UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
- ---- SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2001

OR

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

For the transition period from ______________ to ______________

COLUMBIA SPORTSWEAR COMPANY
(Exact name of registrant as specified in its charter)

Oregon	0-23939	93-0498284
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(IRS Employer Identification Number)

6600 North Baltimore Portland, Oregon 97203
- --
(Address of principal executive offices) (Zip Code)

(503) 286-3676
- --
(Registrant's telephone number, including area code)

Not Applicable
- --
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether 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 X NO
--- ---

The number of shares of Common Stock outstanding on July 31, 2001, was 39,200,923.

COLUMBIA SPORTSWEAR COMPANY

JUNE 30, 2001

INDEX TO FORM 10-Q

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ITEM 1 -- FINANCIAL STATEMENTS

COLUMBIA SPORTSWEAR COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)
(UNAUDITED)

<TABLE>
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<S>	JUNE 30, 2001 <C>	DECEMBER 31, 2000 <C>
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 20,938	$ 35,464
Accounts receivable, net of allowance of $6,210		

and $5,826, respectively	97,843	129,539
Inventories (Note 2)	186,944	105,288
Deferred tax asset	12,217	13,347
Prepaid expenses and other current assets	6,013	5,610
Total current assets	323,955	289,248
Property, plant, and equipment, net	88,552	76,662
Intangibles and other assets	8,609	9,176
Total assets	$ 421,116	$ 375,086
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	$ 24,411	$ 23,987
Accounts payable	71,054	45,047
Accrued liabilities	19,233	28,294
Current portion of long-term debt	353	308
Total current liabilities	115,051	97,636
Long-term debt	25,463	26,000
Deferred tax liability	2,462	2,461
Total liabilities	142,976	126,097
Commitments and contingencies	--	--
Shareholders' Equity:		
Preferred stock; 10,000 shares authorized; none issued and outstanding	--	--
Common stock; 50,000 shares authorized; 39,197 and 38,564 issued and outstanding	147,277	133,736
Retained earnings	138,939	123,901
Accumulated other comprehensive loss	(5,689)	(5,920)
Unearned portion of restricted stock issued for future services	(2,387)	(2,728)
Total shareholders' equity	278,140	248,989
Total liabilities and shareholders' equity	$ 421,116	$ 375,086

</TABLE>

See accompanying notes to condensed consolidated financial statements.

COLUMBIA SPORTSWEAR COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2001	2000	2001	2000

Net sales	$121,544	$ 97,155	$259,627	$205,592
Cost of sales	68,355	53,426	147,237	115,325
Gross profit	53,189	43,729	112,390	90,267
Selling, general, and administrative	41,995	36,933	86,888	77,311
Income from operations	11,194	6,796	25,502	12,956
Interest expense, net	566	740	646	1,424
Income before income tax	10,628	6,056	24,856	11,532
Income tax expense	4,198	2,438	9,818	4,642
Net income (Note 3)	$ 6,430	$ 3,618	$ 15,038	$ 6,890
Earnings per share (Note 4):				
Basic	$ 0.16	$ 0.09	$ 0.39	$ 0.18
Diluted	$ 0.16	$ 0.09	$ 0.38	$ 0.18
Weighted average shares outstanding:				
Basic	39,029	38,148	38,865	38,142
Diluted	40,074	39,189	39,810	38,972

See accompanying notes to condensed consolidated financial statements.

COLUMBIA SPORTSWEAR COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	SIX MONTHS ENDED JUNE 30, 2001	SIX MONTHS ENDED JUNE 30, 2000
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Net income	$ 15,038	$ 6,890
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	7,553	6,668

Non-cash compensation	341	341
Loss (gain) on disposal of property, plant, and equipment	96	(321)
Deferred income taxes	1,105	(183)
Changes in operating assets and liabilities:		
Accounts receivable	28,946	39,567
Inventories	(83,373)	(46,326)
Prepaid expenses and other current assets	(433)	(1,513)
Intangibles and other assets	61	(48)
Accounts payable	30,112	1,110
Accrued liabilities	(3,429)	(5,125)
Net cash provided by (used in) operating activities	(3,983)	1,060
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:		
Additions to property, plant, and equipment	(19,410)	(3,288)
Proceeds from sale of property, plant, and equipment	16	432
Net cash used in investing activities	(19,394)	(2,856)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:		
Net proceeds from (repayments on) notes payable	2,663	(1,328)
Repayment on long-term debt	(492)	(466)
Proceeds from issuance of common stock	7,124	1,101
Net cash provided by (used in) financing activities	9,295	(693)
NET EFFECT OF EXCHANGE RATE CHANGES ON CASH	(444)	718
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,526)	(1,771)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	35,464	14,622
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 20,938	$ 12,851

</TABLE>

See accompanying notes to condensed consolidated financial statements.

COLUMBIA SPORTSWEAR COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared by the management of Columbia Sportswear Company (the "Company") and in the opinion of management contain all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the Company's financial position as of June 30, 2001, and the results of operations for the three and six months ended June 30, 2001 and 2000 and cash flows for the six months ended June 30, 2001 and 2000. It should be understood that accounting measurements at interim dates inherently involve greater reliance on estimates than at year end. The results of operations for the three and six months ended June 30, 2001 are not necessarily indicative of the results to be expected for the full year.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.

Certain reclassifications of amounts reported in the prior period financial statements have been made to conform to classifications used in the current period financial statements.

NOTE 2. INVENTORIES

Inventories are carried at the lower of cost or market. Cost is determined using the first-in, first-out method.

Inventories consist of the following (in thousands):

<TABLE>
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	June 30, 2001	December 31, 2000
<S>	<C>	<C>
Raw materials	$ 5,599	$ 4,298
Work in process	22,870	9,217
Finished goods	158,475	91,773
	$186,944	$105,288

</TABLE>

NOTE 3. COMPREHENSIVE INCOME

Comprehensive income and its components, net of tax, are as follows (in thousands):

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Net income	$ 6,430	$ 3,618	$ 15,038	$ 6,890
Foreign currency translation adjustments	403	(305)	(1,542)	(292)
Unrealized gain (loss) on derivative transactions (net of tax (expense) benefit, ($50), $0, $1,105 and $0, respectively)	(80)	195	1,773	(35)
Comprehensive income	$ 6,753	$ 3,508	$ 15,269	$ 6,563

</TABLE>

NOTE 4. EARNINGS PER SHARE

Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share," requires dual presentation of basic and diluted earnings per share ("EPS"). Basic EPS is based on the weighted average number of common shares outstanding. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock.

There were no adjustments to net income in computing diluted earnings per share for the three and six months ended June 30, 2001 and 2000. A reconciliation of the common shares used in the denominator for computing basic and diluted earnings per share is as follows (in thousands):

	Three Months Ended June 30, 2001	Three Months Ended June 30, 2000	Six Months Ended June 30, 2001	Six Months Ended June 30, 2000
Weighted average common shares outstanding, used in computing basic earnings per share	39,029	38,148	38,865	38,142
Effect of dilutive stock options	1,045	1,041	945	830
Weighted-average common shares outstanding, used in computing diluted earnings per share	40,074	39,189	39,810	38,972
Earnings per share of common stock:				
Basic	$ 0.16	$ 0.09	$ 0.39	$ 0.18
Diluted	$ 0.16	$ 0.09	$ 0.38	$ 0.18

On May 2, 2001, the Company announced that the Board of Directors approved a three-for-two split of the Company's Common Stock. The additional shares were distributed on June 4, 2001, to all shareholders of record at the close of business on May 17, 2001.

The shares presented in the consolidated balance sheets as of June 30, 2001 and December 31, 2000, and the number of shares used in the computation of earnings per share in the consolidated statements of operations for the three and six months ended June 30, 2001 and 2000, are based on the number of shares outstanding after giving effect to the June 2001 stock split.

NOTE 5. SEGMENT INFORMATION

The Company operates in one industry segment: the design, production, marketing and selling of active outdoor apparel, including outerwear, sportswear, rugged footwear, and accessories. The geographic distribution of the Company's net sales, income before income tax, and identifiable assets are summarized in the following table (in thousands). Inter-geographic net sales, which are recorded at a negotiated mark-up and eliminated in consolidation, are not material.

	Three Months Ended June 30, 2001	Three Months Ended June 30, 2000	Six Months Ended June 30, 2001	Six Months Ended June 30, 2000
Net sales to unrelated entities:				
United States	$ 88,029	$ 71,774	$ 174,425	$ 140,675
Canada	7,897	6,905	21,364	17,376
Other International	25,618	18,476	63,838	47,541
	$ 121,544	$ 97,155	$ 259,627	$ 205,592
Income (loss) before income tax:				
United States	$ 15,290	$ 5,584	$ 24,454	$ 7,577
Canada	515	255	2,689	1,348
Other International	590	(54)	3,385	2,124
Less interest and other income (expense) and eliminations	(5,767)	271	(5,672)	483

	$ 10,628	$ 6,056	$ 24,856	$ 11,532
	=========	=========	=========	=========

</TABLE>

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<S>	June 30, 2001 <C>	December 31, 2000 <C>
Total assets:		
United States	$ 404,560	$ 351,270
Canada	27,044	31,645
Other international	60,178	56,059
	---------	---------
	491,782	438,974
Eliminations	(70,666)	(63,888)
	---------	---------
Total assets	$ 421,116	$ 375,086
	=========	=========

</TABLE>

NOTE 6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As part of the Company's risk management programs, the Company uses a variety of financial instruments, including foreign currency option and forward exchange contracts. The Company does not hold or issue derivative financial instruments for trading purposes.

The Company uses a combination of foreign currency option and forward exchange contracts to hedge against the currency risk associated with Japanese yen, Canadian dollar and European Euro denominated, firmly committed and anticipated transactions for the next twelve months.

The Company accounts for these instruments as cash flow hedges. In accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activity", such financial instruments are marked-to-market with the offset to shareholders' equity and then subsequently recognized as a component of gross margin when the underlying transaction is recognized. The Company measures hedge effectiveness of foreign currency option and forward exchange contracts based on the forward price of the underlying commodity. Hedge ineffectiveness was not material during the three and six months ended June 30, 2001 and 2000.

NOTE 7. RECENT ACCOUNTING PRONOUNCEMENTS

In June 2001, the Financial Accounting Standards Board adopted SFAS No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS 141 requires that all business combinations subsequent to June 30, 2001 be accounted for under the purchase method of accounting. SFAS 142 establishes new standards for goodwill acquired in a business combination and eliminates amortization of goodwill and instead sets forth methods to periodically evaluate goodwill for impairment. SFAS 142 will be effective for the Company beginning January 1, 2002. Management has evaluated the impact of the adoption of SFAS 142 and has determined that this statement will not have a material impact on the Company's financial position or results of operations.

ITEM 2 -- MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD LOOKING STATEMENTS

The statements in this report concerning future financing and working capital requirements and the impact of Euro implementation on our business constitute forward-looking statements that are subject to risks and uncertainties. Many factors could cause actual results to differ materially from those projected in such forward looking statements, including risks described in our annual report on Form 10-K for the year ended December 31, 2000 under the heading "Factors That May Affect Our Business". Factors that could adversely affect future financing and working capital needs include, but are not limited to, unfavorable economic conditions, increased competitive factors (including increased competition, new product offerings by competitors and price pressures); changes in consumer preferences; unseasonable weather; an inability to increase sales to department stores or to open and operate new concept shops on favorable terms; a failure to manage growth effectively; unavailability of independent manufacturing, labor or supplies at reasonable prices; disruptions in the outerwear, sportswear and rugged footwear industries; delays or disruptions in our capital projects; and our ability to negotiate favorable terms for construction and implementation of our proposed European distribution facility. Factors that could cause the implementation of the Euro to have an adverse affect on our business include operational disruptions that could result from the systems conversion for the Euro introduction. The Company does not undertake any obligations to update this forward-looking information to conform it to changes in circumstances or expectations.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, selected statements of operations data expressed as a percentage of net sales.

	Three Months Ended June 30, 2001	Three Months Ended June 30, 2000	Six Months Ended June 30, 2001	Six Months Ended June 30, 2000
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	56.2	55.0	56.7	56.1
Gross profit	43.8	45.0	43.3	43.9
Selling, general and administrative	34.6	38.0	33.5	37.6
Income from operations	9.2	7.0	9.8	6.3
Interest expense, net	0.5	0.8	0.2	0.7
Income before income tax	8.7	6.2	9.6	5.6
Income tax expense	3.4	2.5	3.8	2.2
Net income	5.3%	3.7%	5.8%	3.4%

THREE MONTHS ENDED JUNE 30, 2001 COMPARED TO THREE MONTHS ENDED JUNE 30, 2000

NET SALES: Net sales increased 25.0% to $121.5 million for the three month period ended June 30, 2001 from $97.2 million for the comparable period in 2000. Domestic sales increased 22.6% to $88.0 million for the three month period ended June 30, 2001 from $71.8 million for the comparable period in 2000. Net international sales, excluding Canada, increased 38.4% to $25.6 million for the three month period ended June 30, 2001 from $18.5 million for the comparable period in 2000. Canadian sales increased 14.5% to $7.9 million for the three month period ended June 30, 2001 from $6.9 million for the same period in 2000. These increases were primarily attributable to increased sales of sportswear, outerwear and footwear units primarily in the United States and Europe.

GROSS PROFIT: Gross profit as a percentage of net sales was 43.8 % for the three months ended June 30, 2001 compared to 45.0% for the comparable period in 2000. The decline in gross margin was due to the decreased gross margins on increased sales of spring close-out products and the weakness of the Euro currency for the quarter ended June 30, 2001 when compared to the same period in 2000.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE: Selling, general, and administrative expense (SG&A) increased 13.8% to $42.0 million for the three months ended June 30, 2001 from $36.9 million for the comparable period in 2000, primarily as a result of an increase in variable selling and operating expenses to support the higher level of sales. As a percentage of sales, SG&A decreased to 34.6% for the three months ended June 30, 2001 from 38.0% for the comparable period in 2000, as we continue to utilize the existing investments in global infrastructure to support the higher level of sales.

INTEREST EXPENSE: Interest expense decreased by 23.5% for the three months ended June 30, 2001 from the comparable period in 2000. This decrease was attributable to our increased cash position for the quarter ended June 30, 2001 when compared to the same period in 2000.

SIX MONTHS ENDED JUNE 30, 2001 COMPARED TO SIX MONTHS ENDED JUNE 30, 2000

NET SALES: Net sales increased 26.3% to $259.6 million for the six month period ended June 30, 2001 from $205.6 million for the comparable period in 2000. Domestic sales increased 24.0% to $174.4 million for the six month period ended June 30, 2001 from $140.7 million for the comparable period in 2000. Net international sales, excluding Canada, increased 34.3% to $63.8 million for the six month period ended June 30, 2001 from $47.5 million for the comparable period in 2000. Canadian net sales increased 23.0% to $21.4 million for the six month period ended June 30, 2001 from $17.4 million for the comparable period in 2000. These increases were primarily attributable to increased sales of sportswear and outerwear units across all regions and footwear units in the United States and Europe.

GROSS PROFIT: Gross profit as a percentage of net sales was 43.3% for the six months ended June 30, 2001 compared to 43.9% for the comparable period in 2000. The decline in gross margin was due to the decreased gross margins on increased sales of spring close-out products and the weakness of the Euro currency for the six months ended June 30, 2001 when compared to the six months ended June 30, 2000.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE: SG&A increased 12.4% to $86.9 million for the six months ended June 30, 2001 from $77.3 million for the comparable period in 2000, primarily as a result of an increase in variable selling and operating expenses to support the higher level of sales. As a percentage of sales, SG&A decreased to 33.5% for the six months ended June 30, 2001 from 37.6% for the comparable period in 2000 as we were able to leverage our sales growth over our fixed operating expenses.

INTEREST EXPENSE: Interest expense decreased by 54.6% for the six months ended June 30, 2001 from the comparable period in 2000. This decrease was attributable to our increased cash position for the six months ended June 30, 2001 when compared to the same period in 2000.

SEASONALITY OF BUSINESS

Our business is affected by the general seasonal trends common to the outdoor apparel industry, with sales and profits highest in the third calendar quarter. Our products are marketed on a seasonal basis, with a product mix weighted substantially toward the fall season. Results of operations in any period should not be considered indicative of the results to be expected for any future period. The sale of our products is subject to substantial cyclical fluctuation or impact from unseasonal weather conditions. Sales tend to decline in periods of recession or uncertainty regarding future economic prospects that affect consumer spending, particularly on discretionary items. This cyclicality and any related fluctuation in consumer demand could have a material adverse effect on the Company's results of operations, cash flows and financial position.

LIQUIDITY AND CAPITAL RESOURCES

Our primary ongoing funding requirements are to finance working capital and the continued growth of the business. At June 30, 2001, we had total cash equivalents of $20.9 million compared to $12.9 million at June 30, 2000. Cash used in operating activities was $4.0 million for the six months ended June 30, 2001 as compared to cash provided by operating activities of $1.1 million for the comparable period in 2000. This decrease was primarily due to an increase in inventory required to support higher sales levels partially offset by an increase in earnings and a decrease in accounts receivable.

Our primary capital requirements are for working capital, investing activities associated with the expansion of our domestic and international operations and general corporate needs. Net cash used in investing activities was $19.4 million for the six months ended June 30, 2001 and $2.9 million for the comparable period in 2000. This increase was primarily due to expenditures related to the expansion of our domestic distribution center.

Cash provided by financing activities was $9.3 million for the six months ended June 30, 2001 compared to cash used in financing activities of $0.7 million for the comparable period in 2000. The increase in net cash provided by financing activities was primarily due to proceeds from issuance of common stock.

To fund our working capital requirements, we have available unsecured revolving lines of credit with aggregate seasonal limits ranging from approximately $35 to $75 million, of which $10 million to $50 million is committed. As of June 30, 2001, $24.4 million was outstanding under these lines of credit. Additionally, we maintain credit agreements in order to provide us with unsecured import lines of credit with a combined limit of approximately $215 million available for issuing documentary letters of credit. Internationally, our subsidiaries have local currency operating lines in place guaranteed by our domestic operations.

We have recently announced capital expenditures to support our continued growth, including the expansion of our United States distribution center, remodeling of our recently purchased corporate headquarters and construction of a European distribution facility. We anticipate the capital expenditures associated with these projects, as well as our maintenance capital, will be approximately $40 million in 2001 and will be funded by existing cash and cash provided by operations. However, if the need for additional financing arises, our ability to obtain additional credit facilities will depend on prevailing market conditions, our financial condition, and our ability to negotiate favorable terms and conditions.

EURO CURRENCY CONVERSION

On January 1, 1999, the Euro was adopted as the national currency of the participating countries - Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal and Spain. Greece adopted the Euro on January 1, 2001. Initially, the Euro will be used for non-cash transactions. Legacy currencies of the participating member states will remain legal tender until January 1, 2002. On this date, Euro-denominated bills and coins will be issued for use in cash transactions.

The introduction of the Euro is a significant event with potential implications for our existing operations within the participating countries. As such, we have committed resources to conduct risk assessments and to take corrective actions, where required, to ensure that we are prepared for the introduction of the Euro. Progress regarding Euro implementation is reported regularly to management.

We have not experienced any significant operational disruptions to date and at this time do not expect the continued implementation of the Euro to cause any significant operational disruptions. In addition, we have not incurred and do not expect to incur any significant costs from the continued implementation of the Euro, including any additional currency risk, which could materially affect our liquidity or capital resources.

ITEM 3 -- QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has not been any material change in the market risk disclosure contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000.

PART II. OTHER INFORMATION

ITEM 4 -- SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

We held our Annual Meeting of Shareholders on May 17, 2001 where the following matters were submitted to a vote of shareholders, with the results as follows:

1. Election of seven directors to serve for the following year and until their successors are elected:

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	For	Withheld
<S>	<C>	<C>
Gertrude Boyle	24,145,837	210,694
Timothy Boyle	24,146,026	210,505
Sarah Bany	23,868,270	488,261
Murrey Albers	24,145,926	210,605
Edward George	24,145,876	210,655
Walter Klenz	24,145,376	211,155
John Stanton	24,145,926	210,605

</TABLE>

2. Approval of the amendment to the Company's 1997 Stock Incentive Plan. The shareholders adopted, by the votes indicated below, an amendment to the 1997 Stock Incentive Plan to increase the number of shares authorized for issuance to 5.4 million and to make certain technical modifications to the Plan:

<TABLE>
<CAPTION>

For	Against	Abstentions
<S>	<C>	<C>
21,992,459	2,351,683	12,389

</TABLE>

ITEM 6 -- EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10.1 The 1997 Stock Incentive Plan, as amended.

(b) Reports on Form 8-K

None.

SIGNATURES

Pursuant to the requirements 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: 8/14/01 /s/ PATRICK D. ANDERSON

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Patrick D. Anderson
Chief Financial Officer and
Authorized Officer

EXHIBIT 10.1

APPENDIX B
COLUMBIA SPORTSWEAR COMPANY
1997 STOCK INCENTIVE PLAN, AS AMENDED

1. PURPOSE. The purpose of this 1997 Stock Incentive Plan (the "Plan") is to enable Columbia Sportswear Company (the "Company") to attract and retain the services of (i) selected employees, officers and directors of the Company or any parent or subsidiary of the Company and (ii) selected nonemployee agents, consultants, advisors and independent contractors of the Company or any parent or subsidiary of the Company. For purposes of this Plan, a person is considered to be employed by or in the service of the Company if the person is employed by or in the service of the Company or any parent or subsidiary of the Company (in which case, the Company, parent or subsidiary is referred to as an "Employer").

2. SHARES SUBJECT TO THE PLAN. Subject to adjustment as provided below and in Section 10, the shares to be offered under the Plan shall consist of Common Stock of the Company, and the total number of shares of Common Stock that may be issued under the Plan shall be 5,400,000 shares. If an option or Performance-based Award granted under the Plan expires, terminates or is cancelled, the unissued shares subject to that option or Performance-based Award shall again be available under the Plan. If shares awarded as a bonus pursuant to Section 7 or sold pursuant to Section 8 under the Plan are forfeited to or repurchased by the Company, the number of shares forfeited or repurchased shall again be available under the Plan.

3. EFFECTIVE DATE AND DURATION OF PLAN.

3.1 EFFECTIVE DATE. The Plan shall become effective as of March 12, 1997. No Incentive Stock Option (as defined in Section 5 below) granted under the Plan shall become exercisable and no payments shall be made under a Performance-based Award, however, until the Plan is approved by the affirmative vote of the holders of a majority of the shares of Common Stock represented at a shareholders meeting at which a quorum is present and the exercise of any Incentive Stock Options granted under the Plan before such approval shall be conditioned on and subject to such approval. Subject to this limitation, options and Performance-based Awards may be granted and shares may be awarded as bonuses or sold under the Plan at any time after the effective date and before termination of the Plan.

3.2 DURATION. The Plan shall continue in effect until all shares available for issuance under the Plan have been issued and all restrictions on such shares have lapsed. The Board of Directors may suspend or terminate the Plan at any time except with respect to options, Performance-based Awards and shares subject to restrictions then outstanding under the Plan. Termination shall not affect any outstanding options, any outstanding Performance-based Awards or any right of the Company to repurchase shares or the forfeitability of shares issued under the Plan.

4. ADMINISTRATION.

4.1 BOARD OF DIRECTORS. The Plan shall be administered by the Board of Directors of the Company, which shall determine and designate from time to time the individuals to whom awards shall be made, the amount of the awards and the other terms and conditions of the awards. Subject to the provisions of the Plan, the Board of Directors may from time to time adopt and amend rules and regulations relating to administration of the Plan, advance the lapse of any waiting period, accelerate any exercise date, waive or modify any restriction applicable to shares (except those restrictions imposed by law) and make all other determinations in the judgment of the Board of Directors necessary or desirable for the administration of the Plan. The interpretation and construction of the provisions of the Plan and related agreements by the Board of Directors shall be final and conclusive. The Board of Directors may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any related agreement in the manner and to the extent it shall deem expedient to carry the Plan into effect, and it shall be the sole and final judge of such expediency.

4.2 COMMITTEE. The Board of Directors may delegate to any committee of the Board of Directors (the "Committee") any or all authority for administration of the Plan. If authority is delegated to the Committee, all references to the Board of Directors in the Plan shall mean and relate to the Committee, except (i) as otherwise provided by the Board of Directors and (ii) that only the Board of Directors may amend or terminate the Plan as provided in Sections 3 and 11.

4.3 OFFICERS. The Board of Directors may delegate to any officer or officers of the Company authority to grant awards under the Plan, subject to any restrictions imposed by the Board of Directors.

5. TYPES OF AWARDS; ELIGIBILITY. The Board of Directors may, from time to time, take the following actions, separately or in combination, under the Plan: (i) grant Incentive Stock Options, as defined in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), as provided in Sections 6.1 and 6.2; (ii) grant options other than Incentive Stock Options ("Non-Statutory Stock Options") as provided in Sections 6.1 and 6.3; (iii) award stock bonuses as provided in Section 7; (iv) sell shares subject to restrictions as provided in Section 8; and (v) award Performance-based Awards as provided in Section 9. Awards may be made to employees, including employees who are officers or directors, and to other individuals described in Section 1 who the Board of Directors believes have made or will make an important contribution to the Company; provided, however, that only employees of the Company or any parent or subsidiary of the Company (as defined in subsections 424(e) and 424(f) of the Code) shall be eligible to receive Incentive Stock Options under the Plan. The Board of Directors shall select the individuals to whom awards shall be made and shall specify the action taken with respect to each individual to whom an award is made. At the discretion of the Board of Directors, an individual may be given an election to surrender an award in exchange for the grant of a new award. No employee may be granted options for more than an aggregate of 100,000

shares of Common Stock in connection with the hiring of the employee or 100,000 shares of Common Stock in any calendar year otherwise.

6. OPTION GRANTS.

6.1 GENERAL RULES RELATING TO OPTIONS.

6.1-1 TERMS OF GRANT. The Board of Directors may grant options under the Plan. With respect to each option grant, the Board of Directors shall determine the number of shares subject to the option, the option exercise price, the period of the option, the time or times at which the option may be exercised and whether the option is an Incentive Stock Option or a Non-Statutory Stock Option. At the time of the grant of an option or at any time thereafter, the Board of Directors may provide that an optionee who exercised an option with Common Stock of the Company shall automatically receive a new option to purchase additional shares equal to the number of shares surrendered and may specify the terms and conditions of such new options.

6.1-2 EXERCISE OF OPTIONS. Except as provided in Section 6.1-4 or as determined by the Board of Directors, no option granted under the Plan may be exercised unless at the time of such exercise the optionee is employed by or in the service of the Company and shall have been so employed or provided such service continuously since the date the option was granted. Except as provided in Sections 6.1-4 and 10, options granted under the Plan may be exercised from time to time over the period stated in each option in such amounts and at such times as shall be prescribed by the Board of Directors, provided that options shall not be exercised for fractional shares. Unless otherwise determined by the Board of Directors, if an optionee does not exercise an option in any one year with respect to the full number of shares to which the optionee is entitled in that year, the optionee's rights shall be cumulative and the optionee may purchase those shares in any subsequent year during the term of the option.

6.1-3 NONTRANSFERABILITY. Each Incentive Stock Option and, unless otherwise determined by the Board of Directors, each other option granted under the Plan by its terms (i) shall be nonassignable and nontransferable by the optionee, either voluntarily or by operation of law, except by will or by the laws of descent and distribution of the state or country of the optionee's domicile at the time of death, and (ii) during the optionee's lifetime, shall be exercisable only by the optionee.

6.1-4 TERMINATION OF EMPLOYMENT OR SERVICE.

6.1-4(a) GENERAL RULE. Unless otherwise determined by the Board of Directors, in the event an optionee's employment or service with the Company terminates for any reason other than because of total disability or death as provided in Sections 6.1-4(b) and (c), his or her option may be exercised at any time before the expiration date of the option or the expiration of 30 days after the date of termination, whichever is the shorter period, but only if and to the extent the optionee was entitled to exercise the option at the date of termination.

6.1-4(b) TERMINATION BECAUSE OF TOTAL DISABILITY. Unless otherwise determined by the Board of Directors, in the event an optionee's employment or service with the Company terminates because of total disability, his or her option may be exercised at any time before the expiration date of the option or before the date 12 months after the date of termination, whichever is the shorter period, but only if and to the extent the optionee was entitled to exercise the option at the date of termination. The term "total disability" means a medically determinable mental or physical impairment that is expected to result in death or has lasted or is expected to last for a continuous period of 12 months or more and that causes the optionee to be unable, in the opinion of the Company and two independent physicians, to perform his or her duties as an employee, director, officer or consultant of the Employer and unable to be engaged in any substantial gainful activity. Total disability shall be deemed to have occurred on the first day after the two independent physicians have furnished their written opinion of total disability to the Company and the Company has reached an opinion of total disability.

6.1-4(c) TERMINATION BECAUSE OF DEATH. Unless otherwise determined by the Board of Directors, in the event of an optionee's death while employed by or providing service to the Company, his or her option may be exercised at any time before the expiration date of the option or before the date 12 months after the date of death, whichever is the shorter period, but only if and to the extent the optionee was entitled to exercise the option at the date of death and only by the person or persons to whom the optionee's rights under the option shall pass by the optionee's will or by the laws of descent and distribution of the state or country of domicile at the time of death.

6.1-4(d) AMENDMENT OF EXERCISE PERIOD APPLICABLE TO TERMINATION. The Board of Directors may at any time extend the 30-day and 12-month exercise periods any length of time not longer than the original expiration date of the option. The Board of Directors may at any time increase the portion of an option that is exercisable, subject to such terms and conditions as the Board of Directors may determine.

6.1-4(e) FAILURE TO EXERCISE OPTION. To the extent that the option of any deceased optionee or any optionee whose employment or service terminates is not exercised within the applicable period, all further rights to purchase shares pursuant to the option shall cease and terminate.

6.1-4(f) LEAVE OF ABSENCE. Absence on leave approved by the Employer or on account of illness or disability shall not be deemed a termination or interruption of employment or service. Unless otherwise determined by the Board of Directors, vesting of options shall continue during a medical, family or military leave of absence, whether paid or unpaid, and vesting of options shall be suspended during any other unpaid leave of absence.

6.1-5 PURCHASE OF SHARES.

6.1-5(a) NOTICE OF EXERCISE. Unless the Board of Directors determines otherwise, shares may be acquired pursuant to an option granted under the Plan only upon the Company's receipt of written notice from the optionee of the optionee's binding commitment to purchase shares, specifying the number of shares the optionee desires to purchase under the option and the date on which the optionee agrees to complete the transaction, and, if required in order to comply with the Securities Act of 1933, as amended, containing a representation that it is the optionee's present intention to acquire the shares for investment and not with a view to distribution.

6.1-5(b) PAYMENT. Unless the Board of Directors determines otherwise, on or before the date specified for completion of the purchase of shares pursuant to an option exercise, the optionee must have paid the Company the full purchase price of those shares in cash or by check or, with the consent of the Board of Directors, in whole or in part, in Common Stock of the Company valued at fair market value, restricted stock, or other contingent awards denominated in either stock or cash, promissory notes and other forms of consideration. Unless otherwise determined by the Board of Directors, any Common Stock provided in payment of the purchase price must have been previously acquired and held by the optionee for at least six months. The fair market value of Common Stock provided in payment of the purchase price shall be the closing price of the Common Stock last reported before the time payment in Common Stock is made or, if earlier, committed to be made, if the Common Stock is publicly traded, or another value of the Common Stock as shall be specified by the Board of Directors. No shares shall be issued until full payment for the shares has been made, including all amounts owed for tax withholding. With the consent of the Board of Directors, an optionee may request the Company to apply automatically the shares to be received upon the exercise of a portion of a stock option (even though stock certificates have not yet been issued) to satisfy the purchase price for additional portions of the option.

6.1-5(c) TAX WITHHOLDING. Each optionee who has exercised an option shall, immediately upon notification of the amount due, if any, pay to the Company in cash or by check amounts necessary to satisfy any applicable federal, state and local tax withholding requirements. If additional withholding is or becomes required (as a result of exercise of an option or as a result of disposition of shares acquired pursuant to exercise of an option) beyond any amount deposited before delivery of the certificates, the optionee shall pay such amount, in cash or by check, to the Company on demand. If the optionee fails to pay the amount demanded, the Company or the Employer may withhold that amount from other amounts payable to the optionee, including salary, subject to applicable law. With the consent of the Board of Directors an optionee may satisfy this obligation, in whole or in part, by instructing the Company to withhold from the shares to be issued upon exercise or by delivering to the Company other shares of Common Stock; provided, however, that the number of shares so withheld or delivered shall not exceed the minimum amount necessary to satisfy the required withholding obligation.

6.1-5(d) REDUCTION OF RESERVED SHARES. Upon the exercise of an option, the number of shares reserved for issuance under the Plan shall be reduced by the

number of shares issued upon exercise of the option (less the number of any shares surrendered in payment for the exercise price or withheld to satisfy withholding requirements).

6.1-6 LIMITATIONS ON GRANTS TO NON-EXEMPT EMPLOYEES. Unless otherwise determined by the Board of Directors, if an employee of the Company or any parent or subsidiary of the Company is a non-exempt employee subject to the overtime compensation provisions of Section 7 of the Fair Labor Standards Act (the "FLSA"), any option granted to that employee shall be subject to the following restrictions: (i) the option price shall be at least 85 percent of the fair market value, as described in Section 6.2-4, of the Common Stock subject to the option on the date it is granted; and (ii) the option shall not be exercisable until at least six months after the date it is granted; provided, however, that this six-month restriction on exercisability will cease to apply if the employee dies, becomes disabled or retires, there is a change in ownership of the Company, or in other circumstances permitted by regulation, all as prescribed in Section 7(e)(8)(B) of the FLSA.

6.2 INCENTIVE STOCK OPTIONS. Incentive Stock Options shall be subject to the following additional terms and conditions:

6.2-1 LIMITATION ON AMOUNT OF GRANTS. If the aggregate fair market value of stock (determined as of the date the option with respect to such stock is granted) with respect to which Incentive Stock Options granted under this Plan (and any other stock incentive plan of the Company or its parent or subsidiary corporations) are exercisable for the first time by an employee during any calendar year exceeds $100,000, the portion of the option or options not exceeding $100,000 will be treated as an Incentive Stock Option and the portion of the option exceeding $100,000 will be treated as a Non-Statutory Stock Option. The preceding sentence will be applied by taking options into account in the order in which they were granted. The Company may designate stock that is treated as acquired pursuant to exercise of an option that is in part an Incentive Stock Option and in part a Non-Statutory Stock Option as Incentive Stock Option stock by issuing a separate certificate for that stock and identifying the certificate as Incentive Stock Option stock in its stock records. In the absence of such a designation, each share of stock issued pursuant to exercise of the option will be treated in part as Incentive Stock Option stock and in part as Non-Statutory Stock Option stock.

6.2-2 LIMITATIONS ON GRANTS TO 10 PERCENT SHAREHOLDERS. An Incentive Stock Option may be granted under the Plan to an employee possessing more than 10 percent of the total combined voting power of all classes of stock of the Company or any parent or subsidiary (as defined in subsections 424(e) and 424(f) of the Code) only if the option price is at least 110 percent of the fair market value, as described in Section 6.2-4, of the Common Stock subject to the option on the date it is granted and the option by its terms is not exercisable after the expiration of five years from the date it is granted.

6.2-3 DURATION OF OPTIONS. Subject to Sections 6.1-2, 6.1-4 and 6.2-2, Incentive Stock Options granted under the Plan shall continue in effect for the period fixed by the

Board of Directors, except that no Incentive Stock Option shall be exercisable after the expiration of 10 years from the date it is granted.

6.2-4 OPTION PRICE. The option price per share shall be determined by the Board of Directors at the time of grant. Except as provided in Section 6.2-2, the option price shall not be less than 100 percent of the fair market value of the Common Stock covered by the Incentive Stock Option at the date the option is granted. The fair market value shall be the closing price of the Common Stock last reported before the time the option is granted, if the stock is publicly traded, or, another value of the Common Stock as shall be specified by the Board of Directors.

6.2-5 LIMITATION ON TIME OF GRANT. No Incentive Stock Option shall be granted on or after the tenth anniversary of the last action by the Board of Directors adopting the Plan or approving an increase in the number of shares available for issuance under the Plan, which action was subsequently approved within 12 months by the shareholders.

6.2-6 EARLY DISPOSITIONS. If within two years after an Incentive Stock Option is granted or within 12 months after an Incentive Stock Option is exercised, the optionee sells or otherwise disposes of Common Stock acquired on exercise of the Option, the optionee shall within 30 days of the sale or disposition notify the Company in writing of (i) the date of the sale or disposition, (ii) the amount realized on the sale or disposition and (iii) the nature of the disposition (e.g., sale, gift, etc.).

6.3 NON-STATUTORY STOCK OPTIONS. Non-Statutory Stock Options shall be subject to the following terms and conditions, in addition to those set forth in Section 6.1 above:

6.3-1 OPTION PRICE. The option price for Non-Statutory Stock Options shall be determined by the Board of Directors at the time of grant and may be any amount determined by the Board of Directors.

6.3-2 DURATION OF OPTIONS. Non-Statutory Stock Options granted under the Plan shall continue in effect for the period fixed by the Board of Directors.

7. STOCK BONUSES. The Board of Directors may award shares under the Plan as stock bonuses. Shares awarded as a bonus shall be subject to the terms, conditions and restrictions determined by the Board of Directors. The restrictions may include restrictions concerning transferability and forfeiture of the shares awarded, together with such other restrictions as may be determined by the Board of Directors. The Board of Directors may require the recipient to sign an agreement as a condition of the award, but may not require the recipient to pay any monetary consideration other than amounts necessary to satisfy tax withholding requirements. The agreement may contain any terms, conditions, restrictions, representations and warranties required by the Board of Directors. The certificates representing the shares awarded shall bear any legends required by the Board of Directors. The Company may require any recipient of a stock bonus to pay to the Company in cash or by check upon demand amounts necessary to

satisfy any applicable federal, state or local tax withholding requirements. If the recipient fails to pay the amount demanded, the Company or the Employer may withhold that amount from other amounts payable to the recipient, including salary, subject to applicable law. With the consent of the Board of Directors, a recipient may satisfy this obligation, in whole or in part, by instructing the Company to withhold from any shares to be issued or by delivering to the Company other shares of Common Stock; provided, however, that the number of shares so withheld or delivered shall not exceed the minimum amount necessary to satisfy the required withholding obligation. Upon the issuance of a stock bonus, the number of shares reserved for issuance under the Plan shall be reduced by the number of shares issued, less the number of shares withheld or delivered to satisfy withholding obligations.

8. RESTRICTED STOCK. The Board of Directors may issue shares under the Plan for such consideration (including promissory notes and services) as determined by the Board of Directors. Shares issued under the Plan shall be subject to the terms, conditions and restrictions determined by the Board of Directors. The restrictions may include restrictions concerning transferability, repurchase by the Company and forfeiture of the shares issued, together with such other restrictions as may be determined by the Board of Directors. All Common Stock issued pursuant to this Section 8 shall be subject to a purchase agreement, which shall be executed by the Company and the prospective purchaser of the shares before the delivery of certificates representing such shares to the purchaser. The purchase agreement may contain any terms, conditions, restrictions, representations and warranties required by the Board of Directors. The certificates representing the shares shall bear any legends required by the Board of Directors. The Company may require any purchaser of restricted stock to pay to the Company in cash or by check upon demand amounts necessary to satisfy any applicable federal, state or local tax withholding requirements. If the purchaser fails to pay the amount demanded, the Company or the Employer may withhold that amount from other amounts payable to the purchaser, including

salary, subject to applicable law. With the consent of the Board of Directors, a purchaser may satisfy this obligation, in whole or in part, by instructing the Company to withhold from any shares to be issued or by delivering to the Company other shares of Common Stock; provided, however, that the number of shares so withheld or delivered shall not exceed the minimum amount necessary to satisfy the required withholding obligation. Upon the issuance of restricted stock, the number of shares reserved for issuance under the Plan shall be reduced by the number of shares issued, less the number of shares withheld or delivered to satisfy withholding obligations.

9. PERFORMANCE-BASED AWARDS. The Board of Directors may grant awards intended to qualify as qualified performance-based compensation under Section 162(m) of the Code and the regulations thereunder ("Performance-based Awards"). Performance-based Awards shall be denominated at the time of grant either in Common Stock ("Stock Performance Awards") or in dollar amounts ("Dollar Performance Awards"). Payment under a Stock Performance Award or a Dollar Performance Award shall be made, at the discretion of the Board of Directors, in Common Stock ("Performance Shares"), or in cash or in any combination thereof. Performance-based Awards shall be subject to the following terms and conditions:

9.1 AWARD PERIOD. The Board of Directors shall determine the period of time for which a Performance-based Award is made (the "Award Period").

9.2 PERFORMANCE GOALS AND PAYMENT. The Board of Directors shall establish in writing objectives ("Performance Goals") that must be met by the Company or any subsidiary, division or other unit of the Company ("Business Unit") during the Award Period as a condition to payment being made under the Performance-based Award. The Performance Goals for each award shall be one or more targeted levels of performance with respect to one or more of the following objective measures with respect to the Company or any Business Unit: earnings, earnings per share, stock price increase, total shareholder return (stock price increase plus dividends), return on equity, return on assets, return on capital, economic value added, revenues, operating income, inventories, inventory turns, cash flows or any of the foregoing before the effect of acquisitions, divestitures, accounting changes, and restructuring and special charges (determined according to criteria established by the Board of Directors). The Board of Directors shall also establish the number of Performance Shares or the amount of cash payment to be made under a Performance-based Award if the Performance Goals are met or exceeded, including the fixing of a maximum payment (subject to Section 9.4). The Board of Directors may establish other restrictions to payment under a Performance-based Award, such as a continued employment requirement, in addition to satisfaction of the Performance Goals. Some or all of the Performance Shares may be issued at the time of the award as restricted shares subject to forfeiture in whole or in part if Performance Goals or, if applicable, other restrictions are not satisfied.

9.3 MAXIMUM AWARDS. No participant may receive in any fiscal year Stock Performance Awards under which the aggregate amount payable under the Awards exceeds the equivalent of 100,000 shares of Common Stock or Dollar Performance Awards under which the aggregate amount payable under the Awards exceeds $3,000,000.

9.4 TAX WITHHOLDING. Each participant who has received Performance Shares shall, upon notification of the amount due, pay to the Company in cash or by check amounts necessary to satisfy any applicable federal, state and local tax withholding requirements. If the participant fails to pay the amount demanded, the Company or the Employer may withhold that amount from other amounts payable to the participant, including salary, subject to applicable law. With the consent of the Board of Directors, a participant may satisfy this obligation, in whole or in part, by instructing the Company to withhold from any shares to be issued or by delivering to the Company other shares of Common Stock; provided, however, that the number of shares so delivered or withheld shall not exceed the minimum amount necessary to satisfy the required withholding obligation.

9.5 EFFECT ON SHARES AVAILABLE. The payment of a Performance-based

Award in cash shall not reduce the number of shares of Common Stock reserved for issuance under the Plan. The number of shares of Common Stock reserved for issuance under the Plan shall be reduced by the number of shares issued upon payment of an award, less the number of shares delivered or withheld to satisfy withholding obligations.

10. CHANGES IN CAPITAL STRUCTURE.

10.1 STOCK SPLITS; STOCK DIVIDENDS. If the outstanding Common Stock of the Company is hereafter increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Company by reason of any stock split, combination of shares, dividend payable in shares, recapitalization or reclassification, appropriate adjustment shall be made by the Board of Directors in the number and kind of shares available for grants under the Plan and in all other share amounts set forth in the Plan. In addition, the Board of Directors shall make appropriate adjustment in the number and kind of shares as to which outstanding options, or portions thereof then unexercised, shall be exercisable, so that the optionee's proportionate interest before and after the occurrence of the event is maintained. Notwithstanding the foregoing, the Board of Directors shall have no obligation to effect any adjustment that would or might result in the issuance of fractional shares, and any fractional shares resulting from any adjustment may be disregarded or provided for in any manner determined by the Board of Directors. Any such adjustments made by the Board of Directors shall be conclusive.

10.2 MERGERS, REORGANIZATIONS, ETC. In the event of a merger, consolidation, plan of exchange, acquisition of property or stock, split-up, split-off, spin-off, reorganization or liquidation to which the Company is a party or any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the Company's assets (each, a "Transaction"), the Board of Directors shall, in its sole discretion and to the extent possible under the structure of the Transaction, select one of the following alternatives for treating outstanding options under the Plan:

10.2-1 Outstanding options shall remain in effect in accordance with their terms.

10.2-2 Outstanding options shall be converted into options to purchase stock in one or more of the corporations, including the Company, that are the surviving or acquiring corporations in the Transaction. The amount, type of securities subject thereto and exercise price of the converted options shall be determined by the Board of Directors of the Company, taking into account the relative values of the companies involved in the Transaction and the exchange rate, if any, used in determining shares of the surviving corporation(s) to be held by holders of shares of the Company following the Transaction. Unless otherwise determined by the Board of Directors, the converted options shall be vested only to the extent that the vesting requirements relating to options granted hereunder have been satisfied.

10.2-3 The Board of Directors shall provide a period of 30 days or less before the consummation of the Transaction during which outstanding options may be exercised to the extent then exercisable, and upon the expiration of that period, all unexercised options shall immediately terminate. The Board of Directors may, in its sole discretion, accelerate the exercisability of options so that they are exercisable in full during that period.

10.3 DISSOLUTION OF THE COMPANY. In the event of the dissolution of the Company, options shall be treated in accordance with Section 10.2-3.

10.4 RIGHTS ISSUED BY ANOTHER CORPORATION. The Board of Directors may also grant options and stock bonuses and Performance-based Awards and issue restricted stock under the Plan having terms, conditions and provisions that vary from those specified in this Plan, provided that any such awards are granted in substitution for, or in connection with the assumption of, existing options, stock bonuses, Performance-based Awards and restricted stock granted, awarded or issued by another corporation and assumed or otherwise agreed to be provided for by the Company pursuant to or by reason of a Transaction.

11. AMENDMENT OF THE PLAN. The Board of Directors may at any time, modify or amend the Plan in such respects as it shall deem advisable because of changes in the law while the Plan is in effect or for any other reason. Except as provided in Section 10, however, no change in an award already granted shall be made without the written consent of the holder of the award if the change would adversely affect the holder.

12. APPROVALS. The Company's obligations under the Plan are subject to the approval of state and federal authorities or agencies with jurisdiction in the matter. The Company will use its best efforts to take steps required by state or federal law or applicable regulations, including rules and regulations of the Securities and Exchange Commission and any stock exchange on which the Company's shares may then be listed, in connection with the grants under the Plan. The foregoing notwithstanding, the Company shall not be obligated to issue or deliver Common Stock under the Plan if such issuance or delivery would violate applicable state or federal securities laws.

13. EMPLOYMENT AND SERVICE RIGHTS. Nothing in the Plan or any award pursuant to the Plan shall (i) confer upon any employee any right to be continued in the employment of an Employer or interfere in any way with the Employer's right to terminate such employee's employment at will at any time, for any reason, with or without cause, or to decrease such employee's compensation or benefits, or (ii) confer upon any person engaged by an Employer any right to be retained or employed by the Employer or to the continuation, extension, renewal or modification of any compensation, contract or arrangement with or by the Employer.

14. RIGHTS AS A SHAREHOLDER. The recipient of any award under the Plan shall have no rights as a shareholder with respect to any Common Stock until the date the recipient becomes the holder of record of those shares. Except as otherwise expressly provided in the Plan, no adjustment shall be made for dividends or other rights for which the record date occurs before the date the recipient becomes the holder of record.

Adopted March 12, 1997