

WEYCO GROUP INC
Form DEF 14A
March 31, 2016

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

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
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

Weyco Group, Inc.

(Name of Registrant as Specified in Its Charter)

Filed by Registrant

(Name of Person(s) Filing Proxy Statement)

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WEYCO GROUP, INC.

Glendale, Wisconsin

**Notice of the 2016 ANNUAL MEETING OF
SHAREHOLDERS
To be Held May 10, 2016**

WEYCO GROUP, INC., a Wisconsin corporation (hereinafter called the Company), will hold the Annual Meeting of Shareholders at the general offices of the Company, 333 West Estabrook Boulevard, Glendale, Wisconsin 53212, on Tuesday, May 10, 2016, at 10:00 A.M. (Central Daylight Time), for the following purposes:

1. To elect two members to the Board of Directors,
2. To ratify the appointment of Baker Tilly Virchow Krause, LLP as the Company s independent registered public accounting firm for the year ending December 31, 2016, and
3. To consider and transact any other business that properly may come before the meeting or any adjournment thereof.

The Board of Directors recommends that the shareholders vote FOR items 1 and 2 above.

**Important Notice Regarding the Internet Availability of Proxy Materials for the
Shareholder Meeting to Be Held on May 10, 2016**

**The Proxy Statement and Notice of Annual Meeting and the 2015 Annual Report
on Form 10-K are available on the Company s website at
http://www.weycogroup.com/sec_filing.html**

The Board of Directors has fixed March 21, 2016, as the record date for the determination of the common shareholders entitled to notice of and to vote at the annual meeting or any adjournment thereof.

The Board of Directors requests that you indicate your voting directions, sign and promptly mail the enclosed proxy for the meeting. Any proxy may be revoked at any time prior to its exercise.

If you have questions or comments, please direct them to Weyco Group, Inc., 333 West Estabrook Boulevard, Glendale, Wisconsin 53212, Attention: Secretary. Please also contact the Secretary if you would like directions to the Annual Meeting.

By order of the Board of Directors,

JOHN F. WITTKOWSKE
Secretary

Date of Notice: March 31, 2016

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PROXY STATEMENT

INTRODUCTION

The enclosed proxy is solicited by the Board of Directors of Weyco Group, Inc. (the Company) for exercise at the annual meeting of shareholders to be held at the offices of the Company, 333 West Estabrook Boulevard, Glendale, Wisconsin 53212, at 10:00 A.M. (Central Daylight Time) on Tuesday, May 10, 2016, or any adjournment thereof.

The Proxy Statement and Notice of Annual Meeting of Shareholders and the 2015 Annual Report on Form 10-K are also available on the Company's website at http://www.weycogroup.com/sec_filing.html. The 2015 Annual Report on Form 10-K, which also accompanies this Proxy Statement, contains financial statements for the three years ended December 31, 2015, and certain other information concerning the Company. The 2015 Annual Report on Form 10-K is neither a part of this Proxy Statement nor incorporated herein by reference.

Any shareholder delivering the form of proxy has the power to revoke it at any time prior to the time of the annual meeting by filing with the Secretary of the Company an instrument of revocation or a duly executed proxy bearing a later date or by attending the meeting and electing to vote in person by giving notice of such election to the Secretary of the Company. Attendance at the meeting will not in itself constitute revocation of a proxy. Proxies properly signed and returned will be voted as specified thereon. The Proxy Statement and the proxy are being mailed to shareholders on approximately March 31, 2016.

The Company has outstanding only one class of common stock entitled to vote at the meeting common stock with one vote per share. As of March 21, 2016, the record date for determination of the common shareholders entitled to notice of and to vote at the meeting or any adjournment thereof, there were 10,676,668 outstanding shares of common stock.

TABLE OF CONTENTS**SECURITY OWNERSHIP OF MANAGEMENT AND OTHERS**

The following table sets forth information, as of the March 21, 2016, record date, with respect to the beneficial ownership of the Company's common stock by each director and nominee for director, for each of the named executive officers identified in the Compensation Discussion and Analysis herein and by all current directors and executive officers as a group.

Name of Beneficial Owner	Number of Shares and Nature of Beneficial Ownership ⁽¹⁾⁽²⁾⁽³⁾	Percent of Class ⁽⁴⁾
Thomas W. Florsheim 333 W. Estabrook Blvd., Glendale, WI 53212	315,564	2.95 %
Thomas W. Florsheim, Jr. 333 W. Estabrook Blvd., Glendale, WI 53212	2,736,919 ⁽⁵⁾⁽⁶⁾⁽⁷⁾	25.43 %
John W. Florsheim 333 W. Estabrook Blvd., Glendale, WI 53212	833,418	7.74 %
John F. Wittkowske	177,375	1.65 %
Robert Feitler	246,645	2.31 %
Frederick P. Stratton, Jr.	157,735	1.48 %
Cory L. Nettles	9,375	*
Tina Chang	12,145	*
All Directors and Executive Officers as a Group (8 persons including the above-named)	4,489,176	40.96 %

*

Less than 1%.

Notes:

Includes the following unissued shares deemed to be beneficially owned under Rule 13d-3 which may be acquired upon the exercise of outstanding stock options within 60 days of the record date: Thomas W. Florsheim 4,625; (1) Thomas W. Florsheim, Jr. 86,875; John W. Florsheim 86,875; John F. Wittkowske 86,875; Robert Feitler 4,625; Frederick P. Stratton, Jr. 4,625; Cory L. Nettles 4,625; Tina Chang 4,625; and All Directors and Executive Officers as a Group 283,750.

(2) Includes the following shares of unvested restricted stock deemed to be beneficially owned under Rule 13d-3 because the holders are entitled to voting rights: Thomas W. Florsheim 2,500; Robert Feitler 2,500; Frederick P. Stratton, Jr. 2,500; Cory L. Nettles 2,500; Tina Chang 2,500; and All Directors and Executive Officers as a Group 12,500.

(3) Except as stated in footnote 2 above, the specified persons have sole voting power and sole dispositive power as to all shares indicated above, except for the following shares as to which voting and/or dispositive power is shared:

Thomas W. Florsheim	308,439
Thomas W. Florsheim, Jr.	2,075,656
John W. Florsheim	616,988

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Robert Feitler	239,520
Frederick P. Stratton, Jr .	30,300
All Directors and Executive Officers as a Group	3,270,903

Calculated on the basis of 10,676,668 outstanding shares of Company common stock on the record date plus shares (4) which can be acquired upon the exercise of outstanding stock options within 60 days of the record date, by the person or group involved in accordance with Rule 13d-3.

These shares include 692,318 shares that Mr. Florsheim, Jr. is deemed to beneficially own under applicable (5) securities rules as the sole trustee of a grantor retained annuity trust (GRAT) created by Thomas W. Florsheim (his father).

These shares include 1,106,285 shares that Mr. Florsheim, Jr. is deemed to beneficially own under applicable (6) securities rules as the sole trustee of a GRAT created by Nancy P. Florsheim (his mother).

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(7) These shares include 12,440 shares that Mr. Florsheim, Jr. is deemed to beneficially own under applicable securities rules as the sole trustee of a family trust created by John W. Florsheim (his brother).

The following table sets forth information, as of December 31, 2015, with respect to the beneficial ownership of the Company's common stock by those persons, other than those reflected in the above table, known to the Company to own beneficially more than five percent (5%) of the common stock outstanding.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent
(1)		
Royce & Associates, LLC 745 Fifth Avenue New York, New York 10151	970,992	9.0 %
(2)		
T. Rowe Price Associates, Inc. 100 East Pratt Street Baltimore, Maryland 21202	560,070	5.1 %

Note:

According to the Schedule 13G/A statement filed by Royce & Associates, LLC in January 2016, Royce & Associates, LLC has sole voting and dispositive power with respect to 970,992 shares of common stock of the Company.

The above information is based on a Schedule 13G/A statement filed by T. Rowe Price Associates, Inc. (T. Rowe Price Associates) and T. Rowe Price Small-Cap Value Fund, Inc. (T. Rowe Price Value Fund) in February 2016. These securities are owned by various individual and institutional investors, including T. Rowe Price Value Fund (which reported sole voting power with respect to 505,060 shares, representing 4.6% of the shares outstanding). T. Rowe Price Associates serves as an investment adviser with power to direct investments and/or sole power to vote the securities. T. Rowe Price Associates reported sole voting power with respect to 51,510 shares and sole dispositive power with respect to 560,070 shares. For the purposes of the reporting requirements of the Securities Exchange Act of 1934, T. Rowe Price Associates is deemed to be a beneficial owner of such securities; however, in the Schedule 13G/A, T. Rowe Price Associates expressly disclaimed beneficial ownership with respect to such securities.

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ITEMS TO BE VOTED ON

Proposal One: Election of Directors

At the annual meeting, two directors will be elected for terms expiring in 2019. The Corporate Governance and Compensation Committee has recommended, and the Board of Directors has nominated, the following nominees for election: Tina Chang and Thomas W. Florsheim, both of whom are current directors of the Company.

A majority of the votes entitled to be cast by outstanding shares of common stock, represented in person or by proxy, will constitute a quorum at the annual meeting.

Directors are elected by a plurality of the votes cast by the holders of the Company's common stock at a meeting at which a quorum is present. Plurality means that the individuals who receive the largest number of votes cast are elected as directors up to the maximum number of directors to be chosen at the meeting. Consequently, any shares not voted (whether by abstention, broker nonvote or otherwise) have no impact in the election of directors except to the extent the failure to vote for an individual results in another individual receiving a comparatively larger number of votes. Votes against a candidate are not given legal effect and are not counted as votes cast in an election of directors. Votes will be tabulated by an inspector at the meeting.

If any of the nominees should decline or be unable to act as a director, which is not expected, the proxies will be voted with discretionary authority by the persons named to vote in the proxy for a substitute nominee designated by the Board of Directors.

Thomas W. Florsheim, Jr. and John W. Florsheim are brothers, and their father is Thomas W. Florsheim. There are no other family relationships between any of the Company's directors and executive officers.

The Board recommends that you vote FOR the election of Tina Chang and Thomas W. Florsheim.

Information regarding the nominees and the directors whose terms continue, including the particular skills, qualifications and other attributes that the Company believes qualify each of its nominees and continuing directors to serve on the Board, is set forth below. For additional information regarding the criteria to evaluate Board memberships, see Board Information Nomination of Director Candidates below.

Nominees for Term Expiring 2019

Tina Chang, Age 44, Director since 2007

Member of Executive Committee, Audit Committee, and Corporate Governance and Compensation Committee

Since 1996, Ms. Chang has served as Chairman of the Board and Chief Executive Officer of SysLogic, Inc. (an information systems consulting and services firm). Ms. Chang also served as a Director and Advisor of The Private Bank Wisconsin from 2004 to 2013.

Ms. Chang brings to the Board a strong background in business, technology and process development in the information technology arena. With technology being a fluid and increasingly important component of business, Ms. Chang's experience is invaluable to the Board. She is also strongly involved in the local business community and with charitable organizations, and brings to the Board these varied experiences.

Thomas W. Florsheim, Age 85, Director since 1964

Member of Executive Committee

Mr. Florsheim has served as Chairman Emeritus of the Company since 2002. Prior to that, Mr. Florsheim served as Chairman of the Board of the Company from 1968 to 2002, as Chief Executive Officer of the Company from 1964 to 1999, and as President of the Company from 1964 to 1968.

Mr. Florsheim brings to the Board a lifetime of experience in the shoe industry, including more than 30 years of leadership of the Company. Prior to his tenure at the Company, he was an executive at Florsheim Shoe Company. Through his more than 50 years of experience in the shoe industry, he brings significant expertise and depth of knowledge in every area of the shoe industry to the Company.

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Continuing Directors for Term Expiring 2017

Thomas W. Florsheim, Jr., Age 58, Director since 1996

Chairman of the Board since 2002

Mr. Florsheim has served as Chairman and Chief Executive Officer of the Company since 2002. Prior to that, Mr. Florsheim was President and Chief Executive Officer of the Company from 1999 to 2002, President and Chief Operating Officer of the Company from 1996 to 1999, and Vice President of the Company from 1988 to 1996. Mr. Florsheim has also served as a Director of Strattec Security Corp. (a manufacturer of automotive access control products) (NASDAQ: STRT) since 2012.

Mr. Florsheim has worked at the Company for 35 years. Prior to becoming an executive of the Company, he held various managerial positions, including managing the retail division and subsequently the purchasing department. Mr. Florsheim's day-to-day leadership and intimate knowledge of the Company's business and operations provide the Board with industry-specific experience and expertise.

Robert Feitler, Age 85, Director since 1964

**Chairman of Executive Committee and Corporate Governance
and Compensation Committee Member of Audit Committee**

Mr. Feitler has served as a Director of TC Manufacturing Co. (a manufacturer of flexible packaging) since 1974. He also served as a Director of Strattec Security Corp. from 1995 to 2012. From 1968 to 1996, Mr. Feitler was President and Chief Operating Officer of the Company.

Mr. Feitler worked for the Company as its President and Chief Operating Officer for 28 years. His intimate knowledge of the Company and industry are invaluable. He continues to be an active director or trustee of other private entities and he brings that experience to the Company.

Continuing Directors for Term Expiring 2018

John W. Florsheim, Age 52, Director since 1996

Mr. Florsheim has served as President, Chief Operating Officer and Assistant Secretary of the Company since 2002. He also has served as a Director of North Shore Bank since 2008. From 1999 to 2002, Mr. Florsheim served as Executive Vice President, Chief Operating Officer and Assistant Secretary of the Company. From 1996 to 1999 he served as Executive Vice President of the Company, and from 1994 to 1996 he served as Vice President of the Company. Prior to joining the Company, Mr. Florsheim was a Brand Manager for M&M/Mars, Inc. from 1990 to 1994.

Mr. Florsheim brings to the Board over 22 years of experience in the shoe industry as well as detailed knowledge of the overall operations of the Company and expertise in the areas of sales and marketing, licensing and customer

relations.

Frederick P. Stratton, Jr., Age 77, Director since 1976

Chairman of Audit Committee

Member of Executive Committee and Corporate Governance and Compensation Committee

Mr. Stratton has served as Chairman Emeritus of Briggs & Stratton Corporation (a manufacturer of gasoline engines) since 2003. He has been a Director of Baird Funds, Inc., since 2004. Mr. Stratton served as Chairman of the Board of Briggs & Stratton Corporation from 1986 to 2002. From 1977 to 2001, he served as Chief Executive Officer of Briggs & Stratton Corporation. He also formerly served as a Director of Midwest Air Group, Inc. from 1988 to 2007 and Wisconsin Energy Corporation and its subsidiaries, Wisconsin Electric Power Company and Wisconsin Gas LLC, from 1987 through 2012.

Through his many years of experience as the Chief Executive Officer of Briggs & Stratton, a large multinational manufacturing company, Mr. Stratton brings extensive experience in all areas of executive management, including finance, acquisitions, relations with retailers, sales and marketing, labor relations, and international business to the Board. In addition, Mr. Stratton brings his prior experience as a securities/investment analyst to the Board. Mr. Stratton continues to be an active member of corporate Boards, and his contributions over the years to the Company's Board have been invaluable.

