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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2013

Or

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

For the transition period from ____________to ______________

Commission File Number: 0-9068

WEYCO GROUP, INC.

(Exact name of registrant as specified in its charter)

WISCONSIN	39-0702200
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

333 W. Estabrook Boulevard
P. O. Box 1188
Milwaukee, Wisconsin 53201
(Address of principal executive offices)
(Zip Code)

(414) 908-1600
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes __X__ No ____

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes __X__ No ____

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ___ Accelerated filer __X__ Non-accelerated filer ___ Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ____ No __X_

As of October 31, 2013, there were 10,838,791 shares of common stock outstanding.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

The consolidated condensed financial statements included herein have been prepared by Weyco Group, Inc. (the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. It is suggested that these financial statements and notes be read in conjunction with the financial statements and notes thereto included in the Company's latest annual report on Form 10-K.

WEYCO GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS (UNAUDITED)

	September 30, 2013	December 31, 2012
	(Dollars in thousands)	
ASSETS:		
Cash and cash equivalents	$ 9,750	$ 17,288
Marketable securities, at amortized cost	5,875	8,004
Accounts receivable, net	62,189	49,048
Accrued income tax receivable	-	1,136
Inventories	52,612	65,366
Deferred income tax benefits	316	649
Prepaid expenses and other current assets	2,885	4,953
Total current assets	133,627	146,444
Marketable securities, at amortized cost	28,285	36,216
Deferred income tax benefits	1,571	792
Property, plant and equipment, net	35,579	37,218
Goodwill	11,112	11,112
Trademarks	34,748	34,748
Other assets	20,973	18,791
Total assets	$ 265,895	$ 285,321
LIABILITIES AND EQUITY:		
Short-term borrowings	$ 25,000	$ 45,000
Accounts payable	6,682	11,133
Accrued liabilities	11,617	13,888
Accrued income tax payable	434	-
Total current liabilities	43,733	70,021
Long-term pension liability	27,486	27,530
Other long-term liabilities	6,792	6,381
Equity:		
Common stock	10,837	10,831
Capital in excess of par value	31,003	26,184
Reinvested earnings	152,137	149,664
Accumulated other comprehensive loss	(12,695)	(12,514)
Total Weyco Group, Inc. equity	181,282	174,165
Noncontrolling interest	6,602	7,224
Total equity	187,884	181,389
Total liabilities and equity	$ 265,895	$ 285,321

The accompanying notes to consolidated condensed financial statements (unaudited) are an integral part of these financial statements.

WEYCO GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
	(In thousands, except per share amounts)			
Net sales	$ 83,108	$ 79,473	$ 221,739	$ 215,120
Cost of sales	51,529	49,027	137,763	133,765
Gross earnings	31,579	30,446	83,976	81,355
Selling and administrative expenses	22,993	22,338	67,022	64,012
Earnings from operations	8,586	8,108	16,954	17,343
Interest income	346	438	1,144	1,404
Interest expense	(75)	(143)	(314)	(388)
Other income and expense, net	(123)	10	(750)	(55)
Earnings before provision for income taxes	8,734	8,413	17,034	18,304
Provision for income taxes	3,133	2,961	6,043	6,245
Net earnings	5,601	5,452	10,991	12,059
Net earnings attributable to noncontrolling interest	209	260	194	779
Net earnings attributable to Weyco Group, Inc.	$ 5,392	$ 5,192	$ 10,797	$ 11,280
Weighted average shares outstanding				
Basic	10,786	10,827	10,770	10,860
Diluted	10,873	10,911	10,840	10,974
Earnings per share				
Basic	$ 0.50	$ 0.48	$ 1.00	$ 1.04
Diluted	$ 0.50	$ 0.48	$ 1.00	$ 1.03
Cash dividends declared (per share)	$ 0.18	$ 0.17	$ 0.36	$ 0.50
Comprehensive income	$ 6,340	$ 6,058	$ 10,204	$ 13,036
Comprehensive income (loss) attributable to noncontrolling interest	268	323	(412)	1,119
Comprehensive income attributable to Weyco Group, Inc.	$ 6,072	$ 5,735	$ 10,616	$ 11,917

The accompanying notes to consolidated condensed financial statements (unaudited) are an integral part of these financial statements.

WEYCO GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine Months Ended September 30, 2013	2012
	(Dollars in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 10,991	$ 12,059
Adjustments to reconcile net earnings to net cash provided by (used for) operating activities -		
Depreciation	2,967	2,442
Amortization	280	249
Bad debt expense	121	173
Deferred income taxes	(945)	(1,381)
Net gain on remeasurement of contingent consideration	-	(1,681)
Net foreign currency transaction losses	425	83
Stock-based compensation	948	896
Pension contribution	(1,282)	-
Pension expense	2,766	2,638
Other-than-temporary investment impairment	200	-
Increase in cash surrender value of life insurance	(250)	(250)
Changes in operating assets and liabilities -		
Accounts receivable	(13,267)	(15,163)
Inventories	12,648	(145)
Prepaids and other assets	3,303	848
Accounts payable	(4,451)	(3,401)
Accrued liabilities and other	(2,144)	365
Accrued income taxes	1,563	2,217
Net cash provided by (used for) operating activities	13,873	(51)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of marketable securities	(22)	-
Proceeds from maturities of marketable securities	9,833	5,947
Life insurance premiums paid	(155)	(155)
Investment in real estate	(3,206)	-
Purchase of property, plant and equipment	(1,912)	(5,411)
Net cash provided by investing activities	4,538	381
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash dividends paid	(3,881)	(5,351)
Shares purchased and retired	(4,623)	(5,684)
Proceeds from stock options exercised	3,558	2,216
Payment of contingent consideration	(1,270)	-
Payment of indemnification holdback	-	(2,000)
Proceeds from bank borrowings	11,000	22,000
Repayments of bank borrowings	(31,000)	(15,000)
Income tax benefits from stock-based compensation	514	643
Net cash used for financing activities	(25,702)	(3,176)
Effect of exchange rate changes on cash and cash equivalents	(247)	46
Net decrease in cash and cash equivalents	$ (7,538)	$ (2,800)
CASH AND CASH EQUIVALENTS at beginning of period	17,288	10,329
CASH AND CASH EQUIVALENTS at end of period	$ 9,750	$ 7,529
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes paid, net of refunds	$ 4,784	$ 4,665
Interest paid	$ 266	$ 309

The accompanying notes to consolidated condensed financial statements (unaudited) are an integral part of these financial statements.

NOTES:

1. Financial Statements

In the opinion of management, the accompanying unaudited consolidated condensed financial statements contain all adjustments necessary to present fairly the Company's financial position, results of operations and cash flows for the periods presented. The results of operations for the three and nine months ended September 30, 2013 are not necessarily indicative of the results for the full year.

2. Reclassifications

Certain reclassifications have been made in the prior year's financial statements to conform to the current year's presentation. Such reclassifications had no effect on previously reported net income or equity.

3. Earnings Per Share

The following table sets forth the computation of earnings per share and diluted earnings per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	(In thousands, except per share amounts)			
Numerator:				
Net earnings attributable to Weyco Group, Inc.	$ 5,392	$ 5,192	$ 10,797	$ 11,280
Denominator:				
Basic weighted average shares outstanding	10,786	10,827	10,770	10,860
Effect of dilutive securities:				
Employee stock-based awards	87	84	70	114
Diluted weighted average shares outstanding	10,873	10,911	10,840	10,974
Basic earnings per share	$ 0.50	$ 0.48	$ 1.00	$ 1.04
Diluted earnings per share	$ 0.50	$ 0.48	$ 1.00	$ 1.03

Diluted weighted average shares outstanding for the three and nine months ended September 30, 2013 exclude anti-dilutive stock options totaling 218,075 shares of common stock at a weighted average price of $27.50. Diluted weighted average shares outstanding for the three and nine months ended September 30, 2012 exclude anti-dilutive stock options totaling 711,330 shares of common stock at a weighted average price of $25.68.

4. Investments

As noted in the Company's Annual Report on Form 10-K for the year ended December 31, 2012, all of the Company's municipal bond investments are classified as held-to-maturity securities and reported at amortized cost pursuant to Accounting Standards Codification ("ASC") 320, *Investments – Debt and Equity Securities* ("ASC 320") as the Company has the intent and ability to hold all bond investments to maturity.

Below is a summary of the amortized cost and estimated market values of the Company's investment securities as of as of September 30, 2013 and December 31, 2012.

	September 30, 2013		December 31, 2012	
	Amortized Cost	Market Value	Amortized Cost	Market Value
	(Dollars in thousands)			
Municipal bonds:				
Current	$ 5,875	$ 5,949	$ 8,004	$ 8,117
Due from one through five years	19,941	20,900	25,384	26,620
Due from six through ten years	8,344	8,797	10,832	11,756
Total	$ 34,160	$ 35,646	$ 44,220	$ 46,493

The unrealized gains and losses on investment securities as of September 30, 2013 and December 31, 2012 were as follows:

	September 30, 2013		December 31, 2012	
	Unrealized Gains	Unrealized Losses	Unrealized Gains	Unrealized Losses
	(Dollars in thousands)			
Municipal bonds	$ 1,486	$ -	$ 2,473	$ 200

The estimated market values provided are level 2 valuations as defined by ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820").

The Company regularly reviews its investments to determine whether a decline in fair value below the cost basis is other-than-temporary. To determine if a decline in value is other-than-temporary, the Company considers all available evidence, including the issuer's financial condition, the severity and duration of the decline in fair value, and the Company's intent and ability to hold the investment for a reasonable period of time sufficient for any forecasted recovery. If a decline in value is deemed other-than-temporary, the Company records a reduction in the carrying value to the estimated fair value. In the third quarter of 2013, the Company reviewed its investments and concluded that the unrealized loss on one of its municipal bonds was other-than-temporary. The Company had been monitoring the status of the bond. In September 2013, a public notice was issued by the municipality that caused the Company to doubt the ultimate collectability of the bond. Considering this, all prior public information regarding the bond, and the duration of the loss, the Company determined the unrealized loss on the bond was other-than-temporary. Accordingly, the Company wrote the bond down to fair value and recorded an impairment loss of $200,000. The loss was included within other income and expense, net in the Consolidated Condensed Statements of Earnings and Comprehensive Income (Unaudited).

On May 1, 2013, the Company purchased a 50% interest in a building in Montreal, Canada for approximately $3.2 million. This building serves as the Company's Canadian office and distribution center. This real estate investment is accounted for as an equity-method investment under ASC 323, *Investments – Equity Method and Joint Ventures* ("ASC 323") and is included within other assets in the Consolidated Condensed Balance Sheets (Unaudited).

5. Intangible Assets

The Company's indefinite-lived and amortizable intangible assets as recorded in the Consolidated Condensed Balance Sheets (Unaudited) consisted of the following as of September 30, 2013:

		September 30, 2013		
	Weighted Average Life (Yrs)	Gross Carrying Amount	Accumulated Amortization	Net
			(Dollars in thousands)	
Indefinite-lived intangible assets:				
Goodwill		$ 11,112	$ -	$ 11,112
Trademarks		34,748	-	34,748
Total indefinite-lived intangible assets		$ 45,860	$ -	$ 45,860
Amortizable intangible assets:				
Non-compete agreement	5	$ 200	$ (103)	$ 97
Customer relationships	15	3,500	(603)	2,897
Total amortizable intangible assets		$ 3,700	$ (706)	$ 2,994

The Company's indefinite-lived and amortizable intangible assets as recorded in the Consolidated Condensed Balance Sheets (Unaudited) consisted of the following as of December 31, 2012:

	Weighted Average Life (Yrs)	December 31, 2012 Gross Carrying Amount	Accumulated Amortization	Net
			(Dollars in thousands)	
Indefinite-lived intangible assets:				
Goodwill		$ 11,112	$ -	$ 11,112
Trademarks		34,748	-	34,748
Total indefinite-lived intangible assets		$ 45,860	$ -	$ 45,860
Amortizable intangible assets:				
Non-compete agreement	5	$ 200	$ (73)	$ 127
Customer relationships	15	3,500	(428)	3,072
Total amortizable intangible assets		$ 3,700	$ (501)	$ 3,199

The Company's amortizable intangible assets are included within other assets in the Consolidated Condensed Balance Sheets (Unaudited).

6. Segment Information

The Company has two reportable segments: North American wholesale operations ("wholesale") and North American retail operations ("retail"). The chief operating decision maker, the Company's Chief Executive Officer, evaluates the performance of its segments based on earnings from operations and accordingly, interest income or expense, other income or expense, and income taxes are not allocated to the segments. The "other" category in the tables below includes the Company's wholesale and retail operations in Australia, South Africa, Asia Pacific and Europe, which do not meet the criteria for separate reportable segment classification. Summarized segment data for the three and nine months ended September 30, 2013 and 2012 was as follows:

Three Months Ended September 30,	Wholesale	Retail	Other	Total
		(Dollars in thousands)		
2013				
Product sales	$ 63,914	$ 5,232	$ 13,124	$ 82,270
Licensing revenues	838	-	-	838
Net sales	$ 64,752	$ 5,232	$ 13,124	$ 83,108
Earnings from operations	$ 7,073	$ 512	$ 1,001	$ 8,586
2012				
Product sales	$ 60,198	$ 5,521	$ 12,916	$ 78,635
Licensing revenues	838	-	-	838
Net sales	$ 61,036	$ 5,521	$ 12,916	$ 79,473
Earnings from operations	$ 6,559	$ 322	$ 1,227	$ 8,108

Nine Months Ended September 30,	Wholesale	Retail	Other	Total
		(Dollars in thousands)		
2013				
Product sales	$ 165,421	$ 16,363	$ 37,897	$ 219,681
Licensing revenues	2,058	-	-	2,058
Net sales	$ 167,479	$ 16,363	$ 37,897	$ 221,739
Earnings from operations	$ 12,984	$ 1,538	$ 2,432	$ 16,954
2012				
Product sales	$ 159,175	$ 16,771	$ 37,072	$ 213,018
Licensing revenues	2,102	-	-	2,102
Net sales	$ 161,277	$ 16,771	$ 37,072	$ 215,120
Earnings from operations	$ 13,121	$ 355	$ 3,867	$ 17,343

7. Employee Retirement Plans

The components of the Company's net pension expense were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	(Dollars in thousands)			
Benefits earned during the period	$ 447	$ 352	$ 1,279	$ 1,120
Interest cost on projected benefit obligation	608	571	1,794	1,746
Expected return on plan assets	(525)	(510)	(1,569)	(1,484)
Net amortization and deferral	440	356	1,262	1,256
Net pension expense	$ 970	$ 769	$ 2,766	$ 2,638

The Company made approximately $1.3 million in pension contributions during the nine months ended September 30, 2013. No additional cash contributions are expected for the remainder of 2013.

8. Stock-Based Compensation Plans

During the three and nine months ended September 30, 2013, the Company recognized approximately $315,000 and $948,000, respectively, of compensation expense associated with stock option and restricted stock awards granted in years 2009 through 2012. During the three and nine months ended September 30, 2012, the Company recognized approximately $298,000 and $896,000, respectively, of compensation expense associated with stock option and restricted stock awards granted in years 2008 through 2011.

The following table summarizes the Company's stock option activity for the nine-month period ended September 30, 2013:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value*
Outstanding at December 31, 2012	1,265,792	$ 22.76		
Exercised	(201,251)	$ 17.68		
Forfeited or expired	(7,250)	$ 24.91		
Outstanding at September 30, 2013	1,057,291	$ 23.71	2.9	$ 5,136,000
Exercisable at September 30, 2013	503,712	$ 23.55	1.5	$ 2,664,000

* The aggregate intrinsic value of outstanding and exercisable stock options is defined as the difference between the market value of the Company's stock on September 30, 2013, the last trading day of the quarter, of $28.32 and the exercise price multiplied by the number of in-the-money outstanding and exercisable stock options.

The following table summarizes stock option activity for the three and nine months ended September 30, 2013 and 2012:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	(Dollars in thousands)			
Total intrinsic value of stock options exercised	$ 151	$ 446	$ 1,317	$ 1,650
Cash received from stock option exercises	$ 730	$ 650	$ 3,558	$ 2,216
Income tax benefit from the exercise of stock options	$ 59	$ 174	$ 514	$ 643

The following table summarizes the Company's restricted stock activity for the nine-month period ended September 30, 2013:

	Shares of Restricted Stock	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value*
Non-vested at December 31, 2012	42,575	$ 23.87		
Issued	-	-		
Vested	-	-		
Forfeited	-	-		
Non-vested at September 30, 2013	42,575	$ 23.87	2.4	$ 1,206,000

* The aggregate intrinsic value of non-vested restricted stock was calculated using the market value of the Company's stock on September 30, 2013, the last trading day of the quarter, of $28.32 multiplied by the number of non-vested restricted shares outstanding.

9. Short-Term Borrowings

At September 30, 2013, the Company had a $60 million unsecured revolving line of credit with BMO Harris Bank, N.A. ("BMO Harris Bank") expiring April 30, 2014. At the end of the third quarter, the Company had $25 million of borrowings outstanding at an interest rate of approximately 1.2%, which was the highest balance during the quarter. The Company's borrowing facility includes one financial covenant that specifies a minimum level of net worth. The Company was in compliance with this covenant at September 30, 2013.

On November 5, 2013, the Company cancelled its line of credit with BMO Harris Bank and concurrently entered into a new $60 million unsecured revolving line of credit with PNC Bank. The new line of credit bears interest at LIBOR plus 0.75% and expires on November 5, 2014. All other terms and conditions of the new line of credit remain essentially the same as the prior agreement, except there are no financial covenants in the new agreement.

10. Contingent Consideration

Contingent consideration is comprised of two contingent payments that the Company is obligated to pay the former shareholders of The Combs Company ("Bogs"). The estimate of contingent consideration is formula-driven and is based on Bogs achieving certain levels of gross margin dollars between January 1, 2011 and December 31, 2015. The first contingent consideration payment was due in 2013 and was paid on March 28, 2013. The second payment is due in March 2016. In accordance with ASC 805, *Business Combinations* ("ASC 805"), the Company remeasures its estimate of the fair value of the contingent payments at each reporting date. The change in fair value is recognized in earnings.

The Company's estimate of the fair value of the contingent payments as recorded in the Consolidated Condensed Balance Sheets (Unaudited) was as follows:

	September 30, 2013	December 31, 2012
	(Dollars in thousands)	
Current portion	$ -	$ 1,270
Long-term portion	5,028	4,991
Total contingent consideration	$ 5,028	$ 6,261

The following table summarizes the activity during 2013 related to the contingent payments as recorded in the accompanying unaudited financial statements (dollars in thousands):

Balance as of December 31, 2012	$ 6,261
Payment to the former shareholders of Bogs	(1,270)
Interest expense	37
Balance as of September 30, 2013	$ 5,028

The current portion of the contingent consideration was recorded within accrued liabilities in the Consolidated Condensed Balance Sheets (Unaudited). The long-term portion was recorded within other long-term liabilities in the Consolidated Condensed Balance Sheets (Unaudited). The total contingent consideration was assigned to the Company's wholesale segment.

The fair value measurement of the contingent consideration is based on significant inputs not observed in the market and thus represents a level 3 valuation as defined by ASC 820.

11. Comprehensive Income

Comprehensive income for the three and nine months ended September 30, 2013 and 2012 was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	(Dollars in thousands)			
Net earnings	$ 5,601	$ 5,452	$ 10,991	$ 12,059
Foreign currency translation adjustments	470	405	(1,557)	211
Pension liability, net of tax of $172, $129, $492, and $490, respectively	269	201	770	766
Total comprehensive income	$ 6,340	$ 6,058	$ 10,204	$ 13,036

The components of accumulated other comprehensive loss as recorded on the Consolidated Condensed Balance Sheets (Unaudited) were as follows:

	September 30, 2013	December 31, 2012
	(Dollars in thousands)	
Foreign currency translation adjustments	$ (270)	$ 681
Pension liability, net of tax	(12,425)	(13,195)
Total accumulated other comprehensive loss	$ (12,695)	$ (12,514)

12. Equity

A reconciliation of the Company's equity for the nine months ended September 30, 2013 is as follows:

	Common Stock	Capital in Excess of Par Value	Reinvested Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interest
			(Dollars in thousands)		
Balance, December 31, 2012	$ 10,831	$ 26,184	$ 149,664	$ (12,514)	$ 7,224
Net earnings	-	-	10,797	-	194
Foreign currency translation adjustments	-	-	-	(951)	(606)
Pension liability adjustment, net of tax	-	-	-	770	-
Cash dividends declared	-	-	(3,896)	-	-
Cash dividends declared to noncontrolling interest	-	-	-	-	(210)
Stock options exercised	201	3,357	-	-	-
Stock-based compensation expense	-	948	-	-	-
Income tax benefit from stock options exercised	-	514	-	-	-
Shares purchased and retired	(195)	-	(4,428)	-	-
Balance, September 30, 2013	$ 10,837	$ 31,003	$ 152,137	$ (12,695)	$ 6,602

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements with respect to the Company's outlook for the future. These statements represent the Company's reasonable judgment with respect to future events and are subject to risks and uncertainties that could cause actual results to differ materially. The reader is cautioned that these forward-looking statements are subject to a number of risks, uncertainties or other factors that may cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties include, but are not limited to, the risk factors described under Item 1A, "Risk Factors," of the Company's Annual Report on Form 10-K for the year-ended December 31, 2012.

GENERAL

The Company designs and markets quality and innovative footwear for men, women and children under a portfolio of well-recognized brand names including: "Florsheim," "Nunn Bush," "Stacy Adams," "BOGS," "Rafters," and "Umi." Inventory is purchased from third-party overseas manufacturers. The majority of foreign-sourced purchases are denominated in U.S. dollars.

The Company has two reportable segments, North American wholesale operations ("wholesale") and North American retail operations ("retail"). In the wholesale segment, the Company's products are sold to leading footwear, department, and specialty stores, primarily in the United States and Canada. The Company also has licensing agreements with third parties who sell its branded apparel, accessories and specialty footwear in the United States, as well as its footwear in Mexico and certain markets overseas. Licensing revenues are included in the Company's wholesale segment. The Company's retail segment consisted of 18 Company-owned retail stores and its internet business in the United States as of September 30, 2013. Sales in retail outlets are made directly to consumers by Company employees.

The Company's "other" operations include the Company's wholesale and retail businesses in Australia, South Africa, Asia Pacific (collectively, "Florsheim Australia") and Europe ("Florsheim Europe"). The majority of the Company's operations are in the United States, and its results are primarily affected by the economic conditions and the retail environment in the United States.

EXECUTIVE OVERVIEW

Third Quarter Highlights

Consolidated net sales for the third quarter of 2013 were $83.1 million, up 5% over last year's third quarter net sales of $79.5 million. Earnings from operations increased 6% to $8.6 million this quarter, from $8.1 million in 2012. Consolidated net earnings attributable to Weyco Group, Inc. were $5.4 million in 2013, compared to $5.2 million in 2012. Diluted earnings per share increased to $0.50 per share in 2013, from $0.48 per share in the third quarter of 2012. Earnings for last year's third quarter included approximately $460,000 ($270,000 after tax, or $0.03 per diluted share) of income resulting from a reduction in the contingent consideration liability. See Note 10.

The majority of the increase in consolidated net sales for the third quarter of 2013 came from the Company's wholesale segment. Wholesale net sales increased $3.7 million this quarter compared to the same period last year. This increase was primarily due to higher sales of the Nunn Bush brand.

Excluding the $460,000 contingent consideration liability adjustment made in the prior year, consolidated earnings from operations would have been up approximately $940,000, or 12% for the quarter. This increase was driven by higher operating earnings in the Company's wholesale and retail segments, partially offset by lower operating earnings from the Company's other businesses.

Year to Date Highlights

Consolidated net sales for the first nine months of 2013 were $221.7 million, up 3% over last year's year to date net sales of $215.1 million. Earnings from operations decreased 2% to $17.0 million in the first nine months of 2013, from $17.3 million in 2012. Consolidated net earnings attributable to Weyco Group, Inc. for the nine months ended September 30, 2013 were $10.8 million, compared to $11.3 million last year. Diluted earnings per share to date through September 30, 2013 were $1.00 per share, down from $1.03 per share for the same period in 2012. Last year's year to date earnings included approximately $1.7 million ($980,000 after tax, or $0.09 per diluted share) of income resulting from the contingent consideration adjustment described above.

The majority of the increase in consolidated net sales for the nine months ended September 30, 2013 came from the Company's wholesale segment. Wholesale net sales increased $6.2 million in the first nine months of 2013, compared to the same period last year. This increase was primarily due to higher sales volumes of the Company's Nunn Bush and Florsheim brands, and increased Bogs sales volumes in Canada due to the takeover of Bogs Canadian distribution in June 2012.

Excluding the $1.7 million contingent consideration liability adjustment made in the prior year, consolidated earnings from operations would have been up approximately $1.3 million, or 8% for the first nine months of 2013, compared to the same period in 2012. This increase was driven by higher operating earnings in the Company's wholesale and retail segments, partially offset by lower operating earnings from the Company's other businesses.

Financial Position Highlights

At September 30, 2013, cash and marketable securities totaled $44 million and outstanding debt totaled $25 million. At December 31, 2012, cash and marketable securities totaled $62 million and outstanding debt totaled $45 million. The Company's main sources of cash for the first nine months of 2013 were from operations, the maturities of marketable securities and proceeds from stock options exercised. The Company's main uses of cash during the year to date period were for the payment of dividends, common stock repurchases, and payments on the revolving line of credit. The Company also paid approximately $3.2 million for a 50% interest in a building in Montreal, Canada on May 1, 2013 and had $1.9 million of capital expenditures.

SEGMENT ANALYSIS

Net sales and earnings from operations for the Company's segments in the three and nine months ended September 30, 2013 and 2012 were as follows:

	Three Months Ended September 30,		%	Nine Months Ended September 30,		%
	2013	2012	Change	2013	2012	Change
	(Dollars in thousands)					
Net Sales						
North American Wholesale	$ 64,752	$ 61,036	6%	$ 167,479	$ 161,277	4%
North American Retail	5,232	5,521	-5%	16,363	16,771	-2%
Other	13,124	12,916	2%	37,897	37,072	2%
Total	$ 83,108	$ 79,473	5%	$ 221,739	$ 215,120	3%
Earnings from Operations						
North American Wholesale	$ 7,073	$ 6,559	8%	$ 12,984	$ 13,121	-1%
North American Retail	512	322	59%	1,538	355	333%
Other	1,001	1,227	-18%	2,432	3,867	-37%
Total	$ 8,586	$ 8,108	6%	$ 16,954	$ 17,343	-2%

North American Wholesale Segment

Net Sales

Net sales in the Company's North American wholesale segment for the three and nine months ended September 30, 2013 and 2012 were as follows:

North American Wholesale Segment Net Sales

	Three Months Ended September 30, 2013	2012	% Change	Nine Months Ended September 30, 2013	2012	% Change
			(Dollars in thousands)			
North American Net Sales						
Stacy Adams	$ 13,095	$ 14,300	-8%	$ 45,295	$ 45,901	-1%
Nunn Bush	19,235	13,859	39%	52,501	47,404	11%
Florsheim	14,049	14,350	-2%	38,942	36,965	5%
BOGS/Rafters	16,175	15,564	4%	25,724	24,937	3%
Umi	1,360	2,125	-36%	2,959	3,968	-25%
Total North American Wholesale	$ 63,914	$ 60,198	6%	$ 165,421	$ 159,175	4%
Licensing	838	838	0%	2,058	2,102	-2%
Total North American Wholesale Segment	$ 64,752	$ 61,036	6%	$ 167,479	$ 161,277	4%

The decrease in Stacy Adams third quarter net sales was primarily due to lower sales volumes with department stores. The increase in Nunn Bush third quarter and year to date net sales was mainly due to higher third quarter sales volumes with department stores and national shoe chains, driven by increased sales of new casual products. Florsheim's third quarter net sales decreased due to lower sales volumes with department stores and international retailers. However, Florsheim's net sales were up on a year to date basis due to higher sales volumes with national shoe chains. The Company took over the distribution of Bogs in Canada from a third-party licensee effective June 1, 2012. As a result, Bogs year to date net sales increased because there were nine months of Canadian operations in 2013, compared to four months in 2012. The increase in Bogs third quarter net sales was largely due to higher sales volumes with internet retailers in the United States.

Licensing revenues consist of royalties earned on the sales of branded apparel, accessories and specialty footwear in the United States and on branded footwear in Mexico and certain overseas markets.

Earnings from Operations

Earnings from operations in the North American wholesale segment were $7.1 million in the third quarter of 2013, up 8% from $6.6 million in 2012. For the nine months ended September 30, 2013, earnings from operations for the wholesale segment were $13.0 million, down 1% from $13.1 million in the same period last year. Last year's earnings from operations for the three and nine months ended September 30, 2012 included approximately $460,000 and $1.7 million, respectively, of income resulting from the contingent consideration adjustments described above. Excluding these adjustments, earnings from operations for the wholesale segment would have been up 16% and 13% for the quarter and year to date periods, respectively. No significant adjustments were made to the contingent consideration in the first nine months of 2013.

Wholesale gross earnings increased by $1.3 million and $2.6 million for the three and nine months ended September 30, 2013, respectively, due to higher sales volumes and higher gross earnings as a percent of net sales. Wholesale gross earnings were 32.6% of net sales in the third quarter of 2013 compared with 32.4% in last year's third quarter. For the nine months ended September 30, wholesale gross earnings were 31.3% of net sales in 2013 compared with 30.9% in 2012.

The Company's cost of sales does not include distribution costs (e.g., receiving, inspection or warehousing costs). Distribution costs for the three month periods ended September 30, 2013 and 2012 were $2.7 million and $2.5 million, respectively. For the nine month periods ended September 30, 2013 and 2012, distribution costs were $8.1 million and $7.5 million, respectively. These costs were included in selling and administrative expenses. The Company's gross earnings may not be comparable to other companies, as some companies may include distribution costs in cost of sales.

North American wholesale segment selling and administrative expenses include, and are primarily related to, distribution costs, salaries and commissions, advertising costs, employee benefit costs and depreciation. As a percent of net sales, wholesale selling and administrative expenses were flat at 22% this quarter compared to the same period last year. For the nine months ended September 30, wholesale selling and administrative expenses were 24% of net sales in 2013 and 23% of net sales in 2012. Last year's selling and administrative expenses for the three and nine months ended September 30, 2012 were reduced by the contingent consideration adjustments described above. Excluding these adjustments, 2012 selling and administrative expenses as a percent of net sales for the quarter and year to date periods would have been 23% and 24%, respectively.

North American Retail Segment

Net Sales

Net sales in the Company's North American retail segment decreased approximately $289,000 or 5% for the third quarter of 2013, compared to the same period last year and decreased approximately $408,000 or 2% for the nine months ended September 30, 2013, compared to the same period last year. There were eight fewer domestic stores at September 30, 2013 than at September 30, 2012, as the Company has been closing unprofitable stores. Same store sales were up 7% for the quarter and up 8% for the first nine months of 2013, primarily due to increased sales volumes in the Company's internet business.

Earnings from Operations

Retail earnings from operations increased by approximately $190,000 and $1.2 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods in 2012. These increases were mainly due the closing of underperforming stores since September 30, 2012 and increased internet business. Gross earnings as a percent of net sales increased to 65.7% this quarter, from 64.3% in last year's third quarter. For the nine months ended September 30, retail gross earnings as a percent of net sales were 65.4% in 2013, compared to 64.4% in 2012.

Selling and administrative expenses for the retail segment include, and are primarily related to, rent and occupancy costs, employee costs and depreciation. Selling and administrative expenses as a percent of net sales were 56% in the third quarter of 2013 and 58% in last year's third quarter. To date in 2013, selling and administrative expenses were 56% of net sales, compared to 62% of net sales for the first nine months of 2012. The decreases in selling and administrative expenses relative to net sales for the quarter and nine months ended September 30, 2013 were primarily due to the closing of underperforming stores since last year.

Other

The Company's other net sales increased 2% for both the quarter and first nine months of 2013 compared to the same periods last year. The quarter and year to date increases were primarily due to higher net sales in Florsheim Europe's wholesale business. Florsheim Australia's net sales were down 5% for the quarter and were flat for the first nine months of the year. These quarter and year to date results were achieved through higher net sales in Florsheim Australia's retail businesses, offset by lower net sales in Florsheim Australia's wholesale businesses. Florsheim Australia's retail net sales were up 10% for both the three and nine months ended September 30, 2013, compared to 2012. Florsheim Australia's wholesale net sales were down 21% and 13%, respectively, for the three and nine months ended September 30, 2013, compared to 2012. In local currency, Florsheim Australia's retail net sales were up 25% (same store sales up 23%) and 16% (same store sales up 13%), respectively, for the three and nine months ended September 30, while Florsheim Australia's wholesale net sales were down 11% and 8%, respectively, for the three and nine months ended September 30, compared to the same periods last year. The decrease in U.S. dollars for both periods was caused by the weakening of the Australian dollar relative to the U.S. dollar in 2013.

Collectively, the earnings from operations of the Company's other businesses for the quarter and nine months ended September 30, 2013 decreased approximately $226,000 and $1.4 million, respectively, compared to the same periods in 2012. The quarter and year to date decreases were primarily due to lower gross margins and higher selling and administrative expenses in Florsheim Australia's wholesale businesses. The higher costs in Florsheim Australia's wholesale businesses were to accommodate the BOGS expansion in Australia.

Other income and expense and taxes

Interest income for the quarter and nine months ended September 30, 2013 was down approximately $92,000 and $260,000, respectively, compared to the same periods last year, due to lower average investment balances this year compared to last year. Interest expense was down approximately $68,000 and $74,000 for the quarter and year to date periods, respectively, due to lower average debt balances this year compared to last year.

Other expense for the three months ended September 30, 2013 increased approximately $130,000, mainly due to the recognition of a $200,000 other-than-temporary investment impairment loss during the quarter. For the nine months ended September 30, 2013, other expense increased approximately $700,000, primarily due to the other-than-temporary investment impairment loss as well as foreign exchange losses resulting from the revaluation of intercompany loans between the Company's North American wholesale segment and Florsheim Australia.

The Company's effective tax rate for the quarter ended September 30, 2013 was 35.9% as compared to 35.2% for the same period in 2012. The effective tax rate for the nine months ended September 30 was 35.5% in 2013 and 34.1% in 2012. The slightly higher effective tax rates for the quarter and year to date periods were primarily due to lower percentages of tax free municipal bond income relative to pretax earnings in the United States.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary sources of liquidity are its cash, short-term marketable securities and revolving line of credit. The Company generated $13.9 million of cash from operating activities during the first nine months of 2013, and used $51,000 of cash in operating activities during the same period one year ago. The increase between years was primarily due to changes in operating assets and liabilities, and most significantly, in the inventory balance.

The Company paid cash dividends of $3.9 million and $5.4 million during the nine months ended September 30, 2013 and 2012, respectively.

The Company continues to repurchase its common stock under its share repurchase program when the Company believes market conditions are favorable. During the first nine months of 2013, the Company repurchased 195,050 shares at a total cost of $4.6 million. As of September 30, 2013, the Company had 628,475 shares available under its previously announced stock repurchase program. See Part II, Item 2, "Unregistered Sales of Equity Securities and Use of Proceeds" below for more information.

Capital expenditures totaled $5.1 million in the first nine months of 2013, including the purchase of a 50% interest in a building located in Montreal, Canada for approximately $3.2 million. This building serves as the Company's Canadian office and distribution center. Management estimates that annual capital expenditures for 2013 will be less than $6 million.

At September 30, 2013, the Company had a $60 million unsecured revolving line of credit with BMO Harris Bank. The Company repaid a net of $20 million on the line of credit during the first nine months of 2013. At the end of the third quarter, the Company had $25 million of borrowings outstanding at an interest rate of approximately 1.2%, which was the highest balance during the quarter. The Company's borrowing facility includes one financial covenant that specifies a minimum level of net worth. The Company was in compliance with the covenant at September 30, 2013. On November 5, 2013, the Company cancelled its line of credit with BMO Harris Bank and concurrently entered into a new $60 million unsecured revolving line of credit with PNC Bank. The new line of credit bears interest at LIBOR plus 0.75% and expires on November 5, 2014.

The Company made a contingent consideration payment of approximately $1,270,000 in the first quarter of 2013. A second contingent consideration payment is due to the former shareholders of Bogs in March 2016. See Note 10.

The Company will continue to evaluate the best uses for its available liquidity, including, among other uses, continued stock repurchases and additional acquisitions.

The Company believes that available cash and marketable securities, cash provided by operations, and available borrowing facilities will provide adequate support for the cash needs of the business for at least one year, although there can be no assurances.

COMMITMENTS

There were no material changes to the Company's contractual obligations during the quarter ended September 30, 2013 from those disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes from those reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

Item 4. Controls and Procedures.

The Company maintains disclosure controls and procedures designed to ensure that the information the Company must disclose in its filings with the Securities and Exchange Commission is recorded, processed, summarized and reported on a timely basis. The Company's Chief Executive Officer and Chief Financial Officer have reviewed and evaluated the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this report (the "Evaluation Date"). Based on such evaluation, such officers have concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective in bringing to their attention on a timely basis material information relating to the Company required to be included in the Company's periodic filings under the Exchange Act. Such officers have also concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures are effective in accumulating and communicating information in a timely manner, allowing timely decisions regarding required disclosures.

There have been no significant changes in the Company's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

None

Item 1A. Risk Factors.

There have been no material changes to the risk factors affecting the Company from those disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

Item 5. Other Information.

On November 5, 2013, the Company entered into a $60 million unsecured revolving line of credit (the "Credit Agreement") with PNC Bank. Under the terms of the Credit Agreement, amounts outstanding bear interest at LIBOR plus 0.75%. The Credit Agreement expires on November 5, 2014. The foregoing description of the Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the Credit Agreement, a copy of which is filed as Exhibit 10.1 and Exhibit 10.2 to this Form 10-Q.

In connection with the entry into the new Credit Agreement described above, the Company cancelled its previous $60 million unsecured revolving line of credit with BMO Harris Bank, N.A. effective November 5, 2013.

Item 6. Exhibits.

See the Exhibit Index included herewith for a listing of exhibits.

SIGNATURES

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

WEYCO GROUP, INC.

Dated: November 7, 2013

/s/ John F. Wittkowske
John F. Wittkowske
Senior Vice President and Chief Financial Officer

WEYCO GROUP, INC.
(THE “REGISTRANT”)
(COMMISSION FILE NO. 0-9068)

EXHIBIT INDEX
TO
CURRENT REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED September 30, 2013

Exhibit	Description	Incorporation Herein By Reference To	Filed Herewith
10.1	PNC Bank Loan Agreement, dated November 5, 2013		X
10.2	PNC Bank Committed Line of Credit Note, dated November 5, 2013		X
31.1	Certification of Chief Executive Officer		X
31.2	Certification of Chief Financial Officer		X
32	Section 906 Certification of Chief Executive Officer and Chief Financial Officer		X
101	The following financial information from Weyco Group, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Condensed Balance Sheets; (ii) Consolidated Condensed Statements of Earnings and Comprehensive Income; (iii) Consolidated Condensed Statements of Cash Flows; and (iv) Notes to Consolidated Condensed Financial Statements, furnished herewith		X

EXHIBIT 31.1

CERTIFICATION

I, Thomas W. Florsheim, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Weyco Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated: November 7, 2013

/s/ Thomas W. Florsheim, Jr.
Thomas W. Florsheim, Jr.
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, John F. Wittkowske, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Weyco Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 7, 2013

/s/ John F. Wittkowske
John F. Wittkowske
Chief Financial Officer

EXHIBIT 32

CERTIFICATION OF PERIODIC FINANCIAL REPORTS

We, Thomas W. Florsheim, Jr., Chief Executive Officer, and, John F. Wittkowske, Chief Financial Officer, of Weyco Group, Inc. each certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

(1) The Periodic Report on Form 10-Q for the quarter ended September 30, 2013, (the "Periodic Report") to which this statement is an exhibit fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and

(2) The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of Weyco Group, Inc.

Dated: November 7, 2013

/s/ Thomas W. Florsheim, Jr.
Thomas W. Florsheim, Jr.
Chief Executive Officer

/s/ John F. Wittkowske
John F. Wittkowske
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in type form within the electronic version of this written statement required by Section 906, has been provided to Weyco Group, Inc. and will be retained by Weyco Group, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Loan Agreement

THIS LOAN AGREEMENT (the **"Agreement"**), is entered into as of November 5, 2013, between **WEYCO GROUP, INC.**, a Wisconsin corporation (the **"Borrower"**), with an address at 333 West Estabrook Boulevard, Glendale, Wisconsin 53212, and **PNC BANK, NATIONAL ASSOCIATION** (the **"Bank"**), with an address at 411 East Wisconsin Avenue, Suite 1400, Milwaukee, Wisconsin 53202.

The Borrower and the Bank, with the intent to be legally bound, agree as follows:

1. **Loan.** The Bank has made or may make one or more loans (collectively, the **"Loan"**) to the Borrower subject to the terms and conditions and in reliance upon the representations and warranties of the Borrower set forth in this Agreement. The Loan is or will be evidenced by a promissory note or notes of the Borrower and all renewals, extensions, amendments and restatements thereof (if one or more, collectively, the **"Note"**) acceptable to the Bank, which shall set forth the interest rate, repayment and other provisions, the terms of which are incorporated into this Agreement by reference.

2. **Obligations**. Amounts owing by the Borrower under the Loan, the Note and all other loans, advances, debts, liabilities, obligations, covenants and duties owing by the Borrower to the Bank or to any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., of any kind or nature, present or future (including any interest accruing thereon after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), whether direct or indirect (including those acquired by assignment or participation), absolute or contingent, joint or several, due or to become due, now existing or hereafter arising, whether or not (i) evidenced by any note, guaranty or other instrument, (ii) arising under any agreement, instrument or document, (iii) for the payment of money, (iv) arising by reason of an extension of credit, opening of a letter of credit, loan, equipment lease or guarantee, (v) under any interest or currency swap, future, option or other interest rate protection or similar agreement, (vi) under or by reason of any foreign currency transaction, forward, option or other similar transaction providing for the purchase of one currency in exchange for the sale of another currency, or in any other manner, or (vii) arising out of overdrafts on deposit or other accounts or out of electronic funds transfers (whether by wire transfer or through automated clearing houses or otherwise) or out of the return unpaid of, or other failure of the Bank to receive final payment for, any check, item, instrument, payment order or other deposit or credit to a deposit or other account, or out of the Bank's non-receipt of or inability to collect funds or otherwise not being made whole in connection with depository or other similar arrangements; and any amendments, extensions, renewals and increases of or to any of the foregoing, and all costs and expenses of the Bank incurred in the documentation, negotiation, modification, enforcement, collection and otherwise in connection with any of the foregoing, including reasonable attorneys' fees and expenses are hereinafter referred to collectively as the **"Obligations"**. Unless expressly provided to the contrary in documentation for any other loan or loans, it is the express intent of the Bank and the Borrower that all Obligations including those included in the Loan be cross-collateralized and cross-defaulted, such that collateral securing any of the Obligations shall secure repayment of all Obligations and a default under any Obligation shall be a default under all Obligations.

This Agreement, the Note, and all other agreements and documents executed and/or delivered pursuant hereto, as each may be amended, modified, extended or renewed from time to time, are collectively referred to as the **"Loan Documents."** Capitalized terms not defined herein shall have the meanings ascribed to them in the Loan Documents.

3. **<u>Representations and Warranties</u>.** The Borrower hereby makes the following representations and warranties, which shall be continuing in nature and remain in full force and effect until the Obligations are paid in full, and which shall be true and correct except as otherwise set forth on the Addendum attached hereto and incorporated herein by reference (the **"Addendum"**):

3.1. **<u>Existence, Power and Authority</u>.** If not a natural person, the Borrower is duly organized, validly existing and in good standing under the laws of the State of its incorporation or organization and has the power and authority to own and operate its assets and to conduct its business as now or proposed to be carried on, and is duly qualified, licensed and in good standing to do business in all jurisdictions where its ownership of property or the nature of its business requires such qualification or licensing. The Borrower is duly authorized to execute and deliver the Loan Documents, all necessary action to authorize the execution and delivery of the Loan Documents has been properly taken, and the Borrower is and will continue to be duly authorized to borrow under this Agreement and to perform all of the other terms and provisions of the Loan Documents.

3.2. **<u>Financial Statements</u>.** If the Borrower is not a natural person, it has delivered or caused to be delivered to the Bank its most recent balance sheet, income statement and statement of cash flows, or if the Borrower is a natural person, its personal financial statement and tax returns (as applicable, the **"Historical Financial Statements"**). The Historical Financial Statements are true, complete and accurate in all material respects and fairly present the financial condition, assets and liabilities, whether accrued, absolute, contingent or otherwise and the results of the Borrower's operations for the period specified therein. The Historical Financial Statements have been prepared in accordance with generally accepted accounting principles (**"GAAP"**) consistently applied from period to period, subject in the case of interim statements to normal year-end adjustments and to any comments and notes acceptable to the Bank in its sole discretion.

3.3. **<u>No Material Adverse Change</u>.** Since the date of the most recent Financial Statements (as hereinafter defined), the Borrower has not suffered any damage, destruction or loss, and no event or condition has occurred or exists, which has resulted or could result in a material adverse change in its business, assets, operations, condition (financial or otherwise) or results of operation.

3.4. **<u>Binding Obligations</u>.** The Borrower has full power and authority to enter into the transactions provided for in this Agreement and has been duly authorized to do so by appropriate action of its Board of Directors if the Borrower is a corporation, all its general partners if the Borrower is a partnership or otherwise as may be required by law, charter, other organizational documents or agreements; and the Loan Documents, when executed and delivered by the Borrower, will constitute the legal, valid and binding obligations of the Borrower enforceable in accordance with their terms.

3.5. **<u>No Defaults or Violations</u>.** There does not exist any Event of Default under this Agreement or any default or violation by the Borrower of or under any of the terms, conditions or obligations of: (i) its partnership agreement if the Borrower is a partnership, its articles or certificate of incorporation, regulations or bylaws if the Borrower is a corporation or its other organizational documents as applicable; (ii) any indenture, mortgage, deed of trust, franchise, permit, contract, agreement, or other instrument to which it is a party or by which it is bound; or (iii) any law, ordinance, regulation, ruling, order, injunction, decree, condition or other requirement applicable to or imposed upon it by any law, the action of any court or any governmental authority or agency; and the consummation of this Agreement and the transactions set forth herein will not result in any such default or violation or Event of Default.

3.6. **<u>Title to Assets</u>.** The Borrower has good and marketable title to the assets reflected on the most recent Financial Statements, free and clear of all liens and encumbrances, except for (i) current taxes and assessments not yet due and payable, (ii) assets disposed of by the Borrower in the ordinary course of business since the date of the most recent Financial Statements, and (iii) those liens or encumbrances, if any, specified on the Addendum.

3.7. Litigation. There are no actions, suits, proceedings or governmental investigations pending or, to the knowledge of the Borrower, threatened against the Borrower, which could result in a material adverse change in its business, assets, operations, condition (financial or otherwise) or results of operations and there is no basis known to the Borrower for any action, suit, proceeding or investigation which could result in such a material adverse change. All material pending and threatened litigation against the Borrower is listed on the Addendum.

3.8. Tax Returns. The Borrower has filed all returns and reports that are required to be filed by it in connection with any federal, state or local tax, duty or charge levied, assessed or imposed upon it or its property or withheld by it, including income, unemployment, social security and similar taxes, and all of such taxes have been either paid or adequate reserve or other provision has been made therefor.

3.9. Employee Benefit Plans. Each employee benefit plan as to which the Borrower may have any liability complies in all material respects with all applicable provisions of the Employee Retirement Income Security Act of 1974 (as amended from time to time, **"ERISA"**), including minimum funding requirements, and (i) no Prohibited Transaction (as defined under ERISA) has occurred with respect to any such plan, (ii) no Reportable Event (as defined under Section 4043 of ERISA) has occurred with respect to any such plan which would cause the Pension Benefit Guaranty Corporation to institute proceedings under Section 4042 of ERISA, (iii) the Borrower has not withdrawn from any such plan or initiated steps to do so, and (iv) no steps have been taken to terminate any such plan.

3.10. Environmental Matters. The Borrower is in compliance, in all material respects, with all Environmental Laws (as hereinafter defined), including, without limitation, all Environmental Laws in jurisdictions in which the Borrower owns or operates, or has owned or operated, a facility or site, stores Collateral, arranges or has arranged for disposal or treatment of hazardous substances, solid waste or other waste, accepts or has accepted for transport any hazardous substances, solid waste or other wastes or holds or has held any interest in real property or otherwise. Except as otherwise disclosed on the Addendum, no litigation or proceeding arising under, relating to or in connection with any Environmental Law is pending or, to the best of the Borrower's knowledge, threatened against the Borrower, any real property which the Borrower holds or has held an interest or any past or present operation of the Borrower. No release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring, or to the best of the Borrower's knowledge has occurred, on, under or to any real property in which the Borrower holds or has held any interest or performs or has performed any of its operations, in violation of any Environmental Law. As used in this Section, **"litigation or proceeding"** means any demand, claim notice, suit, suit in equity, action, administrative action, investigation or inquiry whether brought by a governmental authority or other person, and **"Environmental Laws"** means all provisions of laws, statutes, ordinances, rules, regulations, permits, licenses, judgments, writs, injunctions, decrees, orders, awards and standards promulgated by any governmental authority concerning health, safety and protection of, or regulation of the discharge of substances into, the environment.

3.11. Intellectual Property. The Borrower owns or is licensed to use all patents, patent rights, trademarks, trade names, service marks, copyrights, intellectual property, technology, know-how and processes necessary for the conduct of its business as currently conducted that are material to the condition (financial or otherwise), business or operations of the Borrower.

3.12. Regulatory Matters. No part of the proceeds of the Loan will be used for "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time in effect or for any purpose which violates the provisions of the Regulations of such Board of Governors.

3.13. Solvency. As of the date hereof and after giving effect to the transactions contemplated by the Loan Documents, (i) the aggregate value of the Borrower's assets will exceed its liabilities (including contingent, subordinated, unmatured and unliquidated liabilities), (ii) the Borrower will have sufficient cash flow to enable it to pay its debts as they become due, and (iii) the Borrower will not have unreasonably small capital for the business in which it is engaged.

3.14. Disclosure. None of the Loan Documents contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary in order to make the statements contained in this Agreement or the Loan Documents not misleading. There is no fact known to the Borrower which materially adversely affects or, so far as the Borrower can now foresee, might materially adversely affect the business, assets, operations, condition (financial or otherwise) or results of operation of the Borrower and which has not otherwise been fully set forth in this Agreement or in the Loan Documents.

4. Affirmative Covenants. The Borrower agrees that from the date of execution of this Agreement until all Obligations have been paid in full and any commitments of the Bank to the Borrower have been terminated, the Borrower will:

4.1. Books and Records. Maintain books and records in accordance with GAAP and give representatives of the Bank access thereto at all reasonable times, including permission to examine, copy and make abstracts from any of such books and records and such other information as the Bank may from time to time reasonably request, and the Borrower will make available to the Bank for examination copies of any reports, statements and returns which the Borrower may make to or file with any federal, state or local governmental department, bureau or agency.

4.2. Unaudited Financial Statements; Certificate of No Default. Furnish the Bank within 45 days after the end of each of the first three quarters of each fiscal year of the Borrower, the Borrower's Financial Statements for such period, in reasonable detail, certified by an authorized officer of the Borrower and prepared in accordance with GAAP consistently applied from period to period. The Borrower shall also deliver a certificate as to its compliance with applicable financial covenants (containing detailed calculations of all financial covenants) for the period then ended and whether any Event of Default exists, and, if so, the nature thereof and the corrective measures the Borrower proposes to take. As used in this Agreement, **"Financial Statements"** means the Borrower's consolidated and, if required by the Bank in its sole discretion, consolidating balance sheets, income statements and statements of cash flows for the year, month or quarter together with year-to-date figures and comparative figures for the corresponding periods of the prior year.

4.3. Annual Financial Statements. Furnish the Borrower's Financial Statements to the Bank within 120 days after the end of each fiscal year. Those Financial Statements will be prepared on an audited basis in accordance with GAAP by an independent certified public accountant selected by the Borrower and satisfactory to the Bank. Audited Financial Statements shall contain the unqualified opinion of an independent certified public accountant and all accountant examinations shall have been made in accordance with GAAP consistently applied from period to period. The Borrower shall also deliver a certificate as to its compliance with applicable financial covenants (containing detailed calculations of all financial covenants) for the period then ended and whether any Event of Default exists, and, if so, the nature thereof and the corrective measures the Borrower proposes to take.

4.4. Payment of Taxes and Other Charges. Pay and discharge when due all indebtedness and all taxes, assessments, charges, levies and other liabilities imposed upon the Borrower, its income, profits, property or business, except those which currently are being contested in good faith by appropriate proceedings and for which the Borrower shall have set aside adequate reserves or made other adequate provision with respect thereto acceptable to the Bank in its sole discretion.

4.5. Maintenance of Existence, Operation and Assets. Do all things necessary to (i) maintain, renew and keep in full force and effect its organizational existence and all rights, permits and franchises necessary to enable it to continue its business as currently conducted; (ii) continue in operation in substantially the same manner as at present; (iii) keep its properties in good operating condition and repair; and (iv) make all necessary and proper repairs, renewals, replacements, additions and improvements thereto.

4.6. **Insurance.** Maintain, with financially sound and reputable insurers, insurance with respect to its property and business against such casualties and contingencies, of such types and in such amounts, as is customary for established companies engaged in the same or similar business and similarly situated.

4.7. **Compliance with Laws.** Comply with all laws applicable to the Borrower and to the operation of its business (including without limitation any statute, ordinance, rule or regulation relating to employment practices, pension benefits or environmental, occupational and health standards and controls).

4.8. **Bank Accounts.** Establish and maintain at the Bank the Borrower's primary depository accounts.

4.9. **Additional Reports.** Provide prompt written notice to the Bank of the occurrence of any of the following (together with a description of the action which the Borrower proposes to take with respect thereto): (i) any Event of Default or any event, act or condition which, with the passage of time or the giving of notice, or both, would constitute an Event of Default (a "Default"), (ii) any litigation filed by or against the Borrower, (iii) any Reportable Event or Prohibited Transaction with respect to any Employee Benefit Plan(s) (as defined in ERISA) or (iv) any event which might result in a material adverse change in the business, assets, operations, condition (financial or otherwise) or results of operation of the Borrower.

5. **Negative Covenants.** The Borrower covenants and agrees that from the date of this Agreement until all Obligations have been paid in full and any commitments of the Bank to the Borrower have been terminated, except as set forth in the Addendum, the Borrower will not, without the Bank's prior written consent:

5.1. **Indebtedness.** Create, incur, assume or suffer to exist any indebtedness for borrowed money other than: (i) the Loan and any subsequent indebtedness to the Bank; and (ii) open account trade debt incurred in the ordinary course of business and not past due.

5.2. **Liens and Encumbrances.** Except as provided in Section 3.6, create, assume, incur or permit to exist any mortgage, pledge, encumbrance, security interest, lien or charge of any kind upon any of its property, now owned or hereafter acquired, or acquire or agree to acquire any kind of property subject to any conditional sales or other title retention agreement, except liens in favor of the Bank and liens securing purchase money indebtedness permitted pursuant to Section 5.1 above.

5.3. **Guarantees.** Guarantee, endorse or become contingently liable for the obligations of any person, firm, corporation or other entity, except for guaranties of the obligations of entities that are wholly-owned by the Borrower and except in connection with the endorsement and deposit of checks in the ordinary course of business for collection.

5.4. **Loans or Advances.** Purchase or hold beneficially any stock, other securities or evidences of indebtedness of, or make or have outstanding, any loans or advances to, or otherwise extend credit to, or make any investment or acquire any interest whatsoever in, any other person, firm, corporation or other entity, except (a) investments disclosed on the Borrower's Historical Financial Statements or acceptable to the Bank in its sole discretion and (b) loans or advances to entities in which the Borrower owns a majority of the equity interests or which the Borrower has the unconditional right to control, so long as the aggregate amount of loans to such majority owned or controlled entities does not at any time exceed six million and 00/100 dollars ($6,000,000.00).

5.5. **Merger or Transfer of Assets.** Liquidate or dissolve, or merge or consolidate with or into any person, firm, corporation or other entity, or sell, lease, transfer or otherwise dispose of all or any substantial part of its property, assets, operations or business, whether now owned or hereafter acquired.

5.6. Change in Business, Management or Ownership. Make or permit, and cause each Guarantor under any guaranty not to make or permit, any change in its form of organization, the nature of its business as carried on as of the date hereof, in the composition of its current executive management, or in its equity ownership.

5.7. Dividends. After the occurrence of an Event of Default, declare or pay any dividends on or make any distribution with respect to any class of its equity or ownership interest, or purchase, redeem, retire or otherwise acquire any of its equity.

6. Events of Default. The occurrence of any of the following will be deemed to be an **Event of Default**:

6.1. Covenant Default. The Borrower shall default in the performance of any of the covenants or agreements contained in this Agreement.

6.2. Breach of Warranty. Any Financial Statement, representation, warranty or certificate made or furnished by the Borrower to the Bank in connection with this Agreement shall be false, incorrect or incomplete when made.

6.3. Other Default. The occurrence of an Event of Default as defined in the Note or any of the Loan Documents.

Upon the occurrence of an Event of Default, the Bank will have all rights and remedies specified in the Note and the Loan Documents and all rights and remedies (which are cumulative and not exclusive) available under applicable law or in equity.

7. Conditions. The Bank's obligation to make any advance under the Loan is subject to the conditions that as of the date of the advance:

7.1. No Event of Default. No Event of Default or event which with the passage of time, the giving of notice or both would constitute an Event of Default shall have occurred and be continuing;

7.2. Authorization Documents. The Bank shall have received certified copies of resolutions of the board of directors, the general partners or the members or managers of any partnership, corporation or limited liability company that executes this Agreement, the Note or any of the other Loan Documents; or other proof of authorization satisfactory to the Bank; and

7.3. Receipt of Loan Documents. The Bank shall have received the Loan Documents and such other instruments and documents which the Bank may reasonably request in connection with the transactions provided for in this Agreement, which may include an opinion of counsel in form and substance satisfactory to the Bank for any party executing any of the Loan Documents.

8. Expenses. The Borrower agrees to pay the Bank, upon the execution of this Agreement, and otherwise on demand, all costs and expenses incurred by the Bank in connection with the preparation, negotiation and delivery of this Agreement and the other Loan Documents, and any modifications thereto, and the collection of all of the Obligations, including but not limited to enforcement actions, relating to the Loan, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions or proceedings arising out of or relating to this Agreement, including reasonable fees and expenses of counsel (which may include costs of in-house counsel), expenses for auditors, appraisers and environmental consultants, lien searches, recording and filing fees and taxes.

9. Increased Costs. On written demand, together with written evidence of the justification therefor, the Borrower agrees to pay the Bank all direct costs incurred and any losses suffered or payments made by the

Bank as a consequence of making the Loan by reason of any change in law or regulation, or the interpretation thereof, imposing any reserve, deposit, allocation of capital or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Bank, its holding company or any of their respective assets.

10. Miscellaneous.

10.1. Notices: All notices, demands, requests, consents, approvals and other communications required or permitted hereunder (**"Notices"**) must be in writing and will be effective upon receipt. Notices may be given in any manner to which the parties may separately agree, including electronic mail. Without limiting the foregoing, first-class mail, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. Regardless of the manner in which provided, Notices may be sent to a party's address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this section.

10.2. Preservation of Rights. No delay or omission on the Bank's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank s action or inaction impair any such right or power. The Bank's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Bank may have under other agreements, at law or in equity.

10.3. Illegality. If any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, it shall not affect or impair the validity, legality and enforceability of the remaining provisions of this Agreement.

10.4. Changes in Writing. No modification, amendment or waiver of, or consent to any departure by the Borrower from, any provision of this Agreement will be effective unless made in a writing signed by the party to be charged, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Notwithstanding the foregoing, the Bank may modify this Agreement or any of the other Loan Documents for the purposes of completing missing content or correcting erroneous content, without the need for a written amendment, provided that the Bank shall send a copy of any such modification to the Borrower (which notice may be given by electronic mail). No notice to or demand on the Borrower will entitle the Borrower to any other or further notice or demand in the same, similar or other circumstance.

10.5. Entire Agreement. This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

10.6. Counterparts. This Agreement may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

10.7. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the Borrower and the Bank and their respective heirs, executors, administrators, successors and assigns; provided, however, that the Borrower may not assign this Agreement in whole or in part without the Bank's prior written consent and the Bank at any time may assign this Agreement in whole or in part.

10.8. Interpretation. In this Agreement, unless the Bank and the Borrower otherwise agree in writing, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to articles, sections (or subdivisions of sections) or exhibits are to those of this Agreement; and references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement. Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. Unless otherwise specified in this Agreement, all accounting terms shall be interpreted and all accounting determinations shall be made in accordance with GAAP. If this Agreement is executed by more than one party as Borrower, the obligations of such persons or entities will be joint and several.

10.9. No Consequential Damages, Etc. The Bank will not be responsible for any damages, consequential, incidental, special, punitive or otherwise, that may be incurred or alleged by any person or entity, including the Borrower and any Guarantor, as a result of this Agreement, the other Loan Documents, the transactions contemplated hereby or thereby, or the use of the proceeds of the Loan.

10.10. Assignments and Participations. At any time, without any notice to the Borrower, the Bank may sell, assign, transfer, negotiate, grant participations in, or otherwise dispose of all or any part of the Bank's interest in the Loan. The Borrower hereby authorizes the Bank to provide, without any notice to the Borrower, any information concerning the Borrower, including information pertaining to the Borrower's financial condition, business operations or general creditworthiness, to any person or entity which may succeed to or participate in all or any part of the Bank's interest in the Loan.

10.11. Governing Law and Jurisdiction. This Agreement has been delivered to and accepted by the Bank and will be deemed to be made in the State where the Bank's office indicated above is located. **THIS AGREEMENT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE BANK'S OFFICE INDICATED ABOVE IS LOCATED, EXCLUDING ITS CONFLICT OF LAWS RULES.** The Borrower hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the county or judicial district where the Bank's office indicated above is located; provided that nothing contained in this Agreement will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Borrower individually, against any security or against any property of the Borrower within any other county, state or other foreign or domestic jurisdiction. The Bank and the Borrower agree that the venue provided above is the most convenient forum for both the Bank and the Borrower. The Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.

10.12. WAIVER OF JURY TRIAL. EACH OF THE BORROWER AND THE BANK IRREVOCABLY WAIVES ANY AND ALL RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS AGREEMENT, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER AND THE BANK ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

The Borrower acknowledges that it has read and understood all the provisions of this Agreement, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

WITNESS the due execution hereof as a document under seal, as of the date first written above.

WEYCO GROUP, INC.

By:_____/S/ John Wittkowske______________ (SEAL)

Print Name: John Wittkowske
Title: Sr. VP - CFO

By:_____/S/ Judy Anderson_______________ (SEAL)

Print Name: Judy Anderson
Title: VP Finance & Treasurer

PNC BANK, NATIONAL ASSOCIATION

By:______/S/ James McMullen____________ (SEAL)

James McMullen
Senior Vice President

ADDENDUM to that certain Loan Agreement dated November 5, 2013 between WEYCO GROUP, INC. as the Borrower and PNC Bank, National Association, as the Bank. Capitalized terms used in this Addendum and not otherwise defined shall have the meanings given them in the Agreement. Section numbers below refer to the sections of the Agreement.

3.6 <u>Title to Assets</u>. Describe additional liens and encumbrances below:

None

3.7 <u>Litigation</u>. Describe pending and threatened litigation, investigations, proceedings, etc. below:

None

FINANCIAL COVENANTS

None

Committed Line of Credit Note
(Daily LIBOR)

$60,000,000.00 November 5, 2013

FOR VALUE RECEIVED, **WEYCO GROUP, INC.**, a Wisconsin corporation (the **"Borrower"**), with an address at 333 West Estabrook Boulevard, Glendale, Wisconsin 53212, promises to pay to the order of **PNC BANK, NATIONAL ASSOCIATION** (the **"Bank"**), in lawful money of the United States of America in immediately available funds at its offices located at 411 East Wisconsin Avenue, Suite 1400, Milwaukee, Wisconsin 53202, or at such other location as the Bank may designate from time to time, the principal sum of **SIXTY MILLION AND 00/100 DOLLARS** (**$60,000,000.00**) (the **"Facility"**) or such lesser amount as may be advanced to or for the benefit of the Borrower hereunder, together with interest accruing on the outstanding principal balance from the date hereof, all as provided below.

1. Advances. The Borrower may borrow, repay and reborrow hereunder until the Expiration Date, subject to the terms and conditions of this Note and the Loan Documents (as defined herein). The **"Expiration Date"** shall mean **November 5, 2014,** or such later date as may be designated by the Bank by written notice from the Bank to the Borrower. The Borrower acknowledges and agrees that in no event will the Bank be under any obligation to extend or renew the Facility or this Note beyond the Expiration Date. In no event shall the aggregate unpaid principal amount of advances under this Note exceed the face amount of this Note.

2. Rate of Interest. Amounts outstanding under this Note will bear interest at a rate per annum which is at all times equal to (A) the Daily LIBOR Rate plus (B) seventy-five (75) basis points (0.75%). Interest hereunder will be calculated based on the actual number of days that principal is outstanding over a year of 360 days. In no event will the rate of interest hereunder exceed the maximum rate allowed by law.

If the Bank determines (which determination shall be final and conclusive) that, by reason of circumstances affecting the eurodollar market generally, deposits in dollars (in the applicable amounts) are not being offered to banks in the eurodollar market for the selected term, or adequate means do not exist for ascertaining the Daily LIBOR Rate, then the Bank shall give notice thereof to the Borrower. Thereafter, until the Bank notifies the Borrower that the circumstances giving rise to such suspension no longer exist, the interest rate for all amounts outstanding under this Note shall be equal to the Base Rate (the "**Alternate Rate**").

In addition, if, after the date of this Note, the Bank shall determine (which determination shall be final and conclusive) that any enactment, promulgation or adoption of or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by a governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bank with any guideline, request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for the Bank to make or maintain or fund loans based on the Daily LIBOR Rate, the Bank shall notify the Borrower. Upon receipt of such notice, until the Bank notifies the Borrower that the circumstances giving rise to such determination no longer apply, the interest rate on all amounts outstanding under this Note shall be the Alternate Rate.

For purposes hereof, the following terms shall have the following meanings:

"**Base Rate**" shall mean the higher of (A) the Prime Rate, and (B) the sum of the Federal Funds Open Rate plus fifty (50) basis points (0.50%). If and when the Base Rate (or any component thereof) changes, the rate of interest with respect to any amounts hereunder to which the Base Rate applies will change automatically without notice to the Borrower, effective on the date of any such change.

"**Business Day**" shall mean any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in Milwaukee, Wisconsin.

"**Daily LIBOR Rate**" shall mean, for any day, the rate per annum determined by the Bank by dividing (A) the Published Rate by (B) a number equal to 1.00 minus the percentage prescribed by the Federal Reserve for determining the maximum reserve requirements with respect to any eurocurrency fundings by banks on such day. The rate of interest will be adjusted automatically as of each Business Day based on changes in the Daily LIBOR Rate without notice to the Borrower.

"Federal Funds Open Rate" shall mean, for any day, the rate per annum (based on a year of 360 days and actual days elapsed) which is the daily federal funds open rate as quoted by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption "OPEN" (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by the Bank (an "**Alternate Source**") (or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time, for any reason, no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate determined by the Bank at such time (which determination shall be conclusive absent manifest error); provided however, that if such day is not a Business Day, the Federal Funds Open Rate for such day shall be the "open" rate on the immediately preceding Business Day. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Federal Funds Open Rate without notice to the Borrower.

"Prime Rate" shall mean the rate publicly announced by the Bank from time to time as its prime rate. The Prime Rate is determined from time to time by the Bank as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index, and does not necessarily reflect the lowest rate of interest actually charged by the Bank to any particular class or category of customers.

"**Published Rate**" shall mean the rate of interest published each Business Day in the Wall Street Journal "Money Rates" listing under the caption "London Interbank Offered Rates" for a one month period (or, if no such rate is published therein for any reason, then the Published Rate shall be the eurodollar rate for a one month period as published in another publication selected by the Bank).

3. **Advance Procedures.** If permitted by the Bank, a request for advance may be made by telephone or electronic mail, with such confirmation or verification (if any) as the Bank may require in its discretion from time to time. A request for advance by any Borrower shall be binding upon Borrower, jointly and severally. The Borrower authorizes the Bank to accept telephonic and electronic requests for advances, and the Bank shall be entitled to rely upon the authority of any person providing such instructions. The Borrower hereby indemnifies and holds the Bank harmless from and against any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) which may arise or be created by the acceptance of such telephonic and electronic requests or by the making of such advances. The Bank will enter on its books and records, which entry when made will be presumed correct, the date and amount of each advance, as well as the date and amount of each payment made by the Borrower.

4. **Payment Terms.** Accrued interest will be due and payable on the first (1^{st}) day of each month. The outstanding principal balance and any accrued but unpaid interest shall be due and payable on the Expiration Date.

If any payment under this Note shall become due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest in connection with such payment. The Borrower hereby authorizes the Bank to charge the Borrower's deposit account at the Bank for any payment when due hereunder. If the Borrower revokes this authorization for any reason whatsoever or fails to maintain a deposit account with the Bank which may be charged, the Bank may, at its option, upon thirty (30) days notice to the Borrower, increase the interest rate payable by the Borrower under this Note by twenty-five (25) basis points (0.25%). Payments received will be applied to charges, fees and expenses (including attorneys' fees), accrued interest and principal in any order the Bank may choose, in its sole discretion.

5. **Late Payments; Default Rate.** If the Borrower fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of this Note within fifteen (15) calendar days of the date due and payable, the Borrower also shall pay to the Bank a late charge equal to the lesser of five percent (5%) of the amount of such payment or $100.00 (the **"Late Charge"**). Such fifteen (15) day period shall not be construed in any way to extend the due date of any such payment. Upon maturity, whether by acceleration, demand or otherwise, and at the Bank's option upon the occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, amounts outstanding under this Note shall bear interest at a rate per annum (based on the actual number of days that principal is outstanding over a year of 360 days) which shall be three percentage points (3%) in excess of the interest rate in effect from time to time under this Note but not more than the maximum rate allowed by law (the **"Default Rate"**). The Default Rate shall continue to apply whether or not judgment shall be entered on this Note. Both the Late Charge and the Default Rate are imposed as liquidated damages for the purpose of defraying the Bank's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Bank's exercise of any rights and remedies hereunder, under the other Loan Documents or under applicable law, and any fees and expenses of any agents or attorneys which the Bank may employ. In addition, the Default Rate reflects the increased credit risk to the Bank of carrying a loan that is in default. The Borrower agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by the Bank, and that the actual harm incurred by the Bank cannot be estimated with certainty and without difficulty.

6. **Prepayment.** The indebtedness evidenced by this Note may be prepaid in whole or in part at any time without penalty.

7. **Increased Costs; Yield Protection.** On written demand, together with written evidence of the justification therefor, the Borrower agrees to pay the Bank all direct costs incurred, any losses suffered or payments made by the Bank as a result of any Change in Law (hereinafter defined), imposing any reserve, deposit, allocation of capital or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Bank, its holding company or any of their respective assets relative to the Facility. "**Change in Law**" means the occurrence, after the date of this Note, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

8. **Other Loan Documents.** This Note is issued in connection with a Loan Agreement between the Borrower and the Bank, dated on or before the date hereof, and the other agreements and documents executed and/or delivered in connection therewith or referred to therein, the terms of which are incorporated herein by reference (as amended, modified or renewed from time to time, collectively the **"Loan Documents"**), and is secured by the property (if any) described in the Loan Documents and by such other collateral as previously may have been or may in the future be granted to the Bank to secure this Note.

9. <u>Events of Default</u>. The occurrence of any of the following events will be deemed to be an **"Event of Default"** under this Note: (i) the nonpayment of any principal, interest or other indebtedness under this Note when due; (ii) the occurrence of any event of default or any default and the lapse of any notice or cure period, or any Obligor's failure to observe or perform any covenant or other agreement, under or contained in any Loan Document or any other document now or in the future evidencing or securing any debt, liability or obligation of any Obligor to the Bank; (iii) the filing by or against any Obligor of any proceeding in bankruptcy, receivership, insolvency, reorganization, liquidation, conservatorship or similar proceeding (and, in the case of any such proceeding instituted against any Obligor, such proceeding is not dismissed or stayed within 30 days of the commencement thereof, provided that the Bank shall not be obligated to advance additional funds hereunder during such period); (iv) any assignment by any Obligor for the benefit of creditors, or any levy, garnishment, attachment or similar proceeding is instituted against any property of any Obligor held by or deposited with the Bank; (v) a default with respect to any other indebtedness of any Obligor for borrowed money, if the effect of such default is to cause or permit the acceleration of such debt; (vi) the commencement of any foreclosure or forfeiture proceeding, execution or attachment against any collateral securing the obligations of any Obligor to the Bank; (vii) the entry of a final judgment against any Obligor and the failure of such Obligor to discharge the judgment within ten (10) days of the entry thereof; (viii) any change in any Obligor's business, assets, operations, financial condition or results of operations that has or could reasonably be expected to have any material adverse effect on any Obligor; (ix) any Obligor ceases doing business as a going concern; (x) any representation or warranty made by any Obligor to the Bank in any Loan Document or any other documents now or in the future evidencing or securing the obligations of any Obligor to the Bank, is false, erroneous or misleading in any material respect; (xi) if this Note or any guarantee executed by any Obligor is secured, the failure of any Obligor to provide the Bank with additional collateral if in the Bank's opinion at any time or times, the market value of any of the collateral securing this Note or any guarantee has depreciated below that required pursuant to the Loan Documents or, if no specific value is so required, then in an amount deemed material by the Bank; (xii) the revocation or attempted revocation, in whole or in part, of any guarantee by any Obligor; or (xiii) the death, incarceration, indictment or legal incompetency of any individual Obligor or, if any Obligor is a partnership or limited liability company, the death, incarceration, indictment or legal incompetency of any individual general partner or member. As used herein, the term **"Obligor"** means any Borrower and any guarantor of, or any pledgor, mortgagor or other person or entity providing collateral support for, the Borrower's obligations to the Bank existing on the date of this Note or arising in the future.

Upon the occurrence of an Event of Default: (a) the Bank shall be under no further obligation to make advances hereunder; (b) if an Event of Default specified in clause (iii) or (iv) above shall occur, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder shall be immediately due and payable without demand or notice of any kind; (c) if any other Event of Default shall occur, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder, at the Bank's option and without demand or notice of any kind, may be accelerated and become immediately due and payable; (d) at the Bank's option, this Note will bear interest at the Default Rate from the date of the occurrence of the Event of Default; and (e) the Bank may exercise from time to time any of the rights and remedies available under the Loan Documents or under applicable law.

10. <u>Right of Setoff</u>. In addition to all liens upon and rights of setoff against the Borrower's money, securities or other property given to the Bank by law, the Bank shall have, with respect to the Borrower's obligations to the Bank under this Note and to the extent permitted by law, a contractual possessory security interest in and a contractual right of setoff against, and the Borrower hereby grants the Bank a security interest in, and hereby assigns, conveys, delivers, pledges and transfers to the Bank, all of the Borrower's right, title and interest in and to, all of the Borrower's deposits, moneys, securities and other property now or hereafter in the possession of or on deposit with, or in transit to, the Bank or any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., whether held in a general or special account or deposit, whether held jointly with someone else, or whether held for safekeeping or otherwise, excluding, however, all IRA, Keogh, and trust accounts. Every such security interest and right of setoff may be exercised without demand upon or notice to the Borrower. Every such right of setoff shall be deemed to have been exercised immediately upon the occurrence of an Event of Default hereunder without any action of the Bank, although the Bank may enter such setoff on its books and records at a later time.

11. **<u>Anti-Money Laundering/International Trade Law Compliance</u>.** The Borrower represents and warrants to the Bank, as of the date of this Note, the date of each advance of proceeds under the Facility, the date of any renewal, extension or modification of the Facility, and at all times until the Facility has been terminated and all amounts thereunder have been indefeasibly paid in full, that: (a) no Covered Entity (i) is a Sanctioned Person; (ii) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person; or (iii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (b) the proceeds of the Facility will not be used to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (c) the funds used to repay the Facility are not derived from any unlawful activity; and (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any laws of the United States, including but not limited to any Anti-Terrorism Laws. Borrower covenants and agrees that it shall immediately notify the Bank in writing upon the occurrence of a Reportable Compliance Event.

As used herein: "**Anti-Terrorism Laws**" means any laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, or bribery, all as amended, supplemented or replaced from time to time; "**Compliance Authority**" means each and all of the (a) U.S. Treasury Department/Office of Foreign Assets Control, (b) U.S. Treasury Department/Financial Crimes Enforcement Network, (c) U.S. State Department/Directorate of Defense Trade Controls, (d) U.S. Commerce Department/Bureau of Industry and Security, (e) U.S. Internal Revenue Service, (f) U.S. Justice Department, and (g) U.S. Securities and Exchange Commission; "**Covered Entity**" means the Borrower, its affiliates and subsidiaries, all guarantors, pledgors of collateral, all owners of the foregoing, and all brokers or other agents of the Borrower acting in any capacity in connection with the Facility; "**Reportable Compliance Event**" means that any Covered Entity becomes a Sanctioned Person, or is indicted, arraigned, investigated or custodially detained, or receives an inquiry from regulatory or law enforcement officials, in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or self-discovers facts or circumstances implicating any aspect of its operations with the actual or possible violation of any Anti-Terrorism Law; "**Sanctioned Country**" means a country subject to a sanctions program maintained by any Compliance Authority; and "**Sanctioned Person**" means any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any order or directive of any Compliance Authority or otherwise subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.

12. **<u>Indemnity</u>.** The Borrower agrees to indemnify each of the Bank, each legal entity, if any, who controls, is controlled by or is under common control with the Bank, and each of their respective directors, officers and employees (the **"Indemnified Parties"**), and to defend and hold each Indemnified Party harmless from and against any and all claims, damages, losses, liabilities and expenses (including all fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including any person or entity claiming derivatively on behalf of the Borrower), in connection with or arising out of or relating to the matters referred to in this Note or in the other Loan Documents or the use of any advance hereunder, whether (a) arising from or incurred in connection with any breach of a representation, warranty or covenant by the Borrower, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; <u>provided, however</u>, that the foregoing indemnity agreement shall not apply to any claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's gross negligence or willful misconduct. The indemnity agreement contained in this Section shall survive the termination of this Note, payment of any advance hereunder and the assignment of any rights hereunder. The Borrower may participate at its expense in the defense of any such action or claim.

13. **Miscellaneous.** All notices, demands, requests, consents, approvals and other communications required or permitted hereunder (**"Notices"**) must be in writing (except as may be agreed otherwise above with respect to borrowing requests) and will be effective upon receipt. Notices may be given in any manner to which the parties may separately agree, including electronic mail. Without limiting the foregoing, first-class mail, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. Regardless of the manner in which provided, Notices may be sent to a party's address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this paragraph. No delay or omission on the Bank's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank's action or inaction impair any such right or power. The Bank's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Bank may have under other agreements, at law or in equity. No modification, amendment or waiver of, or consent to any departure by the Borrower from, any provision of this Note will be effective unless made in a writing signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Notwithstanding the foregoing, the Bank may modify this Note for the purposes of completing missing content or correcting erroneous content, without the need for a written amendment, provided that the Bank shall send a copy of any such modification to the Borrower (which notice may be given by electronic mail). The Borrower agrees to pay on demand, to the extent permitted by law, all costs and expenses incurred by the Bank in the enforcement of its rights in this Note and in any security therefor, including without limitation reasonable fees and expenses of the Bank's counsel. If any provision of this Note is found to be invalid, illegal or unenforceable in any respect by a court, all the other provisions of this Note will remain in full force and effect. The Borrower and all other makers and indorsers of this Note hereby forever waive presentment, protest, notice of dishonor and notice of non-payment. The Borrower also waives all defenses based on suretyship or impairment of collateral. If this Note is executed by more than one Borrower, the obligations of such persons or entities hereunder will be joint and several. This Note shall bind the Borrower and its heirs, executors, administrators, successors and assigns, and the benefits hereof shall inure to the benefit of the Bank and its successors and assigns; provided, however, that the Borrower may not assign this Note in whole or in part without the Bank's written consent and the Bank at any time may assign this Note in whole or in part.

This Note has been delivered to and accepted by the Bank and will be deemed to be made in the State where the Bank's office indicated above is located. **THIS NOTE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE BANK AND THE BORROWER DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE BANK'S OFFICE INDICATED ABOVE IS LOCATED, EXCLUDING ITS CONFLICT OF LAWS RULES.** The Borrower hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the county or judicial district where the Bank's office indicated above is located; provided that nothing contained in this Note will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Borrower individually, against any security or against any property of the Borrower within any other county, state or other foreign or domestic jurisdiction. The Borrower acknowledges and agrees that the venue provided above is the most convenient forum for both the Bank and the Borrower. The Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Note.

14. **Commercial Purpose.** The Borrower represents that the indebtedness evidenced by this Note is being incurred by the Borrower solely for the purpose of acquiring or carrying on a business, professional or commercial activity, and not for personal, family or household purposes.

15. **USA PATRIOT Act Notice**. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each Borrower that opens an account. What this means: when the Borrower opens an account, the Bank will ask for the business name, business address, taxpayer identifying number and other information that will allow the Bank to identify the Borrower, such as organizational documents. For some businesses and organizations, the Bank may also need to ask for identifying information and documentation relating to certain individuals associated with the business or organization.

16. **Authorization to Obtain Credit Reports.** By signing below, each Borrower who is an individual provides written authorization to the Bank or its designee (and any assignee or potential assignee hereof) to obtain the Borrower's personal credit profile from one or more national credit bureaus. Such authorization shall extend to obtaining a credit profile in considering this Note and subsequently for the purposes of update, renewal or extension of such credit or additional credit and for reviewing or collecting the resulting account.

17. **Depository**. The Borrower will establish and maintain with the Bank the Borrower's primary depository accounts. If the Borrower fails to establish and/or maintain its primary depository accounts with the Bank, the Bank may, at its option, upon thirty (30) days notice to the Borrower, increase the interest rate payable by the Borrower under this Note by up to 1.00 percentage points (1.00%). The Bank's right to increase the interest rate pursuant to this paragraph shall be in addition to any other rights or remedies the Bank may have under this Note, all of which are hereby reserved, and shall not constitute a waiver, release or limitation upon the Bank's exercise of any such rights or remedies.

18. **WAIVER OF JURY TRIAL. THE BORROWER IRREVOCABLY WAIVES ANY AND ALL RIGHTS THE BORROWER MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS NOTE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS NOTE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.**

The Borrower acknowledges that it has read and understood all the provisions of this Note, including the waiver of jury trial, and has been advised by counsel as necessary or appropriate.

WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

WEYCO GROUP, INC.

By: __/S/ John Wittkowske_______________ (SEAL)
Print Name: John Wittkowske
Title: Sr. VP - CFO

By: __/S/ Judy Anderson _______________ (SEAL)
Print Name: Judy Anderson
Title: VP – Finance & Treasurer