants and there was no balance outstanding under the facility.

### International Credit Facility

As of December 31, 2023, our European subsidiary had available an unsecured, committed line of credit, which is guaranteed by the Company and provides for borrowings up to €4.4 million (approximately US\$4.9 million). There was no balance outstanding under the facility.



## Other Sources

As of December 31, 2023, collectively, our international subsidiaries had unsecured, uncommitted lines of credit, credit facilities and overdraft facilities, providing for borrowings up to approximately US\$106.7 million. There was no balance outstanding under these facilities.

## Capital Requirements

Our expected short-term and long-term cash needs are primarily for working capital and capital expenditures. We expect to meet these short-term and long-term cash needs primarily with cash flows from operations and, if needed, borrowings from our existing credit facilities.

Our working capital management goals include maintaining an optimal level of inventory necessary to deliver goods on time to our customers and our retail stores to satisfy end consumer demand, alleviating manufacturing capacity constraints, and driving efficiencies to minimize the cycle time from the purchase of inventory from our suppliers to the collection of accounts receivable balances from our customers. Inventory balances may be elevated in advance of periods of expected high demand. As of December 31, 2023, our inventory balance decreased to \$746.3 million, compared to \$1,028.5 million as of December 31, 2022, driven by a meaningful reduction of purchases of Spring 2023 and Fall 2023 inventory, as well as the use of our outlet stores and temporary clearance locations to profitably clear excess merchandise. We believe older season inventories represent a manageable portion of our total inventory mix.

We have planned 2024 capital expenditures of approximately \$60 to \$80 million. This includes investments in our DTC operations, including new stores and digital and supply chain capabilities to support our strategic priorities. Our actual capital expenditures may differ from the planned amounts depending on factors such as the timing of system implementations and new store openings and related construction as well as the availability of capital assets from suppliers.

Our long-term goal is to maintain a strong balance sheet and a disciplined approach to capital allocation. Dependent upon our financial position, market conditions and our strategic priorities, our capital allocation approach includes:

- investing in organic growth opportunities to drive long-term profitable growth;
- returning at least 40% of free cash flow to shareholders through dividends and share repurchases; and
- considering opportunistic mergers and acquisitions.

Free cash flow is a non-GAAP financial measure. Free cash flow is calculated by reducing net cash flow from operating activities by capital expenditures. Management believes free cash flow provides investors with an important perspective on the cash available for shareholders and acquisitions after making the capital investments required to support ongoing business operations and long-term value creation. Free cash flow does not represent the residual cash flow available for discretionary expenditures since it excludes certain mandatory expenditures. Management uses free cash flow as a measure to assess both business performance and overall liquidity.

## Other cash commitments

Our non-current *Income taxes payable* on the Consolidated Balance Sheet as of December 31, 2023 includes approximately \$12.4 million of net unrecognized tax benefits. We are uncertain about whether or when these amounts may be settled. Refer to Note 10 in Part II, Item 8 of this Annual Report on Form 10-K for additional information.

The following table presents our estimated significant contractual commitments that will require use of funds:

(in millions)	Year Ended December 31,						
	2024	2025	2026	2027	2028	Thereafter	Total
Inventory purchase obligations	\$ 343.4	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 343.4
Operating lease obligations <sup>(1)</sup>	86.6	81.9	74.3	63.1	55.0	106.3	467.2
TCJA transition tax obligations <sup>(2)</sup>	10.6	13.3	—	—	—	—	23.9

<sup>(1)</sup> Refer to Operating Leases in Note 9 in Part II, Item 8 of this Annual Report on Form 10-K.

<sup>(2)</sup> Refer to Income Taxes in Note 10 in Part II, Item 8 of this Annual Report on Form 10-K.

## CRITICAL ACCOUNTING ESTIMATES

Management's discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make various

estimates and judgments that affect reported amounts of assets, liabilities, sales, cost of sales, and expenses and related disclosure of contingent assets and liabilities. Refer to Note 2 in Part II, Item 8 of this Annual Report on Form 10-K for additional information regarding the significant accounting policies and methods used in the preparation of our consolidated financial statements.

We believe that the estimates, assumptions and judgments involved in the accounting policies described below have the greatest potential effect on our financial statements, so we consider these to be our critical accounting policies and estimates. Because of the uncertainty inherent in these matters, actual results may differ from the estimates we use in applying these critical accounting policies and estimates. We base our ongoing estimates on historical experience and other assumptions that we believe to be reasonable in the circumstances. Our critical accounting policies and estimates relate to sales reserves, allowance for uncollectible accounts receivable, excess, close-out and slow-moving inventory, impairment of long-lived assets, intangible assets and goodwill, and income taxes.

Management regularly discusses with our Audit Committee each of our critical accounting estimates, the development and selection of these accounting estimates, and the disclosure about each estimate in this Annual Report on Form 10-K. These discussions typically occur at our quarterly audit committee meetings and include the basis and methodology used in developing and selecting these estimates, the trends in and amounts of these estimates, specific matters affecting the amount of and changes in these estimates, and any other relevant matters related to these estimates, including significant issues concerning accounting principles and financial statement presentation.

### **Sales Reserves**

The amount of consideration we receive and recognize as *Net sales* across both wholesale and DTC channels varies with changes in sales returns and other accommodations and incentives we offer to our customers. When we give our customers the right to return products or provide other accommodations such as chargebacks and markdowns, we estimate the expected sales returns and miscellaneous claims from customers and record sales reserves to reduce *Net sales*. As of December 31, 2023, our sales-related reserves were \$103.9 million compared to \$115.4 million as of December 31, 2022. The most significant variable affecting these reserve balances is sales levels. As a percentage of *Net sales*, the sales reserves balances were 3.0% as of December 31, 2023 compared to 3.3% as of December 31, 2022. The reserve for returns from customers or consumers is the component of our sales related reserves most susceptible to estimation uncertainty. These estimates are based on 1) historical rates of product returns and claims; and 2) events and circumstances that indicate changes to such historical rates, such as our customers' inventory positions and their anticipated sell-through rates. However, actual returns and claims in any future period are inherently uncertain and thus may differ from our estimates. As a result, we adjust our estimates of revenue at the earlier of when the most likely amount of consideration we expect to receive changes or when the amount of consideration becomes fixed. If actual or expected future returns and claims are significantly different than the sales reserves established, we record an adjustment to *Net sales* in the period in which such determination was made.

### **Allowance for Uncollectible Accounts Receivable**

We make ongoing estimates of the collectability of our accounts receivable and maintain an allowance for estimated credit losses resulting from the inability of our customers to make required payments. The allowance represents our current estimate of lifetime expected credit losses over the remaining duration of existing accounts receivable considering current market conditions and supportable forecasts when appropriate. In determining the amount of the allowance, we consider our historical level of credit losses, as well as our judgments about the creditworthiness of customers based on ongoing credit evaluations. We analyze specific customer accounts, including aged receivables, customer concentrations, credit insurance coverage, standby letters of credit, and other forms of collateral, current economic trends, and changes in customer payment terms.

Our allowance for uncollectible accounts receivable increased to \$5.5 million as of December 31, 2023 compared to \$5.4 million as of December 31, 2022. Because future changes in the financial stability of our customers is difficult to estimate, actual future losses from uncollectible accounts may differ from our estimates and may have a material effect on our financial position, results of operations or cash flows. If the financial condition of our customers deteriorates and results in their inability to make payments, a larger allowance may be required. If we determine that a smaller or larger allowance is appropriate, we will record an adjustment to *SG&A expenses* in the period in which we make such a determination.

### **Excess, Close-Out and Slow-Moving Inventory**

We make ongoing estimates of potential excess, close-out or slow-moving inventory. We evaluate our inventory on hand to identify excess, close-out or slow-moving inventory by contemplating our 1) purchasing plans; 2) sales forecasts; 3) historical liquidation experience; and 4) the level and composition of inventory from current and prior seasons that remains unsold and establish provisions as necessary to properly reflect inventory value at the lower of cost or net realizable value. Provisions are established when necessary in the period in which we make

such a determination. As of December 31, 2023, our inventory provisions reduced gross inventory by \$23.3 million compared to \$29.4 million as of December 31, 2022. The level of estimated excess inventory as of December 31, 2023 decreased reflecting the use of our outlet stores and temporary clearance locations to profitably clear excess merchandise.

### **Long-Lived Assets**

Long-lived assets, which include property, plant and equipment, lease right-of-use ("ROU") assets, capitalized implementation costs for cloud computing arrangements, and intangible assets with finite lives are measured for impairment only when events or circumstances indicate the carrying value may not be recoverable. Our retail fleet long-lived assets are evaluated at the retail location level. Events that result in an impairment review of a retail location include plans to close a retail location or a significant decrease in the operating results of the retail location. When such an indicator occurs, we evaluate retail location long-lived assets for impairment by comparing the undiscounted future cash flow expected to be generated by the location to the location long-lived asset's carrying amount. If the carrying amount of an asset exceeds the estimated undiscounted future cash flow, an analysis is performed to estimate the fair value of the asset. An impairment is recorded if the fair value of the retail location long-lived asset is less than the carrying amount.

During 2023 we tested certain long-lived assets consisting of property, plant, and equipment and lease ROU assets for impairment at certain underperforming retail locations. For the years ended December 31, 2023 and 2022, impairment charges from underperforming retail stores were not material. Further declines in projected future performance may adversely affect the recovery of retail locations assets.

### **Indefinite-Lived Intangible Assets and Goodwill**

We review and test our intangible assets with indefinite lives and goodwill for impairment in the fourth quarter of each year and when events or changes in circumstances indicate that it is more likely than not that the fair value of the asset or reporting unit is less than its carrying amount. Our intangible assets with indefinite lives consist of trademarks and trade names (collectively, "trademarks"). Substantially all of our goodwill is recorded in the U.S. segment and impairment testing for goodwill is performed at the reporting unit level. Key assumptions used in the discounted cash flow models are cash flow projections and the discount rate. Cash flow projections are developed in part from our annual planning process. The discount rate is based on the estimated weighted-average costs of capital of the reporting unit from a market-participant perspective. When we include market-based valuation methods to estimate fair value of our reporting units as part of the goodwill impairment testing, we utilize market multiples for guideline public companies.

In the impairment tests for trademarks, we compare the estimated fair value of each asset to its carrying amount. The fair values of trademarks are estimated using a relief from royalty method under the income approach. If the carrying amount of a trademark exceeds its estimated fair value, we calculate impairment as the excess of carrying amount over the estimate of fair value. As of December 31, 2023, the carrying value of indefinite-lived intangible assets was \$79.2 million, of which \$51.8 million was attributed to prAna's trademark. In our 2023 impairment test, the fair value of prAna's trademark exceeded its carrying value by approximately 10% as of the measurement date and, therefore, no impairment was recognized. As part of our evaluation, we performed a sensitivity analysis on the trademark impairment model. A 100 basis point decline in the compound annual growth rate for net sales assumed over the first five years would reduce the excess of fair value over the carrying amount to approximately 6%. Separately, a 100 basis point increase in the assumed discount rate would reduce the excess of the fair value over the carrying value to approximately 2%. A separate 50 basis point decline in the assumed royalty rate would reduce the excess of fair value over the carrying amount to zero. In 2022, we determined that the prAna brand's trademark was impaired and we recognized an \$18.7 million impairment charge for the year ended December 31, 2022.

In the impairment test for goodwill, we compare the estimated fair value of the reporting unit with the carrying amount of that reporting unit. If the carrying amount of the reporting unit exceeds its estimated fair value, we calculate an impairment as the excess of carrying amount over the estimate of fair value. We estimate the fair value of our reporting units using a combination of discounted cash flow analysis and market-based valuation methods, as appropriate. In our 2023 impairment test, we determined that prAna goodwill was impaired and we recognized a \$25.0 million impairment charge for the year ended December 31, 2023, reducing the carrying value of prAna's goodwill to \$12.3 million. The decline in estimated fair value from the fourth quarter 2022 impairment test reflected an increase in the weighted-average cost of capital used in the discounted cash flow model and lower operating income levels. In 2022, we determined that prAna goodwill was impaired and we recognized a \$16.9 million impairment charge for the year ended December 31, 2022.

Our impairment tests and related fair value estimates are based on a number of factors, including assumptions and estimates for projected net sales, income, cash flows, discount rates, market-based multiples, and other operating performance measures. Changes in estimates or the application of alternative assumptions could produce significantly different results. These assumptions and estimates may change in the future due to changes in economic conditions, changes in our ability to meet sales and profitability objectives or changes in our business operations or strategic direction.

## Income Taxes

We make assumptions, judgments and estimates to determine our current provision for income taxes, our deferred tax assets and liabilities and our uncertain tax positions. Our judgments, assumptions and estimates relative to the current provision for income tax take into account current tax laws, our interpretation of current tax laws and possible outcomes of current and future audits conducted by foreign and domestic tax authorities. Changes in tax law or our interpretation of tax laws and the resolution of current and future tax audits could significantly affect the amounts provided for *Income tax expense* in our Consolidated Statements of Operations.

Our assumptions, judgments and estimates relative to the value of a deferred tax asset take into account predictions of the amount and category of future taxable income. Actual operating results and the underlying amount and category of income in future years could cause our current assumptions, judgments and estimates of recoverable net deferred tax assets to be inaccurate. Changes in any of the assumptions, judgments and estimates mentioned above could cause our actual income tax obligations to differ from our estimates, which could materially affect our financial position, results of operations or cash flows.

Our assumptions, judgement and estimates relative to uncertain tax positions take into account whether a tax position is more likely than not to be sustained upon examination by the relevant taxing authority based on the technical merits of the position and the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant taxing authority. Changes in tax law or our interpretation of tax laws and the resolution of current and future tax audits could significantly affect the amounts provided for *Income tax expense* in our Consolidated Statements of Operations.

Our tax provision for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. As the calendar year progresses, we periodically refine our estimate based on actual events and earnings by jurisdiction. This ongoing estimation process can result in changes to our expected effective tax rate for the full calendar year. When this occurs, we adjust the income tax provision during the quarter in which the change in estimate occurs so that our year-to-date provision equals our expected annual effective tax rate.

## RECENT ACCOUNTING PRONOUNCEMENTS

Refer to Note 2 in Part II, Item 8 of this Annual Report on Form 10-K.

## ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the normal course of business, our financial position and results of operations are subject to a variety of risks, including risks associated with global financial and capital markets, primarily currency exchange rate risk and, to a lesser extent, interest rate risk. We regularly assess these risks and have established policies and business practices designed to mitigate their effects. We do not engage in speculative trading in any financial or capital market.

### FOREIGN EXCHANGE RISK

Our primary currency exchange rate risk management objective is to mitigate the uncertainty of anticipated cash flows attributable to changes in exchange rates. We focus on mitigating changes in functional currency equivalent cash flows resulting from anticipated United States dollar denominated inventory purchases by subsidiaries that use European euros, Canadian dollars, Japanese yen, Chinese renminbi, or Korean won as their functional currency. We also mitigate changes in functional currency equivalent cash flows resulting from anticipated non-functional currency denominated sales for subsidiaries that use United States dollars and European euros as their functional currency. We manage this risk primarily by using currency forward contracts. Additionally, we hedge net balance sheet exposures related primarily to non-functional currency denominated monetary assets and liabilities using foreign currency forward contracts in European euros, Japanese yen, Canadian dollars, Swiss francs, Chinese renminbi, Korean won, British pound sterling, Danish krone, Norwegian kroner, Polish zloty, Swedish krona and Czech koruna. Non-functional currency denominated monetary assets and liabilities consist of cash and cash equivalents, short-term investments, receivables, payables, deferred income taxes, and intercompany loans and dividends.

The net fair value of our derivative contracts was favorable by \$2.1 million as of December 31, 2023. A 10% unfavorable exchange rate change in the euro, franc, Canadian dollar, yen, renminbi, won, pound sterling, krone, zloty, krona and koruna against the United States dollar would have resulted in the net fair value declining by approximately \$74.6 million as of December 31, 2023. Changes in fair value of

derivative contracts resulting from foreign exchange rate fluctuations would be substantially offset by the change in value of the underlying hedged transactions.

## **INTEREST RATE RISK**

Our negotiated credit facilities generally charge interest based on a benchmark rate such as the secured overnight financing rate. Fluctuations in short-term interest rates cause interest payments on drawn amounts to increase or decrease. As of December 31, 2023, no balance was outstanding under our credit facilities.

## **COMMODITY PRICE RISK**

We are exposed to market risk for the pricing of the raw materials used to manufacture our products. These raw materials are purchased directly by our contract manufacturers.

## **ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

Our management is responsible for the information and representations contained in this report. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which we consider appropriate in the circumstances and include some amounts based on our best estimates and judgments. Other financial information in this report is consistent with these financial statements.

Our accounting systems include controls designed to reasonably ensure that assets are safeguarded from unauthorized use or disposition and which provide for the preparation of financial statements in conformity with GAAP. These systems are supplemented by the selection and training of qualified financial personnel and an organizational structure providing for appropriate segregation of duties.

The Audit Committee is responsible for appointing the independent registered public accounting firm and reviews with the independent registered public accounting firm and management the scope and the results of the annual examination, the effectiveness of the accounting control system and other matters relating to our financial affairs as they deem appropriate.

# Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Columbia Sportswear Company

## Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Columbia Sportswear Company and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2023, the related notes, and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

## Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

## Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the Audit Committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

### Intangible Assets, Net – prAna Trademark– Refer to Notes 2 and 6 to the consolidated financial statements

#### Critical Audit Matter Description

The Company has trademarks and trade names ("trademarks") that are indefinite-lived intangible assets. As of December 31, 2023, the carrying value of the *Intangible assets, net* were \$79.9 million, of which \$51.8 million was attributed to prAna's trademark. The Company used the relief from royalty method to estimate fair value, which requires management to make significant estimates and assumptions related to projected net sales, royalty rates and discount rates.

Auditing management's estimates and assumptions related to projected net sales, discount rate, and royalty rate for prAna involved especially subjective judgement.

#### How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management's estimates and assumptions related to projected net sales for the prAna trademark valuation included the following, among others:

- We tested the effectiveness of controls over intangible assets, including those over the forecasts of future net sales.
- We evaluated management's ability to accurately forecast future net sales by comparing actual results to management's historical forecasts.

- We evaluated the reasonableness of management's net sales forecasts by comparing the forecasts to:
  - Historical net sales.
  - Forecasted information included in the Company's press releases as well as in analyst and industry reports for the Company and certain of its peer companies.
- To evaluate the reasonableness of the (1) discount rate and (2) royalty rate, with the assistance of our fair value specialists, we:
  - Developed a range of independent estimates of the discount rate and compared those to the discount rate selected by management to assess the appropriateness of the discount rate assumption.
  - Tested the inputs and source information underlying the determination of the discount rate by comparing to reputable third-party data or industry information and tested the mathematical accuracy of the calculation.
  - Tested the source information underlying the determination of the royalty rate selected by management and compared the selected royalty rates from royalty agreements for comparable companies.

## **Goodwill – prAna Reporting Unit – Refer to Notes 2 and 6 to the consolidated financial statements**

### *Critical Audit Matter Description*

The Company's evaluation of goodwill for impairment involves the comparison of the fair value of each reporting unit to its carrying value. The *Goodwill* balance was \$26.7 million as of December 31, 2023, of which \$12.3 million was allocated to the prAna Reporting Unit ("prAna"), after recognizing \$25.0 million of impairment loss in the year ended December 31, 2023. The Company used a combination of discounted cash flow analysis and market-based valuation methods, which requires management to make significant estimates and assumptions related to projected net sales, discount rates, market-based multiples, and other operating performance measures. Changes in these assumptions could have a significant impact on either the fair value, the amount of any goodwill impairment charge, if any, or both.

Auditing management's estimates and assumptions related to projected net sales, discount rate and market-based multiples for prAna involved especially subjective judgment.

### *How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures for management's estimates and assumptions related to projected net sales, for the prAna valuation included the following, among others:

- We tested the effectiveness of internal controls over the prAna impairment analysis, including those over the forecast of future net sales, the selection of the discount rate and market-based multiples.
- We evaluated management's ability to accurately forecast net sales by comparing actual results to management's historical forecasts.
- We evaluated the reasonableness of management's net sales forecasts by comparing the forecasts to:
  - Historical net sales.
  - Forecasted information included in the Company's press releases as well as in analyst and industry reports for the Company and certain of its peer companies.
- To evaluate the reasonableness of the discount rate, with the assistance of our fair value specialists, we:
  - Developed a range of independent estimates of the discount rate and compared those to the discount rate by comparing to reputable third-party data or industry information and tested the mathematical accuracy of the calculation.
  - Tested the inputs and source information underlying the determination of the discount rate by comparing to reputable third-party data or industry information and tested the mathematical accuracy of the calculation.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the market-based multiple management applied to the projected revenues as part of their market-based valuation method through comparison to valuation multiples for guideline public companies.

/s/ DELOITTE & TOUCHE LLP

Portland, Oregon  
February 26, 2024

We have served as the Company's auditor since at least 1994; however, an earlier year could not be reliably determined.



# REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Columbia Sportswear Company

## Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Columbia Sportswear Company and subsidiaries (the "Company") as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated February 26, 2024, expressed an unqualified opinion on those financial statements.

## Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

## Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Portland, Oregon  
February 26, 2024

## CONSOLIDATED BALANCE SHEETS

(in thousands)	2023	2022
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 350,319	\$ 430,241
Short-term investments	414,185	722
Accounts receivable, net of allowance of \$ 5,450 and \$ 5,443 , respectively	423,079	547,561
Inventories	746,288	1,028,545
Prepaid expenses and other current assets	80,814	129,872
Total current assets	2,014,685	2,136,941
Property, plant and equipment, net	287,281	291,214
Operating lease right-of-use assets	357,295	324,409
Intangible assets, net	79,908	81,558
Goodwill	26,694	51,694
Deferred income taxes	105,574	94,162
Other non-current assets	67,576	71,568
Total assets	\$ 2,939,013	\$ 3,051,546
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 235,927	\$ 322,472
Accrued liabilities	272,058	328,759
Operating lease liabilities	71,086	68,685
Income taxes payable	17,556	18,802
Total current liabilities	596,627	738,718
Non-current operating lease liabilities	336,772	310,625
Income taxes payable	25,688	33,251
Deferred income taxes	66	143
Other long-term liabilities	41,250	33,020
Total liabilities	1,000,403	1,115,757
Commitments and contingencies (Note 12)		
Shareholders' Equity:		
Preferred stock; 10,000 shares authorized; none issued and outstanding	—	—
Common stock (no par value); 250,000 shares authorized; 59,996 and 62,139 issued and outstanding, respectively	—	12,692
Retained earnings	1,984,446	1,953,734
Accumulated other comprehensive income (loss)	( 45,836 )	( 30,637 )
Total shareholders' equity	1,938,610	1,935,789
Total liabilities and shareholders' equity	\$ 2,939,013	\$ 3,051,546

See accompanying notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,		
	2023	2022	2021
<i>(in thousands, except per share amounts)</i>			
Net sales	\$ 3,487,203	\$ 3,464,152	\$ 3,126,402
Cost of sales	1,757,271	1,753,074	1,513,947
Gross profit	1,729,932	1,711,078	1,612,455
Selling, general and administrative expenses	1,416,313	1,304,394	1,180,323
Impairment of goodwill and intangible assets	25,000	35,600	—
Net licensing income	21,665	22,020	18,372
Operating income	310,284	393,104	450,504
Interest income, net	13,687	2,713	1,380
Other non-operating income (expense), net	2,221	1,593	( 373 )
Income before income tax	326,192	397,410	451,511
Income tax expense	74,792	85,970	97,403
Net income	\$ 251,400	\$ 311,440	\$ 354,108
Earnings per share:			
Basic	\$ 4.11	\$ 4.96	\$ 5.37
Diluted	\$ 4.09	\$ 4.95	\$ 5.33
Weighted average shares outstanding:			
Basic	61,232	62,754	65,942
Diluted	61,424	62,970	66,415

See accompanying notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)	Year Ended December 31,		
	2023	2022	2021
Net income	\$ 251,400	\$ 311,440	\$ 354,108
Other comprehensive income (loss):			
Change in available-for-sale securities (net of tax effect of \$46)	145	—	—
Change in derivative transactions (net of tax effects of \$ 6,662 , \$( 4,358 ), and \$( 7,138 ), respectively)	( 18,101 )	11,876	19,283
Foreign currency translation adjustments (net of tax effects of \$ 285 , \$ 218 , and \$( 40 ), respectively)	2,757	( 38,137 )	( 24,465 )
Other comprehensive income (loss)	( 15,199 )	( 26,261 )	( 5,182 )
Comprehensive income	\$ 236,201	\$ 285,179	\$ 348,926

See accompanying notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year Ended December 31,		
	2023	2022	2021
<b>Cash flows from operating activities:</b>			
Net income	\$ 251,400	\$ 311,440	\$ 354,108
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation, amortization, and non-cash lease expense	127,052	117,399	115,571
Provision for uncollectible accounts receivable	3,142	( 2,044 )	( 10,758 )
Loss on disposal or impairment of investments, property, plant and equipment, right-of-use assets, goodwill, and intangible assets	26,374	38,194	1,233
Deferred income taxes	( 5,135 )	( 8,118 )	( 9,798 )
Stock-based compensation	23,051	21,021	19,126
Changes in operating assets and liabilities:			
Accounts receivable	123,830	( 64,495 )	( 31,622 )
Inventories	283,826	( 399,851 )	( 100,261 )
Prepaid expenses and other current assets	29,840	( 25,749 )	( 24,858 )
Other assets	( 3,148 )	( 2,475 )	1,231
Accounts payable	( 85,862 )	40,429	75,513
Accrued liabilities	( 62,239 )	20,683	66,457
Income taxes payable	( 8,800 )	( 5,871 )	( 15,248 )
Operating lease assets and liabilities	( 73,718 )	( 62,749 )	( 85,176 )
Other liabilities	6,684	( 3,055 )	( 1,112 )
Net cash provided by (used in) operating activities	636,297	( 25,241 )	354,406
<b>Cash flows from investing activities:</b>			
Purchases of short-term investments	( 528,491 )	( 44,876 )	( 130,191 )
Sales and maturities of short-term investments	121,279	176,083	1,184
Capital expenditures	( 54,607 )	( 58,467 )	( 34,744 )
Net cash provided by (used in) investing activities	( 461,819 )	72,740	( 163,751 )
<b>Cash flows from financing activities:</b>			
Proceeds from credit facilities	837	52,918	38,334
Repayments on credit facilities	( 837 )	( 52,979 )	( 38,156 )
Payment of line of credit issuance fees	—	( 604 )	—
Proceeds from issuance of common stock related to stock-based compensation	7,354	6,588	28,783
Tax payments related to stock-based compensation	( 4,681 )	( 4,229 )	( 5,812 )
Repurchase of common stock	( 184,022 )	( 287,443 )	( 165,415 )
Cash dividends paid	( 73,440 )	( 75,082 )	( 68,623 )
Net cash used in financing activities	( 254,789 )	( 360,831 )	( 210,889 )
<b>Net effect of exchange rate changes on cash</b>	389	( 19,831 )	( 7,087 )
<b>Net decrease in cash and cash equivalents</b>	( 79,922 )	( 333,163 )	( 27,321 )
<b>Cash and cash equivalents, beginning of period</b>	430,241	763,404	790,725
<b>Cash and cash equivalents, end of period</b>	\$ 350,319	\$ 430,241	\$ 763,404
<b>Supplemental disclosures of cash flow information:</b>			
Cash paid during the period for income taxes	\$ 90,507	\$ 92,110	\$ 129,483
<b>Supplemental disclosures of non-cash investing and financing activities:</b>			
Property, plant and equipment acquired through increase in liabilities	\$ 10,125	\$ 11,103	\$ 5,853

See accompanying notes to consolidated financial statements.

## CONSOLIDATED STATEMENTS OF EQUITY

	Common Stock		Accumulated Other		
	Shares		Retained Earnings	Comprehensive	
(in thousands, except per share amounts)	Outstanding	Amount		Income (Loss)	Total
Balance, December 31, 2020	66,252	\$ 2,165	\$ 1,811,800	\$ 806	1,832,771
Net income	—	—	354,108	—	354,108
Other comprehensive income (loss)	—	—	—	( 5,182 )	( 5,182 )
Dividends (\$ 1.04 per share)	—	—	( 68,623 )	—	( 68,623 )
Issuance of common stock related to stock-based compensation, net	567	22,971	—	—	22,971
Stock-based compensation expense	—	19,126	—	—	19,126
Repurchase of common stock	( 1,655 )	( 62,262 )	( 103,657 )	—	( 165,919 )
Balance, December 31, 2021	65,164	—	1,993,628	( 4,376 )	1,989,252
Net income	—	—	311,440	—	311,440
Other comprehensive income (loss)	—	—	—	( 26,261 )	( 26,261 )
Dividends (\$ 1.20 per share)	—	—	( 75,082 )	—	( 75,082 )
Issuance of common stock related to stock-based compensation, net	210	2,359	—	—	2,359
Stock-based compensation expense	—	21,021	—	—	21,021
Repurchase of common stock	( 3,235 )	( 10,688 )	( 276,252 )	—	( 286,940 )
Balance, December 31, 2022	62,139	12,692	1,953,734	( 30,637 )	1,935,789
Net income	—	—	251,400	—	251,400
Other comprehensive income (loss)	—	—	—	( 15,199 )	( 15,199 )
Dividends (\$ 1.20 per share)	—	—	( 73,440 )	—	( 73,440 )
Issuance of common stock related to stock-based compensation, net	235	2,673	—	—	2,673
Stock-based compensation expense	—	23,051	—	—	23,051
Repurchase of common stock	( 2,378 )	( 36,774 )	( 147,248 )	—	( 184,022 )
Taxes related to repurchase of common stock	—	( 1,642 )	—	—	( 1,642 )
Balance, December 31, 2023	59,996	\$ —	1,984,446	( 45,836 )	1,938,610

See accompanying notes to consolidated financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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## NOTE 1 — BASIS OF PRESENTATION AND ORGANIZATION

### NATURE OF THE BUSINESS

Columbia Sportswear Company connects active people with their passions through its four brands, Columbia, SOREL, Mountain Hardwear, and prAna, by designing, developing, marketing, and distributing its outdoor, active and lifestyle apparel, footwear, accessories, and equipment products to meet the diverse needs of its customers and consumers.

### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Columbia Sportswear Company, its wholly owned subsidiaries and entities in which it maintained a controlling financial interest (the "Company"). All significant intercompany balances and transactions have been eliminated in consolidation.

### ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions. The Company's significant estimates relate to sales reserves, allowance for uncollectible accounts receivable, excess, close-out and slow-moving inventory, impairment of long-lived assets, impairment of indefinite-lived intangible assets and goodwill, and income taxes.

## NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### CASH AND CASH EQUIVALENTS

*Cash and cash equivalents* are stated at fair value or at cost, which approximates fair value, and include short-term highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity they present insignificant risk of changes in value because of changes in interest rates, with original maturities of three months or less. As of December 31, 2023, *Cash and cash equivalents* consisted of cash, money market funds and time deposits. As of December 31, 2022, *Cash and cash equivalents* consisted of cash and money market funds.

### INVESTMENTS

As of December 31, 2023, *Short-term investments* consisted of United States government treasury bills, as well as money market funds and mutual fund shares held as part of the Company's deferred compensation plan expected to be distributed in the next twelve months. As of December 31, 2022, *Short-term investments* consisted of money market funds and mutual fund shares held as part of the Company's deferred compensation plan expected to be distributed in the next twelve months. The United States government treasury bills are classified as available-for-sale securities and are recorded at fair value with any unrealized gains or losses reported, net of tax, in *Other comprehensive income (loss)*. Investments held as part of the Company's deferred compensation plan are classified as trading securities and are recorded at fair value with any gains and losses included in *Selling, general, and administrative ("SG&A") expenses*.

As of December 31, 2023 and 2022, long-term investments included in *Other non-current assets* consisted of money market funds and mutual fund shares held to offset liabilities to participants in the Company's deferred compensation plan. These investments are classified as long-term because the related deferred compensation liabilities are not expected to be paid within the next twelve months. These investments are classified as trading securities and are recorded at fair value with gains and losses reported as *SG&A expenses*.

### ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable have been reduced by an allowance for doubtful accounts. The Company maintains an allowance for estimated credit losses resulting from the inability of the Company's customers to make required payments. The allowance represents the current estimate of lifetime expected credit losses over the remaining duration of existing accounts receivable considering current market conditions and



supportable forecasts when appropriate. The estimate is a result of the Company's ongoing evaluation of collectability, customer creditworthiness, historical levels of credit losses, and future expectations. Write-offs of accounts receivable were \$ 2.8 million and \$ 1.0 million for the years ended December 31, 2023 and 2022 , respectively.

## INVENTORIES

*Inventories* consist primarily of finished goods and are carried at the lower of cost or net realizable value. Cost is determined using standard cost, which approximates the first-in, first-out method. The Company periodically reviews its inventories for excess, close-out or slow-moving items and makes provisions as necessary to properly reflect inventory value.

## PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, net of accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The principal estimated useful lives are: land improvements, 15 years; buildings and building improvements, 15 - 30 years; furniture and fixtures, 3-10 years; and machinery, software and equipment, 3 - 10 years. Leasehold improvements are depreciated over the lesser of the estimated useful life of the improvement, which is most commonly 7 years, or the remaining term of the underlying lease.

Improvements to property, plant and equipment that substantially extend the useful life of the asset are capitalized. Repair and maintenance costs are expensed as incurred. Internal and external costs directly related to the development of internal-use software during the application development stage, including costs incurred for third party contractors and employee compensation, are capitalized and depreciated over a 3-10 year estimated useful life.

## CLOUD COMPUTING ARRANGEMENTS

The Company's cloud computing arrangements that are service contracts ("CCAs") primarily relate to various enterprise resource planning systems, as well as other supporting systems. Implementation costs associated with CCAs are capitalized ("CCA assets") when incurred during the application development stage and generally included in *Other non-current assets* in the Consolidated Balance Sheets. CCA assets are amortized on a straight-line basis over the lesser of their assessed useful lives or the contractual term of the CCA contract, whichever is shorter, with amortization included in the same financial statement line item in the Consolidated Statement of Operations as the expense for fees in the associated CCA contract. As of December 31, 2023, CCA assets in-service have useful lives which range from approximately one year to six years. As of December 31, 2023 and 2022, CCA assets consisted of capitalized implementation costs of \$ 38.6 million and \$ 36.0 million, respectively and associated accumulated amortization of \$ 19.8 million and \$ 12.6 million, respectively. Changes in these assets are recorded in *Other assets* within operating activities in the Consolidated Statements of Cash Flows.

## IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets, which include property, plant and equipment, lease ROU assets, and capitalized implementation costs for cloud computing arrangements are tested for recoverability only when events or circumstances indicate the carrying value may not be recoverable. In these cases, the Company estimates the future undiscounted cash flows to be derived from the asset or asset group to determine whether the asset or asset group is recoverable. If the sum of the estimated future undiscounted cash flows is less than the carrying value of the asset or asset group, the Company recognizes an impairment loss, measured as the amount by which the carrying value exceeds the estimate of fair value.

Impairment charges of long-lived assets, if any, are classified as *SG&A expenses*. Impairment charges of goodwill and indefinite-lived intangible assets, if any, are classified as *Impairment of goodwill and intangible assets* in the Consolidated Statements of Operations.

## DEFINITE-LIVED INTANGIBLE ASSETS

Intangible assets that are determined to have finite lives are amortized using the straight-line method over their estimated useful lives and are measured for impairment only when events or circumstances indicate the carrying value may not be recoverable. Intangible assets with finite lives include patents, purchased technology and customer relationships and have estimated useful lives which range from approximately 3 to 10 years.

## INDEFINITE-LIVED INTANGIBLE ASSETS AND GOODWILL

The Company reviews and tests its indefinite-lived intangible assets with indefinite lives and goodwill for impairment in the fourth quarter of each year and when events or changes in circumstances indicate that it is more likely than not that the fair value of the asset or reporting unit is less than its carrying amount. The Company's intangible assets with indefinite lives consist of trademarks and trade names. In the impairment test for goodwill, the estimated fair value of the reporting unit is compared with the carrying amount of that reporting unit. In the impairment tests for trademarks and trade names indefinite-lived intangibles, the Company compares the estimated fair value of each asset to its carrying amount. In the impairment tests for goodwill, the estimated fair value of the reporting unit is compared with the carrying amount of that reporting unit. For goodwill and trademarks and trade names indefinite-lived intangible assets and goodwill, if the carrying amount exceeds its estimated fair value, the Company calculates an impairment as the excess of carrying amount over the estimate of fair value.

## LEASES

The Company leases, among other things, retail space, office space, warehouse facilities, storage space, vehicles, and equipment. Generally, the initial lease terms are between 5 and 10 years. Certain lease agreements contain scheduled rent escalation clauses and others include rental payments adjusted periodically depending on an index or rate. Certain retail space lease agreements provide for additional rents based on a percentage of annual sales in excess of stipulated minimums ("percentage rent"). Certain lease agreements require the Company to pay real estate taxes, insurance, common area maintenance, and other costs, collectively referred to as operating costs, in addition to base rent.

Certain lease agreements also contain lease incentives, such as tenant improvement allowances and rent holidays. Most leases include one or more options to renew, with renewal terms that can extend the lease term from one to 10 years or more. The exercise of lease renewal options is generally at the Company's sole discretion. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Company determines if an arrangement is or contains a lease at contract inception. The Company recognizes a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the unpaid lease payments at the lease commencement date. Key estimates and judgments include how the Company determines (1) the discount rate it uses to discount the unpaid lease payments to present value, (2) the lease term and (3) lease payments.

Unpaid lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs. Therefore, the Company generally uses its incremental borrowing rate as the discount rate for the lease. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. Because the Company does not generally borrow on a collateralized basis, it uses market-based rates as an input to derive an appropriate incremental borrowing rate, adjusted for the lease term and the effect on that rate of designating specific collateral with a value equal to the unpaid lease payments for that lease. The Company also contemplates adjusting the discount rate for the amount of the lease payments.

The Company's lease contracts may include options to extend the lease following the initial term or terminate the lease prior to the end of the initial term. In most instances, at the commencement of the leases, the Company has determined that it is not reasonably certain to exercise either of these options; accordingly, these options are generally not considered in determining the initial lease term. In instances where the Company exercises an option it had previously determined it was not reasonably certain to exercise, the Company reassesses any remaining options in the contract that it is reasonably certain to exercise in its measurement of the lease term.

For lease agreements entered into or reassessed after the adoption of Accounting Standards Codification ("ASC") 842, the Company has elected the practical expedient to account for the lease and non-lease components as a single lease component. Therefore, for those leases, the lease payments used to measure the lease liability include all of the fixed consideration in the contract.

Variable lease payments associated with the Company's leases are recognized upon occurrence of the event, activity, or circumstance in the lease agreement on which those payments are assessed. Variable lease payments are presented in the Company's Consolidated Statements of Operations in the same line item as expense arising from fixed lease payments, which is generally within *SG&A expenses*.

Leases with an initial term of 12 months or less are considered short-term leases and not recorded on the Consolidated Balance Sheets. The Company recognizes lease expense for short-term leases on a straight-line basis over the lease term.

For lease concessions related to the effects of the COVID-19 pandemic that provided a deferral of payments with no substantive changes to the consideration in the original contract, the Company continues to recognize expense during the deferral period. For concessions related to

the effects of the COVID-19 pandemic in the form of lease abatements, the reduced lease payments were accounted for as reductions to variable lease expense.

## INCOME TAXES

Income taxes are based on amounts of taxes payable or refundable in the current year and on expected future tax consequences of events that are recognized in the financial statements in different periods than they are recognized in tax returns. As a result of timing of recognition and measurement differences between financial accounting standards and income tax laws, temporary differences arise between amounts of pre-tax financial statement income and taxable income and between reported amounts of assets and liabilities in the Consolidated Balance Sheets and their respective tax bases. Deferred income tax assets and liabilities reported in the Consolidated Balance Sheets reflect estimated future tax effects attributable to these temporary differences and to net operating loss and net capital loss carryforwards, based on tax rates expected to be in effect for years in which the differences are expected to be settled or realized. Realization of deferred tax assets is dependent on future taxable income in specific jurisdictions. Valuation allowances are used to reduce deferred tax assets to amounts considered likely to be realized.

Accrued income taxes in the Consolidated Balance Sheets include unrecognized income tax benefits relating to uncertain tax positions, including related interest and penalties, appropriately classified as current or non-current. The Company recognizes the tax benefit from an uncertain tax position if it is more likely than not that the tax position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. In making this determination, the Company assumes that the taxing authority will examine the position and that it will have full knowledge of all relevant information. Changes in the Company's assessment may result in the recognition of a tax benefit or an additional charge to the tax provision in the period the assessment changes.

## DERIVATIVES

The effective portion of changes in the fair value of outstanding cash flow hedges is recorded in *Accumulated other comprehensive income (loss)* until earnings are affected by the hedged transaction, and any ineffective portion is included in earnings. In most cases, amounts recorded in *Accumulated other comprehensive income (loss)* will be released to earnings after maturity of the related derivative. The Consolidated Statements of Operations classification of effective hedge results is the same as that of the underlying exposure. Results of hedges of product costs are recorded in *Cost of sales* when the underlying hedged transactions affect earnings. Results of hedges of revenue are recorded in *Net sales* when the underlying hedged transactions affect earnings. Unrealized derivative gains and losses, which are recorded in assets and liabilities, respectively, are non-cash items and therefore are taken into account in the preparation of the Consolidated Statements of Cash Flows based on their respective balance sheet classifications.

## FOREIGN CURRENCY TRANSLATION

For the Company's subsidiaries whose functional currency is not the United States dollar, assets and liabilities have been translated into United States dollars using the exchange rates in effect at period end, and the sales and expenses have been translated into United States dollars using average exchange rates in effect during the period. The foreign currency translation adjustments are included as a component of *Accumulated other comprehensive income (loss)* in the Consolidated Balance Sheets.

## REVENUE RECOGNITION

Revenues are recognized when the Company's performance obligations are satisfied as evidenced by transfer of control of promised goods to customers or consumers, in an amount that reflects the consideration the Company expects to be entitled to receive in exchange for those goods or services. Within the Company's wholesale channel, control generally transfers to the customer upon shipment to, or upon receipt by, the customer depending on the terms of sale with the customer. Within the Company's direct-to-consumer ("DTC") channel, control generally transfers to the consumer at the time of sale within retail stores and concession-based arrangements and generally upon shipment to the consumer with respect to e-commerce transactions.

The amount of consideration the Company expects to be entitled to receive and recognize as *Net sales* across both wholesale and DTC channels varies with changes in sales returns, other accommodations and incentives offered. The Company estimates expected sales returns and other accommodations, such as chargebacks and markdowns, and records a sales reserve to reduce *Net sales*. These estimates are based on historical rates of product returns and claims, as well as events and circumstances that indicate changes to such historical rates are warranted. However, actual returns and claims in any future period are inherently uncertain and thus may differ from estimates. As a

result, the Company adjusts estimates of revenue at the earlier of when the most likely amount of consideration the Company expects to receive changes or when the amount of consideration becomes fixed. If actual or expected future returns and claims are significantly different than the sales reserves established, the Company records an adjustment to *Net sales* in the period in which it made such determination.

Licensing income, which is presented separately as *Net licensing income* on the Consolidated Statements of Operations and represents less than 1 % of total revenue, is recognized over time based on the greater of contractual minimum royalty guarantees and actual, or estimated, sales of licensed products by the Company's licensees.

The Company expenses sales commissions when incurred, which is generally at the time of sale, because the amortization period would have been one year or less. These costs are recorded within *SG&A expenses*.

Revenue recognized from contracts with customers is recorded net of sales taxes, value added taxes, or similar taxes that are collected on behalf of local taxing authorities.

### **Shipping and Handling Costs**

Fees for shipping and handling activities which are billed to customers and consumers are recorded as *Net Sales*. The Company has elected to account for shipping and handling activities that occur after a customer has obtained control of a good as fulfillment costs rather than an additional performance obligation. Freight costs associated with the shipment of goods to customers and consumers, including freight costs associated with the transfer of inventory within the Company's distribution network and to our retail stores, are recorded as *Cost of sales*.

Shipping and handling costs also include costs associated with the handling of inventory and warehousing costs associated with the operation of our owned distribution centers and third-party logistics providers are recorded as *SG&A expenses*, and were \$ 183.2 million, \$ 155.8 million and \$ 114.4 million for the years ended December 31, 2023, 2022 and 2021, respectively.

## **COST OF SALES**

*Cost of sales* consists of all direct costs to source and purchase inventory, including product costs, freight, duties and other importation costs, as well as specific provisions for excess, close-out or slow-moving inventory. In addition, certain products carry life-time or limited warranty provisions for defects in quality and workmanship. *Cost of sales* includes a warranty reserve established for these provisions at the time of sale to cover estimated costs based on the Company's history of warranty repairs and replacements.

## **SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

*SG&A expenses* consists of personnel-related costs, advertising, depreciation and amortization, occupancy, warehousing, and other selling and general operating expenses related to the Company's business functions.

## **STOCK-BASED COMPENSATION**

Stock-based compensation cost is estimated at the grant date based on the award's fair value. For stock options and service-based restricted stock units, stock-based compensation cost is recognized over the expected requisite service period using the straight-line attribution method. For performance-based restricted stock units, stock-based compensation cost is recognized based on the Company's assessment of the probability of achieving the related performance targets. The Company estimates forfeitures for stock-based awards granted, but which are not expected to vest.

## **ADVERTISING COSTS**

Advertising costs, including marketing and demand creation spending, are expensed in the period incurred and are included in *SG&A expenses*. The Company may reimburse its customers for certain marketing activities at the Company's discretion. The costs for such activities are recorded as advertising costs when the Company has determined a payment is in exchange for a distinct good or service and approximates the fair value of the good or service received. Total advertising expense was \$ 209.4 million, \$ 205.9 million and \$ 184.8 million for the years ended December 31, 2023, 2022 and 2021, respectively.

## **RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS**

None.

## RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

In November 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2023-07 ("ASU 2023-07"), Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. The amendments will require public entities to disclose significant segment expenses that are regularly provided to the chief operating decision maker and included within the reported measure of segment profit or loss, among other disclosure requirements. ASU 2023-07 is effective for annual periods beginning after December 15, 2023, and interim periods beginning after December 15, 2024, with early adoption permitted, and should be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the ASU to determine the impact on the Company's disclosures.

In December 2023, the FASB issued ASU No. 2023-09 ("ASU 2023-09"), Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which includes amendments that further enhance income tax disclosures, primarily through disaggregation of specific rate reconciliation categories and income taxes paid by jurisdiction. The amendments are effective for annual periods beginning after December 15, 2024, with early adoption permitted, and may be applied prospectively or retrospectively. The Company is currently evaluating the ASU to determine the impact on the Company's disclosures.

## NOTE 3 — REVENUES

### DISAGGREGATED REVENUE

As disclosed below in Note 17, the Company has four geographic reportable segments: United States ("U.S."), Latin America and Asia Pacific ("LAAP"), Europe, Middle East and Africa ("EMEA") and Canada.

The following tables disaggregate the Company's reportable segment *Net sales* by product category and channel, which the Company believes provides a meaningful depiction of how the nature, timing, and uncertainty of *Net sales* are affected by economic factors:

Year Ended December 31, 2023					
(in thousands)	U.S.	LAAP	EMEA	Canada	Total
<b>Product category net sales</b>					
Apparel, Accessories and Equipment	\$ 1,783,205	\$ 392,690	\$ 319,468	\$ 181,234	\$ 2,676,597
Footwear	458,232	127,064	149,769	75,541	810,606
Total	\$ 2,241,437	\$ 519,754	\$ 469,237	\$ 256,775	\$ 3,487,203
<b>Channel net sales</b>					
Wholesale	\$ 1,082,197	\$ 256,423	\$ 373,583	\$ 161,800	\$ 1,874,003
Direct-to-consumer	1,159,240	263,331	95,654	94,975	1,613,200
Total	\$ 2,241,437	\$ 519,754	\$ 469,237	\$ 256,775	\$ 3,487,203

Year Ended December 31, 2022					
(in thousands)	U.S.	LAAP	EMEA	Canada	Total
<b>Product category net sales</b>					
Apparel, Accessories and Equipment	\$ 1,829,389	\$ 354,000	\$ 303,731	\$ 173,911	\$ 2,661,031
Footwear	472,857	119,866	134,823	75,575	803,121
Total	\$ 2,302,246	\$ 473,866	\$ 438,554	\$ 249,486	\$ 3,464,152
<b>Channel net sales</b>					
Wholesale	\$ 1,114,337	\$ 225,932	\$ 364,598	\$ 162,773	\$ 1,867,640
Direct-to-consumer	1,187,909	247,934	73,956	86,713	1,596,512
Total	\$ 2,302,246	\$ 473,866	\$ 438,554	\$ 249,486	\$ 3,464,152

(in thousands)	Year Ended December 31, 2021				
	U.S.	LAAP	EMEA	Canada	Total
<b>Product category net sales</b>					
Apparel, Accessories and Equipment	\$ 1,624,542	\$ 347,071	\$ 263,432	\$ 154,109	\$ 2,389,154
Footwear	435,758	118,428	118,628	64,434	737,248
Total	\$ 2,060,300	\$ 465,499	\$ 382,060	\$ 218,543	\$ 3,126,402
<b>Channel net sales</b>					
Wholesale	\$ 983,799	\$ 215,448	\$ 317,104	\$ 144,008	\$ 1,660,359
Direct-to-consumer	1,076,501	250,051	64,956	74,535	1,466,043
Total	\$ 2,060,300	\$ 465,499	\$ 382,060	\$ 218,543	\$ 3,126,402

## PERFORMANCE OBLIGATIONS

For the years December 31, 2023, 2022 and 2021, *Net sales* recognized from performance obligations related to prior periods were not material. *Net sales* expected to be recognized in any future period related to remaining performance obligations is not material.

## CONTRACT BALANCES

As of December 31, 2023 and 2022, the Company did not have contract assets and had an immaterial amount of contract liabilities included in *Accrued liabilities* on the Consolidated Balance Sheets.

## NOTE 4 — CONCENTRATIONS

### TRADE RECEIVABLES

The Company had one customer that accounted for approximately 19.8 % and 13.8 % of *Accounts receivable, net* as of December 31, 2023 and 2022, respectively. No single customer accounted for 10% or more of *Net sales* for any of the years ended December 31, 2023, 2022 or 2021.

## NOTE 5 — PROPERTY, PLANT AND EQUIPMENT, NET

*Property, plant and equipment, net* consisted of the following:

(in thousands)	December 31,	
	2023	2022
Land and improvements	\$ 33,028	\$ 32,964
Buildings and improvements	226,510	211,495
Machinery, software and equipment	397,310	386,657
Furniture and fixtures	115,430	104,190
Leasehold improvements	176,731	162,210
Construction in progress	10,202	17,609
	959,211	915,125
Less accumulated depreciation	( 671,930 )	( 623,911 )
	<u>\$ 287,281</u>	<u>\$ 291,214</u>

Depreciation expense for *Property, plant and equipment, net* was \$ 56.4 million , \$ 53.1 million, and \$ 54.2 million for the years ended December 31, 2023, 2022 and 2021, respectively.

## NOTE 6 — INTANGIBLE ASSETS, NET AND GOODWILL

### INTANGIBLE ASSETS, NET

*Intangible assets, net* consisted of the following:

(in thousands)	December 31,	
	2023	2022
Intangible assets with definite lives:		
Patents and purchased technology	\$ 14,198	\$ 14,198
Customer relationships	23,000	23,000
Gross carrying amount	37,198	37,198
Accumulated amortization:		
Patents and purchased technology	( 14,198 )	( 14,198 )
Customer relationships	( 22,313 )	( 20,663 )
Accumulated amortization	( 36,511 )	( 34,861 )
Net carrying amount	687	2,337
Intangible assets with indefinite lives	79,221	79,221
Intangible assets, net	<u>\$ 79,908</u>	<u>\$ 81,558</u>

Amortization expense for intangible assets subject to amortization was \$ 1.7 million for each of the years ended December 31, 2023, 2022 and 2021.

For the year ended December 31, 2023, there was no impairment recorded for intangible assets with indefinite lives. For the year ended December 31, 2022, an impairment charge of \$ 18.7 million was recorded for the impairment of prAna's trademark and trade name (collectively, "trademark"), which is an indefinite-lived intangible asset recorded in the U.S. segment. The impairment of the prAna trademark was determined as part of the annual impairment test. The decline in estimated fair value from the fourth quarter 2021 impairment test

reflected a decline in forecasted revenue, a lower estimated royalty rate, and a slightly higher discount rate. For the year ended December 31, 2021, there was no impairment recorded for intangible assets with indefinite lives.

The following table presents the remaining estimated annual amortization expense of intangible assets with definite lives:

(in thousands)

2024	\$	687
2025 and thereafter	\$	—

## GOODWILL

The following table sets forth the changes in *Goodwill*.

(in thousands)

Balance as of December 31, 2021		
Gross	\$	73,208
Accumulated impairment losses		( 4,614 )
Carrying value		68,594
Impairment losses during 2022		
		( 16,900 )
Balance as of December 31, 2022		
Gross		73,208
Accumulated impairment losses		( 21,514 )
Carrying value		51,694
Impairment losses during 2023		
		( 25,000 )
Balance as of December 31, 2023		
Gross		73,208
Accumulated impairment losses		( 46,514 )
Carrying value	\$	26,694

Substantially all of the Company's goodwill is recorded in the U.S. segment.

For the years ended December 31, 2023 and 2022, the impairment of goodwill attributable to the prAna reporting unit was determined as part of the annual impairment test. The Company estimated the fair value of the prAna reporting unit using a combination of discounted cash flow analysis and market-based valuation methods. Key assumptions used in the discounted cash flow models included the cash flow projections and the discount rate. Cash flow projections are developed in part from our annual planning process. The discount rate reflected the estimated weighted-average cost of capital of the reporting unit from a market-participant perspective. The market-based valuation methods to estimate fair value of the reporting units utilized market multiples for guideline public companies. For the year ended December 31, 2023 an impairment charge of \$ 25.0 million was recorded. The decline in estimated fair value from the fourth quarter 2022 impairment test reflected an increase in the weighted-average cost of capital used in the discounted cash flow model and lower operating income levels. For the year ended December 31, 2022, an impairment charge of \$ 16.9 million was recorded. The decline in estimated fair value from the fourth quarter 2021 impairment test reflected lower assumed revenue and operating income levels, while the weighted-average cost of capital used in the discounted cash flow model remained relatively unchanged.

For the year ended December 31, 2021, there was no impairment recorded for goodwill.



## NOTE 7 — SHORT-TERM BORROWINGS AND CREDIT LINES

### DOMESTIC CREDIT FACILITY

The Company has an unsecured, committed revolving credit facility (the "Credit Facility") that provides for up to \$ 500.0 million of borrowings, which is available for working capital and general corporate purposes, including a sublimit for the issuance of letters of credit. The Credit Facility matures on July 12, 2027. Interest, generally payable monthly, is based on the Company's option of either the secured overnight financing rate ("SOFR") plus an applicable margin or a base rate. Base rate is defined as the highest of the following, plus an applicable margin:

- the administrative agent's prime rate;
- the higher of the federal funds rate or overnight bank funding rate set by the Federal Reserve Bank of New York, plus 0.50%; or
- the one-month SOFR plus 1.00%.

The applicable margin for SOFR loans will range from 1.00% to 1.50% based on the Company's funded debt ratio. The applicable margin for base rate loans will range from 0.00% to 0.50% based on the Company's funded debt ratio. A commitment fee ranging from 0.10% to 0.20% based on the Company's funded debt ratio is paid quarterly on the average daily unused commitment amount of the Credit Facility.

The agreement for the Credit Facility requires the Company to comply with a financial covenant to maintain a certain funded debt ratio. In addition, the agreement includes customary covenants that, among other things, limit or restrict the ability of the Company and its subsidiaries to incur additional indebtedness and liens, engage in mergers, acquisitions and dispositions, and engage in transactions with affiliates, as well as restrict the amount of certain payments, including dividends and share buybacks in the event the Company's funded debt ratio is greater than a set amount.

As of December 31, 2023, the Company was in compliance with all associated covenants. As of December 31, 2023 and 2022, there was no balance outstanding.

### INTERNATIONAL CREDIT FACILITIES

The Company's European subsidiary has available an unsecured, committed line of credit, which is guaranteed by the Company, and provides for borrowing up to a maximum of € 4.4 million (approximately US\$ 4.9 million) as of December 31, 2023, with borrowings to accrue interest at a base rate plus 75 basis points.

As of December 31, 2023 and 2022 there was no balance outstanding.

## NOTE 8 — ACCRUED LIABILITIES

*Accrued liabilities* consisted of the following:

(in thousands)	December 31,	
	2023	2022
Sales reserves	\$ 103,907	\$ 115,366
Accrued salaries, bonus, paid time off and other benefits	72,726	99,524
Accrued import duties	18,741	30,847
Taxes other than income taxes payable	18,706	23,262
Product warranties	11,620	13,810
Other	46,358	45,950
	<u>\$ 272,058</u>	<u>\$ 328,759</u>

A reconciliation of product warranties is as follows:

(in thousands)	Year Ended December 31,		
	2023	2022	2021
Balance at beginning of year	\$ 13,810	\$ 13,645	\$ 14,745
Provision for warranty claims	877	3,627	2,179
Warranty claims	( 3,075 )	( 3,163 )	( 2,917 )
Other	8	( 299 )	( 362 )
Balance at end of year	\$ 11,620	\$ 13,810	\$ 13,645

## NOTE 9 — LEASES

The components of lease cost consisted of the following:

(in thousands)	Year Ended December 31,		
	2023	2022	2021
Operating lease cost	\$ 83,866	\$ 76,650	\$ 71,996
Variable lease cost	65,376	63,537	67,745
Short term lease cost	10,117	5,775	5,612
	\$ 159,359	\$ 145,962	\$ 145,353

For the year ended December 31, 2023, there were no impairments recorded for ROU assets related to underperforming retail locations or gains from lease termination negotiations or settlements related to previous store closures. For the year ended December 31, 2022, operating lease costs included \$ 0.8 million of ROU asset impairment charges related to underperforming retail locations, as well as a gain of \$ 4.8 million from the completion of lease termination negotiations and settlements related to certain retail store closures in 2020 and 2022, primarily in the U.S. segment. For the year ended December 31, 2021, operating lease costs included \$ 0.5 million of ROU asset impairment charges related to underperforming retail locations primarily in the EMEA. segment, as well as a gain of \$ 8.6 million from the completion of lease termination negotiations and settlements related to certain 2020 retail store closures, primarily in the U.S. segment.

In the periods presented, lease concessions reducing variable lease expense were not material.

The following table presents supplemental cash flow information related to leases:

(in thousands)	Year Ended December 31,		
	2023	2022	2021
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 85,793	\$ 81,130	\$ 83,827
Operating lease liabilities arising from obtaining ROU assets <sup>(1)</sup>	\$ 83,393	\$ 51,976	\$ 53,168
Reductions to ROU assets resulting from reductions to operating lease liabilities	\$ 234	\$ 52	\$ 118

<sup>(1)</sup> Includes amounts added to the carrying amount of lease liabilities resulting from lease modifications and reassessments.

The following table presents supplemental balance sheet information related to leases:

	December 31,	
	2023	2022
Weighted average remaining lease term	5.45 years	6.02 years
Weighted average discount rate	4.42 %	4.21 %

The following table presents the future maturities of operating lease liabilities as of December 31, 2023:

(in thousands)

2024	\$	86,610
2025		81,884
2026		74,278
2027		63,143
2028		55,021
Thereafter		106,339
Total operating lease payments		467,275
Less: imputed interest		( 59,417 )
Total operating lease liabilities		407,858
Less: current operating lease liabilities		( 71,086 )
Non-current operating lease liabilities	\$	336,772

As of December 31, 2023, the Company has additional commitments for operating lease that have not yet commenced of \$ 3.8 million. These leases will commence in 2024 with lease terms of approximately one to ten years.

## NOTE 10 — INCOME TAXES

### INCOME TAX PROVISION

Consolidated income from operations before income taxes consisted of the following:

(in thousands)	Year Ended December 31,		
	2023	2022	2021
United States operations	\$ 125,578	\$ 243,695	\$ 318,306
Foreign operations	200,614	153,715	133,205
Income before income tax	\$ 326,192	\$ 397,410	\$ 451,511

The components of the provision for income taxes consisted of the following:

(in thousands)	Year Ended December 31,		
	2023	2022	2021
Current:			
Federal	\$ 39,939	\$ 52,503	\$ 51,790
State and local	6,879	11,191	14,429
Non-United States	33,109	25,615	33,825
	79,927	89,309	100,044
Deferred:			
Federal	( 5,492 )	( 13,248 )	( 3,042 )
State and local	( 1,589 )	( 710 )	( 266 )
Non-United States	1,946	10,619	667
	( 5,135 )	( 3,339 )	( 2,641 )
Income tax expense	\$ 74,792	\$ 85,970	\$ 97,403

The following is a reconciliation of the statutory federal income tax rate to the effective rate reported in the financial statements:

(percent of income before tax)	Year Ended December 31,		
	2023	2022	2021
Provision for federal income taxes at the statutory rate	21.0 %	21.0 %	21.0 %
State and local income taxes, net of federal benefit	1.2	1.6	2.5
Non-United States income taxed at different rates	( 1.4 )	( 0.4 )	2.7
Foreign tax credits	—	—	( 2.4 )
Adjustment to deferred taxes	—	0.1	—
Global Intangible Low-Taxed Income	0.9	0.1	0.1
Research credits	( 0.7 )	( 0.4 )	( 0.4 )
Withholding taxes	1.0	0.2	( 1.4 )
Excess tax benefits from stock plans	0.1	—	( 0.9 )
Other	0.8	( 0.6 )	0.4
Actual provision for income taxes	22.9 %	21.6 %	21.6 %

## DEFERRED INCOME TAX BALANCES

Significant components of the Company's deferred taxes consisted of the following:

(in thousands)	December 31,	
	2023	2022
<b>Deferred tax assets:</b>		
Accruals and allowances	\$ 29,585	\$ 31,957
Lease liability	103,551	89,742
Capitalized inventory costs	20,589	26,147
Sales reserves	16,559	16,897
Stock compensation	9,166	7,659
Net operating loss carryforwards	1,720	18,778
Depreciation and amortization	20,335	15,463
Capitalized research and development expenditures <sup>(1)</sup>	17,008	8,530
Tax credits	860	2,751
Other	2,471	2,372
Gross deferred tax assets	221,844	220,296
Valuation allowance	( 7,141 )	( 19,649 )
Net deferred tax assets	214,703	200,647
<b>Deferred tax liabilities:</b>		
Depreciation and amortization	( 879 )	( 5,844 )
Prepaid expenses	( 3,315 )	( 2,892 )
ROU lease asset	( 90,756 )	( 78,274 )
Deferred tax liability associated with future repatriations	( 11,657 )	( 11,267 )
Foreign currency	( 2,588 )	( 8,351 )
Gross deferred tax liabilities	( 109,195 )	( 106,628 )
Total net deferred taxes	\$ 105,508	\$ 94,019

<sup>(1)</sup> Capitalized research and development expenditures balance as of December 31, 2022 were previously classified as Other.

The Company records net deferred tax assets to the extent it believes these assets will more likely than not be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. The Company had foreign net operating loss carryforwards of \$ 8.2 million as of December 31, 2023, of which \$ 7.9 million have a 15-year carryforward period and \$ 0.3 million have an unlimited carryforward period. As of December 31, 2023 and 2022, the net operating losses result in deferred tax assets of \$ 1.7 million and \$ 18.8 million, respectively, and were subject to a valuation allowance of \$ 0.0 million and \$ 18.8 million, respectively. Due to a foreign reorganization, the \$ 18.8 million net operating losses and related valuation allowance as of December 31, 2022 were written off as the losses were no longer available to offset income.

As of December 31, 2023, the Company had a foreign deferred tax asset of \$ 9.4 million, which is subject to a valuation allowance of \$ 7.0 million.

As of December 31, 2023, the Company had accumulated undistributed earnings generated by the Company's foreign subsidiaries of \$ 299.6 million. These earnings have been subject to U.S. tax, so any further taxes associated with such earnings would generally be limited to foreign withholding and state taxes. The Company has recorded a deferred tax liability for these, except in the jurisdictions where the Company intends to indefinitely reinvest the earnings.

## UNRECOGNIZED TAX BENEFITS

The Company conducts business globally and, as a result, the Company or one or more of its subsidiaries file income tax returns in the United States federal jurisdiction and various state and foreign jurisdictions. The Company is subject to examination by taxing authorities throughout the world, including such major jurisdictions as Canada, China, France, Japan, South Korea, Switzerland, and the United States. The Company has effectively settled Canadian tax examinations of all years through 2018, United States tax examinations of all years through 2018, Japanese tax examinations of all years through 2019, France tax examinations of all years through 2016, Swiss tax examinations of all years through 2019, Italy tax examinations of all years through 2016, and China tax examinations of all years through 2018. The Korean National Tax Service concluded an audit of the Company's 2009 through 2013 corporate income tax returns in 2014, an audit of the Company's 2014 corporate income tax return in 2016, and an audit of 2016 through 2020 corporate income tax returns in 2022. Due to the nature of the findings in the 2009 through 2014 audits, the Company has invoked the Mutual Agreement Procedures outlined in the United States-Korean income tax treaty. The Company does not anticipate that adjustments relative to these findings, or any other ongoing tax audits, will result in material impacts to its financial condition, results of operations or cash flows. Other than the findings and audits previously noted, the Company is not currently under examination in any other major jurisdiction.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

(in thousands)	Year Ended December 31,		
	2023	2022	2021
Balance at beginning of year	\$ 10,177	\$ 13,855	\$ 14,493
Increases related to prior year tax positions	578	234	355
Decreases related to prior year tax positions	—	( 1,646 )	( 1,447 )
Increases related to current year tax positions	1,376	1,355	883
Expiration of statute of limitations	( 1,813 )	( 3,621 )	( 429 )
Balance at end of year	<u>\$ 10,318</u>	<u>\$ 10,177</u>	<u>\$ 13,855</u>

Due to the potential for resolution of income tax audits currently in progress, and the expiration of various statutes of limitation, it is reasonably possible that the unrecognized tax benefits balance may change within the twelve months following December 31, 2023 by a range of zero to \$ 1.7 million. Open tax years, including those previously mentioned, contain matters that could be subject to differing interpretations of applicable tax laws and regulations as they relate to the amount, timing, or inclusion of revenue and expenses or the sustainability of income tax credits for a given examination cycle.

Unrecognized tax benefits of \$ 9.2 million, \$ 9.2 million and \$ 12.9 million would affect the effective tax rate if recognized as of December 31, 2023, 2022 and 2021, respectively.

The Company recognizes interest expense and penalties related to income tax matters in *Income tax expense*. The Company recognized a net increase of accrued interest and penalties of \$ 2.7 million in 2023, and a net decrease of accrued interest and penalties of \$ 0.8 million in

2022 and a net increase of accrued interest and penalties of \$ 0.3 million in 2021, all of which related to uncertain tax positions. The Company had \$ 4.5 million and \$ 1.8 million of accrued interest and penalties related to uncertain tax positions as of December 31, 2023 and 2022, respectively.

## NOTE 11 — RETIREMENT SAVINGS PLANS

### 401(K) PROFIT-SHARING PLAN

The Company has a 401(k) profit-sharing plan, which covers substantially all United States employees. Participation begins the first day of the quarter following completion of 30 days of service. The Company, with approval of the Board of Directors, may elect to make discretionary matching or non-matching contributions. Costs recognized for Company contributions to the plan were \$ 15.6 million, \$ 13.3 million and \$ 10.7 million for the years ended December 31, 2023, 2022 and 2021, respectively.

### DEFERRED COMPENSATION PLAN

The Company sponsors a nonqualified retirement savings plan for certain senior management employees whose contributions to the tax qualified 401(k) plan would be limited by provisions of the Internal Revenue Code. This plan allows participants to defer receipt of a portion of their salary and incentive compensation and to receive matching contributions for a portion of the deferred amounts. Costs recognized for Company matching contributions to the plan were immaterial for the years ended December 31, 2023, 2022 and 2021. Participants earn a return on their deferred compensation based on investment earnings of participant-selected investments. Deferred compensation, including accumulated earnings on the participant-directed investment selections, is distributable in cash at participant-specified dates or upon retirement, death, disability, or termination of employment.

The Company has purchased specific money market and mutual funds in the same amounts as the participant-directed investment selections underlying the deferred compensation liabilities. These investment securities and earnings thereon, held in an irrevocable trust, are intended to provide a source of funds to meet the deferred compensation obligations, subject to claims of creditors in the event of the Company's insolvency. Changes in the market value of the participants' investment selections are recorded as an adjustment to the investments and as gains and losses in *SG&A expenses*. A corresponding adjustment of an equal amount is made to the deferred compensation liabilities and compensation expense, which is included in *SG&A expenses*.

As of December 31, 2023 and 2022, the long-term portion of the liability to participants under this plan was \$ 26.6 million and \$ 20.5 million, respectively, and was recorded in *Other long-term liabilities*. As of December 31, 2023 and 2022, the current portion of the participant liability was \$ 1.2 million and \$ 0.7 million, respectively, and was recorded in *Accrued liabilities*. As of December 31, 2023 and 2022, the fair value of the long-term portion of the investments related to this plan was \$ 26.6 million and \$ 20.5 million, respectively, and was recorded in *Other non-current assets*. As of December 31, 2023 and 2022, the current portion of the investments related to this plan was \$ 1.2 million and \$ 0.7 million, respectively, and was recorded in *Short-term investments*.

## NOTE 12 — COMMITMENTS AND CONTINGENCIES

### LITIGATION

The Company is involved in litigation and various legal matters arising in the normal course of business, including matters related to employment, retail, intellectual property, contractual agreements, and various regulatory compliance activities. Management has considered facts related to legal and regulatory matters and opinions of counsel handling these matters, and does not believe the ultimate resolution of these proceedings will have a material adverse effect on the Company's financial position, results of operations or cash flows.

### INDEMNITIES AND GUARANTEES

During its normal course of business, the Company has made certain indemnities, commitments and guarantees under which it may be required to make payments in relation to certain transactions. These include (i) intellectual property indemnities to the Company's customers and licensees in connection with the use, sale or license of Company products, (ii) indemnities to various lessors in connection with facility leases for certain claims arising from such facility or lease, (iii) indemnities to customers, vendors and service providers pertaining to claims based on the negligence or willful misconduct of the Company, (iv) executive severance arrangements, and (v) indemnities involving the accuracy of representations and warranties in certain contracts. The duration of these indemnities, commitments and guarantees varies, and

in certain cases, may be indefinite. The majority of these indemnities, commitments and guarantees do not provide for any limitation of the maximum potential for future payments the Company could be obligated to make. The Company has not recorded any liability for these indemnities, commitments and guarantees in the accompanying Consolidated Balance Sheets.

## NOTE 13 — SHAREHOLDERS' EQUITY

Since the inception of the Company's stock repurchase plan in 2004 through December 31, 2023, the Company's Board of Directors has authorized the repurchase of \$ 2.0 billion of the Company's common stock, excluding excise tax. Shares of the Company's common stock may be purchased in the open market or through privately negotiated transactions, subject to market conditions, and generally settle subsequent to the trade date. The repurchase program does not obligate the Company to acquire any specific number of shares or to acquire shares over any specified period of time.

Under this program as of December 31, 2023, the Company had repurchased 34.1 million shares at an aggregate purchase price of \$ 1,654.7 million and had \$ 345.3 million remaining available, excluding excise tax. During the years ended December 31, 2023 and 2022, the Company repurchased an aggregate of \$ 184.0 million and \$ 286.9 million, respectively, of common stock under this program, excluding excise tax.

## NOTE 14 — STOCK-BASED COMPENSATION

At its Annual Meeting held on June 3, 2020, the Company's shareholders approved the Company's 2020 Stock Incentive Plan (the "2020 Plan"), and the 2020 Plan became effective on that date following such approval. The 2020 Plan replaced the Company's 1997 Stock Incentive Plan (the "Prior Plan") and no new awards will be granted under the Prior Plan. The terms and conditions of the awards granted under the Prior Plan will remain in effect with respect to awards granted under the Prior Plan. The Company has reserved 3.0 million shares of common stock for issuance under the 2020 Plan, plus up to an aggregate of 1.5 million shares of the Company's common stock that were previously authorized and available for issuance under the Prior Plan. As of December 31, 2023, 2,552,993 shares were available for future grants under the 2020 Plan.

The Company's Stock Incentive Plan allows for grants of incentive stock options, non-statutory stock options, restricted stock awards, restricted stock units, and other stock-based or cash-based awards. The Company uses original issuance shares to satisfy share-based payments.

### STOCK-BASED COMPENSATION EXPENSE

Stock-based compensation expense consisted of the following:

(in thousands)	Year Ended December 31,		
	2023	2022	2021
Cost of sales	\$ 311	\$ 312	\$ 313
SG&A expenses	22,740	20,709	18,813
Pre-tax stock-based compensation expense	23,051	21,021	19,126
Income tax benefits	( 5,365 )	( 4,867 )	( 4,465 )
Total stock-based compensation expense, net of tax	\$ 17,686	\$ 16,154	\$ 14,661

The Company realized a tax benefit for the deduction from stock-based award transactions of \$ 3.9 million, \$ 3.6 million and \$ 8.3 million for the years ended December 31, 2023, 2022 and 2021, respectively.

### STOCK OPTIONS

Options to purchase the Company's common stock are granted at exercise prices equal to or greater than the fair market value of the Company's common stock on the date of grant. Options generally vest and become exercisable ratably on an annual basis over a period of four years and expire ten years from the date of the grant.

The fair value of stock options is determined using the Black-Scholes model. Key inputs and assumptions used in the model include the

exercise price of the award, the expected option term, the expected stock price volatility of the Company's stock over the option's expected term, the risk-free interest rate over the option's expected term, and the Company's expected annual dividend yield. The option's expected term is derived from historical option exercise behavior and the option's terms and conditions, which the Company believes provide a reasonable basis for estimating an expected term. The expected volatility is estimated based on observations of the Company's historical volatility over the most recent term commensurate with the expected term. The risk-free interest rate is based on the United States Treasury yield approximating the expected term. The dividend yield is based on the expected cash dividend payouts.

The weighted average assumptions for stock options granted and resulting fair value is as follows:

	Year Ended December 31,		
	2023	2022	2021
Expected option term	4.39 years	4.36 years	4.35 years
Expected stock price volatility	27.37 %	25.38 %	24.88 %
Risk-free interest rate	4.03 %	1.72 %	0.54 %
Expected annual dividend yield	1.36 %	1.26 %	1.09 %
Weighted average grant date fair value per stock option granted	\$ 22.61	\$ 18.33	\$ 17.95

The following table summarizes stock option activity under the Plan:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value <sup>(1)</sup> (in thousands)
Options outstanding as of December 31, 2020	1,919,163	\$ 74.45	7.19	\$ 29,489
Granted	687,772	95.90		
Forfeited or expired	( 213,444 )	89.96		
Exercised	( 459,957 )	62.58		
Options outstanding as of December 31, 2021	1,933,534	83.19	7.26	29,889
Granted	561,295	89.25		
Forfeited or expired	( 223,813 )	91.09		
Exercised	( 116,109 )	56.75		
Options outstanding as of December 31, 2022	2,154,907	85.37	7.02	13,929
Granted	500,219	88.39		
Forfeited or expired	( 246,104 )	90.60		
Exercised	( 129,008 )	57.00		
Options outstanding as of December 31, 2023	<u>2,280,014</u>	\$ 87.08	6.72	\$ 10,051
Options vested and expected to vest as of December 31, 2023	2,208,014	\$ 87.01	6.66	\$ 9,979
Options exercisable as of December 31, 2023	1,250,833	\$ 84.88	5.48	\$ 9,038

<sup>(1)</sup> The aggregate intrinsic value above represents pre-tax intrinsic value that would have been realized if all options had been exercised on the last business day of the period indicated, based on the Company's closing stock price on that day.

Stock option compensation expense was \$ 8.2 million, \$ 7.8 million and \$ 6.9 million for the years ended December 31, 2023, 2022 and 2021, respectively. As of December 31, 2023, unrecognized costs related to outstanding stock options totaled \$ 13.0 million, before any related tax benefit. The unrecognized costs related to stock options are being amortized over the related vesting period using the straight-line attribution method. These unrecognized costs related to stock options are being amortized over a weighted average period of 2.26 years. The aggregate intrinsic value of stock options exercised was \$ 3.0 million, \$ 3.4 million and \$ 19.2 million for the years ended December 31, 2023, 2022 and 2021, respectively. The total cash received as a result of stock option exercises was \$ 7.4 million, \$ 6.6 million and \$ 28.8 million for the years ended December 31, 2023, 2022 and 2021, respectively.



## RESTRICTED STOCK UNITS

Service-based restricted stock units are granted at no cost to key employees and generally vest over a period of four years. Performance-based restricted stock units are granted at no cost to certain members of the Company's senior executive team, excluding the Chief Executive Officer. Performance-based restricted stock units granted after 2009 generally vest over a performance period of between two and three years. Restricted stock units vest in accordance with the terms and conditions established by the Compensation Committee of the Board of Directors, and are based on continued service and, in some instances, on individual performance or Company performance or both.

The fair value of service-based and performance-based restricted stock units that are not eligible for dividends are valued at the closing price of the Company's common stock on the date of grant, reduced by the present value of dividends not received during the vesting period. Other assumptions incorporated into the grant date fair value include the vesting period and the Company's expected annual dividend yield.

The weighted average assumptions for restricted stock units granted and resulting fair value are as follows:

	Year Ended December 31,		
	2023	2022	2021
Vesting period	3.74 years	3.71 years	3.77 years
Expected annual dividend yield	1.38 %	1.31 %	1.04 %
Weighted average grant date fair value per restricted stock unit granted	\$ 82.49	\$ 85.27	\$ 96.07

The following table summarizes the restricted stock unit activity under the Plan:

	Number of Restricted Stock Units	Weighted Average Grant Date Fair Value Per Unit
Restricted stock units outstanding as of December 31, 2020	425,275	\$ 80.37
Granted	176,804	96.07
Vested <sup>(1)</sup>	( 164,088 )	75.61
Forfeited	( 68,399 )	86.38
Restricted stock units outstanding as of December 31, 2021	369,592	88.88
Granted	247,860	85.27
Vested <sup>(1)</sup>	( 141,674 )	87.64
Forfeited	( 64,925 )	89.29
Restricted stock units outstanding as of December 31, 2022	410,853	87.07
Granted	289,172	82.49
Vested <sup>(1)</sup>	( 158,616 )	86.38
Forfeited	( 62,394 )	85.11
Restricted stock units outstanding as of December 31, 2023	479,015	\$ 84.79

<sup>(1)</sup> The number of vested units includes shares withheld by the Company to pay up to maximum statutory requirements to taxing authorities on behalf of the employee. For the years ended December 31, 2023, 2022 and 2021, the Company withheld 52,615 , 47,130 and 56,792 shares, respectively, to satisfy \$ 4.7 million, \$ 4.2 million and \$ 5.8 million of employees' tax obligations, respectively.

Restricted stock unit compensation expense was \$ 14.9 million, \$ 13.2 million and \$ 12.2 million for the years ended December 31, 2023, 2022 and 2021, respectively. As of December 31, 2023, unrecognized costs related to restricted stock units totaled \$ 25.1 million, before any related tax benefit. The unrecognized costs related to restricted stock units are being amortized over the related vesting period using the straight-line attribution method. These unrecognized costs as of December 31, 2023 are expected to be recognized over a weighted average period of 2.33 years. The total grant date fair value of restricted stock units vested was \$ 13.7 million, \$ 12.4 million and \$ 12.4 million during the years ended December 31, 2023, 2022 and 2021, respectively.

## NOTE 15 — EARNINGS PER SHARE

Earnings per share ("EPS") is presented on both a basic and diluted basis. Basic EPS is based on the weighted average number of common shares outstanding. Diluted EPS reflects the potential dilution that could occur if outstanding securities or other contracts to issue common stock were exercised or converted into common stock.

A reconciliation of the common shares used in the denominator for computing basic and diluted EPS is as follows:

(in thousands, except per share amounts)	Year Ended December 31,		
	2023	2022	2021
Weighted average common shares outstanding, used in computing basic earnings per share	61,232	62,754	65,942
Effect of dilutive stock options and restricted stock units	192	216	473
Weighted average common shares outstanding, used in computing diluted earnings per share	61,424	62,970	66,415
Earnings per share:			
Basic	\$ 4.11	\$ 4.96	\$ 5.37
Diluted	\$ 4.09	\$ 4.95	\$ 5.33
Anti-dilutive common shares <sup>(1)</sup>	1,996	1,735	844

<sup>(1)</sup> Common stock related to stock options and service-based restricted stock units, and performance-based restricted stock units were outstanding but were excluded from the computation of diluted EPS because their effect would be anti-dilutive under the treasury stock method or because the shares were subject to performance conditions that had not been met.

## NOTE 16 — ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive income (loss) on the Consolidated Balance Sheets is net of applicable taxes, and consists of unrealized gains and losses on available-for-sale securities, unrealized gains and losses on certain derivative transactions and foreign currency translation adjustments.

The following tables set forth the changes in *Accumulated other comprehensive income (loss)*:

<i>(in thousands)</i>	Available-for-sale securities	Derivative transactions	Foreign currency translation adjustments	Total
Balance as of December 31, 2020	\$ —	\$ ( 9,369 )	\$ 10,175	\$ 806
Other comprehensive income (loss) before reclassifications	—	16,113	( 24,465 )	( 8,352 )
Amounts reclassified from accumulated other comprehensive income (loss) <sup>(1)</sup>	—	3,170	—	3,170
Net other comprehensive income (loss)	—	19,283	( 24,465 )	( 5,182 )
Balance as of December 31, 2021	—	9,914	( 14,290 )	( 4,376 )
Other comprehensive income (loss) before reclassifications	( 451 )	20,724	( 38,137 )	( 17,864 )
Amounts reclassified from accumulated other comprehensive income (loss) <sup>(1)</sup>	451	( 8,848 )	—	( 8,397 )
Net other comprehensive income (loss)	—	11,876	( 38,137 )	( 26,261 )
Balance as of December 31, 2022	\$ —	\$ 21,790	\$ ( 52,427 )	\$ ( 30,637 )
Other comprehensive income (loss) before reclassifications	145	( 849 )	2,757	2,053
Amounts reclassified from accumulated other comprehensive income (loss) <sup>(1)</sup>	—	( 17,252 )	—	( 17,252 )
Net other comprehensive income (loss)	145	( 18,101 )	2,757	( 15,199 )
Balance as of December 31, 2023	\$ 145	\$ 3,689	\$ ( 49,670 )	\$ ( 45,836 )

<sup>(1)</sup> Amounts reclassified are recorded in *Net sales*, *Cost of sales*, or *Other non-operating income, net* on the Consolidated Statements of Operations. Refer to Note 18 for further information regarding reclassifications.

## NOTE 17 — SEGMENT INFORMATION

The Company has four reportable geographic segments: U.S., LAAP, EMEA, and Canada, which are reflective of the Company's internal organization, management and oversight structure. Each geographic segment operates predominantly in one industry: the design, development, marketing, and distribution of outdoor, active and lifestyle products, including apparel, footwear, accessories, and equipment. Intersegment net sales and intersegment profits, which are recorded at a negotiated mark-up and eliminated in consolidation, are not material. Unallocated corporate expenses consist of expenses incurred by centrally-managed departmental functions, including consumer digital technology, certain supply chain functions, finance, human resources and legal, as well as executive compensation, unallocated benefit program expense, goodwill and intangible asset impairment charges and other miscellaneous costs.

The following tables present financial information for the Company's reportable segments:

(in thousands)	Year Ended December 31,		
	2023	2022	2021
Net sales to unrelated entities:			
U.S.	\$ 2,241,437	\$ 2,302,246	\$ 2,060,300
LAAP	519,754	473,866	465,499
EMEA	469,237	438,554	382,060
Canada	256,775	249,486	218,543
	<u>\$ 3,487,203</u>	<u>\$ 3,464,152</u>	<u>\$ 3,126,402</u>
Segment operating income:			
U.S.	\$ 415,731	\$ 519,812	\$ 536,475
LAAP	61,824	47,025	42,025
EMEA	98,943	80,192	65,496
Canada	55,599	52,957	52,731
Total segment operating income	632,097	699,986	696,727
Unallocated corporate expenses	( 321,813 )	( 306,882 )	( 246,223 )
Interest income, net	13,687	2,713	1,380
Other non-operating income (expense), net	2,221	1,593	( 373 )
Income before income tax	<u>\$ 326,192</u>	<u>\$ 397,410</u>	<u>\$ 451,511</u>
Depreciation and amortization expense:			
U.S.	\$ 21,429	\$ 20,428	\$ 21,098
LAAP	5,440	4,984	5,733
EMEA	3,545	3,066	3,423
Canada	2,616	2,461	2,586
Unallocated corporate expense	25,033	23,813	23,082
	<u>\$ 58,063</u>	<u>\$ 54,752</u>	<u>\$ 55,922</u>

(in thousands)	December 31,	
	2023	2022
Accounts receivable, net:		
U.S.	\$ 206,119	\$ 280,199
LAAP	71,236	87,391
EMEA	104,871	107,626
Canada	40,853	72,345
	<u>\$ 423,079</u>	<u>\$ 547,561</u>
Inventories:		
U.S.	\$ 487,860	\$ 747,762
LAAP	106,785	105,158
EMEA	89,303	98,777
Canada	62,340	76,848
	<u>\$ 746,288</u>	<u>\$ 1,028,545</u>
Property, plant and equipment, net:		
U.S.	\$ 226,243	\$ 233,382
Canada	25,174	25,350
All other countries	35,864	32,482
	<u>\$ 287,281</u>	<u>\$ 291,214</u>

## NOTE 18 — FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

In the normal course of business, the Company's financial position, results of operations and cash flows are routinely subject to a variety of risks. These risks include risks associated with financial markets, primarily currency exchange rate risk and, to a lesser extent, interest rate risk and equity market risk. The Company regularly assesses these risks and has established policies and business practices designed to mitigate them. The Company does not engage in speculative trading in any financial market.

The Company actively manages the risk of changes in functional currency equivalent cash flows resulting from anticipated non-functional currency denominated purchases and sales. Subsidiaries that use European euros, Canadian dollars, Japanese yen, Chinese renminbi, or Korean won as their functional currency are primarily exposed to changes in functional currency equivalent cash flows from anticipated United States dollar inventory purchases. Subsidiaries that use United States dollars and euros as their functional currency also have non-functional currency denominated sales for which the Company hedges the Canadian dollar and British pound sterling. The Company seeks to manage these risks by using currency forward contracts formally designated and effective as cash flow hedges. Hedge effectiveness is generally determined by evaluating the ability of a hedging instrument's cumulative change in fair value to offset the cumulative change in the present value of expected cash flows on the underlying exposures. Time value components ("forward points") for forward contracts are included in the fair value of the cash flow hedge. These costs or benefits will be included in *Accumulated other comprehensive income (loss)* until the underlying hedge transaction is recognized in either *Net sales* or *Cost of sales*, at which time, the forward points will also be recognized as a component of *Net income*.

The Company also uses currency forward contracts not formally designated as hedges to manage the consolidated currency exchange rate risk associated with the remeasurement of non-functional currency denominated monetary assets and liabilities by subsidiaries that use United States dollars, euros, Canadian dollars, yen, renminbi, or won as their functional currency. Non-functional currency denominated monetary assets and liabilities consists of cash and cash equivalents, short-term investments, receivables, payables, deferred income taxes, and intercompany loans and dividends. The gains and losses generated on these currency forward contracts not formally designated as hedges are expected to be largely offset in *Other non-operating income, net* by the gains and losses generated from the remeasurement of the non-functional currency denominated monetary assets and liabilities.

The following table presents the gross notional amount of outstanding derivative instruments:

(in thousands)	December 31,	
	2023	2022
Derivative instruments designated as cash flow hedges:		
Currency forward contracts	\$ 634,676	\$ 514,365
Derivative instruments not designated as hedges:		
Currency forward contracts	\$ 342,532	\$ 448,838

As of December 31, 2023, \$8.1 million of deferred net gains on both outstanding and matured derivatives recorded in *Accumulated other comprehensive income (loss)* are expected to be reclassified to *Net income* during the next twelve months as a result of underlying hedged transactions also being recorded in *Net sales, Cost of sales, or Other non-operating income, net* in the Consolidated Statements of Operations. When outstanding derivative contracts mature, actual amounts ultimately reclassified to *Net sales, Cost of sales, or Other non-operating income, net* in the Consolidated Statements of Operations are dependent on United States dollar exchange rates in effect against the euro, pound sterling, renminbi, Canadian dollar, won, and yen as well as the euro exchange rate in effect against the pound sterling.

As of December 31, 2023, the Company's derivative contracts had a remaining maturity of less than three years. The maximum net exposure to any single counterparty, which is generally limited to the aggregate unrealized gain of all contracts with that counterparty, was \$ 2.9 million as of December 31, 2023. All of the Company's derivative counterparties have credit ratings that are investment grade or higher. The Company is a party to master netting arrangements that contain features that allow counterparties to net settle amounts arising from multiple separate derivative transactions or net settle in the case of certain triggering events such as a bankruptcy or major default of one of the counterparties to the transaction. The Company has not pledged assets or posted collateral as a requirement for entering into or maintaining derivative positions.

The following table presents the balance sheet classification and fair value of derivative instruments:

(in thousands)	Balance Sheet Classification	December 31,	
		2023	2022
Derivative instruments designated as cash flow hedges:			
Derivative instruments in asset positions:			
Currency forward contracts	Prepaid expenses and other current assets	\$ 7,367	\$ 20,306
Currency forward contracts	Other non-current assets	961	7,153
Derivative instruments in liability positions:			
Currency forward contracts	Accrued liabilities	4,121	1,249
Currency forward contracts	Other long-term liabilities	2,629	1,770
Derivative instruments not designated as cash flow hedges:			
Derivative instruments in asset positions:			
Currency forward contracts	Prepaid expenses and other current assets	2,833	3,027
Derivative instruments in liability positions:			
Currency forward contracts	Accrued liabilities	2,269	2,533

The following table presents the statement of operations effect and classification of derivative instruments:

	Statement Of Operations Classification	Year Ended December 31,		
(in thousands)		2023	2022	2021
Currency Forward Contracts:				
Derivative instruments designated as cash flow hedges:				
Gain (loss) recognized in other comprehensive income (loss), net of tax	—	\$ ( 849 )	\$ 20,724	\$ 16,113
Gain (loss) reclassified from accumulated other comprehensive income (loss) to income for the effective portion	Net sales	60	( 146 )	( 448 )
Gain (loss) reclassified from accumulated other comprehensive income (loss) to income for the effective portion	Cost of sales	23,307	12,100	( 4,072 )
Gain reclassified from accumulated other comprehensive income (loss) to income as a result of cash flow hedge discontinuance	Other non-operating income, net	521	320	451
Derivative instruments not designated as cash flow hedges:				
Loss recognized in income	Other non-operating income, net	( 1,822 )	( 1,955 )	( 608 )

## NOTE 19 — FAIR VALUE MEASURES

Certain assets and liabilities are reported at fair value on either a recurring or nonrecurring basis. Fair value is defined as an exit price, representing the amount that the Company would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants, under a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value as follows:

- Level 1 — observable inputs such as quoted prices for identical assets or liabilities in active liquid markets;
- Level 2 — inputs, other than the quoted market prices in active markets, that are observable, either directly or indirectly; or observable market prices in markets with insufficient volume or infrequent transactions; and
- Level 3 — unobservable inputs for which there is little or no market data available, that require the reporting entity to develop its own assumptions.

The Company's assets and liabilities measured at fair value are categorized as Level 1 or Level 2 instruments. Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Level 2 instrument valuations are obtained from inputs, other than quoted market prices in active markets, that are directly or indirectly observable in the marketplace and quoted prices in markets with limited volume or infrequent transactions.

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2023 are as follows:

<i>(in thousands)</i>	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash equivalents:				
Money market funds	\$ 75,758	\$ —	\$ —	\$ 75,758
U.S. Government treasury bills	—	9,977	—	9,977
Time deposits <sup>(1)</sup>	—	40,876	—	40,876
Short-term investments:				
Available-for-sale short-term investments: <sup>(2)</sup>				
U.S. Government treasury bills	—	412,987	—	412,987
Other short-term investments:				
Money market funds	314	—	—	314
Mutual fund shares	884	—	—	884
Prepaid expenses and other current assets:				
Derivative financial instruments	—	10,200	—	10,200
Other non-current assets:				
Money market funds	1,796	—	—	1,796
Mutual fund shares	24,808	—	—	24,808
Derivative financial instruments	—	961	—	961
Total assets measured at fair value	\$ 103,560	\$ 475,001	\$ —	\$ 578,561
<b>Liabilities:</b>				
Accrued liabilities:				
Derivative financial instruments	\$ —	\$ 6,390	\$ —	\$ 6,390
Other long-term liabilities:				
Derivative financial instruments	—	2,629	—	2,629
Total liabilities measured at fair value	\$ —	\$ 9,019	\$ —	\$ 9,019

<sup>(1)</sup> Time deposits are carried at amortized cost on the Consolidated Balance Sheet, which reasonably approximates fair value.

<sup>(2)</sup> Available-for-sale short-term investments have remaining maturities of less than one year.



Assets and liabilities measured at fair value on a recurring basis as of December 31, 2022 are as follows:

<i>(in thousands)</i>	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash equivalents:				
Money market funds	\$ 120,481	\$ —	\$ —	\$ 120,481
Short-term investments:				
Money market funds	80	—	—	80
Mutual fund shares	642	—	—	642
Prepaid expenses and other current assets:				
Derivative financial instruments	—	23,333	—	23,333
Other non-current assets:				
Money market funds	1,456	—	—	1,456
Mutual fund shares	19,026	—	—	19,026
Derivative financial instruments	—	7,153	—	7,153
<b>Total assets measured at fair value</b>	<b>\$ 141,685</b>	<b>\$ 30,486</b>	<b>\$ —</b>	<b>\$ 172,171</b>
<b>Liabilities:</b>				
Accrued liabilities:				
Derivative financial instruments	\$ —	\$ 3,782	\$ —	\$ 3,782
Other long-term liabilities:				
Derivative financial instruments	—	1,770	—	1,770
<b>Total liabilities measured at fair value</b>	<b>\$ —</b>	<b>\$ 5,552</b>	<b>\$ —</b>	<b>\$ 5,552</b>

## NON-RECURRING FAIR VALUE MEASUREMENTS

The Company measured the fair value of certain trademark indefinite-lived intangible assets and goodwill as part of impairment testing for the year ended December 31, 2023. The inputs used to measure the fair value of these assets are primarily significant unobservable inputs and, as such, considered Level 3 fair value measurements. Refer to Note 6 in Part II, Item 8 in the Annual Report on Form 10-K for further discussion.

## **ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

## **ITEM 9A. CONTROLS AND PROCEDURES**

### **EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES**

We have evaluated, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of the end of the period covered by this report. These disclosure controls and procedures require information to be disclosed in our Exchange Act reports to be (1) recorded, processed, summarized, and reported in a timely manner and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer.

Based on our evaluation, we, including our Chief Executive Officer and Chief Financial Officer, have concluded that as of December 31, 2023 our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

### **MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we have assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control - Integrated Framework (2013)*. Based on our assessment, we, including our Chief Executive Officer and Chief Financial Officer, have concluded our internal control over financial reporting is effective as of December 31, 2023.

The effectiveness of our internal control over financial reporting as of December 31, 2023 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in its report, which is included in Part II, Item 8 in this Annual Report on Form 10-K.

### **CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING**

There have not been any changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **ITEM 9B. Other Information**

### **Securities Trading Plans**

On November 9, 2023, Sabrina L. Simmons, a director, adopted a written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) (the "Plan") related to 2,093 restricted stock units (the "Award"). The Plan calls for the disposition of (a) 25% of the Award on the day after the shares have vested and (b) 33% of the remaining Award on the second day after the shares have vested. The Plan will expire on the earlier of (a) May 17, 2024, (b) the first date on which all trades have been executed, or (c) as soon as practicable following the date of any written notices resulting in plan termination.

No other "Rule 10b5-1 trading arrangements" or "non-Rule 10b5-1 trading arrangements" (as each term is defined by Regulation S-K Item 408(a)) were entered into or terminated by our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) during the fourth quarter of 2023.

## **ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

## PART III

### **ITEM 10. DIRECTORS, EXECUTIVES OFFICERS AND CORPORATE GOVERNANCE**

The sections of our 2024 Proxy Statement entitled "PROPOSAL 1: ELECTION OF DIRECTORS," "CORPORATE GOVERNANCE - Oversight Documents - Code of Business Conduct and Ethics," and "CORPORATE GOVERNANCE - Board Structure - Committees" are incorporated herein by reference.

Information regarding our executive officers is included in Part I under "Information About Our Executive Officers" of this Annual Report on Form 10-K.

### **ITEM 11. EXECUTIVE COMPENSATION**

The sections of our 2024 Proxy Statement entitled "EXECUTIVE COMPENSATION," "DIRECTOR COMPENSATION," "CORPORATE GOVERNANCE - Board Structure - Committees - Compensation Committee - Compensation Committee Interlocks and Insider Participation" and "COMPENSATION COMMITTEE REPORT" are incorporated herein by reference.

### **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The sections of our 2024 Proxy Statement entitled "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT" and "EQUITY COMPENSATION PLAN INFORMATION" are incorporated herein by reference.

### **ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The sections of our 2024 Proxy Statement entitled "PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM - Principal Accountant Fees and Services" and "PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM - Pre-Approval Policy" are incorporated herein by reference.

## PART IV

### ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

**(a)(1) and (a)(2) Financial Statements** | The Financial Statements of Columbia and Supplementary Data filed as part of this Annual Report on Form 10-K are on pages 34 to 69 of this Annual Report on Form 10-K. The financial statement schedule required to be filed by Item 8 of this Annual Report on Form 10-K and paragraph (b) of this Item 15 is included below.

**(a)(3)** | See Exhibit Index below for a description of the documents that are filed as Exhibits to this Annual Report on Form 10-K or incorporated herein by reference.

Schedule II					
Valuation and Qualifying Accounts					
(in thousands)	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions <sup>(1)</sup>	Other <sup>(2)</sup>	Balance at End of Period
<b>Allowance for doubtful accounts:</b>					
Year Ended December 31, 2023	\$ 5,443	\$ 3,143	\$ ( 2,795 )	\$ ( 341 )	\$ 5,450
Year Ended December 31, 2022	\$ 8,893	\$ ( 2,044 )	\$ ( 980 )	\$ ( 426 )	\$ 5,443
Year Ended December 31, 2021	\$ 21,810	\$ ( 10,758 )	\$ ( 210 )	\$ ( 1,949 )	\$ 8,893

<sup>(1)</sup> Charges to the accounts included in this column are for the purposes for which the reserves were created.

<sup>(2)</sup> Amounts included in this column primarily relate to foreign currency translation.

### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The sections of our 2024 Proxy Statement entitled "CORPORATE GOVERNANCE - Certain Relationships and Related Person Transaction" and "CORPORATE GOVERNANCE - Board Structure - Independence" are incorporated herein by reference.

### EXHIBIT INDEX

In reviewing the agreements included as exhibits to this Annual Report on Form 10-K, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about Columbia or the other parties to the agreements. The agreements may contain representations and warranties by each of the parties to the applicable agreement.

These representations and warranties have been made solely for the benefit of the other party or parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a means of allocating the risk to one of the parties if those statements prove to be inaccurate;
- may have been qualified by disclosures that were made to the other party or parties in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a manner that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or other date or dates that may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about Columbia may be found elsewhere in this Annual Report on Form 10-K and Columbia's other public filings, which are available without charge through the SEC's website at <http://www.sec.gov>.

<b>Exhibit No.</b>	<b>Exhibit Name</b>
3.1	<a href="#">Third Restated Articles of Incorporation (incorporated by reference to exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2000) (File No. 000-23939).</a>
3.1(a)	<a href="#">Amendment to Third Restated Articles of Incorporation (incorporated by reference to exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2002) (File No. 000-23939).</a>
3.1(b)	<a href="#">Second Amendment to Third Restated Articles of Incorporation (incorporated by reference to exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018) (File No. 000-23939).</a>
3.2	<a href="#">2023 Amended and Restated Bylaws of Columbia Sportswear Company (incorporated by reference to exhibit 3.2 to the Company's Form 8-K filed on February 1, 2023) (File No. 000-23939).</a>
4.1	See Article II of Exhibit 3.1, as amended, and Article I of Exhibit 3.2.
4.2	<a href="#">Description of the Registrant's Securities Registered under Section 12 of the Exchange Act of 1934.</a>
+ 10.1	<a href="#">Columbia Sportswear Company 1997 Stock Incentive Plan, as amended (incorporated by reference to exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017) (File No. 000-23939).</a>
+ 10.2	<a href="#">Subscription and Shareholders' Agreement, dated August 6, 2012, by and among CSMM Hong Kong Limited, SCCH Limited, Columbia Sportswear Company and Swire Resources Limited (incorporated by reference to exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2012) (File No. 000-23939).</a>
10.3	<a href="#">Share Purchase Agreement, dated April 28, 2014, by and among Columbia Sportswear Company, prAna Living, LLC, the Shareholders of prAna Living, LLC and Steelpoint Capital Advisors, LLC as the shareholder representative (incorporated by reference to exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2014) (File No. 000-23939).</a>
+ 10.4	<a href="#">Employment Offer Letter from Columbia Sportswear Company to Franco Fogliato (incorporated by reference to exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017) (File No. 000-23939).</a>
+ 10.5(a)	<a href="#">Form of Nonstatutory Stock Option Agreement for stock options granted on or after January 23, 2009 (incorporated by reference to exhibit 10.2(e) to the Company's Annual Report on Form 10-K for the year ended December 31, 2008) (File No. 000-23939).</a>
+ 10.5(b)	<a href="#">Form of Nonstatutory Stock Option Agreement for stock options granted on or after June 7, 2012 (incorporated by reference to exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012) (File No. 000-23939).</a>
+ 10.5(c)	<a href="#">Form of Nonstatutory Stock Option Agreement for stock options granted on or after July 20, 2017 (incorporated by reference to exhibit 10.2(m) to the Company's Annual Report on Form 10-K for the year ended December 31, 2017) (File No. 000-23939).</a>
+ 10.5(d)	<a href="#">Form of Nonstatutory Stock Option Agreement for stock options granted on or after January 24, 2019 (incorporated by reference to exhibit 10.5(e) to the Company's annual Report on Form 10-K for the year ended December 31, 2018) (File No. 000-23939).</a>
+ 10.6	<a href="#">Form of Restricted Stock Unit Award Agreement for restricted stock units granted on or after June 7, 2012 (incorporated by reference to exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012) (File No. 000-23939).</a>
+ 10.6(a)	<a href="#">Form of Restricted Stock Unit Award Agreement for restricted stock units granted on or after July 20, 2017 (incorporated by reference to exhibit 10.2(l) to the Company's Annual Report on Form 10-K for the year ended December 31, 2017) (File No. 000-23939).</a>
+ 10.6(b)	<a href="#">Form of Restricted Stock Unit Award Agreement for restricted stock units granted on or after January 24, 2019 (incorporated by reference to exhibit 10.6(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 2018) (File No. 000-23939).</a>
+ 10.7	<a href="#">Columbia Sportswear Company 401(k) Excess Plan (incorporated by reference to exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2009) (File No. 000-23939).</a>
+ 10.7(a)	<a href="#">Columbia Sportswear Company 401(k) Excess Plan, as amended (incorporated by reference to exhibit 10.7(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 2018) (File No. 000-23939).</a>
+ 10.7(b)	<a href="#">Columbia Sportswear Company 401(k) Excess Plan, as amended (incorporated by reference to exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020) (File No. 000-23939).</a>
+ 10.8	<a href="#">Columbia Sportswear Company 401(k) Excess Retirement Plan (incorporated by reference to exhibit 10.8 to the Company's Annual Report on Form 10-K for the year ended December 31, 2021) (File No. 000-23939).</a>
+ 10.9	<a href="#">Form of Performance-based Restricted Stock Unit Award Agreement for performance-based restricted stock units granted on or after December 17, 2013 (incorporated by reference to exhibit 10.2(l) to the Company's Annual Report on Form 10-K for the year ended December 31, 2013) (File No. 000-23939).</a>
+ 10.9(a)	<a href="#">Form of Performance-based Restricted Stock Unit Award Agreement for performance-based restricted stock units granted on or after January 24, 2019 (incorporated by reference to exhibit 10.8(a) to the Company's Annual Report on Form 10-K for the year ended December 31, 2018) (File No. 000-23939).</a>
+ 10.10	<a href="#">Form of Long-Term Incentive Cash Award Agreement for cash awards granted under the Company's 1997 Stock Incentive Plan, on or after December 17, 2013 (incorporated by reference to exhibit 10.2(m) to the Company's Annual Report on Form 10-K for the year ended December 31, 2013) (File No. 000-23939).</a>
+ 10.10(a)	<a href="#">Form of Long-Term Incentive Cash Award Agreement for cash awards granted under the Company's 1997 Stock Incentive Plan on or after January 24, 2019 (incorporated by reference to exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019) (File No. 000-23939).</a>
+ 10.11	<a href="#">Long Term Cash Incentive Plan of Columbia Sportswear Company, effective January 1, 2019 (incorporated by reference to exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019) (File No. 000-23939).</a>







<b>Exhibit No.</b>	<b>Exhibit Name</b>
+ 10.12	<a href="#"><u>Form of Long-Term Incentive Cash Award Agreement for cash awards granted under the Company's Long-Term Incentive Cash Plan granted on or after January 1, 2019 (incorporated by reference to exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019) (File No. 000-23939).</u></a>
+ 10.13	<a href="#"><u>Executive Incentive Compensation Plan, as amended (incorporated by reference to exhibit 10.3 to the Company's Quarterly report on Form 10-Q for the quarterly period ended March 31, 2019) (File No. 000-23939).</u></a>
+ 10.14	<a href="#"><u>Executive Incentive Compensation Plan, effective January 1, 2024.</u></a>
+ 10.15	<a href="#"><u>Columbia Sportswear Company Second Amendment Change in Control Severance Plan (incorporated by reference to exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2017) (File No. 000-23939).</u></a>
10.16	<a href="#"><u>Amended and Restated Credit Agreement dated April 17, 2019 among Columbia Sportswear Company, Wells Fargo Bank, National Association, as the administrative agent for the lenders and as a lender, and Bank of America, N.A., as a lender (incorporated by reference to the Company's Form 8-K filed on April 22, 2019) (File No. 000-23939).</u></a>
10.17	<a href="#"><u>First Amendment to Amended and Restated Credit Agreement dated March 26, 2020, among Columbia Sportswear Company, Wells Fargo Bank, National Association, as the administrative agent for the lenders and as a lender, and Bank of America, N.A., as a lender (incorporated by reference to exhibit 10.1 to the Company's Form 8-K filed on April 1, 2020) (File No. 000-23939).</u></a>
10.18	<a href="#"><u>Second Amended and Restated Credit Agreement dated April 15, 2020, among Columbia Sportswear Company, Wells Fargo Bank, National Association, as the administrative agent for the lenders and as a lender, and Bank of America, N.A., as a lender (incorporated by reference to exhibit 10.1 to the Company's Form 8-K filed on April 16, 2020) (File No. 000-23939).</u></a>
10.19	<a href="#"><u>First Amendment to Second Amended and Restated Credit Agreement, entered into as of July 10, 2020, among Columbia Sportswear Company, Wells Fargo Bank, National Association, as the administrative agent for the lenders and as a lender, and Bank of America, N.A., as a lender (incorporated by reference to exhibit 10.1 to the Company's Form 8-K filed on July 14, 2020) (File No. 000-23939).</u></a>
10.20	<a href="#"><u>Credit Agreement dated December 30, 2020, among Columbia Sportswear Company, JPMorgan Chase Bank, National Association, as the administrative agent for the lenders and as a lender, and the other lenders party thereto (incorporated by reference to exhibit 10.1 to the Company's Form 8-K filed on January 4, 2021) (File No. 000-23939).</u></a>
10.21	<a href="#"><u>Credit Agreement dated July 12, 2022, among Columbia Sportswear Company, JPMorgan Chase Bank, National Association, as the administrative agent for the lenders and as a lender, and the other lenders party thereto. (incorporated by reference to exhibit 10.1 to the Company's Form 8-K, filed on July 18, 2022) (File No. 000-23939).</u></a>
* 10.22	<a href="#"><u>Form of Indemnity Agreement for Directors (incorporated by reference to exhibit 10.17 to the Company's Registration Statement Filed on Form S-1 filed on December 24, 1997) (File No. 333-43199).</u></a>
+ 10.22(a)	<a href="#"><u>Form of Indemnity Agreement for Directors and Executive Officers (incorporated by reference to exhibit 10.23 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004) (File No. 000-23939).</u></a>
+ 10.23	<a href="#"><u>1999 Employee Stock Purchase Plan, as amended (incorporated by reference to exhibit 10.21 to the Company's Annual Report on Form 10-K for the year ended December 31, 2001) (File No. 000-23939).</u></a>
+ 10.24	<a href="#"><u>Tax Differential on Supplemental Wages Agreement, dated November 1, 2019, by and between Columbia Sportswear Company and Franco Fogliato (incorporated by reference to exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019) (File No. 000-23939).</u></a>
10.25	<a href="#"><u>Columbia Sportswear 2020 Stock Incentive Plan ("2020 Stock Incentive Plan") (incorporated by reference to Exhibit 99.1 to the Registrant's Registration Statement on Form S-8, filed on June 4, 2020) (File No. 333-238935).</u></a>
10.26	<a href="#"><u>Form of Nonstatutory Stock Option Agreement for stock options granted under the Company's 2020 Stock Incentive Plan (incorporated by reference to exhibit 10.2 to the Company's Form 8-K, filed on June 4, 2020) (File No. 000-23939).</u></a>
10.27	<a href="#"><u>Form of Nonstatutory Stock Option Agreement for stock options granted under the Company's 2020 Stock Incentive Plan, on or after February 13, 2024.</u></a>
10.28	<a href="#"><u>Form of Restricted Stock Units Award Agreement for restricted stock units granted under the Company's 2020 Stock Incentive Plan (incorporated by reference to exhibit 10.3 to the Company's Form 8-K, filed on June 4, 2020) (File No. 000-23939).</u></a>
10.29	<a href="#"><u>Form of Performance-Based Restricted Stock Units Award Agreement for performance-based restricted stock units granted under the Company's 2020 Stock Incentive Plan (incorporated by reference to exhibit 10.4 to the Company's Form 8-K, filed on June 4, 2020) (File No. 000-23939).</u></a>
10.30	<a href="#"><u>Form of Long-Term Incentive Cash Award Agreement for cash awards granted under the Company's 2020 Stock Incentive Plan (incorporated by reference to exhibit 10.5 to the Company's Form 8-K, filed on June 4, 2020) (File No. 000-23939).</u></a>
10.31	<a href="#"><u>Form of Long-Term Incentive Cash Award Agreement for cash awards granted under the Company's 2020 Stock Incentive Plan on or after April 21, 2022 (incorporated by reference to exhibit 10.29 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022) (File No. 000-23939).</u></a>
10.32	<a href="#"><u>Form of Performance-Based Restricted Stock Units Award Agreement for performance-based restricted stock units granted under the Company's 2020 Stock Incentive Plan on or after April 21, 2022 (incorporated by reference to exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 2022) (File No. 000-23939).</u></a>
10.33	<a href="#"><u>Form of Restricted Stock Units Award Agreement for restricted stock units granted under the Company's 2020 Stock Incentive Plan, on or after February 13, 2024.</u></a>
10.34	<a href="#"><u>Columbia Sportswear Company Third Amendment Change in Control Severance Plan (incorporated by reference to exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023) (File No. 000-23939).</u></a>
21.1	<a href="#"><u>Subsidiaries of the Company.</u></a>

<b><u>Exhibit No.</u></b>	<b><u>Exhibit Name</u></b>
23.1	<a href="#">Consent of Deloitte &amp; Touche LLP.</a>
31.1	<a href="#">Rule 13a-14(a) Certification of Timothy P. Boyle, Chairman, President and Chief Executive Officer.</a>
31.2	<a href="#">Rule 13a-14(a) Certification of Jim A. Swanson, Executive Vice President and Chief Financial Officer.</a>
32.1	<a href="#">Section 1350 Certification of Timothy P. Boyle, Chairman, President and Chief Executive Officer.</a>
32.2	<a href="#">Section 1350 Certification of Jim A. Swanson, Executive Vice President and Chief Financial Officer.</a>
97.1	<a href="#">Columbia Sportswear Company 2023 Incentive Compensation Recovery Policy</a>
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File, formatted as Inline XBRL and contained in Exhibit 101

+ Management Contract or Compensatory Plan

† Confidential treatment has been granted for certain portions omitted from this exhibit pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended. Confidential portions of this exhibit have been separately filed with the Securities and Exchange Commission.

\* Incorporated by reference to the Company's Registration Statement on Form S-1 (Reg. No. 333-43199).

## ITEM 16. FORM 10-K SUMMARY

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### COLUMBIA SPORTSWEAR COMPANY

Date: February 26, 2024

By: /s/ JIM A. SWANSON

Jim A. Swanson

Executive Vice President and Chief Financial Officer

(Duly Authorized Officer and Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

SIGNATURE	TITLE
<u>/s/ TIMOTHY P. BOYLE</u> Timothy P. Boyle	<i>Chairman, President and Chief Executive Officer (Principal Executive Officer)</i>
<u>/s/ JIM A. SWANSON</u> Jim A. Swanson	<i>Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)</i>
<u>/s/ STEPHEN E. BABSON</u> Stephen E. Babson	<i>Director</i>
<u>/s/ ANDY D. BRYANT</u> Andy D. Bryant	<i>Director</i>
<u>/s/ JOHN W. CULVER</u> John W. Culver	<i>Director</i>
<u>/s/ CHARLES D. DENSON</u> Charles D. Denson	<i>Director</i>
<u>/s/ KEVIN MANSELL</u> Kevin Mansell	<i>Director</i>
<u>/s/ RONALD E. NELSON</u> Ronald E. Nelson	<i>Director</i>
<u>/s/ SABRINA L. SIMMONS</u> Sabrina L. Simmons	<i>Director</i>
<u>/s/ CHRISTIANA SMITH SHI</u> Christiana Smith Shi	<i>Director</i>
<u>/s/ MALIA H. WASSON</u> Malia H. Wasson	<i>Director</i>

Date: February 26, 2024

**DESCRIPTION OF THE REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

As of February 26, 2024, Columbia Sportswear Company (the "Company") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), our common stock ("Common Stock").

**Description of Common Stock**

The following description of Common Stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our Third Restated Articles of Incorporation and the amendments thereto (collectively, the "Articles of Incorporation") and our 2023 Amended and Restated Bylaws (the "Bylaws"), each of which are incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.2 is a part. We encourage you to read our Articles of Incorporation, our Bylaws and the applicable provisions of The Oregon Business Corporation Act, Chapter 60 of the Oregon Revised Statutes (the "OBCA"), for additional information.

**Authorized Capital Shares**

Our authorized capital shares consist of 250,000,000 shares of Common Stock and 10,000,000 shares of preferred stock ("Preferred Stock"). The outstanding shares of Common Stock are fully paid and nonassessable.

**Voting Rights**

Holders of Common Stock are entitled to one vote per share on any matter submitted to the shareholders and do not have any cumulative voting rights.

**Dividend Rights**

Subject to the preferential rights of holders of Preferred Stock, if any, holders of Common Stock are entitled to receive dividends as may from time to time be declared by the Board of Directors of the Company (the "Board") out of funds legally available therefor. From time to time, our credit facilities may restrict or prohibit the paying of dividends without our lender's consent.

**Liquidation Rights**

On dissolution of the Company, after any preferential amount with respect to Preferred Stock has been paid or set aside, the holders of Common Stock and the holders of any series of Preferred Stock, if any, entitled to participate in the distribution of assets are entitled to receive the net assets of the Company.

**Other Rights and Preferences**

Holders of Common Stock have no preemptive, conversion, redemption or sinking fund rights.

**Anti-takeover Effects of Certain Provisions of the Articles of Incorporation and Bylaws**

The provisions of the Company's Articles and Bylaws summarized below may have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt.

*Authorized but Unissued Securities*

The existence of authorized but unissued shares of Common Stock may enable the Board to render more difficult or to discourage an attempt to obtain control of the Company by means of a merger, tender offer or otherwise.

In addition, the Board has the authority to issue Preferred Stock in one or more series and to fix the number of shares constituting any such series and the preferences, limitations and relative rights, including dividend rights, dividend rate, voting rights, terms of redemption, redemption price or prices, conversion rights and liquidation preferences of the shares constituting any series, without any further vote or action by the shareholders of the Company. The potential issuance of Preferred Stock may have the effect of delaying or preventing a change in control of the Company.

*No Cumulative Voting*

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The Articles of Incorporation do not grant holders of the Common Stock the right to vote cumulatively. The absence of cumulative voting could have the effect of preventing shareholders holding a minority of the Company's shares from obtaining representation on the Board.

#### *Notice Provisions Relating to Shareholder Proposals and Nominees*

The Company's Bylaws contain provisions requiring shareholders give advance written notice to the Company of a proposal or director nomination in order to have the proposal or the nominee considered at an annual meeting of shareholders. The notice for a shareholder proposal must be received at least 90 days, and no earlier than 120 days, before the first anniversary of the date of the proxy statement for the preceding year's annual meeting; provided, however, that if the date of the annual meeting is more than 30 days before or more than 70 days after the anniversary date, notice by the shareholder to be timely must be so delivered no earlier than 120 days before the annual meeting and no later than the later of 90 days prior to such annual meeting or 10 days following the day on which public announcement of the date of such meeting is first made by the Company. The Bylaws also specify the form and content of a shareholder's notice. These provisions may prevent shareholders from bringing matters before an annual meeting of shareholders or from nominating candidates for election as directors at an annual meeting of shareholders.

#### *Calling a Shareholder Meeting*

Special meetings of the shareholders, for any purposes, unless otherwise prescribed by statute, may only be called by the President or the Board.

#### *Oregon Control Share and Business Combination Statutes*

The Company is subject to the Oregon Control Share Act (the "Control Share Act"). The Control Share Act generally provides that a person (the "Acquiror") who acquires voting stock of an Oregon corporation in a transaction (other than a transaction in which voting shares are acquired from the issuing public corporation) that results in the Acquiror holding more than 20%, 33 1/3% or 50% of the total voting power of the corporation (a "Control Share Acquisition") cannot vote the shares it acquires in the Control Share Acquisition ("control shares") unless voting rights are accorded to the control shares by (i) a majority of each voting group entitled to vote and (ii) the holders of a majority of the outstanding voting shares, excluding the control shares held by the Acquiror and shares held by the Company's officers and inside directors. The term "Acquiror" is broadly defined to include persons acting as a group.

The Acquiror may, but is not required to, submit to the Company a statement setting forth certain information about the Acquiror and its plans with respect to the Company. The statement may also request that the Company call a special meeting of shareholders to determine whether voting rights will be accorded to the control shares. If the Acquiror does not request a special meeting of shareholders, the issue of voting rights of control shares will be considered at the next annual or special meeting of shareholders. If the Acquiror's control shares are accorded voting rights and represent a majority or more of all voting power, shareholders who do not vote in favor of voting rights for the control shares will have the right to receive the appraised "fair value" of their shares, which may not be less than the highest price paid per share by the Acquiror for the control shares.

The Company is also subject to sections 60.825 to 60.845 of the OBCA, which govern business combinations between corporations and interested shareholders (the "Business Combination Act"). The Business Combination Act generally provides that if a person or entity acquires 15% or more of the outstanding voting stock of an Oregon corporation (an "Interested Shareholder"), the corporation and the Interested Shareholder, or any affiliated entity of the Interested Shareholder, may not engage in certain business combination transactions for three years following the date the person became an Interested Shareholder. Business combination transactions for this purpose include (a) a merger or plan of share exchange, (b) any sale, lease, mortgage or other disposition of 10% or more of the assets of the corporation and (c) certain transactions that result in the issuance or transfer of capital stock of the corporation to the Interested Shareholder. These restrictions do not apply if (i) the Interested Shareholder, as a result of the transaction in which such person became an Interested Shareholder, owns at least 85% of the outstanding voting stock of the corporation (disregarding shares owned by directors who are also officers and certain employee benefit plans), (ii) the board of directors approves the business combination or the transaction that resulted in the shareholder becoming an Interested Shareholder before the Interested Shareholder acquires 15% or more of the corporation's voting stock or (iii) the board of directors and the holders of at least two-thirds of the outstanding voting stock of the corporation (disregarding shares owned by the Interested Shareholder) approve the business combination after the Interested Shareholder acquires 15% or more of the corporation's voting stock.

The Control Share Act and the Business Combination Act have anti-takeover effects because they will encourage any potential acquirer to negotiate with the Company's Board and will also discourage potential acquirers unwilling to comply with the provisions of these laws.

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An Oregon corporation may provide in its articles of incorporation or bylaws that the laws described above do not apply to its shares. The Company has not adopted such a provision.

**Listing**

The Common Stock is traded on The Nasdaq Stock Market LLC under the trading symbol "COLM."

**Transfer Agents and Registrar**

The transfer agent and registrar for the Common Stock is Computershare Trust Company, Inc.

**Columbia Sportswear Company  
Executive Incentive Compensation Plan**

**Article 1**

Name of Plan. The name of the Plan shall be the Columbia Sportswear Company Executive Incentive Compensation Plan (the Plan).

**Article 2**

Effective Date of Plan. The effective date of the Plan shall be January 1, 2024 for performance periods beginning on or after such date. The Executive Incentive Compensation Plan dated January 1, 1999 shall govern all incentive payments for performance periods, which began prior to January 1, 2024.

**Article 3**

Purpose of Plan. The purpose of this Plan is to provide an incentive to key executive officers of Columbia Sportswear Company (the Company) who contribute to its success by offering an opportunity to such persons to earn compensation in addition to their salaries, based upon Company success.

**Article 4**

Administration of Plan. The Plan shall be administered by the Talent and Compensation Committee (the Committee) of the Board of Directors (the Board) of the Company. The Committee shall have the full power and authority to administer, construe and interpret the Plan and make all determinations deemed necessary or advisable for the administration of the Plan. In applying and interpreting the provisions of the Plan, the decisions of the Committee shall be final.

**Article 5**

Eligibility. The Committee shall determine the key executive officers of the Company who are eligible to participate in the Plan for the applicable performance period as soon as practicable following the beginning thereof; provided, however, that the Committee may determine that an individual who first becomes an eligible executive thereafter and on or before October 1 of such performance period shall be eligible to participate in the Plan for such performance period. Such determination of eligibility shall be in writing and shall be communicated to eligible executives as soon as practicable.

**Article 6**

Performance Goals. Unless otherwise determined by the Committee, the performance period under the Plan shall be the period beginning on January 1 and ending on December 31 of the relevant calendar year. From time to time, the Committee shall establish performance goals for the applicable performance period based on one or more targeted levels of performance with respect to "performance criteria" with respect to the Company or any business unit as reported or calculated by the Company, which may include but is not limited to, one or more of the following: revenues, sales, earnings, or earnings per share, or the growth of Company revenues, sales earnings, earnings per share, book value per share, stock price appreciation, total shareholder return (stock price increase plus dividends), return on equity, return on assets, return on invested capital, working capital, market or economic value added, operating income (including or excluding depreciation, amortization, unusual or infrequently occurring items, restructuring charges or other expenses), operating margins, inventories, inventory turns, debt, debt plus equity, cost control, strategic initiatives, market share, net income, improvements in capital structure, and cash flows (including, but not limited to, operating cash flow, free cash flow or cash flow return on capital). Each eligible executive's bonus shall be determined, in such manner as the Committee shall prescribe, by the extent to which the Company attains these performance goals (or, in the case of a participant's death or total disability during the relevant performance period, as provided in Article 10). The specific performance goals to which each eligible executive's bonus is tied shall be at the discretion of the Committee. The audited financial statements of the Company will be used to measure all financial goals, where applicable. The Committee shall have the discretion to include or exclude any (i) asset write downs, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results, (iv) any reorganization and restructuring programs, (v) unusual or infrequently occurring extraordinary nonrecurring items as described in Accounting Standards Codification Subtopic 225-20 and/or in Management's Discussion and Analysis of Financial Condition and Results of Operations appearing in the Company's annual report to shareholders for the applicable year, (vi) acquisitions or divestitures, (vii) foreign exchange gains and losses, (viii) gains and losses on asset sales, and (ix) any other unusual, extraordinary, nonrecurring or other items or events intended to accomplish the intent of the

performance goals, provided, however, that any decision to include or exclude such items or to adjust performance goals shall be made by the Committee.

#### **Article 7**

Amount of Target Bonus. Upon determining that an executive is eligible to participate in the Plan, the Committee shall determine a target bonus for such executive. The target bonus shall be stated as a percentage of the executive's earned base salary or base salary equivalent during the eligible employment period of the relevant performance period.

Except as otherwise provided in Article 10, after the end of the relevant performance period, the Committee shall determine the extent to which the Company has reached the performance goals established for the eligible executives. The Committee shall have the discretion to reduce the amount payable to any participant for a performance period by up to 100% based upon factors which it determines, in its discretion, warrant such reduction.

#### **Article 8**

Time of Payment. Except as otherwise provided in this Article 8, payments will be made as soon as practicable after the Committee has certified the amounts payable under the Plan based upon audited financial results of the Company for the relevant performance period (but in no event later than March 15 of the calendar year immediately following the last day of the performance period to which the payments relate). If a participant separates from the Company due to death or total disability, payment will be made as soon as practicable (but in no event later than the 60th day) following the participant's death or total disability. Except as otherwise provided in Article 10, no payments will be made under the Plan in respect of any performance period unless the predetermined performance goals have been satisfied. Any payments under the Plan are subject to all applicable federal, state, local and other applicable withholding tax requirements.

#### **Article 9**

Term of Plan. The Plan shall remain in effect until terminated by the Committee.

#### **Article 10**

Separation. In case of separation from the Company during a performance period for any reason other than death, total disability or retirement, a participant shall not be entitled to a bonus under the Plan for the performance period in which the separation occurs.

In case of separation from the Company due to death or total disability, a participant (or, in the event of the participant's death, the participant's estate) shall receive an amount equal to the participant's target bonus for the relevant performance period, prorated for the period that the participant was employed by the Company during the relevant performance period. For purposes of the Plan, "total disability" shall have the same meaning as provided in any long term disability policy maintained by the Company for the benefit of the participant or, in the absence of such policy, as determined by the Committee in its discretion in accordance with applicable law.

In case of separation from the Company due to retirement, a participant shall receive an amount equal to the bonus the participant otherwise would have received in respect of the relevant performance period had no separation occurred, prorated for the period that the participant was employed by the Company during the relevant performance period. For this purpose, "retirement" shall have the same meaning as provided in the applicable policy maintained by the Company for the benefit of the participant or, in the absence of such policy, as determined by the Committee in its discretion in accordance with applicable law.

#### **Article 11**

Amendment and Termination of the Plan. The Committee shall have the power to amend or terminate the Plan, in whole or in part, at any time. No person eligible to receive a bonus under this Plan shall have any rights to pledge, assign, or otherwise dispose of any unpaid portion of such bonus.

#### **Article 12**

Section 409A. The Plan and bonus awards granted under the Plan are intended to be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, to the maximum extent possible, whether pursuant to the short-term deferral exception described in Treasury Regulation Section 1.409A-1(b)(4) or

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otherwise. To the extent Section 409A is applicable to the Plan or any bonus award granted under the Plan, it is intended that the Plan and such awards granted under the Plan comply with the deferral, payout and other limitations and restrictions imposed under Section 409A. Notwithstanding any other provision of the Plan or any bonus award granted under the Plan to the contrary, the Plan and any bonus award granted under the Plan shall be interpreted, operated and administered in a manner consistent with such intentions. Without limiting the generality of the foregoing, and notwithstanding any other provision of the Plan or any bonus award granted under the Plan to the contrary, with respect to any payments and benefits under the Plan or any bonus award granted under the Plan to which Section 409A applies, all references in the Plan or any bonus award granted under the Plan to the termination of the participant's employment or service are intended to mean the participant's "separation from service," within the meaning of Section 409A(a)(2)(A)(i). In addition, if the participant is a "specified employee," within the meaning of Section 409, then to the extent necessary to avoid subjecting the participant to the imposition of any additional tax under Section 409A, amounts that would otherwise be payable under the Plan or any bonus award granted under the Plan during the six month period immediately following the participant's "separation from service," within the meaning of Section 409A(a)(2)(A)(i), shall not be paid to the participant during such period, but shall instead be accumulated and paid to the participant (or, in the event of the participant's death, the participant's estate) in a lump sum on the first business day after the earlier of the date that is six months following the participant's separation from service or the participant's death. Notwithstanding any other provision of the Plan to the contrary, the Committee, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify the Plan and any bonus award granted under the Plan so that the award qualifies for exemption from or complies with Section 409A; provided, however, that the Committee and the Company make no representations that bonus awards granted under the Plan shall be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to bonus awards granted under the Plan.

#### **Article 13**

Recovery of Incentive Compensation. Notwithstanding any other provision of the Plan to the contrary, bonus awards granted under the Plan shall be subject to the Company's 2023 Incentive Compensation Recovery Policy (the 2023 Recovery Policy) adopted to comply with applicable stock exchange listing standards, any other current incentive compensation recovery policies of the Company and any other compensation recovery policies as may be adopted from time to time by the Company (provided that the 2023 Recovery Policy shall in all cases apply where required by applicable law and stock exchange listing standards), each to the extent applicable to an executive participating in the Plan. Any such compensation recovery policies may be amended from time to time, provided that the amendment complies with applicable law and/or applicable stock exchange listing standards.

#### **Article 14**

No Trust or Fund. The Plan is intended to constitute an "unfunded" plan. Nothing contained herein shall require the Company to segregate any monies or other property, or to create any trusts, or to make any special deposits for any amounts payable to any participant. No participant shall have any rights under the Plan that are greater than those of a general unsecured creditor of the Company.

No Individual Rights. No executive or other individual shall have any claim to be granted a bonus award under the Plan or having been granted one, to receive a future one. Further, nothing in the Plan or any bonus award shall be deemed to constitute an employment contract or confer or be deemed to confer on any participant any right to continue in the employ of the Company or any subsidiary of the Company or limit in any way the right of the Company or any subsidiary to terminate a participant's employment at any time, with or without cause, subject to applicable law.

## COLUMBIA SPORTSWEAR COMPANY

## 2020 STOCK INCENTIVE PLAN

NON-QUALIFIED STOCK OPTIONS  
AWARD AGREEMENT

This Award Agreement (the "Agreement") is entered into as of \_\_\_\_ (the "Award Date") by and between Columbia Sportswear Company, an Oregon corporation (the "Company"), and \_\_\_\_ (the "Optionee"), for the award (the "Award") of a stock option (the "Option") to purchase all and any part of \_\_\_\_ shares of the Company's common stock, no par value ("Common Stock") at a purchase price of \_\_\_\_ per share (the "Exercise Price") pursuant to Section 6 of the Columbia Sportswear Company 2020 Stock Incentive Plan (the "Plan"). The Option is not intended to be an Incentive Stock Option, as defined in Section 422A of the Internal Revenue Code of 1986, as amended (the "Code"). Capitalized terms used herein but not defined shall have the same meaning as provided in the Plan. In the event of a conflict between this Agreement and the terms of the Plan, the provisions of the Plan shall govern. For purposes of this Agreement and to the extent the Optionee is not directly employed by the Company, "Employer" shall mean the subsidiary or branch of the Company that employs the Optionee on the applicable date.

IN CONSIDERATION of the mutual covenants and agreements set forth in this Agreement, the parties agree to the following.

1. **Award and Terms of the Option.** The Option awarded pursuant to this Agreement is subject to the following terms, conditions and restrictions:

(a) *Rights under Option.* The Option represents an unfunded, unsecured right to purchase all or a portion of the specified number of shares of Common Stock at the Exercise Price on the applicable vesting date (as set forth in Section 1(b)). The number of shares of Common Stock subject to the Option is subject to adjustment as provided in Section 10 of the Plan and as determined by the Board of Directors of the Company (the "Board") as to the number and kind of shares of stock issuable upon any merger, reorganization, consolidation, recapitalization, stock dividend, spin-off or other change in the corporate structure affecting the Common Stock generally. The other terms and conditions of the Option awarded pursuant to this Agreement also may be amended by the Board as it determines in its sole discretion as may be necessary or appropriate to reflect the foregoing events.

(b) *Vesting Dates.* The Option awarded under this Agreement initially shall be 100% unvested and subject to forfeiture. Subject to the terms of this Agreement and provided that the Optionee remains continuously employed with the Company or the Employer from the Award Date until the applicable vesting date (except as otherwise provided in Section 1(d)(1) of this Agreement), and provided further that as of the Award Date the Optionee is not eligible for retirement, the Option shall vest commencing on the Award Date and shall become exercisable pursuant to the following vesting schedule commencing on:

Vesting Date	Percentage of Option Vesting

In the event that as of the Award Date the Optionee is eligible for retirement, the Option shall vest commencing on the Award Date and shall become exercisable pursuant to the following vesting schedule commencing on:

Vesting Date	Percentage of Option Vesting

For purposes of this Agreement, "retirement" shall have the same meaning as provided in the applicable policy maintained by the Company or the Employer for the benefit of the Optionee or, in the absence of such policy, as determined by the Board in its discretion in accordance with applicable law.

(c) *Expiration of Option.* Subject to earlier termination and forfeiture as described in Section 1(d), the Option will expire and will cease to be exercisable on the 10th anniversary of the Award Date (the "Expiration Date").

(d) *Forfeiture of Option.*

(1) Forfeiture Upon Retirement, Death or Total Disability. If the Optionee ceases to be continuously employed by the Company or the Employer by reason of the Optionee's retirement, the Optionee shall cease to vest in the Option as of the Termination Date (as defined in Section 1(d)(2)), and the unvested portion of the Option shall be forfeited on the Termination Date. If the Optionee ceases to be continuously employed by the Company or the Employer by reason of the Optionee's death or disability, effective immediately prior to the Termination Date the Optionee shall vest in a prorated portion of the Option calculated based on the days of the Optionee's continuous service completed during the vesting period in which the Termination Date occurs, and the remaining unvested portion of the Option shall be forfeited on the Termination Date. If the Optionee ceases to be continuously employed by the Company or the Employer by reason of the Optionee's retirement, death or total disability, the vested portion of the Option (including any portion that vested on an accelerated basis in connection with the Optionee's death or total disability) may be exercised at any time on or prior to the earlier of the Expiration Date or the first anniversary of the Termination Date. If the Optionee's employment or service is terminated by death, the Option shall be exercisable only by the person or persons to whom the Optionee's rights under the Option pass by the Optionee's will or by the laws of descent and distribution of the Optionee's country of residence at the time of death. For purposes of the foregoing, "total disability" shall have the same meaning as provided in any long term disability policy maintained by the Company or the Employer for the benefit of the Optionee or, in the absence of such policy, as determined by the Board in its discretion in accordance with applicable law.

(2) Forfeiture Upon Termination of Service Other Than Retirement, Death or Total Disability. If the Optionee ceases to be continuously employed by the Company or the Employer for any reason other than retirement, death or total disability, the Optionee shall cease to vest in the Option as of the Termination Date and the vested portion the Option may be exercised at any time on or

prior to the earlier of the Expiration Date or the expiration of 90 days after the Termination Date. If the Optionee is a resident of or employed in the United States, "Termination Date" shall mean the effective date of the Optionee's termination of employment with the Company or the Employer. If the Optionee is a resident or employed outside of the United States, "Termination Date" shall mean the earliest of (i) the date on which notice of termination is provided to the Optionee, (ii) the last day of the Optionee's active and continuous service with the Company or the Employer, or (iii) the last day on which the Optionee is classified as an "employee" of the Company or the Employer, as determined in each case without including any required advance notice period and irrespective of the status of the termination under local labor or employment laws.

For purposes of the foregoing, any leave of absence approved by the Company or the Employer (or, if the Optionee is an executive officer of the Company, by the Board), shall not be deemed a termination of the Optionee's continuous employment and, unless otherwise determined by the Company or the Board in its sole discretion, (i) the Optionee shall continue to vest in the Option during a medical, family, military or other leave of absence protected under applicable law, whether paid or unpaid, and (ii) the Optionee's continued vesting in the Option shall be suspended during any other approved leave of absence greater than 30 days (except as otherwise prohibited under local law).

(3) Forfeiture Upon Violation of Code of Business Conduct and Ethics The Optionee acknowledges that compliance with the Company's Code of Business Conduct and Ethics is a condition to the receipt, vesting and exercise of the Option and the issuance of shares of Common Stock upon purchase pursuant to the Option. If, during the term of this Agreement, the Board (or a committee of directors designated by the Board) determines in good faith in its sole discretion that the Optionee's conduct is or has been in violation of the Company's Code of Business Conduct and Ethics, then the Board or committee may cause the Optionee to immediately forfeit all or a portion of the unvested or vested and unexercised Option granted pursuant to this Agreement and the Optionee shall have no right to purchase the related shares of Common Stock. Any determinations of violations of the Company's Code of Business Conduct and Ethics will be considered conclusive and binding on the Optionee. If the President of the Company reasonably believes that the Optionee has violated the Code of Business Conduct and Ethics and that the Board or its committee should consider the termination of the Option, the President may temporarily suspend the Optionee's right to exercise the Option, for a period of up to 45 days, in order for the Board or its committee to make a determination about Optionee's conduct and the potential termination of the Option.

(e) *Method of Exercise of Option.*

(1) Unless the Board determines otherwise, to exercise the vested portion of the Option, the Optionee shall provide notice of exercise in such form and such manner as may be designated by the Company (which may be electronic) to the Company stating the Optionee's intention to exercise the Option, specifying the number of shares of Common Stock as to which the Optionee desires to exercise the Option and the date on which the Optionee desires to complete the purchase. Delivering a notice of intent to exercise by itself does not constitute exercise of the Option; the Optionee must also deliver payment of the Exercise Price for the shares of Common Stock set forth in the notice of intent to exercise together with such additional documents as the Company may then require. The Option shall not be deemed to have been exercised (i.e., the exercise date shall not be deemed to have occurred) until the notice of such exercise and payment in full of the Exercise Price are provided. For purposes of the foregoing, if the exercise date falls on a weekend or any other day on which The NASDAQ Stock Market LLC ("NASDAQ") or any national securities exchange on which the Common Stock then is principally traded (the "Exchange") is closed for trading, the applicable portion of the Option shall be exercised on the first following day that NASDAQ or the Exchange is open for trading.

(2) Unless the Board determines otherwise in its sole discretion, on or before the date specified for completion of the purchase of shares of Common Stock pursuant to the Option, the Optionee shall pay the Company the Exercise Price of such shares of Common Stock pursuant to one of the following methods of exercise:

- (i) cash payment;

(ii) by delivery of a sufficient number of whole shares of Common Stock the Optionee already owned for a period of at least six (6) months having a market value equal to the Exercise Price;

(iii) by authorizing the sale of a sufficient number of whole shares of Common Stock that otherwise would be deliverable upon the exercise of the Option having a market value equal to the Exercise Price; or

(iv) via a broker-assisted cashless exercise procedure through a broker-dealer approved for such purposes of the Company.

In cases where the Optionee utilizes the "sell to cover" arrangement set forth in 2(iii) above and the market value of the number of whole shares of Common Stock sold is greater than the aggregate Exercise Price, the Company or the third party broker/administrator engaged by the Company for purposes of administering awards granted under the Plan (the "TPA") shall make a cash payment to the Optionee equal to the difference as soon as administratively practicable.

(f) *Settlement of Exercised Option.* As soon as reasonably practicable following each exercise date, provided that the Optionee has satisfied its tax withholding obligations as specified under Section 1(j) and the Optionee has completed, signed and returned any documents and taken any additional action the Company deems appropriate, the Company shall deposit the shares of Common Stock acquired pursuant to the Option into the Optionee's brokerage account established with a TPA (the date of deposit of such shares is referenced as an "issuance date"), rounded to the nearest whole share (or otherwise deliver the shares to the Optionee). No fractional shares of Common Stock shall be issued. The shares of Common Stock will be issued in the Optionee's name.

Notwithstanding the foregoing, (i) the Company shall not be obligated to deposit or otherwise deliver any shares of Common Stock during any period when the Company determines that the exercise of the Option or the issuance of shares of Common Stock in settlement of the Option hereunder would violate any federal, state, foreign or other applicable laws and may issue shares of Common Stock with any restrictive legend that, as determined by the Company, is necessary to comply with securities laws or other regulatory requirements, and (ii) an issuance date may be delayed in order to provide the Company such time as it determines appropriate to determine tax withholding and other administrative matters; provided, however, that in any event the shares of Common Stock shall be issued no later than the later to occur of the date that is 2 1/2 months from the end of (i) the Optionee's tax year that includes the applicable exercise date, or (ii) the Company's tax year that includes the applicable exercise date.

Furthermore, notwithstanding the foregoing, the Company may, in its sole discretion, settle the Option in the form of: (i) a cash payment to the extent settlement in shares of Common Stock (1) is prohibited under local laws, rules and regulations, (2) would require the Optionee, the Company or the Employer to obtain the approval of any governmental and/or regulatory body in the Optionee's country of residence (and country of employment, if different), or (3) is administratively burdensome; or (ii) shares of Common Stock, but require the Optionee to immediately sell such shares (in which case, as a condition of the award of the Option, the Optionee hereby explicitly authorizes the Company to issue sales instructions in relation to such shares on the Optionee's behalf).

(g) *Nontransferability.* The Optionee may not sell, transfer, assign, pledge or otherwise encumber or dispose of the Option subject to this Agreement. If the Optionee purports to make any transfer of the Option, except as provided herein, the Option and all rights thereunder immediately shall terminate and be forfeited by the Optionee.

(h) *Repatriation and Compliance with Local Laws.* If the Optionee is a resident or employed outside of the United States, the Optionee agrees, as a condition of the award of the Option, to repatriate all payments attributable to the shares of Common Stock and/or cash acquired under the Plan (including, but not limited to, dividends and any proceeds derived from the sale of the shares of Common Stock acquired pursuant to the Option) if required by and in accordance with local foreign exchange rules and regulations in the Optionee's country of residence (and country of employment, if different). In addition, the Optionee also agrees to take any and all actions, and consents to any and all actions taken by

the Company or the Employer as may be required to allow the Company or the Employer to comply with local laws, rules and regulations in the Optionee's country of residence (and country of employment, if different). Finally, the Optionee agrees to take any and all actions as may be required to comply with the Optionee's personal legal and tax obligations under local laws, rules and regulations in the Optionee's country of residence (and country of employment, if different).

(i) *Age Discrimination.* If the Optionee is a resident and/or employed in a country that is a member of the European Union, the grant of the Option and the Agreement are intended to comply with the age discrimination provisions of the EU Equal Treatment Framework Directive, as implemented into local law (the "Age Discrimination Rules"). To the extent that a court or tribunal of competent jurisdiction determines that any provision of the Agreement is invalid or unenforceable, in whole or in part, under the Age Discrimination Rules, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

(j) *Tax Matters.*

(1) Tax and Social Insurance Contributions in General. Regardless of any action the Company and/or the Employer take with respect to any or all income tax (including U.S. federal, state and local taxes or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Optionee acknowledges that the ultimate liability for all Tax-Related Items legally due by the Optionee is and remains the Optionee's responsibility and that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including the grant of the Option, the vesting of the Option, the exercise of the Option, the subsequent sale of any shares of Common Stock acquired pursuant to the Option and the receipt of any dividends, and (ii) do not commit to structure the terms of the award or any aspect of the Option to reduce or eliminate the Optionee's liability for Tax-Related Items. Further, the Optionee acknowledges that if the Optionee becomes subject to taxation in more than one country between the Award Date and the date of any relevant taxable or tax withholding event, as applicable, the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one country.

(2) Withholding in Shares or Cash. Prior to the issuance of shares of Common Stock upon the exercise of the Option, if the Optionee's country of residence (and/or the country of employment, if different) requires withholding of Tax-Related Items, the Company may withhold a number of whole shares of Common Stock otherwise issuable to the Optionee upon exercise of the Option to satisfy all or any portion of any withholding obligations for Tax-Related Items. The number of whole shares of Common Stock withheld shall have an aggregate market value sufficient to pay the Tax-Related Items required to be withheld with respect to the shares of Common Stock. The cash equivalent of the shares of Common Stock withheld will be used to settle the obligation to withhold the Tax-Related Items. In the event that withholding in shares of Common Stock is prohibited or problematic under applicable laws or otherwise may trigger adverse consequences to the Company or the Employer, the Company or the Employer may withhold the Tax-Related Items required to be withheld in cash from the Optionee's regular salary and/or wages or any other amounts payable to the Optionee. In the event the withholding requirements for Tax-Related Items are not satisfied through the withholding of shares of Common Stock or through the Optionee's regular salary and/or wages or other amounts payable to the Optionee, no shares of Common Stock will be issued to the Optionee (or the Optionee's estate) upon exercise of the Option unless and until satisfactory arrangements (as determined by the Company) have been made by the Optionee with respect to the payment of any Tax-Related Items that the Company or the Employer determines, in its sole discretion, must be withheld or collected with respect to such portion of the Option. By accepting this Option, the Optionee expressly consents to the withholding of shares of Common Stock and/or withholding from the Optionee's regular salary and/or wages or other amounts payable to the Optionee as provided for hereunder. All other Tax-Related Items related to the Option and any shares of Common Stock issued in settlement thereof shall be the Optionee's sole responsibility. Depending on the withholding method, the Company or the Employer may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including maximum applicable rates. If the withholding obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, the Optionee shall be deemed to have been issued the full

number of shares of Common Stock subject to the exercised portion of the Option, notwithstanding that a number of the shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items.

(3) Code Section 409A. If the Optionee is subject to taxation in the United States, the Award is not intended to constitute a “nonqualified deferred compensation plan” within the meaning of Code Section 409A and instead is intended to be exempt from the application of Code Section 409A. To the extent that the Award is nevertheless deemed to be subject to Code Section 409A, the Award shall be interpreted in accordance with Code Section 409A and Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance issued after the grant of the Award. Notwithstanding any provision of the Award to the contrary, in the event that the Administrator determines that the Award is or may be subject to Code Section 409A, the Administrator may adopt such amendments to the Award or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate at the Administrator’s sole discretion and without the Optionee’s consent to (i) exempt the Award from the application of Code Section 409A or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Code Section 409A.

(k) *No Solicitation*. (This provision is not applicable to California employees.) The Optionee agrees that for 18 months (or such lesser period as permitted under applicable local law) after the Optionee’s employment with the Company or the Employer terminates for any reason, with or without cause, whether by the Company or the Employer or the Optionee, the Optionee shall not recruit, attempt to hire, solicit, or assist others in recruiting or hiring, any person who is an employee of the Company, the Employer or any subsidiaries of the Company. In addition to other remedies that may be available, the Optionee shall pay to the Company in cash, upon demand, the net value of any shares of Common Stock, valued as of the exercise date, issued under this Agreement if the Optionee violates this Section 1(k).

(l) *Not a Contract of Employment*. This Agreement shall not be construed as a contract of employment between the Company and the Optionee and nothing contained in this Agreement or in the Plan shall confer upon the Optionee any right to be in the continued employment of the Company or any subsidiary or to interfere in any way with the right of the Company or any subsidiary by whom the Optionee is employed to terminate the Optionee’s employment at any time for any reason, with or without cause, or to decrease the Optionee’s compensation or benefits.

## 2. **Miscellaneous.**

(a) *Entire Agreement*. This Agreement constitutes the entire agreement of the parties with regard to the subjects hereof.

(b) *Interpretation of the Plan and the Agreement*. The Board, or a committee of the Board responsible for administering the Plan (the “Administrator”), shall have the sole authority to interpret the provisions of this Agreement and the Plan, and all determinations by it shall be final and conclusive.

(c) [Reserved].

(d) *Market Value*. “Market Value” as of a particular date shall mean (i) the closing sales price per share of Common Stock as reported by the NASDAQ on that date, or (ii) if the shares of Common Stock are not listed or admitted to trading on the NASDAQ, the closing price on the national securities exchange on which such stock is principally traded on that date, or (iii) if the shares of Common Stock are not then listed on the NASDAQ or on another national securities exchange, the average of the highest reported bid and lowest reported asked prices for the shares of Common Stock on that date or (iv) if the shares of Common Stock are not then listed on any securities exchange and prices therefor are not then reported, such value as determined in good faith by the Board (or any duly authorized committee thereof) as of that date.

(e) *Electronic Delivery.* The Company may, in its sole discretion, deliver any documents related to the Award or other awards granted to the Optionee under the Plan by electronic means. The Optionee hereby consents to receive such documents by electronic issuance and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(f) *Rights and Benefits.* The rights and benefits of this Agreement shall inure to the benefit of and be enforceable by the Company's successors and assigns and, subject to the restrictions on transfer of this Agreement, be binding upon the Optionee's heirs, executors, administrators, successors and assigns.

(g) *Further Action.* The parties agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

(h) *Governing Law, Venue and Jurisdiction; Attorneys' Fees.* This Agreement and the Plan will be interpreted under the laws of the state of Oregon, exclusive of choice of law rules. Venue and jurisdiction will be in the state or federal courts in Washington County, Oregon, and nowhere else. In the event either party institutes litigation hereunder, the prevailing party shall be entitled to reasonable attorneys' fees to be set by the trial court and, upon any appeal, the appellate court.

(i) *Consent to Transfer Personal Data.*

Pursuant to applicable personal data protection laws, the Company and the Employer hereby notify the Optionee of the following in relation to the Optionee's personal data and the collection, processing and transfer of such data in relation to the Company's grant of this Award and the Optionee's participation in the Plan. The collection, processing and transfer of the Optionee's personal data is necessary for the Company's administration of the Plan and the Optionee's participation in the Plan, and the Optionee's denial and/or objection to the collection, processing and transfer of personal data may affect the Optionee's participation in the Plan. As such, the Optionee voluntarily acknowledges and consents (where required under applicable law) to the collection, use, processing and transfer of personal data as described in this Section.

The Company and the Employer hold certain personal information about the Optionee, including (but not limited to) the Optionee's name, home address and telephone number, date of birth, social security number or other employee identification number (e.g., resident registration number), email address, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, details of all Options or any other entitlement to shares of Common Stock awarded, canceled, purchased, vested, unvested or outstanding in the Optionee's favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by the Optionee or collected, where lawful, from third parties, and the Company and the Employer will process the Data for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan. The Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Optionee's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such information is unnecessary for the processing purposes sought. The Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for the Optionee's participation in the Plan.

The Company and the Employer will transfer Data as necessary for the purpose of implementation, administration and management of the Optionee's participation in the Plan, and the Company and the Employer may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, the United States, or elsewhere throughout the world. The Optionee hereby authorizes (where required under applicable law) them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Optionee's participation in the Plan, including any requisite transfer of such Data as may be required for



the administration of the Plan and/or the subsequent holding of shares of Common Stock on the Optionee's behalf by the TPA.

The Optionee may, at any time, exercise his or her rights provided under applicable personal data protection laws, which may include the right to (i) obtain confirmation as to the existence of the Data, (ii) verify the content, origin and accuracy of the Data, (iii) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (iv) oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and the Optionee's participation in the Plan. The Optionee may seek to exercise these rights by contacting the HR manager of the Company or the Employer or the Company's Human Resources Department.

(j) *Acknowledgement of Discretionary Nature of the Plan; No Vested Rights.* The Optionee acknowledges and agrees that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The Award of the Option under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of an Option or benefits in lieu of an Option in the future. Future awards, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of any award, the number of shares of Common Stock that can be purchased pursuant to the Option and vesting as well as exercise provisions. Any amendment, modification or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Optionee's employment with the Company or the Employer.

(k) *Character of Award.* Participation in the Plan is voluntary. The value of the Award and any other awards granted under the Plan is an extraordinary item of compensation outside the scope of the Optionee's employment (and the Optionee's employment contract, if any). Any grant under the Plan, including the Award, is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension, or retirement benefits or similar payments.

(l) *No Public Offering.* The grant of the Option is not intended to be a public offering of securities in the Optionee's country of residence (and country of employment, if different). The Company has not submitted any registration statement, prospectus or other filing with the local securities authorities (unless otherwise required under local law). **No employee of the Company is permitted to advise the Optionee on whether the Optionee should acquire shares of Common Stock under the Plan or provide the Optionee with any legal, tax or financial advice with respect to the grant of the Option. The acquisition of shares of Common Stock involves certain risks, and the Optionee should carefully consider all risk factors and tax considerations relevant to the acquisition of shares of Common Stock under the Plan and the disposition of them. Further, the Optionee should carefully review all materials related to the Option and the Plan, and should consult with the Optionee's personal legal, tax and financial advisors for professional advice in relation to the Optionee's personal circumstances.**

(m) *Insider Trading/Market Abuse Laws.* The Optionee acknowledges that, depending on the Optionee's country of residence (and country of employment, if different), the Optionee may be subject to insider trading restrictions and/or market abuse laws which may affect the Optionee's ability to acquire or sell shares of Common Stock or rights to shares of Common Stock (e.g., Options) under the Plan during such times as the Optionee is considered to have "inside information" regarding the Company (as determined under the laws in the Optionee's country of residence and/or employment). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. The Optionee expressly acknowledges that it is the Optionee's personal responsibility to comply with any applicable restrictions.

(n) *Validity and Enforceability; Severability.* The invalidity or unenforceability of any provision of the Plan or the Agreement shall not affect the validity or enforceability of any other provision of the Plan or the Agreement. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable. Alternatively, the Company, in its

sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to render it valid and enforceable to the full extent permitted under applicable law.

(o) *English Version to Control.* If the Optionee is a resident outside of the United States, the Optionee acknowledges and agrees that it is the Optionee's express intent that the Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award be drawn up in English. If the Optionee has received the Agreement, the Plan or any other documents related to the Award translated into a language other than English and the meaning of the translated version is different than the English version, the English version will control.

(p) *Addendum.* Notwithstanding any provisions of the Agreement to the contrary, the Award shall be subject to any special terms and conditions for the Optionee's country of residence (and country of employment, if different) set forth in an addendum to the Agreement (an "Addendum"). Further, if the Optionee transfers residence and/or employment to another country reflected in an Addendum to the Agreement at the time of transfer, the special terms and conditions for such country will apply to the Optionee to the extent the Company determines, in its sole discretion, that the application of such special terms and conditions is necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Award and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Optionee's transfer). In all circumstances, any applicable Addendum shall constitute part of the Agreement.

(q) *Other Requirements.* The Company reserves the right to impose other requirements on the Award, any shares of Common Stock acquired pursuant to the Option and the Optionee's participation in the Plan to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Award and the Plan. Such requirements may include (but are not limited to) requiring the Optionee to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

(r) *Recovery Policy.* Notwithstanding any other provision of this Agreement to the contrary and to the extent applicable to the Optionee, the Optionee acknowledges and agrees that the Optionee's Option, any shares of Common Stock acquired pursuant thereto and/or any amount received with respect to any sale of such shares may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of the Columbia Sportswear Company Incentive Compensation Recovery Policy (the "Recovery Policy") as in effect on the Award Date (and to the extent applicable to the Optionee, a copy of which has been made available to the Optionee) and as may be amended from time to time in order to comply with changes in laws, rules or regulations that are applicable to such Award and shares of Common Stock. As a condition to the grant of the Option, to the extent applicable, the Optionee expressly agrees and consents to the Company's application, implementation and enforcement of (a) the Recovery Policy and (b) any provision of applicable law relating to cancellation, recoupment, rescission or payback of compensation. Further, the Optionee expressly agrees that the Company may take such actions as are necessary or appropriate to effectuate the Recovery Policy (as applicable to the Optionee) or applicable law without further consent or action being required by the Optionee. For purposes of the foregoing and as a condition to the grant of the Option, the Optionee expressly and explicitly authorizes the Company to issue instructions, on the Optionee's behalf, to any TPA to re-convey, transfer or otherwise return such shares and/or other amounts to the Company. To the extent that the terms of this Agreement and the Recovery Policy conflict, the terms of the Recovery Policy shall prevail.

(s) *Acceptance.* By accepting the grant of the Award, the Optionee acknowledges that the Optionee has read the Agreement, the Addendum to the Agreement (as applicable) and the Plan, and specifically accepts and agrees to the provisions therein.

**This Award of the Option is subject to the Optionee's on-line acceptance of the terms and conditions of this Agreement through the E\*TRADE web portal. By accepting the terms and conditions of this Agreement, the Optionee acknowledges receipt of a copy of the Plan, the U.S. Prospectus for the Plan, and the local country tax supplement to the U.S. Prospectus for the Plan**

(the "Award Information"). The Optionee represents that the Optionee is familiar with the terms and provisions of the Award Information and hereby accepts this Award on the terms and conditions set forth herein and in the Plan, and acknowledges that the Optionee had the opportunity to obtain independent legal, investment and tax advice at the Optionee's personal expense prior to accepting this Award.

COLUMBIA SPORTSWEAR COMPANY

**COLUMBIA SPORTSWEAR COMPANY**  
**ADDENDUM TO**  
**AWARD AGREEMENT**  
**FOR GRANT OF NON-QUALIFIED STOCK OPTIONS PURSUANT TO THE**  
**COLUMBIA SPORTSWEAR COMPANY 2020 STOCK INCENTIVE PLAN, AS AMENDED**

In addition to the terms of the Columbia Sportswear Company 2020 Stock Incentive Plan, as amended (the "Plan") and the Award Agreement for the Grant of Non-Qualified Stock Options Pursuant to the Columbia Sportswear Company 2020 Stock Incentive Plan, as amended (the "Agreement"), the Option is subject to the following additional terms and conditions as set forth in this addendum to the extent the Optionee resides and/or is employed in one of the countries reflected herein (the "Addendum"). Capitalized terms used herein without definition shall have the same meaning as assigned to such terms in the Plan and the Agreement. To the extent the Optionee transfers residence and/or employment to another country, the special terms and conditions for such country as reflected in this Addendum (if any) will apply to the Optionee to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the operation and administration of the Option and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Optionee's transfer).

**Canada**

1. Non-Qualified Securities. All or a portion of the shares of Common Stock subject to the Option may be "non-qualified securities" within the meaning of the *Income Tax Act* (Canada). The Company shall provide the Optionee with additional information and/or appropriate notification regarding the characterization of the Option for Canadian income tax purposes as may be required by the *Income Tax Act* (Canada) and the regulations thereunder.

2. Forfeiture Upon Termination of Service. The following replaces Section 1(d)(2) of the Agreement:

For purposes of the Option, the Optionee's employment with the Company or the Employer, as applicable, will be considered terminated (regardless of the reason for termination, whether or not later found to be invalid or unlawful for any reason or in breach of employment or other laws or rules in the jurisdiction where the Optionee is providing services or the terms of the Optionee's employment or service agreement, if any) as of the date that is the earliest of: (a) the date that the Optionee is no longer actively providing services to the Company or the Employer or (b) the date on which the Optionee receives written notice of termination of employment (the "Termination Date"), except, in either case, to the extent applicable employment standards legislation requires the Option to continue through any minimum termination notice period applicable under the legislation. In such case, the Termination Date will be the last day of the Optionee's minimum statutory termination notice period.

Unless otherwise expressly provided in the Agreement or explicitly required by applicable legislation, the Optionee's right to vest in the Option under the Plan, if any, will terminate as of the Termination Date and the Optionee will not earn or be entitled to (A) any pro-rated vesting for that period of time before the Termination Date, (B) any unvested portion of the Option, or (C) any payment of damages in lieu thereof. To be clear, there shall be no vesting of the Option during any applicable common law or civil law reasonable notice period following the Termination Date or any payment of damages in lieu thereof. Subject to applicable legislation, in the event the Termination Date cannot be reasonably determined under the terms of the Agreement and/or the Plan, the Company shall have the exclusive discretion to determine the Termination Date. The vested portion the Option may be exercised at any time on or prior to the earlier of the Expiration Date or the expiration of 90 days after the Termination Date.

3. No Payment of Exercise Price with Existing Shares Notwithstanding Section 1(e)(2)(ii) of the Agreement, the Optionee shall not be permitted to pay the Exercise Price by delivering existing shares of Common Stock that the Optionee already owns at the time of exercise.

4. Securities Law Information. The Optionee is permitted to sell shares of Common Stock acquired under the Plan through the TPA, if any, provided the resale of shares of Common Stock acquired under the Plan takes place outside Canada through the facilities of a stock exchange on which the shares of Common Stock are listed.

5. Use of English Language. If the Optionee is a resident of Quebec, by accepting the Option, the Optionee acknowledges and agrees that it is the Optionee's wish that the Agreement, this Addendum, as well as all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Option, either directly or indirectly, be drawn up in English.

Utilisation de la langue anglaise. Si le titulaire d'option est un résident du Québec, en acceptant l'option, le titulaire d'option reconnaît et accepte qu'il souhaite que l'entente, le présent addenda, ainsi que tous les autres documents, avis et poursuites judiciaires conclus, donnés ou intentés en vertu à l'Option, directement ou indirectement, être rédigé en anglais.

## **Hong Kong**

1. Lapse of Restrictions. If, for any reason, shares of Common Stock are issued to the Optionee within six (6) months of the Award Date, the Optionee agrees that the Optionee will not sell or otherwise dispose of any such shares of Common Stock prior to the six (6) month anniversary of the Award Date.

2. IMPORTANT NOTICE. WARNING: The contents of the Agreement, the Addendum, the Plan, and all other materials pertaining to the Option and/or the Plan have not been reviewed by any regulatory authority in Hong Kong. The Optionee is hereby advised to exercise caution in relation to the offer thereunder. If the Optionee has any doubts about any of the contents of the aforesaid materials, the Optionee should obtain independent professional advice.

3. Nature of the Plan. The Company specifically intends that the Plan will not be treated as an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance ("ORSO"). To the extent any court, tribunal or legal/regulatory body in Hong Kong determines that the Plan constitutes an occupational retirement scheme for the purposes of ORSO, the grant of the Option shall be null and void.

4. Award Benefits Are Not Wages. The Option and the shares of Common Stock subject to the Option do not form part of the Optionee's wages for the purposes of calculating any statutory or contractual payments under Hong Kong law.

## **Japan**

No country-specific provisions.

## **South Korea**

No country-specific provisions.

## **Switzerland**

Securities Law Information. The grant of the Option is considered a private offering and therefore is not subject to registration in Switzerland. Neither the Agreement, this Addendum nor any other materials relating to the Option (a) constitute a prospectus according to article 35 et seq. of the Swiss Federal Act on Financial Services ("FinSA"), (b) may be publicly distributed nor otherwise made publicly available in Switzerland to any person other than an employee of the Company or the Employer, or (c) has been or will be filed with, approved or supervised by any Swiss reviewing body according to

article 51 of FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (FINMA).

**Taiwan**

1. Securities Law Information. The grant of the Option and the shares of Common Stock to be issued pursuant to the Plan are available only for employees of the Company or any parent or subsidiary of the Company. The grant of the Option is not a public offer of securities by a Taiwanese company.

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## COLUMBIA SPORTSWEAR COMPANY

## 2020 STOCK INCENTIVE PLAN

RESTRICTED STOCK UNITS  
AWARD AGREEMENT

This Award Agreement (the "Agreement") is entered into as of \_\_\_\_ (the "Award Date") by and between Columbia Sportswear Company, an Oregon corporation (the "Company"), and \_\_\_\_ (the "Recipient"), for the award (the "Award") of \_\_\_\_ restricted stock units (individually, an "RSU" or collectively, "RSUs") with respect to shares of the Company's common stock, no par value ("Common Stock") pursuant to Section 7 of the Columbia Sportswear Company 2020 Stock Incentive Plan (the "Plan"). Capitalized terms used herein but not defined shall have the same meaning as provided in the Plan. In the event of a conflict between this Agreement and the terms of the Plan, the provisions of the Plan shall govern. For purposes of this Agreement and to the extent the Recipient is not directly employed by the Company, "Employer" shall mean the subsidiary or branch of the Company that employs the Recipient on the applicable date.

IN CONSIDERATION of the mutual covenants and agreements set forth in this Agreement, the parties agree to the following.

1. **Award and Terms of RSUs.** The RSUs awarded pursuant to this Agreement are subject to the following terms, conditions and restrictions:

(a) *Rights under RSUs.* Each RSU represents an unfunded, unsecured right to receive one (1) share of Common Stock on the applicable vesting date (as set forth in Section 1(b)). The number of shares of Common Stock issuable with respect to each RSU is subject to adjustment as provided in Section 10 of the Plan and as determined by the Board of Directors of the Company (the "Board") as to the number and kind of shares of stock issuable upon any merger, reorganization, consolidation, recapitalization, stock dividend, spin-off or other change in the corporate structure affecting the Common Stock generally. The other terms and conditions of the RSUs awarded pursuant to this Agreement also may be amended by the Board as it determines in its sole discretion as may be necessary or appropriate to reflect the foregoing events.

(b) *Vesting Dates.* The RSUs awarded under this Agreement initially shall be 100% unvested and subject to forfeiture. Subject to the terms of this Agreement and provided that the Recipient remains continuously employed with the Company or the Employer from the Award Date until the applicable vesting date, and provided further that as of the Award Date the Recipient is not eligible for retirement, the RSUs shall vest and the Company shall issue the Recipient one share of Common Stock for each vested RSU pursuant to the following vesting schedule:

Vesting Date	Percentage of RSUs Vesting

In the event that as of the Award Date the Recipient is eligible for retirement, the RSUs shall vest commencing on the Award Date and shall vest and the Company shall issue the Recipient one share of Common Stock for each vested RSU pursuant to the following vesting schedule:

Vesting Date	Percentage of RSUs Vesting

For purposes of this Agreement, “retirement” shall have the same meaning as provided in the applicable policy maintained by the Company or the Employer for the benefit of the Recipient or, in the absence of such policy, as determined by the Board in its discretion in accordance with applicable law.

For purposes of the foregoing, if a vesting date falls on a weekend or any other day on which The NASDAQ Stock Market LLC (“NASDAQ”) or any national securities exchange on which the Common Stock then is principally traded (the “Exchange”) is closed for trading, the applicable RSUs shall vest on the first following day that NASDAQ or the Exchange is open for trading.

(c) *Accelerated Vesting Upon Death or Total Disability.* If the Recipient ceases to be continuously employed by the Company or the Employer by reason of the Recipient’s death or total disability, all outstanding and unvested RSUs immediately shall become vested and shall be settled pursuant to Section 1(g). For purposes of the foregoing, “total disability” shall have the same meaning as provided in any long term disability policy maintained by the Company or the Employer for the benefit of the Recipient or, in the absence of such policy, as determined by the Board in its discretion in accordance with applicable law.

(d) *Forfeiture of RSUs.*

(1) *Forfeiture Upon Termination of Service.* If the Recipient ceases to be continuously employed by the Company or the Employer for any reason other than death or total disability, the Recipient immediately shall forfeit all outstanding and unvested RSUs and shall have no right to receive the underlying shares of Common Stock as of the Recipient’s Termination Date. If the Recipient is a resident of or employed in the United States, “Termination Date” shall mean the effective date of the Recipient’s termination of employment with the Company or the Employer. If the Recipient is a resident or employed outside of the United States, “Termination Date” shall mean the earliest of (i) the date on which notice of termination is provided to the Recipient, (ii) the last day of the Recipient’s active and continuous service with the Company or the Employer, or (iii) the last day on which the Recipient is classified as an “employee” of the Company or the Employer, as determined in each case without including any required advance notice period and irrespective of the status of the termination under local labor or employment laws.

For purposes of the foregoing, any leave of absence approved by the Company or the Employer (or, if the Recipient is an executive officer of the Company, by the Board), shall not be deemed a termination of the Recipient’s continuous employment and, unless otherwise determined by the Company or the Board in its sole discretion, (i) the Recipient shall continue to vest in the RSUs during a medical, family, military or other leave of absence protected under applicable law, whether paid or unpaid, and (ii) the Recipient’s



continued vesting in the RSUs shall be suspended during any other approved leave of absence greater than 30 days (except as otherwise prohibited under local law).

(2) Forfeiture Upon Violation of Code of Business Conduct and Ethics The Recipient acknowledges that compliance with the Company's Code of Business Conduct and Ethics is a condition to the receipt and vesting of the RSUs and the issuance of shares of Common Stock pursuant to the RSUs. If, during the term of this Agreement, the Board (or a committee of directors designated by the Board) determines in good faith in its sole discretion that the Recipient's conduct is or has been in violation of the Company's Code of Business Conduct and Ethics, then the Board or committee may cause the Recipient to immediately forfeit all or a portion of the unvested RSUs granted pursuant to this Agreement and the Recipient shall have no right to receive the related shares of Common Stock. Any determinations of violations of the Company's Code of Business Conduct and Ethics will be considered conclusive and binding on the Recipient.

(e) *Nontransferability*. The Recipient may not sell, transfer, assign, pledge or otherwise encumber or dispose of the RSUs subject to this Agreement. If the Recipient purports to make any transfer of the RSUs, except as provided herein, the RSUs and all rights thereunder immediately shall terminate and be forfeited by the Recipient.

(f) *Voting Rights and Dividend Equivalents*. The Recipient shall have no rights as a shareholder with respect to the RSUs or the shares of Common Stock underlying the RSUs until the vesting date for the relevant RSUs. The Recipient will not be entitled to receive a cash payment equal to any cash dividends paid with respect to the shares of Common Stock underlying the RSUs awarded under this Agreement that are declared prior to the particular vesting date for the relevant RSUs.

(g) *Settlement of Vested RSUs*. As soon as reasonably practicable following each vesting date (including any accelerated vesting date pursuant to Section 1(c)), provided that the Recipient has satisfied its tax withholding obligations as specified under Section 1(j) and the Recipient has completed, signed and returned any documents and taken any additional action the Company deems appropriate, the Company shall deposit the shares of Common Stock represented by vested RSUs into the Recipient's brokerage account established with a third party broker/administrator engaged by the Company for purposes of administering awards granted under the Plan (the "TPA" and the date of deposit of such shares is referred to as an "issuance date"), rounded to the nearest whole share (or otherwise deliver the shares to the Recipient). No fractional shares of Common Stock shall be issued. The shares of Common Stock will be issued in the Recipient's name.

Notwithstanding the foregoing, (i) the Company shall not be obligated to vest, deposit or otherwise deliver any shares of Common Stock during any period when the Company determines that the conversion of an RSU or the issuance of shares of Common Stock in settlement of an RSU hereunder would violate any federal, state, foreign or other applicable laws and may issue shares of Common Stock with any restrictive legend that, as determined by the Company, is necessary to comply with securities laws or other regulatory requirements, and (ii) an issuance date may be delayed in order to provide the Company such time as it determines appropriate to determine tax withholding and other administrative matters; provided, however, that in any event the shares of Common Stock shall be issued no later than the later to occur of the date that is 2 1/2 months from the end of (i) the Recipient's tax year that includes the applicable vesting date, or (ii) the Company's tax year that includes the applicable vesting date.

Furthermore, notwithstanding the foregoing, the Company may, in its sole discretion, settle the RSUs in the form of: (i) a cash payment to the extent settlement in shares of Common Stock (1) is prohibited under local laws, rules and regulations, (2) would require the Recipient, the Company or the Employer to obtain the approval of any governmental and/or regulatory body in the Recipient's country of residence (and country of employment, if different), or (3) is administratively burdensome; or (ii) shares of Common Stock, but require the Recipient to immediately sell such shares (in which case, as a condition of the award of the RSUs, the Recipient hereby explicitly authorizes the Company to issue sales instructions in relation to such shares on the Recipient's behalf).

(h) *Repatriation and Compliance with Local Laws*. If the Recipient is a resident or employed outside of the United States, the Recipient agrees, as a condition of the award of the RSUs, to

repatriate all payments attributable to the shares of Common Stock and/or cash acquired under the Plan (including, but not limited to, dividends, dividend equivalents and any proceeds derived from the sale of the shares of Common Stock acquired pursuant to the RSUs) if required by and in accordance with local foreign exchange rules and regulations in the Recipient's country of residence (and country of employment, if different). In addition, the Recipient also agrees to take any and all actions, and consents to any and all actions taken by the Company or the Employer as may be required to allow the Company or the Employer to comply with local laws, rules and regulations in the Recipient's country of residence (and country of employment, if different). Finally, the Recipient agrees to take any and all actions as may be required to comply with the Recipient's personal legal and tax obligations under local laws, rules and regulations in the Recipient's country of residence (and country of employment, if different).

(i) *Age Discrimination.* If the Recipient is a resident and/or employed in a country that is a member of the European Union, the grant of the RSUs and the Agreement are intended to comply with the age discrimination provisions of the EU Equal Treatment Framework Directive, as implemented into local law (the "Age Discrimination Rules"). To the extent that a court or tribunal of competent jurisdiction determines that any provision of the Agreement is invalid or unenforceable, in whole or in part, under the Age Discrimination Rules, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

(j) *Tax Matters.*

(1) Tax and Social Insurance Contributions in General. Regardless of any action the Company and/or the Employer take with respect to any or all income tax (including U.S. federal, state and local taxes or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Recipient acknowledges that the ultimate liability for all Tax-Related Items legally due by the Recipient is and remains the Recipient's responsibility and that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including the grant of the RSUs, the vesting of the RSUs, the subsequent sale of any shares of Common Stock acquired pursuant to the RSUs and the receipt of any dividends or dividend equivalents, and (ii) do not commit to structure the terms of the award or any aspect of the RSUs to reduce or eliminate the Recipient's liability for Tax-Related Items. Further, the Recipient acknowledges that if the Recipient becomes subject to taxation in more than one country between the Award Date and the date of any relevant taxable or tax withholding event, as applicable, the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one country.

(2) Withholding in Shares or Cash. Prior to the issuance of shares of Common Stock upon the vesting of the RSUs, if the Recipient's country of residence (and/or the country of employment, if different) requires withholding of Tax-Related Items, the Company may withhold a number of whole shares of Common Stock otherwise issuable to the Recipient in settlement of any vested RSUs to satisfy all or any portion of any withholding obligations for Tax-Related Items. The number of whole shares of Common Stock withheld shall have an aggregate market value sufficient to pay the Tax-Related Items required to be withheld with respect to the shares of Common Stock. The cash equivalent of the shares of Common Stock withheld will be used to settle the obligation to withhold the Tax-Related Items. In the event that withholding in shares of Common Stock is prohibited or problematic under applicable laws or otherwise may trigger adverse consequences to the Company or the Employer, the Company or the Employer may withhold the Tax-Related Items required to be withheld in cash from the Recipient's regular salary and/or wages or any other amounts payable to the Recipient. In the event the withholding requirements for Tax-Related Items are not satisfied through the withholding of shares of Common Stock or through the Recipient's regular salary and/or wages or other amounts payable to the Recipient, no shares of Common Stock will be issued to the Recipient (or the Recipient's estate) upon vesting of the RSUs unless and until satisfactory arrangements (as determined by the Company) have been made by the Recipient with respect to the payment of any Tax-Related Items that the Company or the Employer determines, in its sole discretion, must be withheld or collected with respect to such RSUs. By accepting this grant of RSUs, the Recipient expressly consents to the withholding of shares of Common Stock and/or withholding from the Recipient's regular salary and/or wages or other amounts payable to the Recipient as provided for hereunder. All other Tax-Related Items related to the RSUs and

any shares of Common Stock issued in settlement thereof shall be the Recipient's sole responsibility. Depending on the withholding method, the Company or the Employer may withhold or account for Tax-Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including maximum applicable rates. If the withholding obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, the Recipient shall be deemed to have been issued the full number of shares of Common Stock subject to the vested RSUs, notwithstanding that a number of the shares of Common Stock are held back solely for the purpose of paying the Tax-Related Items.

(3) Code Section 409A. If the Recipient is subject to taxation in the United States, the Award is not intended to constitute a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and instead is intended to be exempt from the application of Code Section 409A. To the extent that the Award is nevertheless deemed to be subject to Code Section 409A, the Award shall be interpreted in accordance with Code Section 409A and Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance issued after the grant of the Award. Notwithstanding any provision of the Award to the contrary, in the event that the Administrator determines that the Award is or may be subject to Code Section 409A, the Administrator may adopt such amendments to the Award or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate at the Administrator's sole discretion and without the Recipient's consent to (i) exempt the Award from the application of Code Section 409A or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Code Section 409A.

(k) *No Solicitation*. (This provision is not applicable to California employees.) The Recipient agrees that for 18 months (or such lesser period as permitted under applicable local law) after the Recipient's employment with the Company or the Employer terminates for any reason, with or without cause, whether by the Company or the Employer or the Recipient, the Recipient shall not recruit, attempt to hire, solicit, or assist others in recruiting or hiring, any person who is an employee of the Company, the Employer or any subsidiaries of the Company. In addition to other remedies that may be available, the Recipient shall pay to the Company in cash, upon demand, the net value of any shares of Common Stock, valued as of the vesting date, issued under this Agreement if the Recipient violates this Section 1(k).

(l) *Not a Contract of Employment*. This Agreement shall not be construed as a contract of employment between the Company and the Recipient and nothing contained in this Agreement or in the Plan shall confer upon the Recipient any right to be in the continued employment of the Company or any subsidiary or to interfere in any way with the right of the Company or any subsidiary by whom the Recipient is employed to terminate the Recipient's employment at any time for any reason, with or without cause, or to decrease the Recipient's compensation or benefits.

## 2. **Miscellaneous.**

(a) *Entire Agreement*. This Agreement constitutes the entire agreement of the parties with regard to the subjects hereof.

(b) *Interpretation of the Plan and the Agreement*. The Board, or a committee of the Board responsible for administering the Plan (the "Administrator"), shall have the sole authority to interpret the provisions of this Agreement and the Plan, and all determinations by it shall be final and conclusive.

(c) [Reserved].

(d) *Market Value*. "Market Value" as of a particular date shall mean (i) the closing sales price per share of Common Stock as reported by the NASDAQ on that date, or (ii) if the shares of Common Stock are not listed or admitted to trading on the NASDAQ, the closing price on the national securities exchange on which such stock is principally traded on that date, or (iii) if the shares of Common Stock are not then listed on the NASDAQ or on another national securities exchange, the

average of the highest reported bid and lowest reported asked prices for the shares of Common Stock on that date or (iv) if the shares of Common Stock are not then listed on any securities exchange and prices therefor are not then reported, such value as determined in good faith by the Board (or any duly authorized committee thereof) as of that date.

(e) *Electronic Delivery.* The Company may, in its sole discretion, deliver any documents related to the Award or other awards granted to the Recipient under the Plan by electronic means. The Recipient hereby consents to receive such documents by electronic issuance and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

(f) *Rights and Benefits.* The rights and benefits of this Agreement shall inure to the benefit of and be enforceable by the Company's successors and assigns and, subject to the restrictions on transfer of this Agreement, be binding upon the Recipient's heirs, executors, administrators, successors and assigns.

(g) *Further Action.* The parties agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

(h) *Governing Law, Venue and Jurisdiction; Attorneys' Fees.* This Agreement and the Plan will be interpreted under the laws of the state of Oregon, exclusive of choice of law rules. Venue and jurisdiction will be in the state or federal courts in Washington County, Oregon, and nowhere else. In the event either party institutes litigation hereunder, the prevailing party shall be entitled to reasonable attorneys' fees to be set by the trial court and, upon any appeal, the appellate court.

(i) *Consent to Transfer Personal Data.*

Pursuant to applicable personal data protection laws, the Company and the Employer hereby notify the Recipient of the following in relation to the Recipient's personal data and the collection, processing and transfer of such data in relation to the Company's grant of this Award and the Recipient's participation in the Plan. The collection, processing and transfer of the Recipient's personal data is necessary for the Company's administration of the Plan and the Recipient's participation in the Plan, and the Recipient's denial and/or objection to the collection, processing and transfer of personal data may affect the Recipient's participation in the Plan. As such, the Recipient voluntarily acknowledges and consents (where required under applicable law) to the collection, use, processing and transfer of personal data as described in this Section.

The Company and the Employer hold certain personal information about the Recipient, including (but not limited to) the Recipient's name, home address and telephone number, date of birth, social security number or other employee identification number (e.g., resident registration number), email address, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of Common Stock awarded, canceled, purchased, vested, unvested or outstanding in the Recipient's favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by the Recipient or collected, where lawful, from third parties, and the Company and the Employer will process the Data for the exclusive purpose of implementing, administering and managing the Recipient's participation in the Plan. The Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Recipient's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such information is unnecessary for the processing purposes sought. The Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for the Recipient's participation in the Plan.

The Company and the Employer will transfer Data as necessary for the purpose of implementation, administration and management of the Recipient's participation in the Plan, and the Company and the Employer may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the

European Economic Area, the United States, or elsewhere throughout the world. The Recipient hereby authorizes (where required under applicable law) them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Recipient's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of shares of Common Stock on the Recipient's behalf by the TPA.

The Recipient may, at any time, exercise his or her rights provided under applicable personal data protection laws, which may include the right to (i) obtain confirmation as to the existence of the Data, (ii) verify the content, origin and accuracy of the Data, (iii) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (iv) oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and the Recipient's participation in the Plan. The Recipient may seek to exercise these rights by contacting the HR manager of the Company or the Employer or the Company's Human Resources Department.

(j) *Acknowledgement of Discretionary Nature of the Plan; No Vested Rights.* The Recipient acknowledges and agrees that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The Award of RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of RSUs or benefits in lieu of RSUs in the future. Future awards, if any, will be at the sole discretion of the Company, including, but not limited to, the timing of any award, the number of RSUs and vesting provisions. Any amendment, modification or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Recipient's employment with the Company or the Employer.

(k) *Character of Award.* Participation in the Plan is voluntary. The value of the Award and any other awards granted under the Plan is an extraordinary item of compensation outside the scope of the Recipient's employment (and the Recipient's employment contract, if any). Any grant under the Plan, including the Award, is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension, or retirement benefits or similar payments.

(l) *No Public Offering.* The grant of the RSUs is not intended to be a public offering of securities in the Recipient's country of residence (and country of employment, if different). The Company has not submitted any registration statement, prospectus or other filing with the local securities authorities (unless otherwise required under local law). **No employee of the Company is permitted to advise the Recipient on whether the Recipient should acquire shares of Common Stock under the Plan or provide the Recipient with any legal, tax or financial advice with respect to the grant of the RSUs. The acquisition of shares of Common Stock involves certain risks, and the Recipient should carefully consider all risk factors and tax considerations relevant to the acquisition of shares of Common Stock under the Plan and the disposition of them. Further, the Recipient should carefully review all materials related to the RSUs and the Plan, and should consult with the Recipient's personal legal, tax and financial advisors for professional advice in relation to the Recipient's personal circumstances.**

(m) *Insider Trading/Market Abuse Laws.* The Recipient acknowledges that, depending on the Recipient's country of residence (and country of employment, if different), the Recipient may be subject to insider trading restrictions and/or market abuse laws which may affect the Recipient's ability to acquire or sell shares of Common Stock or rights to shares of Common Stock (e.g., RSUs) under the Plan during such times as the Recipient is considered to have "inside information" regarding the Company (as determined under the laws in the Recipient's country of residence and/or employment). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. The Recipient expressly acknowledges that it is the Recipient's personal responsibility to comply with any applicable restrictions.

(n) *Validity and Enforceability; Severability.* The invalidity or unenforceability of any provision of the Plan or the Agreement shall not affect the validity or enforceability of any other provision of the Plan or the Agreement. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable. Alternatively, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to render it valid and enforceable to the full extent permitted under applicable law.

(o) *English Version to Control.* If the Recipient is a resident outside of the United States, the Recipient acknowledges and agrees that it is the Recipient's express intent that the Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award be drawn up in English. If the Recipient has received the Agreement, the Plan or any other documents related to the Award translated into a language other than English and the meaning of the translated version is different than the English version, the English version will control.

(p) *Addendum.* Notwithstanding any provisions of the Agreement to the contrary, the Award shall be subject to any special terms and conditions for the Recipient's country of residence (and country of employment, if different) set forth in an addendum to the Agreement (an "Addendum"). Further, if the Recipient transfers residence and/or employment to another country reflected in an Addendum to the Agreement at the time of transfer, the special terms and conditions for such country will apply to the Recipient to the extent the Company determines, in its sole discretion, that the application of such special terms and conditions is necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Award and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Recipient's transfer). In all circumstances, any applicable Addendum shall constitute part of the Agreement.

(q) *Other Requirements.* The Company reserves the right to impose other requirements on the Award, any shares of Common Stock acquired pursuant to the RSUs and the Recipient's participation in the Plan to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Award and the Plan. Such requirements may include (but are not limited to) requiring the Recipient to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

(r) *Recovery Policy.* Notwithstanding any other provision of this Agreement to the contrary and to the extent applicable to the Recipient, the Recipient acknowledges and agrees that the Recipient's RSUs, any shares of Common Stock acquired pursuant thereto and/or any amount received with respect to any sale of such shares may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of the Columbia Sportswear Company Incentive Compensation Recovery Policy (the "Recovery Policy") as in effect on the Award Date (and to the extent applicable to the Recipient, a copy of which has been made available to the Recipient) and as may be amended from time to time in order to comply with changes in laws, rules or regulations that are applicable to such Award and shares of Common Stock. As a condition to the grant of the RSUs, to the extent applicable, the Recipient expressly agrees and consents to the Company's application, implementation and enforcement of (a) the Recovery Policy and (b) any provision of applicable law relating to cancellation, recoupment, rescission or payback of compensation. Further, the Recipient expressly agrees that the Company may take such actions as are necessary or appropriate to effectuate the Recovery Policy (as applicable to the Recipient) or applicable law without further consent or action being required by the Recipient. For purposes of the foregoing and as a condition to the grant of the RSUs, the Recipient expressly and explicitly authorizes the Company to issue instructions, on the Recipient's behalf, to any TPA to re-convey, transfer or otherwise return such shares and/or other amounts to the Company. To the extent that the terms of this Agreement and the Recovery Policy conflict, the terms of the Recovery Policy shall prevail.

(s) *Acceptance.* By accepting the grant of the Award, the Recipient acknowledges that the Recipient has read the Agreement, the Addendum to the Agreement (as applicable) and the Plan, and specifically accepts and agrees to the provisions therein.

This Award of RSUs is subject to the Recipient's on-line acceptance of the terms and conditions of this Agreement through the E\*TRADE web portal. By accepting the terms and conditions of this Agreement, the Recipient acknowledges receipt of a copy of the Plan, the U.S. Prospectus for the Plan, and the local country tax supplement to the U.S. Prospectus for the Plan (the "Award Information"). The Recipient represents that the Recipient is familiar with the terms and provisions of the Award Information and hereby accepts this Award on the terms and conditions set forth herein and in the Plan, and acknowledges that the Recipient had the opportunity to obtain independent legal, investment and tax advice at the Recipient's personal expense prior to accepting this Award.

COLUMBIA SPORTSWEAR COMPANY

**COLUMBIA SPORTSWEAR COMPANY**  
**ADDENDUM TO**  
**AWARD AGREEMENT**  
**FOR GRANT OF RESTRICTED STOCK UNITS PURSUANT TO THE**  
**COLUMBIA SPORTSWEAR COMPANY 2020 STOCK INCENTIVE PLAN**

In addition to the terms of the Columbia Sportswear Company 2020 Stock Incentive Plan (the "Plan") and the Award Agreement for the Grant of Restricted Stock Units Pursuant to the Columbia Sportswear Company 2020 Stock Incentive Plan (the "Agreement"), the RSUs are subject to the following additional terms and conditions as set forth in this addendum to the extent the Recipient resides and/or is employed in one of the countries reflected herein (the "Addendum"). Capitalized terms used herein without definition shall have the same meaning as assigned to such terms in the Plan and the Agreement. To the extent the Recipient transfers residence and/or employment to another country, the special terms and conditions for such country as reflected in this Addendum (if any) will apply to the Recipient to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the operation and administration of the RSUs and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Recipient's transfer).

**Canada**

1. Settlement in Shares Only. Notwithstanding any provision of the Agreement to the contrary, the RSUs shall be settled in shares of Common Stock only (and shall not be settled in cash).

2. Forfeiture Upon Termination of Service. The following replaces Section 1(d)(1) of the Agreement:

For purposes of the RSUs, the Recipient's employment with the Company or the Employer, as applicable, will be considered terminated (regardless of the reason for termination, whether or not later found to be invalid or unlawful for any reason or in breach of employment or other laws or rules in the jurisdiction where the Recipient is providing services or the terms of the Recipient's employment or service agreement, if any) as of the date that is the earliest of: (a) the date that the Recipient is no longer actively providing services to the Company or the Employer or (b) the date on which the Recipient receives written notice of termination of employment (the "Termination Date"), except, in either case, to the extent applicable employment standards legislation requires the RSUs to continue through any minimum termination notice period applicable under the legislation. In such case, the Termination Date will be the last day of the Recipient's minimum statutory termination notice period.

Unless otherwise expressly provided in the Agreement or explicitly required by applicable legislation, the Recipient's right to vest in the RSUs under the Plan, if any, will terminate as of the Termination Date and the Recipient will not earn or be entitled to (A) any pro-rated vesting for that period of time before the Termination Date, (B) any unvested portion of the RSUs, or (C) any payment of damages in lieu thereof. To be clear, there shall be no vesting of the RSUs during any applicable common law or civil law reasonable notice period following the Termination Date or any payment of damages in lieu thereof. Subject to applicable legislation, in the event the Termination Date cannot be reasonably determined under the terms of the Agreement and/or the Plan, the Company shall have the exclusive discretion to determine the Termination Date.

2. Securities Law Information. The Recipient is permitted to sell shares of Common Stock acquired under the Plan through the TPA, if any, provided the resale of shares of Common Stock acquired under the Plan takes place outside Canada through the facilities of a stock exchange on which the shares of Common Stock are listed.

3. Use of English Language. If the Recipient is a resident of Quebec, by accepting the RSUs, the Recipient acknowledges and agrees that it is the Recipient's wish that the Agreement, this



Addendum, as well as all other documents, notices and legal proceedings entered into, given or instituted pursuant to the RSUs, either directly or indirectly, be drawn up in English.

Utilisation de la langue anglaise. Si le Bénéficiaire est un résident du Québec, en acceptant les UAR, le Bénéficiaire reconnaît et accepte que le Bénéficiaire souhaite que l'Entente, le présent Addenda, ainsi que tous les autres documents, avis et poursuites judiciaires conclus, donnés ou intentés en vertu aux RSU, directement ou indirectement, être rédigés en anglais.

## **Hong Kong**

1. Lapse of Restrictions. If, for any reason, shares of Common Stock are issued to the Recipient within six (6) months of the Award Date, the Recipient agrees that the Recipient will not sell or otherwise dispose of any such shares of Common Stock prior to the six (6) month anniversary of the Award Date.

2. IMPORTANT NOTICE. WARNING: The contents of the Agreement, the Addendum, the Plan, and all other materials pertaining to the RSUs and/or the Plan have not been reviewed by any regulatory authority in Hong Kong. The Recipient is hereby advised to exercise caution in relation to the offer thereunder. If the Recipient has any doubts about any of the contents of the aforesaid materials, the Recipient should obtain independent professional advice.

3. Nature of the Plan. The Company specifically intends that the Plan will not be treated as an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance ("ORSO"). To the extent any court, tribunal or legal/regulatory body in Hong Kong determines that the Plan constitutes an occupational retirement scheme for the purposes of ORSO, the grant of the RSUs shall be null and void.

4. Award Benefits Are Not Wages. The RSUs and the shares of Common Stock underlying the RSUs do not form part of the Recipient's wages for the purposes of calculating any statutory or contractual payments under Hong Kong law.

## **Japan**

No country-specific provisions.

## **South Korea**

No country-specific provisions.

## **Switzerland**

1. Securities Law Information. The grant of RSUs is considered a private offering and therefore is not subject to registration in Switzerland. Neither the Agreement, this Addendum nor any other materials relating to the RSUs (a) constitute a prospectus according to article 35 et seq. of the Swiss Federal Act on Financial Services ("FinSA"), (b) may be publicly distributed nor otherwise made publicly available in Switzerland to any person other than an employee of the Company or the Employer, or (c) has been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 of FinSA or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority (FINMA).

## **Taiwan**

1. Securities Law Information. The grant of RSUs and the shares of Common Stock to be issued pursuant to the Plan are available only for employees of the Company or any parent or subsidiary of the Company. The grant of RSUs is not a public offer of securities by a Taiwanese company.

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## Columbia Sportswear Company

List of Subsidiaries  
As of December 31, 2023

<u>Name</u>	<u>Jurisdiction of Incorporation</u>
Columbia Brands Holding Company	Oregon
Columbia Brands International Sàrl	Switzerland
Columbia Brands USA, LLC	Oregon
Columbia Brands Canada Limited	Canada
Columbia Sportswear Austria GmbH	Austria
Columbia Sportswear Canada GP ULC	Canada
Columbia Sportswear Canada LP	Canada
Columbia Sportswear Commercial (Shanghai) Co., Ltd.	China
Columbia Sportswear Company (Dongguan) Limited	China
Columbia Sportswear Company (Hong Kong) Limited	Hong Kong
Columbia Sportswear Company Limited	United Kingdom
Columbia Sportswear Czech s.r.o.	Czech Republic
Columbia Sportswear Denmark ApS	Denmark
Columbia Sportswear Distribution S.A.S.	France
Columbia Sportswear Europe S.A.S.	France
Columbia Sportswear Finland Oy	Finland
Columbia Sportswear GmbH	Germany
Columbia Sportswear India Sourcing Private Limited	India
Columbia Sportswear Information Consultant (Zhuhai) Co., Ltd.	China
Columbia Sportswear International Sàrl	Switzerland
Columbia Sportswear Italy S.r.l.	Italy
Columbia Sportswear Japan, Inc.	Japan
Columbia Sportswear Korea	Korea
Columbia Sportswear LO Holdings LLC	Oregon
Columbia Sportswear Ireland Limited	Ireland
Columbia Sportswear Netherlands B.V.	The Netherlands
Columbia Sportswear North America, Inc.	Oregon
Columbia Sportswear Norway AS	Norway
Columbia Sportswear Poland Sp.z.o.o	Poland
Columbia Sportswear Spain S.L.U.	Spain
Columbia Sportswear Sweden AB	Sweden
CSMM Hong Kong Limited	Hong Kong
GTS, Inc.	Oregon
Montrail Corporation	Oregon
Mountain Hardwear, Inc.	Utah
OutDry Technologies Corporation	Oregon
Pacific Trail Corporation	Oregon
prAna Living, LLC	Oregon
Sorel Corporation	Delaware
Columbia Sportswear Vietnam Limited Liability Company	Vietnam

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement Nos. 333-53785, 333-186958, 333-238935, 333-160702, 333-117986, 333-108342, 333-86224, and 333-80387 on Form S-8 of our reports dated February 26, 2024, relating to the financial statements of Columbia Sportswear Company and the effectiveness of Columbia Sportswear Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Columbia Sportswear Company for the year ended December 31, 2023.

/s/ DELOITTE & TOUCHE LLP

Portland, Oregon  
February 26, 2024

## CERTIFICATION

I, Timothy P. Boyle, certify that:

1. I have reviewed this Annual Report on Form 10-K of Columbia Sportswear Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2024

/s/ TIMOTHY P. BOYLE

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Timothy P. Boyle  
Chairman, President and Chief Executive  
Officer  
(Principal Executive Officer)

## CERTIFICATION

I, Jim A. Swanson, certify that:

1. I have reviewed this Annual Report on Form 10-K of Columbia Sportswear Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2024

/s/ JIM A. SWANSON

Jim A. Swanson

Executive Vice President and Chief

Financial Officer

(Principal Financial and Accounting Officer)

**SECTION 1350 CERTIFICATION**

In connection with the Annual Report on Form 10-K of Columbia Sportswear Company (the "Company") for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-K"), I, Timothy P. Boyle, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Form 10-K fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 as of, and for, the periods presented in the Form 10-K; and
- (2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 26, 2024

/s/ TIMOTHY P. BOYLE

Timothy P. Boyle

Chairman, President and Chief Executive  
Officer

(Principal Executive Officer)

**SECTION 1350 CERTIFICATION**

In connection with the Annual Report on Form 10-K of Columbia Sportswear Company (the "Company") on for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-K"), I, Jim A. Swanson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Form 10-K fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 as of, and for, the periods presented in the Form 10-K; and
- (2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 26, 2024

/s/ JIM A. SWANSON

Jim A. Swanson

Executive Vice President and Chief  
Financial Officer

(Principal Financial and Accounting  
Officer)

**COLUMBIA SPORTSWEAR COMPANY**  
**2023 INCENTIVE COMPENSATION RECOVERY POLICY**

**Effective Date: October 2, 2023**

**1. Recovery of Erroneously Awarded Incentive-Based Compensation from Executive Officers**

1. **Policy.** Columbia Sportswear Company (the “**Company**”) will reasonably promptly recover in any form or forms it deems appropriate, subject to the terms of this policy (this “**Policy**”), the amount of Erroneously Awarded Incentive-Based Compensation received by Executive Officers in the event that the Company is required to prepare an Accounting Restatement. This Policy is intended to comply with, and to be administered and interpreted consistent with, Rule 10D-1 promulgated under the Exchange Act (“**Rule 10D-1**”) and Listing Rule 5608 adopted by the Nasdaq Stock Market LLC (“**Nasdaq**”) (the “**Listing Standards**”). Capitalized terms not otherwise defined in this Policy have the meanings set forth below in Section 2.
2. **Applicability.** This Policy applies to all Incentive-Based Compensation received by an Executive Officer:
  1. After beginning service as an Executive Officer;
  2. Who served as an Executive Officer at any time during the performance period for that Incentive-Based Compensation;
  3. While the Company has a class of securities listed on a national securities exchange or a national securities association; and
  4. During the three completed fiscal years immediately preceding the date that the Company is required to prepare an Accounting Restatement (including any applicable transition period in the event of a change in the Company’s fiscal year), without regard to whether an Executive Officer was involved in any fraud or intentional misconduct with respect to the Accounting Restatement.

**3. Accounting Restatement.**

1. **Relevant Recovery Period.** For purposes of determining the relevant recovery period set forth in Section 1.B.4, the date that a Company is required to prepare an Accounting Restatement is the earlier to occur of:
  - 1) The date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board or committee action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; or
  - 2) The date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.
2. **Dependencies.** A Company’s obligation to recover Erroneously Awarded Incentive-Based Compensation is not dependent on if or when the restated financial statements are filed.
4. **Limited Exceptions to Recovery.** The Company must recover Erroneously Awarded Incentive-Based Compensation in compliance with this Policy unless the Compensation Committee determines that recovery would be impracticable and is not required under Rule 10D-1 and the Listing Standards because:



1. The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered, provided that the Company has first made a reasonable attempt to recover such compensation, documented such reasonable attempt(s) to recover, and provided that documentation to Nasdaq;
2. Recovery would violate home country law adopted prior to November 28, 2022, provided that the Company has first obtained an opinion of home country counsel, acceptable to Nasdaq, that recovery would result in such a violation, and must provide such opinion to Nasdaq; or
3. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

## 2. Definitions

For purposes of this Policy:

**“Accounting Restatement”** means an accounting restatement due to the Company’s material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

**“Board”** means the Board of Directors of the Company.

**“Compensation Committee”** means the Compensation Committee of the Board.

**“Erroneously Awarded Incentive-Based Compensation”** is the amount of Incentive-Based Compensation received that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts, and must be computed without regard to any taxes paid. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Incentive-Based Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement:

(A) The amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received; and

(B) The Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to Nasdaq.

**“Exchange Act”** means the Securities Exchange Act of 1934, as amended.

**“Executive Officer”** means an executive officer as defined in Rule 10D-1 and the Listing Standards, including a former executive officer, who receives Incentive-Based Compensation subject to this Policy. Generally, an Executive Officer includes any individual designated by the Board as an “officer” under Rule 16a-1(f) under the Exchange Act.

**“Financial Reporting Measures”** means measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures. A financial reporting measure need not be presented within the Company’s financial statements or included in a filing with the Securities and Exchange Commission.

**“Incentive-Based Compensation”** means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

**“Received”:** For purposes of this Policy, Incentive-Based Compensation will be deemed to have been **“received”** during the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

### 3. **Administration**

This Policy will be administered by the Compensation Committee, except that the Board may determine to act as the administrator or designate another committee of the Board to act as the administrator with respect to any portion of this Policy other than Section 1.D (the **“Administrator”**). The Administrator is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. Determinations made by the Administrator will be final and binding on all affected individuals.

### 4. **No Indemnification or Reimbursement; Successors**

The Company will not indemnify or reimburse, or agree to indemnify or reimburse, any Executive Officer against the loss of any Erroneously Awarded Incentive-Based Compensation. This Policy will be binding and enforceable against all Executive Officers and their beneficiaries, heirs, executors, administrators and other legal administrators.

### 5. **Other Recoupment Rights**

The Administrator may require that any employment agreement, equity award agreement or similar agreement entered into on or after the Effective Date will, as a condition to the grant of any benefit thereunder, require an Executive Officer to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, plan or award agreement, or similar agreement, and any other legal rights and remedies available to the Company, or any actions that may be imposed by law enforcement agencies, regulators, administrative bodies or other authorities. Nothing contained in this Policy and no recovery hereunder will limit any claims, damages or other legal remedies the Company may have against an individual arising out of or resulting from any actions or omissions by such individual.

### 6. **Reporting and Disclosures**

The Company will file all disclosures with respect to this Policy in accordance with the requirements of federal securities laws.

### 7. **Effective Date**

This Policy was approved on July 21, 2023 and is effective only for Incentive-Based Compensation received by an Executive Officer on or after the Effective Date above.