

## **JOHNSON OUTDOORS INC.**

### **CHARTER OF THE COMPENSATION COMMITTEE**

**(Adopted December 4, 2003 and amended on July 25, 2005 and May 30, 2007)**

#### **Statement of Purpose**

The Compensation Committee (the "Committee") shall provide assistance to the Board of Directors (the "Board") of Johnson Outdoors Inc. (the "Company") in fulfilling its responsibilities relating to the compensation programs and compensation of the Company's directors, officers and, at the option of the Committee, other managerial personnel of the Company and its subsidiaries, including, without limitation, fixing the cash compensation of such persons, establishing and administering compensation and benefit plans for such persons and determining awards thereunder, and entering into (or amending existing) employment and compensation agreements with any such persons. The Committee shall also administer all equity-based plans, such as stock option and restricted stock plans in accordance with the terms of such plans; provided that the Board may delegate the authority to establish or administer specific employee compensation or benefit plans to one or more other committees of the Board or one or more persons designated by the Board, other than with respect to the determination of the Chief Executive Officer's compensation.

The Committee is also responsible for producing an annual report of the Compensation Committee for inclusion in the Company's annual proxy statement or in the Company's Annual Report on Form 10-K, in accordance with applicable rules and regulations of the Securities and Exchange Commission, and for reviewing and discussing the Company's Compensation Discussion and Analysis which is also included in the Company's annual proxy statement.

#### **Committee Membership and Qualifications**

The Committee shall consist of not less than three members of the Board, each of whom shall meet the independence requirements of The Nasdaq Stock Market, Inc. Additionally, no director may serve on the Committee unless he or she (i) is a "Non-Employee Director" under the qualifications set forth in Rule 16b-3 of the Securities Exchange Act of 1934, as amended, and (ii) satisfies the requirements of an "outside director" for purposes of Section 162(m)(4)(C) of the Internal Revenue Code, as amended, and shall satisfy any other necessary standards of independence under the federal securities and tax laws.

#### **Appointment and Removal of Committee Members**

The Board shall appoint the members of the Committee in accordance with and pursuant to Section 4.01 of the Company's Bylaws, on the recommendation of the Company's Nominating and Corporate Governance Committee. Each member shall serve until his or her successor is duly elected and qualified or until such member's earlier death, resignation or

removal. The Board may remove any member of the Committee, with or without cause, by a majority vote, pursuant to Section 3.08 and Section 4.01 of the Company's Bylaws.

### **Chairman**

Pursuant to Section 4.01 of the Company's Bylaws, the Board shall appoint the Chairman of the Committee, and in the absence of any such designation by the Board, the members of the Committee shall designate one member of the Committee as its Chairman. The Chairman will chair all regular sessions of the Committee and, in consultation with the Chairman of the Board, set the agendas for Committee meetings.

### **Meetings**

The Committee shall meet as frequently as circumstances dictate, but no less frequently than two times annually. Any member of the Committee may call meetings of the Committee. All meetings of, and actions taken by, the Committee shall be held and taken pursuant to and in accordance with the Company's Bylaws.

The Committee may invite to its meetings any officer, employee or director of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. A member of management shall not, however, be present at any discussion or review where his or her performance and compensation is being deliberated or voted on.

The Committee believes the policies and procedures by which it carries out its responsibilities should remain flexible in order to be in the best position to react to changing conditions and to ensure that the Committee is able to fulfill its duties and responsibilities efficiently and effectively. The Committee will from time to time adopt such additional policies and procedures for the conduct of its business pursuant to this Charter as the Committee members may deem necessary or appropriate. Any such additional rules or procedures shall be consistent with the Company's Articles of Incorporation and Bylaws and this Charter, in each case as in effect from time to time.

A majority of the members of the Committee present in person or participating in the meeting by, or through the use of, any means of communication that meet the standards set forth in Section 3.12 of the Company's Bylaws shall constitute a quorum.

### **Responsibilities and Duties**

In furtherance of its purpose, the Committee shall have the following responsibilities and duties:

#### *Setting Compensation for Officers and Other Managerial Personnel*

1. The Committee shall review at least annually the overall compensation philosophy of the Company with respect to officers and, if applicable, other managerial personnel, and revise, or recommend that the Board revise, the overall compensation philosophy if the Committee deems necessary or appropriate.

2. The Committee shall establish and, at least annually, review corporate goals and objectives relevant to the Chief Executive Officer and other officer compensation, and, if applicable, the compensation of other managerial personnel.
3. The Committee shall annually evaluate the performance of the Chief Executive Officer, other officers and, if applicable, other managerial personnel in light of those goals and objectives and, based on such evaluation, review and approve the annual salary, bonus, equity incentive compensation and other benefits of the Chief Executive Officer, the other officers and, if applicable, the other managerial personnel. The Committee may discuss the Chief Executive Officer's compensation with the Board if it chooses to do so.
4. In determining the long-term incentive component of the Chief Executive Officer and other officers' compensation and, if applicable, the other managerial personnel, the Committee will consider various evaluation criteria, including, but not limited to, the Company's performance and relative shareholder return, the value of similar incentive awards to personnel at comparable companies, the implementation of the Company's business strategy, the individual officer's performance, and the awards given to the Company's Chief Executive Officer, the other officers and, if applicable, other managerial personnel in past years.
5. In connection with officer compensation programs and, if applicable, compensation programs for other managerial personnel, the Committee shall:
  - a. Review on a periodic basis the operations of such compensation programs to determine whether they are properly coordinated and achieving their intended purpose(s) in light of the goals and objectives relevant to officer compensation, and, if applicable, the compensation of other managerial personnel;
  - b. Establish and periodically review policies for the administration of such programs;
  - c. To the extent deemed advisable, amend existing compensation programs or adopt new compensation programs; and
  - d. Perform such duties and responsibilities as many be assigned to the Committee under the terms of any officer compensation programs.
6. The Committee shall periodically review the perquisites or other personnel benefits offered to officers and, if applicable, other managerial personnel and recommend any changes to the Board.

7. The Committee shall review and approve all consulting contracts or arrangements, employment contracts, supplemental retirement benefits and severance or termination agreements with current or former officers of the Company and, if applicable, with other managerial personnel.

#### *Compensation of Directors*

8. The Committee shall, at least annually, determine the annual and meeting fees to be paid to members of the Board, members of committees of the Board and any Chairman of any such committee. Such fees need not be equal for all committees and their respective Chairmen. The Committee shall also determine the equity incentive awards and other compensation benefits for a member of the Board to the extent consistent with the authority granted in any such plans.

#### *Equity-Based Compensation Plans*

9. The Committee shall review and make recommendations to the Board with respect to adoption of equity-based plans. The Committee shall have and shall exercise all the authority of the Board with respect to the administration of such plans, including reviewing and approving all awards and grants under such plans (provided that the Board may delegate the authority to establish or administer specific employee compensation or benefit plans to one or more other committees of the Board or one or more persons designated by the Board), but shall have no authority to amend such plans.
10. The Committee shall monitor compliance by officers and, if applicable, other managerial personnel with the rules and guidelines of the Company's equity based plans.

#### *Miscellaneous*

11. The Committee shall review reports from management with respect to all pension and retirement plans, medical plans and other employee benefit plans.
12. The Committee shall review employee pension, profit sharing and benefit plans applicable to officers and, if applicable, other managerial personnel.

#### *Reporting and Review Procedures*

13. The Committee shall prepare annually a report of the Compensation Committee on the Company's Compensation Discussion and Analysis for inclusion in the Company's proxy statement or Annual Report on Form 10-K in accordance with applicable rules and regulations of the Securities and Exchange Commission.

14. The Committee shall review and discuss the Company's Compensation Discussion and Analysis set forth in the Company's annual proxy statement.
15. The Committee shall report regularly to the Board (i) following meetings of the Committee, (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities and (iii) with respect to such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Committee's Chairman or any other member of the Committee designated by the Committee to make such report.
16. The Committee shall maintain minutes or other records of meetings and activities of the Committee.

### **Subcommittees**

The Committee may, from time to time, create subcommittees with respect to specified matters and may delegate to such subcommittees such power and authority as the Committee deems appropriate; *provided, however*, that no subcommittee shall consist of fewer than [two] members; and *provided further* that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole. The powers of any such subcommittee shall be solely limited to making recommendations for action by the Committee.

### **Retention of Consultants and Other Advisors**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Company's expense, such independent counsel or other consultants or advisers as it deems necessary. The Committee shall have the sole authority to retain or terminate any compensation consultant to assist the Committee in carrying out its responsibilities, including sole authority to approve the consultant's fees and other retention terms, such fees to be borne by the Company. The Company shall provide the Committee with appropriate funding for payment of such fees and expenses. The Committee shall also have the right to use reasonable amounts of time of the Company's internal and independent accountants, inside and outside lawyers and other internal staff.

### **Annual Performance Evaluation**

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee, including by reviewing the compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee considers necessary or appropriate. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

\* \* \*

While the members of the Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under applicable federal or state law.