

JOHNSON OUTDOORS INC
Form DEF 14A
January 26, 2007

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
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- Definitive Proxy Statement
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Johnson Outdoors Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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JOHNSON OUTDOORS INC.

555 MAIN STREET

RACINE, WISCONSIN 53403

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD MARCH 1, 2007

To the Shareholders of

JOHNSON OUTDOORS INC.:

The annual meeting of Shareholders of Johnson Outdoors Inc. will be held on Thursday, March 1, 2007 at 10:00 a.m., local time, at the Company's headquarters, located at 555 Main Street, Racine, Wisconsin, for the following purposes:

1. To elect six directors to serve for the ensuing year.
2. To ratify the appointment of Ernst & Young LLP, independent registered public accounting firm, as auditors of the Company for its fiscal year ending September 28, 2007.

3. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof. Shareholders of record at the close of business on Friday, January 12, 2007 will be entitled to notice of and to vote at the meeting and any adjournment or postponement thereof. Holders of Class A common stock, voting as a separate class, are entitled to elect two directors and holders of Class B common stock, voting as a separate class, are entitled to elect the remaining directors. The holders of Class A common stock and Class B common stock, voting as a single class, are entitled to vote on the proposal to ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the 2007 fiscal year.

All shareholders of record are cordially invited to attend the meeting in person. Whether or not you plan to attend the annual meeting in person, please complete, sign, date and return the enclosed proxy in the accompanying self-addressed postage pre-paid envelope or complete your proxy by following the instructions supplied on the proxy card for voting by telephone or via the Internet (or, if your shares are held in street name by a broker, nominee, fiduciary or other custodian, follow the directions given by the broker, nominee, fiduciary or other custodian regarding how to instruct it to vote your shares) as soon as possible.

By Order of the Board of Directors

Alisa Swire
Secretary

Racine, Wisconsin

January 26, 2007

JOHNSON OUTDOORS INC.

555 Main Street

Racine, Wisconsin 53403

PROXY STATEMENT

Annual Meeting of Shareholders

To Be Held March 1, 2007

This Proxy Statement, which is first being mailed to shareholders on or about January 26, 2007 to shareholders of record as of the close of business on January 12, 2007, is furnished in connection with the solicitation of proxies by the Board of Directors of Johnson Outdoors Inc. (the Company), for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders, to be used at the Annual Meeting of Shareholders of the Company to be held on Thursday, March 1, 2007 at 10:00 a.m., local time, at the Company's headquarters, located at 555 Main Street, Racine, Wisconsin, and at any adjournment or postponement thereof (the Annual Meeting).

You may vote by attending the Annual Meeting and voting in person by ballot, by completing the enclosed proxy card and then signing, dating and returning it in the postage pre-paid envelope provided or by completing your proxy by following the instructions supplied on the proxy card for voting by telephone or via the Internet. Submitting a proxy now will not limit your right to vote at the Annual Meeting if you decide to attend in person. If your shares are held of record in street name by a broker, nominee, fiduciary or other custodian and you wish to vote in person at the Annual Meeting, you must obtain from the record holder a proxy issued in your name.

Shares represented by a properly executed proxy will be voted at the Annual Meeting and, when instructions have been given by the shareholder, will be voted in accordance with those instructions. If you submit a proxy without giving voting instructions, the persons named as proxies on the proxy card will vote your shares (1) **FOR** the election of the directors named in this Proxy Statement and (2) **FOR** the ratification of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending September 28, 2007.

As of the date of this Proxy Statement, the Company does not expect a vote to be taken on any matters at the Annual Meeting other than the proposals set forth in the Notice of Annual Meeting of Shareholders. A properly executed proxy gives the persons named as proxies on the proxy card authority to vote in their discretion with respect to any other matters that properly come before the Annual Meeting, including, among other things, consideration of a motion to adjourn the meeting to another time or place. The individuals named as proxies and acting thereunder will have the authority to vote on those matters according to their best judgment to the same extent as the person delivering the proxy would be entitled to vote. If the Annual Meeting is adjourned or postponed, a proxy will remain valid and may be voted at the adjourned or postponed meeting.

If you hold shares of the Company's common stock as a participant in the Company's 401(k) Retirement and Savings Plan, the trustee for the Retirement and Savings Plan will vote the shares you hold through the plan as you direct. The Company will provide plan participants who hold Company common stock through the plan with forms on which participants may communicate their voting instructions. If voting directions are not received for shares held in the Retirement and Savings Plan, those shares will be voted in the same percentage proportion as the voted shares for all proposals in this Proxy Statement.

You may revoke your proxy at any time before it is actually voted by giving notice in writing to the Secretary of the Company, by requesting a ballot at the Annual Meeting and voting in person or by submitting a duly executed proxy bearing a later date. Attendance at the Annual Meeting will not, by itself, revoke a proxy. If you have given voting instructions to a broker, nominee, fiduciary or other custodian that holds your shares in street name, you may revoke those instructions by following the directions given by the broker, nominee, fiduciary or other custodian. If a shareholder properly signs and returns the proxy card but does not specify how to vote, then the shareholder's shares will be voted in **FAVOR** of the election of the directors listed in the enclosed proxy and in **FAVOR** of the ratification of Ernst & Young LLP as the Company's independent registered public accounting firm for the 2007 fiscal year.

Telephone and Internet voting procedures are designed to authenticate shareholders' identities, to allow shareholders to give their voting instructions and to confirm that shareholders' instructions have been properly recorded. Shareholders voting via the Internet should understand that there might be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, that the shareholder must bear.

The record date for shareholders entitled to notice of and to vote at the Annual Meeting is January 12, 2007. On the record date, the Company had outstanding and entitled to vote 7,792,680 shares of Class A common stock and 1,217,977 shares of Class B common stock. Holders of Class A common stock, voting as a separate class, elect two directors and are entitled to one vote per share for directors designated to be elected by holders of Class A common stock. Holders of Class B common stock elect the remaining directors and are entitled to one vote per share for directors designated to be elected by holders of Class B common stock. Holders of Class A common stock and Class B common stock voting together as a single voting group are entitled to vote on the proposal to ratify Ernst & Young LLP as the Company's independent registered public accounting firm for the 2007 fiscal year. The holders of Class A common stock are entitled to one vote per share, while holders of Class B common stock are entitled to ten votes per share on this proposal.

ELECTION OF DIRECTORS

Six directors are to be elected at the Annual Meeting to serve until the next annual meeting of shareholders or until their respective successors have been duly elected. The Company's Articles of Incorporation provide that holders of Class A common stock have the right to elect 25% or the next highest whole number of the authorized number of directors and the holders of Class B common stock are entitled to elect the remaining directors. At the Annual Meeting, holders of Class A common stock will be entitled to elect two directors and holders of Class B common stock will be entitled to elect four directors. Terry E. London and John M. Fahey, Jr. (the Class A Directors) are the nominees designated to be voted on by the holders of Class A common stock, and Helen P. Johnson-Leipold, Thomas F. Pyle, Jr., Edward F. Lang and W. Lee McCollum (the Class B Directors) are the nominees designated to be voted on by the holders of Class B common stock.

Proxies received from holders of Class A common stock will, unless otherwise directed, be voted for the Class A Directors and proxies received from holders of Class B common stock will, unless otherwise directed, be voted for the Class B Directors. Proxies of holders of Class A common stock cannot be voted for more than two persons and proxies of holders of Class B common stock cannot be voted for more than four persons. Class A Directors are elected by a plurality of the votes cast by the holders of Class A common stock and Class B Directors are elected by a plurality of the votes cast by the holders of Class B common stock, in each case assuming a quorum is present at the Annual Meeting.

Plurality means that the individuals who receive the largest number of votes cast by holders

of the class of common stock entitled to vote in the election of such directors are elected as directors up to the maximum number of directors to be chosen at the meeting by such class. Consequently, any shares not voted on this matter (whether by withholding authority to vote in the election of directors or otherwise) will have the effect of a vote against election of the directors.

Listed below are the nominees of the Board of Directors for election at the Annual Meeting. Each of the nominees is presently a director of the Company. The Company anticipates that the nominees for election as directors will be candidates when the election is held. However, if any of the nominees should be unable or unwilling to serve, the proxies, pursuant to the authority granted to them by the Board of Directors, will have discretionary authority to select and vote for substituted nominees (except where the proxy withholds authority with respect to the election of directors).

Name	Age	Business Experience During Last Five Years	Director Since
<i>Class A Directors</i>			
Terry E. London	57	President of London Partners LLC, a private investment firm, since July 2001. Director of Pier 1 Imports, Inc.	1999
John M. Fahey, Jr.	55	President and Chief Executive Officer and Chairman of the Executive Committee of the Board of Trustees of the National Geographic Society, a nonprofit scientific and educational organization, since March 1998. Director of Exclusive Resorts.	2001
<i>Class B Directors</i>			
Helen P. Johnson-Leipold	50	Chairman and Chief Executive Officer of the Company since March 1999. Chairman and Director of Johnson Financial Group. Director of S.C. Johnson & Son, Inc. (manufacturer of household consumer products), JohnsonDiversey, Inc. and The Home Depot, Inc. (a home improvement retailer).	1994
Thomas F. Pyle, Jr.	65	Vice Chairman of the Board of the Company since October 1997. Chairman of The Pyle Group, a financial services and investments firm, since September 1996. Director of Sub Zero Corporation.	1987
W. Lee McCollum	57	Executive Vice President and Chief Financial Officer of S.C. Johnson & Son, Inc. since January 2006. Senior Vice President and Chief Financial Officer of S.C. Johnson & Son, Inc. from 1997 until January 2006. Director of Sigma-Aldrich Corporation and Cofresco Frischhalteprodukte GmbH.	2005
Edward F. Lang	44	Executive Vice President of Finance and Administration and Chief Financial Officer of the Nashville Predators (the Predators), a National Hockey League team, since July 2003. Senior Vice President and Chief Financial Officer of the Predators from June 1997 until June 2003. Director of Nashville's Adventure Science Center, Make-A-Wish Foundation of Middle Tennessee, Nashville Predators Foundation and Nashville Downtown Partnership.	2006

DIRECTOR S MEETINGS AND COMMITTEES

Meetings and Attendance

The Board of Directors has standing Executive, Audit, Compensation, and Nominating and Corporate Governance Committees. During the fiscal year ended September 29, 2006, there were five meetings of the Board of Directors, seven meetings of the Audit Committee, five meetings of the Compensation Committee and one meeting of the Nominating and Corporate Governance Committee. Each director attended at least 75% of the aggregate number of (i) meetings of the Board of Directors held during the period for which he or she was a director during fiscal 2006 and (ii) meetings of the committees on which the director served during fiscal 2006.

Executive sessions or meetings of outside (non-management) directors without management present are held regularly for a general discussion of relevant subjects. In fiscal 2006, the outside directors met in executive sessions at least two times in accordance with the requirements of the NASDAQ Stock Market.

Committees

The Executive Committee assists the Board of Directors in developing and evaluating general corporate policies and objectives and in discharging the Board of Director s responsibilities with respect to the management of the business and affairs of the Company when it is impracticable for the full Board to act. Present members of the Executive Committee are Ms. Johnson-Leipold and Mr. Pyle.

The Audit Committee presently consists of Messrs. London (Chairman), Pyle and Fahey. The Audit Committee s primary duties and responsibilities are to: (1) appoint the Company s independent registered public accounting firm and determine their compensation; (2) serve as an independent and objective party to monitor the Company s compliance with legal and regulatory requirements and the Company s financial reporting, disclosure controls and procedures and internal controls and procedures; (3) review, evaluate and oversee the audit efforts of the Company s independent registered public accounting firm and internal auditors; (4) provide an open avenue of communication among the independent registered public accounting firm, management, the internal auditors, and the Board of Directors; and (5) prepare the Audit Committee Report required to be included in the Company s annual proxy statement. The Audit Committee has the direct authority and responsibility to select, evaluate and, where appropriate, replace the independent registered public accounting firm, and is an audit committee for purposes of Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The Audit Committee s report required by the rules of the Securities and Exchange Commission (SEC) appears on page 9.

The Compensation Committee presently consists of Messrs. Pyle (Chairman), Fahey and London. The Compensation Committee discharges the responsibilities of the Board of Directors 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. Generally, the Compensation Committee also administers all equity-based plans, such as stock option and restricted stock plans in accordance with the terms of such plans.

The Nominating and Corporate Governance Committee presently consists of Messrs. Fahey (Chairman), London and Pyle. The Nominating and Corporate Governance Committee provides

assistance to the Board of Directors in fulfilling its responsibilities by: (1) identifying individuals qualified to become directors and recommending to the Board of Directors candidates for all directorships to be filled by the Board of Directors or by the shareholders of the Company; (2) identifying directors qualified to serve on the committees established by the Board of Directors and recommending to the Board of Directors members for each committee to be filled by the Board of Directors; and (3) taking a leadership role in shaping the corporate governance of the Company.

CORPORATE GOVERNANCE MATTERS

Director Independence

The Board of Directors has determined that the Company is a Controlled Company, as defined in NASDAQ Stock Market Rule 4350(c)(5). The Board has based this determination on the fact that Helen P. Johnson-Leipold is deemed to be the beneficial owner of more than 50% of the voting power of the Company. The Company therefore is exempt from certain independence requirements of the NASDAQ Stock Market rules, including the requirement to maintain a majority of independent directors on the Company's Board of Directors and the requirement to maintain a Nominating and Corporate Governance Committee and a Compensation Committee composed entirely of independent directors.

Notwithstanding such exemption, the Board of Directors has reviewed the independence of the nominees for election to the Board at the Annual Meeting under the applicable standards of the NASDAQ Stock Market. Based upon this review, of the six nominees, the Board of Directors has determined that Messrs. Fahey, London and Pyle are independent directors under those standards. The independent directors constitute three of the six nominees for election to the Board at the Annual Meeting.

Director Nominations

The Company has a standing Nominating and Corporate Governance Committee. Based upon the review described under Corporate Governance Matters Director Independence, the Board of Directors has determined that each member of the Nominating and Corporate Governance Committee is independent under the applicable standards of the NASDAQ Stock Market.

The Nominating and Corporate Governance Committee will consider director nominees recommended by shareholders. Recommendations for consideration by the Nominating and Corporate Governance Committee should be sent to the Secretary of the Company in writing together with appropriate biographical information concerning each proposed nominee, including the following information: (1) the name, address (business and residence), date of birth and principal occupation or employment (present and for the past five years) of each person whom the shareholder proposes to be considered as a nominee; (2) the number of shares of the common stock (of each class) beneficially owned (as defined by section 13(d) of the Securities Exchange Act of 1934) by each such proposed nominee; (3) any other information regarding such proposed nominee that would be required to be disclosed in a definitive proxy statement to shareholders prepared in connection with an election of directors pursuant to section 14(a) of the Securities Exchange Act of 1934; and (4) the name and address (business and residential) of the shareholder making the recommendation and the number of shares of the common stock (regardless of class) beneficially owned (as defined by section 13(d) of the Securities Exchange Act of 1934) by the shareholder making the recommendation. The Company may require any proposed nominee to furnish additional information as may be reasonably required to determine the qualifications of such proposed nominee to serve as a director of the Company. The Company's

Bylaws also set forth certain requirements for shareholders wishing to nominate director candidates directly for consideration by the shareholders. With respect to an election of directors to be held at an annual meeting, a shareholder must, among other things, give notice of intent to make such a nomination to the Secretary of the Company in advance of the meeting in compliance with the terms and within the time period specified in the Bylaws. Pursuant to these requirements, a shareholder must give a written notice of intent to the Secretary of the Company not more than 90 days prior to the date of the annual meeting and not later than the close of business on the later of (i) the 60th day prior to the annual meeting and (ii) the 10th day following the day on which public announcement of the date of the annual meeting is first made.

The Nominating and Corporate Governance Committee will consider any nominee recommended by a shareholder in accordance with the preceding paragraph under the same criteria as any other potential nominee. In identifying and evaluating nominees for director, the Nominating and Corporate Governance Committee of the Board of Directors seeks to ensure that the Board of Directors possesses, in the aggregate, the strategic, managerial and financial skills and experience necessary to fulfill its duties and to achieve its objectives, and seeks to ensure that the Board of Directors is comprised of directors who have broad and diverse backgrounds, possessing knowledge in areas that are of importance to the Company. In addition, the Nominating and Corporate Governance Committee believes it is important that at least one director have the requisite experience and expertise to be designated as an audit committee financial expert. The Nominating and Corporate Governance Committee looks at each nominee on a case-by-case basis regardless of who recommended the nominee. In looking at the qualifications of each candidate to determine if their election would further the goals described above, the Nominating and Corporate Governance Committee takes into account all factors it considers appropriate, which may include strength of character, mature judgment, career specialization, relevant technical skills or financial acumen, diversity of viewpoint and industry knowledge. At a minimum, each director nominee must have displayed the highest personal and professional ethics, integrity, values and sound business judgment. In addition, the Nominating and Corporate Governance Committee believes that the following specific qualities and skills are necessary for all directors to possess:

A director should be highly accomplished in his or her respective field, with superior credentials and recognition.

A director should have expertise and experience relevant to the Company's business, and be able to offer advice and guidance to the Chief Executive Officer based on that expertise and experience.

A director must have time available to devote to activities of the Board of Directors and to enhance his or her knowledge of the Company's business.

A director should have demonstrated the ability to work well with others.

Charters of Committees

The Board of Directors has adopted, and may amend from time to time, a written charter for each of the Executive Committee, Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. The Company maintains a website at www.johnsonoutdoors.com. The Company makes available on its website, free of charge, copies of each of these charters. The Company is not including the information contained on or available through its website as a part of, or incorporating such information by reference into, this Proxy Statement.

Communications between Shareholders and the Board of Directors

Shareholders may communicate with the Board of Directors by writing to the Secretary of the Company at Johnson Outdoors Inc., care of the Board of Directors (or, at the shareholder's option, care of a specific director), 555 Main Street, Suite 342, Racine, Wisconsin 53403. Subject to the conditions described below, the Secretary will ensure that this communication (assuming it is properly marked *care of the Board of Directors* or *care of a specific director*) is delivered to the Board of Directors or the specified director, as the case may be. Each such communication should indicate that the sender is a shareholder of the Company and that the sender is directing the communication to one or more individual directors or to the Board of Directors as a whole.

All communications will be compiled by the Company's Secretary and submitted to the Board of Directors or the individual director(s) as appropriate unless such communications are considered, in the reasonable judgment of the Secretary, to be improper for submission to the intended recipient(s). Examples of shareholder communications that would be considered improper for submission include, without limitation, customer complaints, solicitations, communications that do not relate directly or indirectly to the Company or its business or communications that relate to improper or irrelevant topics. The Secretary may also attempt to handle a communication directly where appropriate, such as where the communication is a request for information about the Company or where it is a stock-related matter.

Directors are encouraged to attend the Company's Annual Meeting of Shareholders. All of the incumbent directors serving as a director at the time of the meeting attended the Company's Annual Meeting of Shareholders occurring on March 1, 2006.

Employee Code of Conduct and Code of Ethics and Procedures for Reporting of Accounting Concerns

The Company has adopted an Employee Code of Business Conduct (the *Code of Conduct*). The Company requires all directors, officers and employees to adhere to the Code of Conduct in addressing legal and ethical issues encountered in conducting their work. The Code of Conduct requires the Company's directors, officers and employees to avoid conflicts of interest, comply with all applicable laws and other legal requirements, conduct business in an honest and ethical manner and otherwise act with integrity and in the Company's best interest. The Company has placed a copy of the Code of Conduct on its website located at www.johnsonoutdoors.com. In addition, all directors, officers and salaried employees are required to complete compliance training on the Code of Conduct and certain other subjects on an annual basis.

The Company also adopted a Code of Ethics for the Chief Executive Officer and Senior Financial and Accounting Officers (the *Code of Ethics*), which governs the conduct of the Company's Chief Executive Officer, Chief Financial Officer and its other senior financial officers and executives. The Code of Ethics supplements the Code of Conduct and is intended to deter wrongdoing and to promote honest and ethical conduct, including the ethical handling of conflicts of interest; full, fair, accurate, timely and understandable disclosure in the Company's public documents; compliance with applicable laws and regulations; the prompt reporting of violations of the Code of Ethics; and accountability for adherence to the Code of Ethics. The Company has placed a copy of the Code of Ethics on its website located at www.johnsonoutdoors.com. The Company intends to disclose any amendments to, or waivers from, the Code of Ethics on its corporate website.

Further, the Company has established whistle-blower procedures which provide a process for the confidential and anonymous submission, receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and for any code of conduct violations. These procedures provide substantial protections to employees who report Company misconduct.

Assessing the Performance of the Board and Individual Directors

The Nominating and Corporate Governance Committee is responsible to report annually to the Board of Directors regarding the Committee's assessment and evaluation of the performance of the Board as a whole, as well as individual members of the Board. This report and assessment is discussed with the full Board and includes specific review and performance areas in which the Board believes a better contribution could be made. The purpose of this assessment and evaluation is to increase the effectiveness of the Board as a whole and not necessarily to focus on individual Board members.

AUDIT COMMITTEE MATTERS

Audit Committee Report

The Audit Committee is comprised of three members of the Company's Board of Directors. Based upon the review described under Corporate Governance Matters Director Independence, the Board of Directors has determined that each member of the Audit Committee is independent under the applicable standards and rules of the NASDAQ Stock Market and the SEC. The duties and responsibilities of the Company's Audit Committee are set forth in the Audit Committee Charter. The full text of the Audit Committee charter was attached as Appendix A to the Company's proxy statement for the Annual Meeting of Shareholders occurring on March 1, 2006.

In accordance with its written charter adopted by the Board of Directors, the Audit Committee has oversight responsibility for the quality and integrity of the financial reporting practices of the Company. While the Audit Committee has oversight responsibility, the primary responsibility for the Company's financial reporting, disclosure controls and procedures and internal controls and procedures rests with management, and the Company's independent registered public accounting firm are responsible for auditing the Company's financial statements, management's assessment of internal control over financial reporting and the effectiveness of internal control over financial reporting.

In discharging its oversight responsibility as to the audit process, the Audit Committee has:

reviewed and discussed the Company's audited financial statements for the fiscal year ended September 29, 2006, with the Company's management and with the Company's independent registered public accounting firm;

discussed with the Company's independent registered public accounting firm the matters required to be discussed by SAS 61, as modified or supplemented (Codification for Statements on Auditing Standards); and

received the written disclosures and the letter from the Company's independent registered public accounting firm required by Independence Standards Board Statement No. 1 (Independence Discussions with Audit Committees) and has discussed with its independent registered public accounting firm its independence.

Based upon the above-described review and discussions with management and the independent registered public accounting firm, the Audit Committee recommended to the Board of Directors that the Company's audited consolidated financial statements be included in its Annual Report on Form 10-K for the fiscal year ended September 29, 2006 for filing with the SEC.

The Audit Committee of the Board of Directors

Terry E. London, Chairman

Thomas F. Pyle, Jr.

John M. Fahey, Jr.

Audit Committee Financial Expert

The Company's Board of Directors has determined that one of the members of the Audit Committee, Terry E. London, qualifies as an audit committee financial expert as defined by the rules of the SEC based on his work experience and education.

Fees of Independent Registered Public Accounting Firm

The following table summarizes the fees the Company was billed for audit and non-audit services rendered by the Company's independent registered public accounting firm, Ernst & Young LLP, during fiscal 2006 and 2005:

Service Type	2006	2005
Audit Fees ⁽¹⁾	\$ 1,245,395	\$ 1,460,848
Tax Fees ⁽²⁾	25,909	78,000
Total Fees Billed	\$ 1,271,304	\$ 1,538,848

- (1) Includes fees for professional services rendered in connection with the audit of the Company's financial statements and the effectiveness of the Company's internal control over financial reporting, the reviews of the financial statements included in each of the Company's quarterly reports on Form 10-Q, and consents and assistance with documents filed by the Company with the SEC.
- (2) Primarily consists of fees for the preparation of statutory tax returns and other tax assistance in foreign jurisdictions in 2005 and U.S. tax consultations in 2006.

The Audit Committee of the Board of Directors of the Company considered that the provision of the services and the payment of the fees described above are compatible with maintaining the independence of Ernst & Young LLP.

The Audit Committee is responsible for reviewing and pre-approving any non-audit services to be performed by the Company's independent registered public accounting firm. These non-audit services are evaluated by the Audit Committee taking into account scope, fees, and applicable laws and regulations (including SEC rules) related to the independence of the independent registered public accounting firm. The Audit Committee has delegated its pre-approval authority to the Chairman of the Audit Committee to act between meetings of the Audit Committee. Any pre-approval given by the Chairman of the Audit Committee pursuant to this delegation is presented to the full Audit Committee at its next regularly scheduled meeting.

Since the effective date of the SEC rules requiring pre-approval of non-audit services on May 6, 2003, each new engagement of the Company's independent registered public accounting firm to perform non-audit services has been approved in advance by the Audit Committee or the Chairman of the Audit Committee pursuant to the foregoing procedures.

COMPENSATION OF DIRECTORS

Retainer and Fees. Each director who is not an employee of the Company (each a non-employee director) is entitled to receive an annual retainer of \$25,000 and generally \$1,500 for each meeting of the Board of Directors and each committee meeting attended (whether or not such director is a member of that committee). The Vice Chairman of the Board of Directors receives an additional annual retainer of \$40,000. Non-employee directors are also entitled to receive an annual retainer of \$5,000 for each committee of the Board of Directors which they chair.

Stock-Based Plans. The Company maintains the Johnson Outdoors Inc. 2003 Non-Employee Director Stock Ownership Plan (the 2003 Director Plan). The 2003 Director Plan provides for up to 150,000 shares of Class A common stock to be issued to non-employee directors. The plan provides that upon

first being elected or appointed as a director of the Company, and thereafter, on the first business day after the Company's annual meeting of shareholders, that each non-employee director of the Company automatically receives a restricted stock award in each year during the existence of the 2003 Director Plan. The award is intended to deliver a greater portion of director compensation in the form of equity, with the amount on the date of the award being equal to \$25,000, and the shares of restricted stock being valued at their fair market value per share on the date of the award. On March 2, 2006, the Board of Directors granted 1,406 shares of restricted Class A common stock to each non-employee director of the Company at that time (Messrs. Fahey, London, McCollum and Pyle). Additionally, on March 1, 2006, Mr. Lang was granted 1,404 shares of restricted Class A common stock in connection with his initial election as a director of the Company.

The shares of Class A common stock granted to non-employee directors in the form of restricted stock awards cannot be sold or otherwise transferred while the non-employee director remains a director of the Company and thereafter the restrictions will lapse. However, a non-employee director may transfer the shares to any trust or other estate in which the director has a substantial interest or a trust of which the director serves as trustee or to his or her spouse and certain other related persons, provided the shares will continue to be subject to the transfer restrictions described above.

STOCK OWNERSHIP OF MANAGEMENT AND OTHERS

The following table sets forth certain information at January 1, 2007 regarding the beneficial ownership of each class of Company common stock by each director (including each incumbent and nominee director), each person known by the Company to own beneficially more than 5% of either class of the Company's common stock (including any group as set forth in Section 13(d)(3) of the Exchange Act), each of the officers named in the Summary Compensation Table in this Proxy Statement (the Named Executive Officers), and all directors and current executive officers as a group based upon information furnished by such persons.

The Company has determined beneficial ownership in accordance with the rules of the SEC. Except as indicated in the footnotes, the persons listed have sole voting and investment power over the shares beneficially owned. Shares of common stock subject to options that are either currently exercisable or exercisable within 60 days of January 1, 2007 are treated as outstanding and beneficially owned by the option holder for the purpose of computing the percentage ownership of the option holder. However, these shares are not treated as outstanding for the purpose of computing the percentage ownership of any other person. The table lists applicable percentage ownership based on 7,903,932 shares of Class A common stock and 1,217,977 shares of Class B common stock outstanding as of January 1, 2007.

Name and Address	Class A Common Stock ⁽¹⁾		Class B Common Stock ⁽¹⁾	
	Number of Shares	Percentage of Class Outstanding	Number of Shares	Percentage of Class Outstanding
Johnson Bank ⁽²⁾ 555 Main Street Racine, Wisconsin 53403	2,618,085 ⁽³⁾	33.1%	151,366 ⁽³⁾	12.4%
Helen P. Johnson-Leipold ⁽²⁾ 555 Main Street Racine, Wisconsin 53403	1,322,452 ⁽⁴⁾	16.7%	1,062,972 ⁽⁴⁾	87.3%
TowerView LLC c/o The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, Delaware 19801	830,000 ⁽⁵⁾	10.5% ⁽⁵⁾		
Dr. H. Fisk Johnson ⁽²⁾ 555 Main Street Racine, Wisconsin 53403	929,461 ⁽⁶⁾	11.8%	29,034 ⁽⁶⁾	2.4%
Winifred J. Marquart ⁽²⁾ 555 Main Street Racine, Wisconsin 53403	434,730 ⁽⁷⁾	5.5%	15,258 ⁽⁷⁾	1.3%
Dimensional Fund Advisors Inc. 1299 Ocean Avenue Santa Monica, CA 90401	572,078 ⁽⁸⁾	7.2% ⁽⁸⁾		
Thomas F. Pyle, Jr.	37,434 ⁽⁹⁾	*		
John M. Fahey, Jr.	24,781 ⁽¹⁰⁾	*		
Terry E. London	10,908 ⁽¹¹⁾	*		
W. Lee McCollum	4,296 ⁽¹²⁾	*		
David W. Johnson	6,407	*		
Edward F. Lang	1,404	*		
Jervis B. Perkins	0 ⁽¹³⁾	*		
All directors and current executive officers as a group (7 persons)	1,407,682	17.8%	1,062,972	87.3%

* The amount shown is less than 1% of the outstanding shares of such class.

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- (1) Shares of Class B common stock (Class B Shares) are convertible on a share-for-share basis into shares of Class A common stock (Class A Shares) at any time at the discretion of the holder thereof. As a result, a holder of Class B Shares is deemed to beneficially own an equal number of Class A Shares. However, in order to avoid overstatement of the aggregate beneficial ownership of Class A Shares and Class B Shares, the Class A Shares reported in the table do not include Class A Shares which may be acquired upon the conversion of Class B Shares.

- (2) Helen P. Johnson-Leipold, Imogene P. Johnson, JWA Consolidated, Inc., Johnson Bank, Dr. H. Fisk Johnson, S. Curtis Johnson and Winifred J. Marquart, pursuant to a Schedule 13D, as amended, are members of a Section 13D reporting group and may be deemed to beneficially own Class A Shares and Class B Shares owned by other members of the group.

- (3) Johnson Bank reports sole voting and investment power with respect to 407,165 Class A Shares and 52,180 Class B Shares, and shared voting and investment power with respect to 2,210,920 Class A Shares and 99,186 Class B Shares. Of the 2,210,920 Class A Shares for which Johnson Bank reports shared voting and investment power, Ms. Johnson-Leipold also reports beneficial ownership of 949,873 of these shares, Dr. Johnson also reports beneficial ownership of 527,827 of these shares and Ms. Marquart also reports beneficial ownership of 434,730 of these shares. Of the 99,186 Class B Shares for which Johnson Bank reports shared voting and investment power, Ms. Johnson-Leipold also reports beneficial ownership of 25,642 of these shares, Dr. Johnson also reports beneficial ownership of 29,034 of these shares and Ms. Marquart also reports beneficial ownership of 15,258 of these shares. Ms. Johnson-Leipold is indirectly the controlling shareholder of Johnson Bank.
- (4) Ms. Johnson-Leipold reports shared voting and investment power with respect to all of the Class A Shares (other than with respect to 258,115 Class A Shares). Ms. Johnson-Leipold beneficially owns such Class A Shares indirectly as the settlor and beneficiary of a trust and through such trust as a general partner of certain limited partnerships controlled by certain members of Samuel C. Johnson's family or related entities (the Johnson Family) and as a controlling shareholder, with trusts for the benefit of the Johnson Family, of certain corporations. Of the 1,064,337 Class A shares for which Ms. Johnson-Leipold reports shared voting and investment power, Johnson Bank also reports beneficial ownership of 949,873 of these shares and Dr. Johnson also reports beneficial ownership of 29,308 of these shares. Ms. Johnson-Leipold reports sole voting and investment power with respect to 1,037,330 Class B Shares directly held by the Johnson Outdoors Inc. Class B Common Stock Voting Trust, of which she is the controlling shareholder. The remaining 25,642 Class B Shares for which Ms. Johnson-Leipold reports shared voting and investment power are held by Ms. Johnson-Leipold's revocable trusts. The 258,115 Class A Shares for which Ms. Johnson-Leipold reports sole voting and investment power include options to acquire 175,000 Class A Shares, and 4,129 Class A Shares held by the Johnson Outdoors 401(k) Retirement and Savings Plan, over which Ms. Johnson-Leipold has sole voting power.
- (5) The information is based on a report on a Form 13F, filed October 18, 2006, by TowerView LLC with the Securities and Exchange Commission reporting its beneficial ownership as of September 30, 2006. TowerView reported sole voting and investment power with respect to the Class A Shares.
- (6) Dr. Johnson reports sole voting and investment power with respect to 401,634 Class A Shares, which he holds directly, as the sole trustee of the Herbert F. Johnson Distributing Trust and the HFJ Foundation Trust and as the controlling shareholder of S.C. Johnson & Son, Inc. Dr. Johnson reports shared voting and investment power with respect to 527,827 Class A Shares, which are held either by the Dr. Johnson's revocable trusts or by certain partnerships or corporations in which Dr. Johnson or his revocable trust are general partners or shareholders. Of these 527,827 Class A Shares, all are also reported as beneficially owned by Johnson Bank and 29,308 are also reported as beneficially owned by Ms. Johnson-Leipold. Dr. Johnson reports shared voting and investment power with respect to 29,034 Class B Shares, which are held by Dr. Johnson's revocable trusts (Johnson Bank also reports these Class B Shares as beneficially owned).
- (7) Ms. Marquart reports shared voting and investment power with respect to all of the Class A Shares reported. Of these 434,730 Class A Shares, all are also reported as beneficially owned by Johnson Bank. Ms. Marquart reports shared voting and investment power with respect to all of the Class B Shares reported. Of these 15,258 Class B Shares, all are held by Ms. Marquart's revocable trusts (Johnson Bank also reports these Class B Shares as beneficially owned).

- (8) The information is based on a report on Form 13F/A, filed December 15, 2006, by Dimensional Fund Advisors Inc., a registered investment advisor (Dimensional), with the Securities and Exchange Commission reporting its beneficial ownership as of September 30, 2006. Dimensional reported sole voting and sole investment power with respect to 560,778 of the reported shares. Dimensional disclaims beneficial ownership of all of the reported shares, which are owned by advisory clients of Dimensional.
- (9) Includes options to acquire 26,099 Class A Shares, which options are exercisable within 60 days.
- (10) Includes options to acquire 18,879 Class A Shares, which options are exercisable within 60 days.
- (11) Includes options to acquire 4,254 Class A Shares, which options are exercisable within 60 days.
- (12) Includes options to acquire 2,304 Class A Shares, which options are exercisable within 60 days.
- (13) Mr. Perkins resigned his employment with the Company effective May 2006. Mr. Perkins served as the Company's President and Chief Operating Officer from December 2004 until May 2006.
At January 1, 2007, the Johnson Family beneficially owned, 3,594,940 Class A Shares, or approximately 44.7% of the outstanding Class A Shares, and 1,204,946 Class B Shares, or approximately 98.9% of the outstanding Class B Shares.

EXECUTIVE OFFICERS

The following table sets forth the name, age, current position and principal occupation and employment during the past five years of the executive officers of the Company who are not nominees for directors:

Name	Age	Current Position	Other Positions
David W. Johnson	44	Vice President and Chief Financial Officer of the Company since November 2005.	From July 2005 to November 2005, Mr. Johnson served as Interim Chief Financial Officer and Treasurer of the Company. From December 2001 to July 2005, he served as Director of Operations Analysis of the Company. Prior to joining the Company, Mr. Johnson was employed by Procter & Gamble in a series of finance positions with increasing responsibility.

EXECUTIVE COMPENSATION

Compensation Committee Report on Executive Compensation

The Compensation Committee of the Board of Directors is responsible for all compensation and benefits provided to the Company's Chief Executive Officer, other executive officers and key employees. Set forth below is a report explaining the rationale underlying fundamental executive compensation decisions affecting the Company's executive officers, including the Named Executive Officers.

Overall Compensation Philosophy

The Company's program is designed to align compensation with Company performance, business strategy, Company values and management initiatives. The Company's overall compensation objectives will provide a competitive total compensation program designed to attract and retain high quality individuals and maintain a performance oriented culture that fosters increased shareholder value. The compensation policy is as follows:

Base salaries will be targeted at a level that allows the Company to attract, retain, and motivate persons of the highest caliber, with the framework for such decisions based on a review of the appropriate labor markets.

Incentive plans will be targeted at the competitive median (which is derived from the biennial report from the independent consultants described below) and will be widely used so that employees participate based on relevant Company, team and individual performance.

All compensation programs will be designed to focus performance on the enhancement of shareholder value. The Company has developed an overall compensation strategy and specific compensation plans that tie a significant portion of executive compensation to the Company's success in meeting specified

financial goals and the executive's success in meeting specific performance goals. As an executive's level of responsibility increases, a greater portion of total compensation is based on performance-based incentive compensation and less on salary and employee benefits, creating the potential for greater variability in the individual's compensation level from year to year. The mix, level and structure of performance-based incentive elements reflect market industry practices as well as the executive's role and relative impact on business results.

The Compensation Committee monitors the operation of the Company's executive compensation program. This monitoring includes a biennial report from independent compensation consultants assessing the effectiveness of the Company's compensation program by comparing the Company's executive compensation to a general industry group that is reflective of the national labor market from which many companies recruit for executive and managerial talent (the Comparator Group). The Comparator Group is not the same as the peer group that the Company uses in its performance graph. The Compensation Committee reviews the selection of companies used in the Comparator Group and believes that these companies fairly represent the Company's competitors for executive talent.

The Compensation Committee establishes corporate goals and objectives relevant to the compensation of the Named Executive Officers and the Company's other officers and, in some cases, the other employees of the Company. The Compensation Committee evaluates the performance of the Named Executive Officers and other officers in light of those goals and objectives and, based on such evaluation, reviews and approves the annual salary, bonus, stock options and other benefits of these officers.

The key elements of the Company's executive compensation program consist of base salary, annual bonus and long-term incentives, which currently consists of a split between grants of restricted stock and a performance based cash award target. The Company structures its long-term incentive compensation awards by tying them to certain of the Company's long-term financial performance measures.

Senior executive compensation packages are increasingly weighted toward prog