

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): July 26, 2005

JOHNSON OUTDOORS INC.

(Exact name of registrant as specified in its charter)

Wisconsin

(State or other jurisdiction of incorporation)

0-16255

(Commission File Number)

39-1536083

(I.R.S. Employer I.D. Number)

555 Main Street
Racine, Wisconsin

(Address of Principal Executive Offices)

53403

(Zip Code)

262-631-6600

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 1 - Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement

On July 26, 2005, at the annual meeting of shareholders of Johnson Outdoors Inc. (the "Company"), shareholders approved a proposal to amend the Johnson Outdoors Inc. 2000 Long-Term Stock Incentive Plan (the "2000 Plan"), a proposal to amend the Johnson Outdoors Inc. 1987 Employees' Stock Purchase Plan (the "1987 Plan") and a proposal to amend and restate the Johnson Outdoors Inc. Worldwide Key Executives' Discretionary Bonus Plan (the "Cash Bonus Plan"). Copies of the 2000 Plan, 1987 Plan and the Cash Bonus Plan are attached hereto as exhibits and are incorporated herein by reference.

Summary descriptions of the terms of the 2000 Plan, the 1987 Plan and the Cash Bonus Plan are set forth in the Company's definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission on June 28, 2005. The sections of the definitive proxy statement entitled "Approval of Amendment to Johnson Outdoors Inc. 2000 Long-Term Stock Incentive Plan" from pages 25 to 30, "Approval of Amendment to Johnson Outdoors Inc. 1987 Employees' Stock Purchase Plan" from pages 31 to 33 and "Approval of Proposal to Amend and Restate the Johnson Outdoors Inc. Worldwide Key Executives' Discretionary Bonus Plan" from pages 33 to 35 are incorporated herein by reference.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

The following exhibits are filed herewith:

Exhibit 99.1 - Johnson Outdoors Inc. 2000 Long-Term Stock Incentive Plan.

Exhibit 99.2 - Johnson Outdoors Inc. 1987 Employees' Stock Purchase Plan.

Exhibit 99.3 - Johnson Outdoors Inc. Worldwide Key Executives' Discretionary Bonus Plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Johnson Outdoors Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

JOHNSON OUTDOORS INC.

Date: July 29, 2005

BY /s/ David W. Johnson
David W. Johnson, Treasurer and
Interim Chief Financial Officer

Johnson Outdoors Inc.
2000 Long-Term Stock Incentive Plan

Section 1: Purpose

The purpose of the Johnson Outdoors Inc. 2000 Long-Term Stock Incentive Plan (the "Plan") is to enhance the ability of Johnson Outdoors Inc. (the "Company") and its Affiliates (as defined below) to attract and retain employees who will make substantial contributions to the Company's long-term business growth and to provide meaningful incentives to such employees which are more directly linked to the profitability of the Company's businesses and increases in shareholder value. In addition, the Plan is designed to encourage and provide opportunities for stock ownership by such employees which will increase their proprietary interest in the Company and, consequently, their identification with the interests of the shareholders of the Company.

Section 2: Definitions

As used in the Plan, the following terms have the respective meanings set forth below:

- (a) *Affiliate* means any entity that, directly or through one or more intermediaries, is controlled by, controls or is under common control with the Company or any entity in which the Company has a significant equity interest as determined by the Committee.
 - (b) *Award* means any Stock Option, Stock Appreciation Right or Stock Award granted under the Plan.
 - (c) *Board* means the Board of Directors of the Company.
 - (d) *Code* means the Internal Revenue Code of 1986, as amended from time to time.
 - (e) *Committee* means a committee selected by the Board to administer the Plan which shall be composed of not less than two members of the Board who are not employees of the Company.
 - (f) *Common Stock* means the Class A Common Stock, \$.05 par value, of the Company.
 - (g) *Company* means Johnson Outdoors Inc., a corporation established under the laws of the State of Wisconsin, and its Affiliates.
 - (h) *Fair Market Value* means, with respect to Common Stock, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee; *provided, however*, that the Fair Market Value shall not be less than the par value of the Common Stock; and *provided further*, that so long as the Common Stock is traded on a public market, Fair Market Value means the average of the high and low sale prices of a share of Common Stock in the over-the-counter market on the specified date, as reported by the Nasdaq Stock Market (or if no sales occurred on such date, the last preceding date on which sales occurred); *provided, however*, that if the principal market for the Common Stock is then a national securities exchange, the Fair Market Value shall be the average of the high and low sale prices of a share of Common Stock on the principal securities exchange on which the Common Stock is traded on the specified date (or if no sales occurred on such date, the last preceding date on which sales occurred).
 - (i) *Incentive Stock Option*, or ISO, means an option to purchase Shares granted under Section 7(b) of the Plan that is intended to meet the requirements of Section 422 of the Code or any successor provision.
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- (j) *1934 Act* means the Securities Exchange Act of 1934, as amended from time to time.
- (k) *Nonqualified Stock Option*, or *NQSO*, means an option to purchase Shares granted under Section 7(b) of the Plan that is not intended to meet the requirements of Section 422 of the Code or any successor provision.
- (l) *Participant* means a person selected by the Committee (or its delegate as provided under Section 4) to receive an Award under the Plan.
- (m) *Reporting Person* means an individual who is subject to Section 16 under the 1934 Act or any successor rule.
- (n) *Shares* means shares of Common Stock of the Company.
- (o) *Stock Appreciation Right*, or *SAR*, means any right granted under Section 7(c) of the Plan.
- (p) *Stock Award* means an award granted under Section 7(d) of the Plan.
- (q) *Stock Option* means an Incentive Stock Option or a Nonqualified Stock Option.

Section 3: Effective Date and Term of Plan

The Plan shall be effective as of December 13, 1999, subject, however, to the approval of the Plan by the shareholders of the Company within twelve (12) months of such effective date. No Awards may be made under the Plan after December 13, 2009, or earlier termination of the Plan by the Board. However, unless otherwise expressly provided in the Plan or in an applicable Award agreement, any Award granted prior to the termination date may extend beyond such date, and, to the extent set forth in the Plan, the authority of the Committee to amend, alter, adjust, suspend, discontinue or terminate any such award, or to waive any conditions or restrictions with respect to any such Award, and the authority of the Board to amend the Plan, shall extend beyond such date.

Section 4: Administration

The Plan shall be administered by the Committee. If at any time the Committee shall not be in existence, the Board shall administer the Plan, and in such case, all references to the Committee herein shall include the Board.

Subject to the terms of the Plan and applicable law, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to each Participant under the Plan; (iii) determine the number of Shares to be covered by (or with respect to which payments, rights or other matters are to be calculated in connection with) Awards granted to Participants; (iv) determine the terms and conditions of any Award granted to a Participant; (v) determine whether, to what extent, and under what circumstances Awards granted to Participants may be settled or exercised in cash, Shares, other securities, other Awards, or other property or cancelled, forfeited or suspended to the extent permitted in Section 9 of the Plan, and the method or methods by which Awards may be settled, exercised, cancelled,

forfeited or suspended; (vi) interpret and administer the Plan and any instrument or agreement relating to, or Award made under, the Plan; (vii) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (viii) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Committee, may be made at any time, and shall be final, conclusive and binding upon all persons, including the Company, any Affiliate, any Participant, any holder or beneficiary of any Award, any shareholder and any employee of the Company or of any Affiliate. To the extent permitted by applicable law and the provisions of the Plan, the Committee may delegate to one or more employee members of the Board the power to make Awards to Participants who are not Reporting Persons. To the extent the Committee has delegated any of its authority and responsibility hereunder to another person or persons, references to the Committee herein shall include such other person or persons as appropriate.

Section 5: Eligibility

Any Company employee shall be eligible to receive an Award under the Plan. In addition, consultants and advisors to the Company shall be eligible to receive Nonqualified Stock Options under Section 7(b) of the Plan, provided that bona fide services are rendered by such consultants or advisors and such services are not in connection with the offer or sale of securities in a capital-raising transaction.

Section 6: Stock Available for Awards

- (a) *Common Shares Available.* Subject to adjustment as provided in Section 6(c) below, the maximum number of Shares available for Awards under the Plan shall be 1,000,000.
- (b) *Share Usage Limits.* For the period that the Plan is in effect the aggregate number of Shares that shall be granted as Stock Awards and Stock Appreciation Rights shall not exceed 100,000 Shares. Additionally, the aggregate number of Shares that could be awarded to any one Participant of the Plan during any fiscal year of the Company shall not exceed 200,000 Shares. In all cases, determinations under this Section 6(b) shall be made in a manner that is consistent with the exemption for performance-based compensation provided by Section 162(m) of the Code (or any successor provision thereto) and any regulation promulgated hereunder.
- (c) *Adjustments.* In the event of any stock dividend, stock split, combination or exchange of Shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of Company assets to shareholders, or any other change affecting Shares, such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or any Award, then the Committee may, in such manner as it may deem equitable, adjust any or all of (i) the aggregate number and type of Shares that may be issued under the Plan, that may be issued as Stock Awards and Stock Appreciation Rights, or that may be issued to one Participant during any fiscal year; (ii) the number and type of Shares covered by each outstanding Award made under the Plan; and (iii) the exercise, base or purchase price per Share for any outstanding Stock Option, Stock Appreciation Right and other Awards granted under the Plan.
- (d) *Common Stock Usage.* If, after the effective date of the Plan, any Shares covered by an Award granted under the Plan, or to which any Award relates, are forfeited or if an Award otherwise terminates, expires or is cancelled prior to the delivery of all of the Shares or of other consideration issuable or payable pursuant to such Award, then the number of Shares counted against the number of Shares available under the Plan in connection with the grant of such Award, to the extent of any such forfeiture, termination, expiration or cancellation, shall again be available for granting of additional Awards under the Plan. Notwithstanding the foregoing, in the event of the cancellation of an Award with respect to a Participant to whom Section 162(m) of the Code applies, the Shares subject to such cancelled Award shall continue to be counted against the maximum number of Shares which may be granted to the Participant under the Plan.

Section 7: Awards

- (a) *General.* The Committee shall determine the type or types of Award(s) (as set forth below) to be made to each Participant and shall approve the terms and conditions of all such Awards in accordance with Sections 4 and 8 of the Plan. Awards may be granted singularly, in combination, or in tandem such that the settlement of one Award automatically reduces or cancels the other. Awards may also be made in replacement of, as alternatives to, or as form of payment for grants or rights under any other employee compensation plan or arrangement of the Company, including the plans of any acquired entity.
- (b) *Stock Options.* A Stock Option shall confer on a Participant the right to purchase a specified number of Shares from the Company with the terms and conditions as set forth below and with such additional terms and conditions as the Committee shall determine.

The Committee shall establish the purchase price per Share under the Stock Option at the time each Stock Option is awarded, provided that the price shall not be less than 100% of the Fair Market Value on the date of award. Stock Options may be in the form of ISOs or NQSOs. If a Participant owns or is deemed to own (by reason of the attribution rules applicable under Section 424(d) of the Code) more than 10% of the combined voting power of all classes of stock of the Company or any subsidiary or parent corporation and an ISO is awarded to such Participant, the option price shall not be less than 110% of the Fair Market Value at the time such ISO is awarded. The aggregate Fair Market Value at time of grant of the Shares covered by ISOs exercisable by any one optionee in any calendar year shall not exceed \$100,000 (or such other limit as may be required by the Code); provided that to the extent such limit is exceeded, the ISO's shall automatically be deemed to be NQSOs.

The term of each Stock Option shall be fixed by the Committee; provided, however, that in no event shall the term of any Stock Option exceed a period of ten years from the date of its grant. A Stock Option shall become exercisable in such manner and within such period or periods and in such installments or otherwise as shall be determined by the Committee. Except as provided below, payment of the exercise price of a Stock Option shall be made at the time of exercise in cash or such other forms as the Committee may approve, including by tendering, by either actual delivery of shares or by attestation, shares valued at their Fair Market Value on the date of exercise, or in a combination of forms. The Committee may also permit Participants to have the option price delivered to the Company by a broker pursuant to an arrangement whereby the Company, upon irrevocable instructions from a Participant, delivers the exercised Shares to the broker.

- (c) *Stock Appreciation Rights (SARs).* An SAR grant shall confer on a Participant the right to receive, upon exercise, an amount determined by multiplying: (i) the positive difference, if any, between the Fair Market Value of a Share on the date of exercise and the base price of the SAR contained in the terms and conditions of the Award by (ii) the number of Shares with respect to which the SAR is exercised. Subject to the terms of the Plan, the grant price, term, methods of exercise, methods of settlement (including whether the Participant will be paid in cash, Shares or combination thereof), and any other terms and conditions of any SAR shall be determined by the Committee. Shares issued in settlement of the exercise of SARs shall be valued at their Fair Market Value on the date of the exercise. The Committee shall establish the base price of the SAR at the time the SARs are awarded, provided that the base price shall not be less than 100% of the Fair Market Value on the date of award or the exercise or payment price of the related Award if the SAR is granted in combination with or in tandem with another Award. The Committee may impose such conditions or restrictions on the exercise of any SAR as it may deem appropriate.

- (d) *Stock Awards.* A Stock Award shall confer on a Participant the right to receive a specified number of Shares or a cash equivalent payment or a combination thereof, subject to the terms and conditions of the Award, which may include forfeitability contingencies based on continued employment with the Company or on meeting specified performance criteria or both. The Committee shall determine the restriction or performance period, the performance goals or targets to be achieved during any performance period, the proportion of payments, if any, to be made for performance between the minimum and full performance levels, the restrictions, if any, applicable to any Shares awarded or received upon payment of performance shares or units, and any other terms, conditions and rights relating to a grant of Stock Awards. A Stock Award may be in the form of Shares or Share units. The Committee may also grant Stock Awards that are not subject to any restrictions. The Committee may provide that, during a performance or restriction period, a Participant shall be paid cash amounts, with respect to each Stock Award held by such Participant, in the same manner, at the same time and in the same amount paid, as a cash dividend on a Share. Any other provision of the Plan to the contrary notwithstanding, the Committee may at any time adjust performance goals (up or down) and minimum or full performance levels (and any intermediate levels and proportion of payments related thereto), adjust the manner in which performance goals are measured, or shorten any performance period or waive in whole or in part any or all remaining restrictions with respect to Shares subject to restrictions, if the Committee determines that conditions, including but not limited to, changes in the economy, changes in competitive conditions, changes in laws or governmental regulations, changes in generally accepted accounting principles, changes in the Company's accounting policies, acquisitions or dispositions by the Company or its Affiliates, or the occurrence of other unusual, unforeseen or extraordinary events, so warrant.

Notwithstanding the foregoing, the Committee may designate whether any such Award is intended to qualify as "performance-based compensation" within the meaning of Code Section 162(m) ("Performance-Based Compensation"). Any Award designated as Performance-Based Compensation shall be conditioned on the achievement of one or more of the following performance goals or targets, as selected by the Committee:

revenues, earnings per share, return on shareholder equity, return on average total capital employed, return on net assets employed before interest and taxes and/or economic value added. For Awards intended to be Performance-Based Compensation, the grant of such Award and the establishment of the performance goal(s) or target(s) shall be made during the period required under Code Section 162(m), and the Committee shall not have discretion to increase the amount of compensation payable that would otherwise be due upon the Participant's attainment of the performance goal(s) or target(s).

Section 8: General Provisions Applicable to Awards

- (a) *No Consideration for Awards.* Awards shall be granted to Participants for no cash consideration unless otherwise determined by the Committee.
- (b) *Transferability and Exercisability.* No Award subject to the Plan and no right under any such Award shall be assignable, alienable, saleable or otherwise transferable by the Participant other than by will or the laws of descent and distribution; provided, however, that if so permitted by the Committee, a Participant may (i) designate a beneficiary or beneficiaries to exercise the Participant's rights and receive any distributions under the Plan upon the Participant's death and (ii) transfer an Award.
- (c) *General Restrictions.* Each Award shall be subject to the requirement that, if at any time the Committee shall determine, in its sole discretion, that the listing, registration or qualification of any Award under the Plan upon any securities exchange or under any state or federal law, or the consent or approval of any government regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Award or the grant or settlement thereof, such Award may not be exercised or settled in whole or in part unless such listing, registration, qualification, consent or approval have been effected or obtained free of any conditions not acceptable to the Committee.
- (d) *Grant Terms and Conditions.* The Committee shall determine the provisions and duration of grants made under the Plan, including the option prices for all Stock Options, the base prices for all SARs, the consideration, if any, to be required from Participants for Stock Awards, and the conditions under which a Participant will retain rights under the Plan in the event of the Participant's termination of employment while holding any outstanding Awards.
- (e) *Tax Withholding.* The Company shall have the right, upon issuance of Shares or payment of cash in respect of an Award, to reduce the number of Shares or amount of cash, as the case may be, otherwise issuable or payable by the amount necessary to satisfy any federal, state or local withholding taxes or to take such other actions as may be necessary to satisfy any such withholding obligations. The Committee may require or permit Shares including previously acquired Shares and Shares that are part of, or are received upon exercise of the Award, to be used to satisfy required tax withholding and such Shares shall be valued at their Fair Market Value on the date the tax withholding is effective.
- (f) *Documentation of Grants.* Awards made under the Plan shall be evidenced by written agreements in such form (consistent with the terms of the Plan) or such other appropriate documentation as shall be approved by the Committee. The Committee need not require the execution of any instrument or acknowledgement of notice of an Award under the Plan, in which case acceptance of such Award by the respective Participant will constitute agreement to the terms of the Award.
- (g) *Settlement.* Subject to the terms of the Plan and any applicable Award agreement, the Committee shall determine whether Awards are settled in whole or in part in cash, Shares, or other Awards. The Committee may require or permit a Participant to defer all or any portion of a payment under the Plan, including the crediting of interest on deferred amounts denominated in cash.

- (h) *Change in Control.* In order to preserve a Participant's rights under an Award in the event of a Change in Control (as defined below) of the Company, the Committee in its discretion may, at the time an Award is made or at any time thereafter, take one or more of the following actions: (i) provide for the acceleration of any time period relating to the exercise or realization of the Award, (ii) provide for the purchase of the Award upon the Participant's request for an amount of cash or other property that could have been received upon the exercise or realization of the Award had the Award been currently exercisable or payable, (iii) adjust the terms of the Award in a manner determined by the Committee to reflect the Change in Control, (iv) cause the Award to be assumed, or new rights substituted therefore, by another entity, or (v) make such other provision as the Committee may consider equitable and in the best interests of the Company. For purposes of this Plan, a Change in Control shall be deemed to have occurred if the Johnson Family (as defined below) shall at any time fail to own stock of the Company having, in the aggregate, votes sufficient to elect at least a fifty-one percent (51%) majority of the directors of the Company. Johnson Family shall mean at any time, collectively, Samuel C. Johnson, his wife and their children and grandchildren, the executor or administrators of the estate or other legal representative of any such person, all trusts for the benefit of the foregoing or their heirs or any one or more of them, and all partnerships, corporations or other entities directly or indirectly controlled by the foregoing or any one or more of them.

Section 9: Miscellaneous

- (a) *Plan Amendment.* The Board may amend, alter, suspend, discontinue or terminate the Plan as it deems necessary or appropriate to better achieve the purposes of the Plan; *provided, however,* that no amendment, alteration, suspension, discontinuation or termination of the Plan shall in any manner (except as otherwise provided in the Plan) adversely affect any Award granted and then outstanding under the Plan without the consent of the respective Participant.

The Committee may, in whole or in part, waive any conditions or other restrictions with respect to, and may amend, alter, suspend, discontinue or terminate any Award granted under the Plan to a Participant, prospectively or retroactively, but no such action shall impair the rights of a Participant without his or her consent, except as otherwise provided herein.

- (b) *No Right to Employment.* No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment. The Company expressly reserves the right at any time to dismiss a Participant free from any liability or claim under the Plan, except as expressly provided by an applicable Award.
- (c) *No Rights as Shareholder.* Only upon issuance of Shares to a Participant (and only in respect to such Shares) shall the Participant obtain the rights of a shareholder, subject, however, to any limitations imposed by the terms of the applicable Award.

- (d) *No Fractional Shares.* No fractional shares or other securities shall be issued under the Plan, however, the Committee may provide for a cash payment as settlement in lieu of any fractional shares.
- (e) *Other Company Benefit and Compensation Programs.* Except as expressly determined by the Committee, settlements of Awards received by Participants under this Plan shall not be deemed as part of a Participant's regular, recurring compensation for purposes of calculating payments or benefits from any Company benefit or severance program (or severance pay law of any country). The above notwithstanding, the Company may adopt other compensation programs, plans or arrangements as it deems appropriate or necessary.
- (f) *Unfunded Plan.* Unless otherwise determined by the Committee, the Plan shall be unfunded and shall not create (or be construed to create) a trust or a separate fund(s). The Plan shall not create any fiduciary relationship between the Company and any Participant or other person. To the extent any person holds any rights by virtue of an Award granted under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company.
- (g) *Successors and Assignees.* The Plan shall be binding on all successors and assignees of a Participant, including, without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.
- (h) *Governing Law.* The validity, construction and effect of the Plan and any actions taken under or relating to the Plan shall be determined in accordance with the laws of the State of Wisconsin and applicable federal law.

**JOHNSON OUTDOORS INC.
1987 EMPLOYEES' STOCK PURCHASE PLAN**

1. Purpose.

The Johnson Worldwide Associates, Inc. 1987 Employees' Stock Purchase Plan (the "Plan") has been established by Johnson Worldwide Associates, Inc., a Wisconsin corporation (the "Company"), to allow employees of the Company and its subsidiaries to purchase shares of Class A Common Stock of the Company ("Company Shares") and thereby share in the ownership of the Company. The Plan is intended to comply with the requirements of Section 423 of the Internal Revenue Code of 1986, as amended (the "Code").

2. Company Shares Available for Purchase.

Subject to adjustment, in accordance with Paragraph 13, the maximum number of Company Shares which may be purchased pursuant to the Plan shall be 270,000. Company Shares issued under the Plan may be authorized and unissued shares or treasury shares of the Company.

3. Administration.

The Plan shall be administered by a committee of the Board of Directors of the Company consisting of not less than two (2) directors appointed for such purpose (the "Compensation Committee"). The members of the Compensation Committee shall not, during the one-year period preceding their appointment to the Compensation Committee or during such service, have been granted or awarded any equity securities, purchase rights or options pursuant to the Plan or any other plan of the Company or its subsidiaries, except as otherwise permitted for "disinterested persons" within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934 or any successor provision. A majority of the members of the Compensation Committee shall constitute a quorum. All determinations of the Compensation Committee shall be made by at least a majority of its members. Any decision or determination reduced to writing and signed by all of the members of the Compensation Committee shall be fully as effective as if it had been made by a unanimous vote at a meeting duly called and held.

In accordance with the provisions of the Plan, the Compensation Committee shall establish such terms and conditions for the grants of purchase rights as the Compensation Committee may deem necessary or advisable, adopt such rules or regulations which may become necessary or advisable for the operation of the Plan, and make such determinations, and take such other actions, as are expressly authorized or contemplated in the Plan or as may be required for the proper administration of the Plan in accordance with its terms. The Compensation Committee, in its discretion, may appoint an individual (the "Plan Administrator") to assist the Compensation Committee in corresponding with employees, with record keeping and in performing other administrative type functions in connection with the Plan; *provided, however*, that the Plan Administrator shall exercise no discretion with respect to the interpretation of the Plan or the of rights to purchase Company Shares pursuant to the Plan. The interpretation of any provision of the Plan by the Compensation Committee and any determination on the matters referred to in this paragraph shall be final.

4. Eligibility.

From time to time the Compensation Committee shall designate from the group consisting of the Company, its parent and subsidiary corporations (which may include corporations having become a parent or subsidiary of the Company after the effective date of the Plan), the corporations whose employees may participate in the Plan (a "Designated Corporation"). On any date as of which a determination of eligibility is made, the term "Eligible Employee" shall mean a "full-time" employee of a Designated Corporation who is of legal age for the purpose of executing a binding contract not subject to disaffirmance in the state of his residence, other than a "highly compensated employee" who has been granted or awarded a stock option, stock appreciation right or stock award under the Johnson Outdoors Inc. 2000 Long-Term Stock Incentive Plan. For purposes of the Plan, (a) "full-time" employee of a Designated Corporation means an employee thereof who customarily works at least 20 hours per week and more than five months per calendar year, (b) "subsidiary" and "parent" have the meanings given such terms in Section 425 of the Code, and (c) "highly compensated employee" has the meaning given to such term in Section 414(q) of the Code.

5. Grant of Purchase Rights.

In the discretion of the Compensation Committee, each calendar year, or more frequently if deemed appropriate, beginning on such date as the Committee may specify (the "Grant Date"), each employee who is then an Eligible Employee of a Designated Corporation shall automatically be granted the right to purchase a maximum of 250 Company Shares. In its discretion, the Compensation Committee may change the maximum number of Company Shares available for purchase by each Eligible Employee; *provided that* the maximum number of shares available for purchase shall be the same for all Eligible Employees and all Eligible Employees shall have the same rights and privileges with respect to the purchase of Company Shares under the Plan. However, nothing contained herein shall require the Compensation Committee to cause any purchase rights to be granted hereunder during any calendar year and the Compensation Committee may, in connection with any grant of rights, specify the maximum number of Company Shares in the aggregate available for purchase by all Eligible Employees during any Purchase Period (the "Maximum Number of Purchase Period Company Shares").

Each purchase right shall be exercisable during the 30-day period following the Grant Date (such period is hereinafter referred to as the "Purchase Period"), subject to the limitations provided in paragraphs 2 and 8. In the event the Compensation Committee decides to cause any purchase rights to be granted under the Plan, the Company shall send to each Eligible Employee a written notice specifying the Grant Date and the terms and conditions of the right, including the purchase price per share of Company Shares subject to such right. No Company Shares may be issued pursuant to the exercise of purchase rights after the maximum number of Company Shares provided for in paragraph 2 has been purchased. Each purchase right granted pursuant to this paragraph 5 shall expire at 12:00 P.M., 30 days after the Grant Date.

6. Exercise of Purchase Rights.

Subject to the limitations elsewhere in the Plan, including the limitations on exercise set forth in paragraph 8, employees may exercise their rights to purchase Company Shares granted under the Plan, in whole, or in part, at any time during the Purchase Period; *provided, however*, that no employee shall be entitled to exercise his purchase rights for less than the Applicable Minimum Number, as defined below, of Company Shares. Employees wishing to exercise their rights to purchase Company Shares granted under the Plan shall make applications on forms prescribed by the Compensation Committee, which forms shall be deemed to include the full terms and conditions of the Plan. Each application to purchase Company Shares shall be accompanied by payment in full to the Company, in cash or its equivalent, of the purchase price for such Company Shares. An application on the prescribed form, properly completed and accompanied by the required payment, shall be deemed to be accepted as of the last day of the Purchase Period, subject to adjustment in the number of Company Shares which may be purchased by the Eligible Employee as provided for pursuant to this paragraph 6. Notwithstanding the foregoing, no application shall be accepted unless received by the Plan Administrator or postmarked, if delivered by mail, on or before the last day of the Purchase Period. For purposes of this paragraph 6, the "Applicable Minimum Number" of Company Shares which may be purchased during a Purchase Period shall be such number of shares as the Compensation Committee, in its discretion, may determine.

If applications to purchase a number of Company Shares in excess of the Maximum Number of Purchase Period Company Shares are received by the Plan Administrator, each employee properly exercising purchase rights during such Purchase Period shall be entitled to purchase the number of Company Shares determined by the sum of:

(a) the Applicable Minimum Number of Company Shares; and

(b) a pro rata portion of the Company Shares available after satisfying each employee's minimum purchase rights based on the number of shares with respect to which such employee has exercised his purchase rights and the aggregate number of shares with respect to which all employees have exercised purchase rights during the Purchase Period.

Notwithstanding any other provisions in this paragraph 6, the Compensation Committee may adjust the number of Company Shares which may be purchased by an employee according to such non-discriminatory rules and regulations as the Compensation Committee may establish.

7. Purchase Price.

The purchase price per share of each purchase right granted under the Plan shall be the lesser of (a) 85% of the fair market value, as determined by the Compensation Committee, of a Company Share on the Grant Date and (b) 85% of the fair market value, as determined by the Compensation Committee, of a Company Share at the end of the Purchase Period. Unless otherwise determined by the Compensation Committee, the fair market value of a Company Share shall be the closing price of a Company Share in the over-the-counter market on the trading date preceding the specified date, as reported by the Nasdaq National Market (or if such day is a day for which no closing price for a Company Share is so set forth, the next preceding day for which a closing price is so set forth). Notwithstanding the foregoing, the purchase price per share of a Company Share shall in no event be less than the par value of a Company Share.

8. Individual Limitation.

No employee shall be granted the right to purchase any Company Shares hereunder if such employee would own, directly or indirectly, stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or any subsidiary or any parent of the Company. For purposes of this 5% limitation, an employee will be considered as owning all stock which the employee may purchase under any outstanding right or option, regardless of the characterization and treatment of such right or option under the Code, and a right or option will be considered outstanding even though under its terms it may be exercised only in installments or only after the expiration of a fixed period of time. An employee will be considered as owning stock attributable to him pursuant to Section 425(d) of the Code. Moreover, no employee may be granted a right to purchase Company Shares under the Plan which permits such employee's rights to purchase stock under the Plan and all employee stock purchase plans (as defined in Section 423 of the Code) of the Company and its parent and subsidiary corporations to accrue at a rate which exceeds \$25,000 of the fair market value of such stock (determined at the time such right is granted) for each calendar year in which such right is outstanding at any time. The right to purchase Company Shares shall be deemed to accrue when the right or option (or any part thereof) first becomes exercisable during the calendar year.

9. Limitations on Exercise of Purchase Rights.

Purchase rights granted under the Plan shall not become exercisable until such time as the Company Shares which may be issued pursuant to the Plan (i) have been registered under the Securities Act of 1933, as amended (the "Act"), and any applicable state and foreign securities laws; or (ii) in the opinion of the Company's counsel, may be issued pursuant to an exemption from registration under the Act and in compliance with any applicable state and foreign securities laws.

10. Stock Certificates.

Certificates covering the Company Shares purchased under the Plan shall be issued as soon as reasonably practicable after the last day of the Purchase Period. The Company will pay all stamp taxes and the like, and all fees, in connection with such issue.

11. Nontransferability of Purchase Rights.

An employee's right to exercise purchase rights under the Plan shall not be transferable by such employee and may be exercised only by the employee. An employee's right to exercise purchase rights may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated.

12. Termination of Employment.

In the event of termination of employment of an employee, whether on account of death, discharge, resignation or any other reason, all rights of the employee to exercise purchase rights under the Plan shall terminate.

13. Adjustments.

In order to prevent dilution or enlargement of purchase rights, in the event of reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation or other change in Company Shares, the Compensation Committee shall make appropriate changes in the number of Company Shares which may be purchased pursuant to the Plan, and the number of Company Shares covered by, and the purchase price under, each outstanding purchase right, and such other changes in the Plan and outstanding purchase rights as the Compensation Committee may deem appropriate under the circumstances. No rights to purchase a fractional Company Share shall result from any such change.

14. Restrictions on Stock Transferability.

The Compensation Committee shall impose such non-discriminatory restrictions on the transfer of any shares of stock acquired pursuant to the exercise of a purchase right under the Plan as it may deem advisable, including, without limitation, restrictions under applicable Federal securities law, under the requirements of any stock exchange upon which such shares of stock are then listed, if any, and under any state and foreign securities laws applicable to such shares.

15. Amendment/Termination.

The Board of Directors may amend or terminate the Plan at any time, but any such amendment or termination (other than an adjustment contemplated by paragraph 13) shall not affect purchase rights outstanding at the time thereof; *provided, however*, that the Board of Directors may not, without the approval of the shareholders of the Company, amend the Plan to (i) increase the maximum number of Company Shares which may be purchased pursuant to the Plan (except as provided in paragraph 13); (ii) modify the requirements as to eligibility for participation in the Plan; (iii) change the class of corporations whose employees will be granted purchase rights under the Plan; or (iv) materially increase the benefits to participants under the Plan.

16. Applicable Law.

The Plan shall, to the extent not inconsistent with applicable federal law, be construed under the laws of the State of Wisconsin.

17. Effective Date.

The Plan shall become effective as of the date of its adoption by the Board of Directors of the Company, subject to approval of the Plan by the shareholders within twelve months of such effective date. Purchase rights may be granted prior to such approval, *provided that* such purchase rights shall be subject to such approval and shall not be exercised until after such approval.

Last amended on July 26, 2005.

JOHNSON OUTDOORS INC.

**AMENDED AND RESTATED WORLDWIDE
KEY EXECUTIVES' DISCRETIONARY BONUS PLAN****I. ADOPTION OF PLAN**

Johnson Outdoors Inc. (the "Company") adopted this Plan effective October 1, 2000 and amended and restated this Plan effective July 1, 2005 for key executives (the "Participants") of its worldwide operations. The Plan shall be ongoing until terminated by the Board of Directors of the Company or the Compensation Committee of the Board of Directors (the "Compensation Committee"). Except as otherwise provided in Section VI., awards shall be made under this Plan, if, and only if, authorized by the Compensation Committee, and shall be made in accordance with the Plan.

II. PURPOSES OF THE DISCRETIONARY BONUS PLAN

The purpose of the Plan is to provide incentive compensation to Participants which indirectly relates the financial reward to an increase in the value of the Company to our shareholders. The key philosophy behind the Plan is that value must continue to be created over time in order for bonuses to be paid. Additionally, the Plan is intended to:

- A. Motivate Participants to achieve individual/team results.
 - B. Motivate Participants to develop maximum resourcefulness and resiliency in planning and directing their organizations in the face of changing competitive, economic, political and other conditions.
 - C. Provide an incentive for Participants to constructively assist other organizations in the Company to meet current and future challenges.
 - D. Encourage Participants to develop realistic yet challenging annual key objectives that will stretch their organization's capabilities.
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III. DISCRETIONARY BONUS PLAN

A. Eligibility

Each year, or more frequently as may be required, the Compensation Committee shall select those Participants who shall be eligible for this Plan.

Eligibility of a position in the Plan in a given year is not a guarantee that a payout will be made to an incumbent for that year. Incumbents in approved eligible key executive positions will be notified of their selection as a Participant prior to the beginning of the fiscal year. Additional Participants may be added during the fiscal year by the Compensation Committee.

B. Administration of the Plan

1. Basis for Awards

Individual bonus awards shall be based on the total base salary received by the Participant during the fiscal year. For this purpose, the term "base salary" shall not include profit sharing, expense allowances or any other payments or benefits, whether legally required or not.

Target bonus amounts will be established by the Compensation Committee before the start of each fiscal year for all eligible Participants. These target bonus amounts are not intended to limit the Compensation Committee's complete flexibility in exercising its discretion in any way. The target bonus amount can range from 10% to 100% of base salary, depending upon the Participant's position. The bonus range for purposes of payout is 0% to 200% of the target bonus amount (as an example, a Participant with a bonus target of 25% will have a payout range of 0% to 50% of base salary).

Each Participant will have his/her target bonus split, with a portion allocated to achievement of revenue growth and income in excess of the cost-of-capital (the "Return and Growth Matrix") or other financial measure or measures AND a portion allocated to achievement of individual objectives (the "MBOs"). In all cases, the minimum percentage of the target bonus allocated to the Return and Growth Matrix or other measures will be 60% for all Participants.

2. Cost

When target bonuses are established in each year, the cost of the Plan for that year shall be estimated for the Compensation Committee's approval. However, regardless of the performance level of individual Participants, overall Company financial performance shall be considered in determining the degree to which the sum total of all bonuses is deemed affordable and justified and bonus awards may be adjusted to reflect that determination.

3. Determination of Return and Growth Matrix Award

For each fiscal year, a Return and Growth Matrix will be developed for Johnson Outdoors as a whole and may be developed for each Group (i.e. — Watercraft or Global Diving).

Depending on the Participant's position, the Return and Growth Matrix performance goals may be determined at one or more levels as described above. As an example, corporate staff may be based on Johnson Outdoors, whereas a Participant at the subsidiary level may have their award based on a combination of their Group and Johnson Outdoors performance.

For all Participants, of the portion of the target bonus allocated to the Return and Growth Matrix, at least 10% will be based on Total Johnson Outdoors performance.

4. Determination of Individual Awards

Each Participant will develop individual objectives (MBOs), which will be reviewed and approved by the Compensation Committee in advance, that are aligned with one or more of the following areas:

- a) Business or position specific financial
- b) Cross-business partnerships (networking)
- c) New product innovation
- d) People development/organization capacity

Depending on the Participant's position, he/she may have objectives in one or more of the aforementioned areas. In all cases, so as to not diminish the importance of these objectives, no Participant may establish more than 4 MBOs in aggregate.

In determining MBO awards, the Compensation Committee shall assess the following factors:

- results against all annual objectives
- retrospective assessment of the degree of stretch required to accomplish the objectives
- overall performance

IV. ADMINISTRATIVE

A. Termination Prior to Payout

Should the employment of a Participant terminate for any reason before payout under this Plan is made, the Compensation Committee or other designated final approval authorities will consider the circumstances of his/her termination and may, in his/her or their sole discretion, adjust or eliminate such bonus award as deemed appropriate.

B. Awards Fully Discretionary

It is expected that individual awards will vary and that overall performance differences will be reflected in differing awards. There is neither a fixed formula nor a guarantee that awards will be made to Participants under this Plan; nor is there any commitment whatsoever by the Company that it shall make any payments in a given year.

C. Detailed Plan Administration

Two levels of approvals are normally required for performance objectives and awards, including a signature of an Executive Officer. Awards require the final approval of the Executive Officer to whom the Participant directly or indirectly reports, subject to review by the Compensation Committee.

D. Process for Preparing & Securing Approval of Individual Objectives (MBOs)

Participants and their superiors establish annual objectives for the next fiscal year in conjunction with the adoption of the annual budget for that year.

The format for objective setting is distributed to Participants by their superiors prior to the start of the fiscal year. Each Participant drafts his/her objectives; the Participant then discusses them with the superior and together they reach a mutual agreement on objectives. The objectives receive final approval from the Compensation Committee. Following its approval, the finally approved objectives are then returned to each Participant.

E. Reviewing Year End Results

At the close of the fiscal year, the superior evaluates the Participant's performance against the annual objectives established for such year. This information is discussed with the Participant, who is given an opportunity to provide additional information or evidence of completion. The superior submits his/her evaluation of performance against objectives and assessment of overall performance to the next level of management and the Compensation Committee.

F. Recommended Bonus Awards

Based on the year end results reported in E. above, bonus award recommendations are made to the Compensation Committee by the Executive Officer to whom the eligible Participant reports. In the absence of the appropriate officer to recommend a bonus award, the Compensation Committee can act.

G. Reserved Authority of the Compensation Committee

The Compensation Committee shall have final authority to approve or change any recommended individual bonuses. It may, at its sole discretion, reduce, eliminate or increase such recommended bonuses, regardless of anything contained in this Plan.

H. New Hires/Promotion

An individual who is hired/promoted into a position that is eligible to participate in the Plan may be granted a bonus award in the year of entry in such an amount as may be deemed appropriate by the Compensation Committee.

I. Transfers

A Participant who transfers from one operation to another during the Plan year will have his/her performance goals modified to reflect the time spent working in each operation.

J. No Guarantee

Participation in the Plan provides no guarantee that a bonus under the Plan will be awarded or paid.

K. Withholding of Taxes

The Company shall have the right to withhold the amount of taxes which, in the sole determination of the Company, are required to be withheld under law with respect to any amount due or paid under the Plan.

L. No Prior Right or Offer

Except and until expressly granted pursuant to the Plan, nothing in the Plan shall be deemed to give any employee any contractual or other right to participate in the benefits of the Plan. No award to any such Participant in any Plan Period shall be deemed to create a right to receive any award or to participate in the benefits of the Plan in any subsequent fiscal year.

M. No Continued Employment

Neither the establishment of the Plan or the grant of an award thereunder shall be deemed to constitute an express or implied contract of employment on any Participant for any period of time or in any way abridge the rights of the Company to determine the terms and conditions of employment or to terminate the employment of any employee with or without cause at any time.

N. Not Part of Other Benefits

The benefits provided in this Plan shall not be deemed a part of any other benefit provided by the Company to its employees. The Company assumes and shall have no obligation to Participants except as expressly provided in the Plan.

V. METHOD OF PAYMENT OF DISCRETIONARY BONUS AWARDS

A. Bonus Not Counted As Compensation

Bonus payments shall be excluded from the computation of other parts of the Participant's personal benefit and compensation packages, such as, for example, that Participant's retirement contributions and life insurance, except to the extent otherwise required by law.

B. Normal Payout

Unless a Participant has elected to defer payment under C. below, all bonus payouts shall be paid in cash no later than January 31 following the fiscal year close.

C. Deferral of Bonus Payments

1. Election to Defer — Participants who are members of a select group of management and highly compensated employees, as determined by the Chief Executive Officer, may elect to defer all or part of any bonus, provided the amount deferred is a minimum of \$15,000.00 (fifteen thousand dollars). Bonuses for services performed during a taxable year (within the meaning of Code section 409A) may be deferred at the Participant's election only if the election to defer such bonus is made in writing not later than the close of the preceding taxable year, or for a newly eligible Participant, within the first thirty (30) days of his or her Plan participation. Such election shall be irrevocable. Amounts deferred will be credited to a "Deferred Bonus Account," which will be a bookkeeping account established in the Participant's name. The Company makes no representation about the tax consequences to Participants as a result of making a deferral election hereunder. Each Participant is advised to seek their own personal tax advice.

2. Interest Rate — Deferred bonus awards shall increase in value during the years prior to distribution at a rate to be established at the discretion of the Compensation Committee. Such increase in value shall be credited to the Participant's Deferred Bonus Account as of the end of each quarter and shall thereafter become part of that Participant's Deferred Bonus Account.
3. Distribution from Deferred Bonus Accounts — Bonuses deferred under this section shall be distributed in a lump sum cash payment within 30 days of the earliest of the Participant's separation from service (as defined under Code section 409A) with the Company, Disability, death or a Change in Control of the Company. Notwithstanding the forgoing, a distribution with respect to any Specified Employee may not be made before the date which is 6 months after the date of the Specified Employee's separation from service with the Company (or, if earlier, the date of death of the Specified Employee).
- a) "Specified Employee" means a key employee of the Company as defined in Code section 416(i) without regard to paragraph (5) thereof.
 - b) "Disability" shall mean Participant (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or (ii) is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Company.
 - c) A "Change in Control" shall mean a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company, each within the meaning as provided under Code section 409A. The Company may not accelerate the time or schedule of any payment deferred under this Plan.

4. Assignment — Bonuses awarded to a Participant may not be assigned, transferred, or pledged by the Participant either voluntarily or involuntarily. The Participant may, however, submit a written designation of beneficiary of the Deferred Bonus Account to the Director — Human Resources of the Company at any time. In the absence of a properly designated beneficiary, payment shall be made to the Participant's estate.

5. Compliance with Code section 409A — This Section V.C. is intended to satisfy the requirements for the deferral of compensation under Code section 409A and any Treasury Regulations or other IRS guidance promulgated thereunder (the "409A Requirements"). All terms used in this Section V.C. shall be interpreted to the maximum extent possible to satisfy the 409A Requirements. Notwithstanding anything herein to the contrary, this Section V.C. shall be amended to add or remove any provision that is necessary to comply with the 409A Requirements.

VI. AWARDS TO 162(m) Group Participants. Notwithstanding anything herein to the contrary, the Chief Executive Officer and any other Participant that the Compensation Committee determines is a potential Covered Employee (a "162(m) Group Participant") shall only be granted awards under this Plan in accordance with this Section VI. This section of the Plan shall be effective for awards granted in fiscal years ending on or after July 1, 2005.

A. Definitions. The following terms used in this Section VI. shall have the following meaning:

1. "Award Formula" means one or more objective formulas or standards, as defined in Code section 162(m), established by the Compensation Committee for purposes of determining the amount of an award with respect to a Performance Goal. An Award Formula based upon a percentage of an 162(m) Group Participant's base pay shall use the 162(m) Group Participant's base pay as of the date the Performance Goal is established. Award Formulas may vary from Performance Period to Performance Period and from 162(m) Group Participant to 162(m) Group Participant and may be established on a stand-alone basis, in tandem or in the alternative.

2. "Covered Employee" shall have the meaning provided in Code section 162(m).

3. "Establishment Period" means, with respect to a Performance Period applicable to any Performance Grant under the Plan, the period commencing on or before the first day of such Performance Period and ending on the earlier to occur of (i) 90 days after the commencement of the Performance Period and (ii) the date upon which twenty-five percent (25%) of the Performance Period shall have elapsed.
4. "Performance Goal" means the target, goal or level of performance established by the Compensation Committee with respect to a Performance Measure for a Performance Period. The outcome of a Performance Goal shall be substantially uncertain when established by the Compensation Committee. Performance Goals shall be adjusted automatically, without discretion by the Compensation Committee, in the event of a stock dividend or stock split. Performance Goals may vary from Performance Period to Performance Period and from 162(m) Group Participant to 162(m) Group Participant and may be established on a stand-alone basis, in tandem or in the alternative.
5. "Performance Grant" means the grant to an 162(m) Group Participant of an opportunity to participate in a particular Performance Goal with respect to a particular Performance Period.
6. "Performance Measure" means one or more of the following selected by the Compensation Committee to measure Company performance for a Performance Period: basic or diluted earnings per share, total shareholder return, operating income, cash flow, gross profit, gross profit return on investment, earnings before interest, taxes and depreciation, net income, net income before taxes, return on equity, return on average total capital employed, return on net assets, return on net assets employed before interest and taxes, Return and Growth Matrix, Cross-business partnerships (networking), new product innovation, and people development/organization capacity. Where applicable, Performance Measures are determined in accordance with generally accepted accounting principles as consistently applied by the Company. Performance Measures may vary from Performance Period to Performance Period and from 162(m) Group Participant to 162(m) Group Participant and may be established on a stand-alone basis, in tandem or in the alternative.

7. "Performance Period" means one or more periods of time, as the Compensation Committee may designate, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to payment of an award.
- B. Award Schedules. For each Performance Period with respect to which an award may be earned by an 162(m) Group Participant under the Plan, prior to the expiration of the Establishment Period, the Compensation Committee shall establish the Performance Grants in writing for such Performance Period by preparing an Award Schedule for each 162(m) Group Participant that is to receive a grant under this Section VI. The Award Schedule shall set forth the applicable Performance Period, Performance Measure(s), Performance Goal(s), Award Formula(s), and such other information as the Compensation Committee may determine. Once established for a Performance Period, such items shall not be amended or otherwise modified. Award Schedules may vary from Performance Period to Performance Period and from 162(m) Group Participant to 162(m) Group Participant.
- C. Certification of Awards. A 162(m) Group Participant shall be eligible to receive payment of an award only when the Performance Goal(s) are achieved and the Compensation Committee determines, pursuant to the Award Formula, that all or some portion of such 162(m) Group Participant's award has been earned for the Performance Period. As soon as administratively feasible after the close of each Performance Period, the Compensation Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Period have been achieved and, if so, to calculate and certify in writing the amount of the award earned by each 162(m) Group Participant for such Performance Period based upon such 162(m) Group Participant's Award Formula. The Compensation Committee shall then determine the actual amount of the award to be paid to each 162(m) Group Participant and, in so doing, may use discretion to decrease, but not increase, the amount of the award otherwise payable to the 162(m) Group Participant based upon such performance. The maximum award payable to any 162(m) Group Participant with respect to each fiscal year of the Company (or portion thereof) contained within a Performance Period shall be \$850,000.

- D. Payment of Awards. Awards shall be paid in a lump sum cash payment as soon as administratively feasible after the amount thereof has been determined and certified in accordance with Section VI.C.
- E. Code Section 162(m). It is the intent of the Company that awards made under this Section VI. satisfy the applicable requirements of "performance-based compensation" under Internal Revenue Code ("Code") Section 162(m) so that the Company's tax deduction for remuneration in respect of this Plan for services performed by 162(m) Group Participants who are or may be covered employees (as defined in Code section 162(m)) is not disallowed in whole or in part by the operation of such Code section. If any provision of this Plan or if any award would otherwise frustrate or conflict with such intent, that provision to the extent possible shall be interpreted and deemed amended so as to avoid such conflict, and, to the extent of any remaining irreconcilable conflict with such intent, that provision shall be deemed void as applicable to such covered employees.
- F. Coordination with Other Provisions of the Plan. Sections III., IV.A. through IV.I., V.B., and VII. shall be inapplicable to awards granted under this Section VI. All other provisions of the Plan shall apply to awards granted under this Section VI. except that this Section VI. may not be modified or amended under Section XI. without the consent of the Compensation Committee.
- G. Effective Date of this Section VI. The Company shall not make any payments pursuant to awards granted under this Section VI. until the Plan is approved by the Company's shareholders in a manner that satisfies the requirements of Code section 162(m). Any Performance Grant issued prior to receiving shareholder approval is contingent upon approval of the Plan by the Company's shareholders. If the Plan is not approved by the shareholders by the 31st day of October, 2005, this Section VI. of the Plan becomes ineffective, null and void as of the date of it was adopted by the Company, and all Performance Grants under this Section VI. shall immediately terminate.

VII. CLAIMS PROCEDURES

If for any reason a claim for benefits under this Plan is denied by the Compensation Committee, the Compensation Committee shall deliver to the claimant a written explanation setting forth the specific reasons for the denial, pertinent references to the section of the Plan on which the denial is based, such other data as may be pertinent, and information on the procedures to be followed by the claimant in obtaining a review of this claim, all written in a manner calculated to be understood by the claimant. For this purpose, the claimant's claim shall be deemed filed when presented in writing to the Compensation Committee, and the Compensation Committee's explanation shall be in writing delivered to the claimant within 90 days of the date the claim is filed. The claimant shall have 60 days following his receipt of the denial of the claim to file with the Compensation Committee a written request for review of the denial. For such review, the claimant or his representative may submit pertinent documents and written issues and comments. The Compensation Committee shall decide the issue on review and furnish the claimant with a copy of such decision within 60 days of receipt of the claimant's request for review of his claim. The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent provisions of the Plan on which the decision is based. If a copy of the decision is not so furnished to the claimant within such 60 days, the claim shall be deemed denied on review.

VIII. GOVERNING LAW

Except to the extent preempted by the Employee Retirement Income Security Act of 1974 (ERISA), this Plan shall be governed by and construed in accordance with the laws of the State of Wisconsin, without reference to conflict of law principles thereof.

IX. NO TRUST CREATED

Nothing contained in this Plan and no action taken pursuant to its terms shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company or the Compensation Committee and any Participant, his designated beneficiary(ies), or any other person. Participant and the beneficiaries thereof have the status of general unsecured creditors of the Company. The Plan constitutes a mere promise by the Company to make benefit payments in the future. To the extent that any person acquires a right to receive payments from the Company under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Company. It is the intention of the parties that the arrangements hereunder be unfunded for tax purposes and for purposes of Title I of ERISA.

X. OFFSET PERMITTED

Notwithstanding any provision of the Plan to the contrary, the Company shall have the right to reduce and offset any payment to which Participant or beneficiary is entitled hereunder by the amount of any debt or other amount owed to the Company by Participant at the time of such payment

XI. TERMINATION AND AMENDMENT

This Plan may be amended, modified, terminated or otherwise altered at any time and from time to time by the Compensation Committee, or the Board of Directors without written consent of any Participant or beneficiary.

