

THE STRIDE RITE CORPORATION

Compensation Committee Charter

I. General Statement of Purpose

The Compensation Committee of the Board of Directors (the “Compensation Committee”) of The Stride Rite Corporation (the “Company”), on behalf of the Board of Directors (the “Board”), discharges the Board’s responsibilities relating to compensation of the Company’s senior executives, oversees the Company’s overall compensation programs and is responsible for producing an annual report on executive compensation for inclusion in the Company’s proxy statement, in accordance with applicable rules and regulations.

II. Compensation Committee Composition

The number of individuals serving on the Compensation Committee shall be fixed by the Board from time to time. The members of the Compensation Committee shall satisfy the independence requirements set forth in the New York Stock Exchange Listed Company Manual.

The members of the Compensation Committee shall be appointed annually by the Board and may be replaced or removed by the Board at any time with or without cause. Resignation or removal of a Director from the Board, for whatever reason, shall automatically constitute resignation or removal, as applicable, from this committee. Vacancies occurring, for whatever reason, may be filled by the Board. The Board shall designate one member of the Compensation Committee to serve as Chairman of the Compensation Committee.

III. Meetings

The Compensation Committee generally is to meet not less than two times per year in person or by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, with any additional meetings as deemed necessary by the Compensation Committee. A majority of the members of the Compensation Committee shall constitute a quorum for purposes of holding a meeting and the Compensation Committee may act by a vote of a majority of members present at such meeting. In lieu of a meeting, the Compensation Committee may act by unanimous written consent.

IV. Compensation Committee Activities

The Compensation Committee’s responsibilities shall be to:

A. Review of Charter

- Review and reassess the adequacy of this Charter annually and submit any proposed changes to the Board for approval.

B. Annual Report on Executive Compensation

- Produce an annual report on executive compensation for inclusion in the Company's proxy statement relating to its annual meeting of stockholders, in accordance with the applicable rules and regulations of the Securities and Exchange Commission, any securities exchange or automated quotation system on which the Company's securities are traded, and any other rules and regulations applicable to the Company.

C. Annual Performance Evaluation of the Compensation Committee

- Perform an annual performance evaluation of the Compensation Committee and report to the Board on the results of such evaluation.

D. Recommendations Regarding Incentive-Compensation Plans and Equity-Based Plans

- Review and make such recommendations to the Board as the Compensation Committee deems advisable with regard to all incentive-based compensation plans and equity-based plans.

E. Matters Related to Compensation of the Company's Chief Executive Officer

- Review and recommend to the full Board the corporate goals and objectives that may be relevant to the compensation of the Company's Chief Executive Officer ("CEO").
- Evaluate with the full Board the CEO's performance in light of the goals and objectives that were set for the CEO and set the CEO's compensation based on such evaluation. In connection with determining the long-term incentive component of the CEO's compensation, the Compensation Committee may consider, among other things, the Company's performance and relative stockholder return, the value of similar incentive awards to CEOs at comparable companies, the awards given to the Company's CEO in past years and such other criteria that the Compensation Committee deems appropriate.

V. Additional Compensation Committee Authority

The Compensation Committee is authorized, on behalf of the Board, to do any of the following, as the Compensation Committee deems necessary or appropriate in its discretion:

A. Matters Related to Compensation of the Company's Senior Management

- Annually review and make recommendations to the Board with respect to the compensation of all members of senior management of the Company (other than the CEO), including with respect to any incentive-compensation plans and equity-based plans.

B. Matters Relating to Retention and Termination of Compensation Consulting Firm or Other Outside Advisors

- Exercise sole authority to retain and terminate any consulting firm or other outside advisor on compensation matters that is to be used by the Company or the Compensation Committee to assist in the evaluation of CEO or senior executive compensation. The Compensation Committee shall also have sole authority to approve the consultant's fees and other retention terms.

VI. General

- The Compensation Committee may establish and delegate authority to subcommittees consisting of one or more of its members, when the Compensation Committee deems it appropriate to do so in order to carry out its responsibilities.
- The Compensation Committee shall make regular reports to the Board concerning areas of the Compensation Committee's responsibility.
- In carrying out its responsibilities, the Compensation Committee shall be entitled to rely upon advice and information that it receives in its discussions and communications with management and such experts, advisors and professionals with whom the Compensation Committee may consult. The Compensation Committee shall have the authority to request that any officer or employee of the Company, the Company's outside legal counsel, the Company's independent auditor or any other professional retained by the Company to render advice to the Company attend a meeting of the Compensation Committee or meet with any members of or advisors to the Compensation Committee. The Compensation Committee shall also have the authority to engage legal, accounting or other advisors to provide it with advice and information in connection with carrying out its responsibilities.
- The Compensation Committee may perform such other functions as may be requested by the Board from time to time.

Amended: January 19, 2006