

WEYCO GROUP, INC.

Corporate Governance and Compensation Committee

Charter

Mission

The Corporate Governance and Compensation Committee is appointed by the full Board to assist it in fulfilling its responsibilities to assure that the Company is governed in a manner consistent with the interests of the shareholders of the Company and also that the executive officers of the Company are compensated in a manner consistent with the compensation strategy of the Company, internal equity considerations, competitive practice, and the requirements of applicable tax and regulatory bodies. Without limiting the foregoing, the Corporate Governance and Compensation Committee shall: (1) assist the Board by identifying individuals qualified to become members of the Board and its committees, and recommend to the Board the director nominees for the next annual meeting of shareholders; (2) recommend to the Board the corporate governance guidelines applicable to the Company, including changes to those guidelines as appropriate from time to time; (3) lead the Board in its periodic reviews of the Board's performance; (4) establish, subject to approval of the full Board, compensation arrangements for the Company's executive officers; (5) administer the Company's 2005 Equity Incentive Plan and other compensation plans, and approve the granting of awards under those plans to officers and other key employees of the Company and its subsidiaries; and (6) communicate to shareholders regarding these policies and activities as required by the Securities and Exchange Commission or other regulatory bodies.

Organization

The Corporate Governance and Compensation Committee is a standing committee of the Board composed of at least three (3) independent directors. An independent director should be free of any relationship that could influence his or her judgment as a Committee member. In addition, each Committee member shall be independent as defined by the requirements of the NASDAQ National Market and the corporate governance guidelines, and shall satisfy all requirements necessary from time to time to be "disinterested directors" under SEC Rule 16b-3 and qualified "outside directors" under Section 162(m) of the Internal Revenue Code and related regulations. The members shall serve at the pleasure of the full Board, but ordinarily shall be elected to the Committee annually or as necessary to fill vacancies. The Committee shall not delegate its responsibilities to any subcommittee. The Board shall designate one of the Committee members as the chairperson.

Meetings and Reports

The Committee shall hold meetings as necessary to perform its duties and responsibilities. The Committee shall periodically report to the full Board regarding the performance of its duties hereunder.

Funding

The Company will provide the Committee with the funding appropriate to perform its duties and responsibilities in a thorough and efficient manner. This may include, without limitation, funding to retain a search firm to identify director candidates and funding to retain compensation consultants to assist in the design and implementation of compensation policies that advance the Company's interests and objectives.

Duties

1. Develop and recommend to the full Board Guidelines and Criteria for the Nomination of Director Candidates to determine the qualifications for the eligibility of nominees to the Board of Directors.
2. In accordance with the Guidelines and Criteria for the Nomination of Director Candidates, consider candidates submitted by directors, employees or shareholders, or otherwise identified by the Committee, for possible nomination to the Board, review the qualifications for eligibility and recommend to the full Board nominees for directors to be submitted to shareholders for election at each annual meeting of shareholders and nominees for election by the Board to fill vacancies and newly created directorships.
3. Annually evaluate the compensation (and performance relative to compensation) of the Chief Executive Officer and the Company's other executive officers, and determine the amounts and elements of total compensation to them consistent with the Company's corporate goals and objectives and in compliance with NASDAQ requirements for compensation committees. Annually review and discuss with management the Company's Compensation Discussion and Analysis and related proxy statement disclosures and communicate in the annual Report of Corporate Governance and Compensation Committee on Executive Compensation to shareholders regarding these matters as required by SEC rules.
4. Periodically evaluate the terms and administration of the Company's annual and long-term compensation and incentive plans to assure that they are structured and administered in a manner consistent with the Company's goals and objectives. Approve the adoption or modification of any equity-related plans and determine when it is necessary or desirable to submit these matters to the full Board and/or to the Company's shareholders. Authorize all equity and compensation plan awards to executives and key employees, including the option exercise prices and vesting schedules.
5. Periodically evaluate the compensation of directors, including for service on Board committees and taking into account the compensation of directors at other comparable companies. Make recommendations to the full Board regarding any adjustments in director compensation that the Committee considers appropriate.
6. Review and recommend committees and committee structure for the Board, including committee assignments of directors.

7. Recommend performance criteria for the Board and review the procedures, the effectiveness and the performance of the Board as a whole, the individual directors and the Board committees, including the performance of the Committee itself.
8. Review potential conflicts of interest and related party transactions involving directors or executive officers of the Company on an ongoing basis and approve related-party transactions in advance, when appropriate.
9. Review and recommend corporate governance guidelines, practices and policies of the Company.