

WOLVERINE WORLD WIDE INC /DE/

Form DEF 14A

March 14, 2005

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

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

Check the appropriate box:

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

WOLVERINE WORLD WIDE, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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**Wolverine World Wide, Inc.
9341 Courtland Drive, N.E.
Rockford, Michigan 49351**

NOTICE OF ANNUAL MEETING

To our Stockholders:

You are invited to attend Wolverine's annual meeting of stockholders at Wolverine's headquarters located at 9341 Courtland Drive, N.E., Rockford, Michigan, on Thursday, April 21, 2005, at 10 a.m. local time. At the meeting, we will:

- (1) Elect three directors for three-year terms expiring in 2008.
- (2) Vote on an amendment to the Certificate of Incorporation to increase the number of authorized shares of Common Stock.
- (3) Vote on the proposed Stock Incentive Plan of 2005.
- (4) Vote on ratification of the Audit Committee's appointment of Ernst & Young LLP as independent auditors for the current fiscal year.
- (5) Conduct such other business as may properly come before the meeting.

You can vote at the meeting and any adjournment of the meeting if you were a stockholder of record on March 1, 2005. A list of stockholders entitled to vote at the meeting will be available for review by Wolverine stockholders at the office of Blake W. Krueger, Executive Vice President and Secretary of Wolverine, located at 9341 Courtland Drive, N.E., Rockford, Michigan, during ordinary business hours for the 10-day period before the meeting.

A copy of the Annual Report to Stockholders for the year ended January 1, 2005, is enclosed with this Notice. The following proxy statement and enclosed proxy card are being sent to stockholders on and after March 14, 2005.

By Order of the Board of Directors

Blake W. Krueger, *Executive Vice President and Secretary*

March 14, 2005

Your Vote is Important to Us. Even if You Plan to Attend the Meeting,

**PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY PROMPTLY OR
VOTE BY TELEPHONE OR ON THE INTERNET.**

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WOLVERINE WORLD WIDE, INC.

**9341 Courtland Drive, N.E.
Rockford, Michigan 49351**

ANNUAL MEETING OF STOCKHOLDERS

April 21, 2005

Proxy Statement

Time and Place

You are invited to attend the annual meeting of stockholders of Wolverine World Wide, Inc. that will be held on April 21, 2005, at Wolverine's headquarters located at 9341 Courtland Drive, N.E., Rockford, Michigan, at 10:00 a.m. local time.

This proxy statement and enclosed proxy card are being furnished to you in connection with the solicitation of proxies by the Wolverine Board of Directors for use at the annual meeting. In this proxy statement, we, us, our and Wolverine refer to Wolverine World Wide, Inc. and you and your refer to Wolverine stockholders.

Purpose of the Meeting

The purpose of the annual meeting is to consider and vote upon:

election of three directors for three-year terms expiring in 2008;
approval of an amendment to the Certificate of Incorporation to increase the number of authorized shares of Common Stock;
approval of the proposed Stock Incentive Plan of 2005;
ratification of the appointment of Ernst & Young LLP as independent auditors for Wolverine for the current fiscal year; and
such other business as may properly come before the meeting.

Your Board of Directors recommends that you vote FOR each nominee and FOR each proposal discussed in this Proxy Statement.

How to Vote Your Shares

You may vote at the meeting or by proxy if you were a stockholder of record of Wolverine at the close of business on March 1, 2005. Wolverine offers the convenience of voting by mail-in proxy, telephone or the Internet. See the enclosed proxy for voting instructions. Each stockholder is entitled to one vote per share on each matter presented.

As of March 1, 2005, there were 58,141,657 shares of Wolverine common stock issued and outstanding (excluding 155,721 shares of treasury stock).

If you properly sign and return the proxy in the form we have provided or properly vote by telephone or the Internet, your shares will be voted at the annual meeting and at any adjournment of that meeting.

If you specify a choice, the proxy will be voted as specified. If you return a signed proxy but do not specify a choice, your shares will be voted in favor of the election of all nominees named in this proxy statement, in favor of the proposals set forth in this proxy statement and, with respect to any other matter that may come before the meeting, in the discretion of the individuals named as proxies on the proxy card. We are not currently aware of any other matters to be presented at the meeting.

You may revoke your proxy at any time before it is exercised by delivering written notice of revocation to the Secretary of Wolverine or by attending and voting at the annual meeting.

Quorum and Required Vote

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The presence in person or by proxy of the holders of a majority of the shares entitled to vote at the meeting is necessary to constitute a quorum. In determining the presence or absence of a quorum for the meeting, we will count as present and represented at the meeting all shares for which we receive a proxy or vote, including abstentions and shares represented by a broker vote on any matter.

A plurality of the shares voting is required to elect directors. This means that if there are more nominees than positions to be filled, the nominees who receive the most votes will be elected. In counting votes on

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the election of directors, abstentions, broker non-votes and other shares not voted will be counted as not voted. These shares will be deducted from the total shares of which a plurality is required.

The affirmative vote of holders of a majority of the outstanding shares entitled to vote at the annual meeting of stockholders is required to approve the proposed amendment to Wolverine's Certificate of Incorporation. For the purpose of counting votes on this proposal, abstentions, broker non-votes and other shares not voted will have the same effect as a vote against the proposal.

Each other matter to be voted upon at the meeting will be approved if a majority of the shares present or represented at the meeting and entitled to vote on the proposal are voted in favor of such matter (approval of the Stock Incentive Plan of 2005 also requires that a majority of the shares entitled to vote on the matter be voted). In counting votes on each such matter, abstentions will be counted as voted against the matter and broker non-votes will be counted as not voted on the matter. Shares that are not voted on such matters will be deducted from the total shares of which a majority is required.

Election of Directors

As recommended by the Governance Committee, the Board of Directors proposes that the following nominees be elected as directors for terms expiring at the 2008 annual meeting:

Donald V. Fites

Phillip D. Matthews
Paul D. Schrage

All of the nominees are currently directors of Wolverine whose terms will expire at the annual meeting. Each proposed nominee is willing to be elected and serve as a director. However, if a nominee is unable to serve or is otherwise unavailable for election, which is not contemplated, the incumbent Wolverine Board of Directors may or may not select a substitute nominee. If a substitute nominee is selected, your shares will be voted for the substitute nominee (unless you give other instructions). If a substitute nominee is not selected, your shares will be voted for the remaining nominees. Proxies will not be voted for more than three nominees.

Wolverine's Board of Directors currently consists of 10 directors. Elizabeth Sanders is retiring at this year's annual meeting after 10 years of service as a director.

Wolverine's Amended and Restated Bylaws provide that the Board of Directors is divided into three classes, with each class to be as nearly equal in number as possible. Each class serves a term of office of three years, with the term of one class expiring at the annual meeting in each successive year.

Biographical information for each nominee and each current director who will continue to serve after the annual meeting is presented below. Except as otherwise indicated, all have had the same principal positions and employment for over five years.

Your Board of Directors recommends that you vote FOR each nominee.

Wolverine's Board of Directors

Nominees for Terms Expiring in 2008

DONALD V. FITES (age 71) has been a director since 1999. From 1990 until his retirement in 1999, Mr. Fites was Chairman and Chief Executive Officer of Caterpillar Inc., a manufacturer of construction, mining and agricultural machinery and engines. Mr. Fites also is a director of AK Steel Holding Corporation; Oshkosh Truck Corporation; Georgia-Pacific Corporation; and Unitrin, Inc.

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PHILLIP D. MATTHEWS (age 66) has been a director since 1981. Mr. Matthews is Lead Director of Wolverine and was Chairman of the Board of Wolverine from 1993 until 1996. Since 1997, Mr. Matthews has been a general partner of Matthews, Mullaney & Co., a consulting firm. Mr. Matthews is Chairman of the Board of Worldwide Restaurant Concepts, Inc., a national restaurant chain.

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Mr. Matthews is also a director of Washington Mutual, Inc. and Ashworth, Inc.

PAUL D. SCHRAGE (age 70) has been a director since 1997. Mr. Schrage was Senior Executive Vice President and Chief Marketing Officer of McDonald's Corporation, a worldwide restaurant franchisor and operator and was employed at that company from 1967 until his retirement in 1997. Mr. Schrage is also a director of Thrivent Financial for Lutherans and Compact Industries, Inc.

Continuing Directors Terms Expiring in 2007

GEOFFREY B. BLOOM (age 63) has been a director since 1987. Mr. Bloom is Chairman of the Board of Wolverine and has served in that capacity since 1996. Until his retirement in April 2000, Mr. Bloom was also Chief Executive Officer of Wolverine. Mr. Bloom was previously President and Chief Executive Officer from 1993 until 1996 and Chief Operating Officer from 1987 until 1993. Mr. Bloom is also a director of Coachmen Industries, Inc.

DAVID T. KOLLAT (age 66) has been a director since 1992. Mr. Kollat is President and Chairman of 22, Inc., a company specializing in research and management consulting for retailers and consumer goods manufacturers. Mr. Kollat is also a director of Limited Brands, Inc.; Big Lots, Inc.; and Select Comfort Corporation.

DAVID P. MEHNEY (age 65) has been a director since 1977. Mr. Mehney is President of The KMW Group, Inc., a distributor of medical and marine products.

TIMOTHY J. O DONOVAN (age 59) has been a director since 1993. Mr. O Donovan is Chief Executive Officer and President of Wolverine and has served in that capacity since April 2000. Before April 2000, Mr. O Donovan was Chief Operating Officer and President of Wolverine since 1996. Before 1996, Mr. O Donovan was Executive Vice President of Wolverine. Mr. O Donovan is also a director of Spartan Stores, Inc.

Continuing Directors Terms Expiring in 2006

ALBERTO L. GRIMOLDI (age 63) has been a director since 1994. Mr. Grimoldi is Chairman of Grimoldi, S.A., a shoe manufacturer and retailer in Argentina. He has held that position since 1986. Mr. Grimoldi is also a founding member and has been Vice Chairman of Banco Privado de Inversiones, S.A., an Argentinean investment bank, since 1994. Mr. Grimoldi was previously a member of the Advisory Board of Ford Motor Company in Argentina, and has also held various positions in the Argentinean government.

BRENDA J. LAUDERBACK (age 54) was appointed to the Board of Directors in 2003. From 1995 until her retirement in 1998, Ms. Lauderback was president of the Wholesale and Retail Group of Nine West Group, Inc., a footwear manufacturer and distributor. She was previously the President of the Wholesale Division of U.S. Shoe Corporation, a footwear manufacturer and distributor, and a Vice President of Dayton Hudson Corporation, a retailer. Ms. Lauderback is also a director of Irwin Financial Corporation; Big Lots, Inc.; Louisiana-Pacific Corporation; and Select Comfort Corporation.

Board Committees and Meetings

During the 2004 fiscal year, the Board of Directors held five regular meetings. Each of the directors attended 75% or more of the aggregate of the total number of full Board meetings and the total number of meetings of committees on which he or she served (during the periods that he or she served).

The Board of Directors has four standing committees: the Audit Committee, the Compensation Committee, the Executive Committee and the Governance Committee. Members of each committee are appointed by the Board of Directors and the authority, duties and responsibilities of each committee are governed by written charters approved by the Board of

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Directors. The Audit Committee Charter is attached as Appendix A to this proxy statement.

In addition to regular Board and Committee meetings, Wolverine has scheduled regular executive sessions for non-management directors. Wolverine's independent Lead Director, Mr. Matthews, presides at all non-management executive sessions. Interested parties may make concerns known to the non-management directors by communicating with Mr. Matthews or with the non-management directors as a group, through one of the Board communication mechanisms described later in this proxy statement under the heading Corporate Governance Principles Communication with the Board.

Audit Committee. The Audit Committee has been established in accordance with the Securities Exchange Act of 1934 and performs the following duties:

represents and assists the Board in fulfilling its oversight responsibility regarding Wolverine's financial reporting and accounting process; appoints, retains, oversees, evaluates and, if appropriate, terminates the independent auditors; annually reviews the performance of the independent auditors and Wolverine's internal audit function; obtains and reviews the independent auditors' internal quality control report and other reports required by applicable rules, regulations and standards; assesses auditor independence; establishes procedures for the receipt, retention and treatment of complaints regarding accounting and auditing matters; meets to review Wolverine's financial statements, including disclosures in Management's Discussion and Analysis of Financial Condition and Results of Operations, that are included in Wolverine's reports on Form 10-Q and Form 10-K; reviews Wolverine's policies and systems with respect to risk assessment and risk management and discusses significant risks or exposures with management and the independent auditors; discusses with internal auditors and the independent auditors the overall scope and plans for their respective audits; oversees Wolverine's legal and regulatory compliance systems; reviews and discusses the adequacy and effectiveness of Wolverine's internal control over financial reporting and disclosure controls and procedures; and establishes policies and procedures relating to the engagement of the independent auditors, including pre-approval policies and procedures. Only independent directors may serve on the Audit Committee. Each member of the Audit Committee satisfies the independence standards for such committee members established by the New York Stock Exchange (NYSE). Messrs. Kollat and Matthews and Ms. Lauderback and Sanders currently serve on the Audit Committee. Mr. Kollat is Chairman of this committee. The Audit Committee met 12 times in 2004.

Compensation Committee. The Compensation Committee:

discharges, subject to general review and oversight by the Board, the Board's responsibilities relating to executive compensation and assists the Board in fulfilling its responsibilities relating to Wolverine's compensation and benefit programs and policies; reviews and approves corporate and personal goals and objectives relevant to Chief Executive Officer compensation, evaluates the performance of the Chief Executive Officer in light of these goals and objectives, and, together with the other independent directors, approves the compensation of the Chief Executive Officer based on the evaluation; reviews and approves the compensation of other key senior executives, including bonuses and equity compensation; and administers and makes recommendations with respect to Wolverine's stock option and other equity-based incentive plans. Only independent directors may serve on the Compensation Committee. Messrs. Fites, Mehney and Schrage currently serve on the Compensation Committee. Mr. Fites is Chairman of this committee. The Compensation Committee met four times during 2004.

Executive Committee. Subject to limitations set forth in the Executive Committee Charter and applicable laws, rules and regulations, the Executive Committee exercises the powers of the Board of Directors during periods between Board meetings with respect to matters that the Chairman of the Board determines must be addressed before the next scheduled meeting of the Board and for which a special meeting of the Board is not practicable. Messrs. Bloom, Fites, Matthews and O'Donovan currently serve on the

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Executive Committee. Mr. Matthews is Chairman of this committee. It did not meet during 2004.

Governance Committee. The Governance Committee:

interviews each potential director nominee and recommends, consistent with criteria approved by the Board, suitable candidates for nomination or appointment to the Board;
in conjunction with the Board, establishes qualification standards for Board and committee membership;
develops and recommends to the Board an annual self-evaluation process for the Board and its committees and oversees the evaluation process;
establishes and recommends director independence guidelines to the Board;
reviews and reports on all matters generally relating to corporate governance and develops and recommends to the Board corporate governance guidelines;
recommends to the Board key executives to serve as corporate officers of Wolverine; and
recommends retainer and attendance fees for directors who are not employees of Wolverine or any of its subsidiaries.

In evaluating the skills and characteristics required of Board members, the Governance Committee addresses issues such as experience, diversity, age and skills in the context of the current make-up of the Board. The Governance Committee will consider candidates for nomination that are recommended by stockholders, directors, officers, third-party search firms and other sources. Stockholders may recommend individual nominees for consideration by the Governance Committee by communicating with the Governance Committee through one of the Board communication mechanisms described under the heading *Corporate Governance Principles* *Communication with the Board*. The Board of Directors ultimately determines individuals to be nominated at each annual meeting. Direct stockholder nominations may only be made through the procedure described below under the subheading *Stockholder Nominations*. From time to time, the Governance Committee engages third-party search firms to assist with identifying and evaluating potential nominees.

In making nominee recommendations to the Board, the Governance Committee considers a potential nominee's ability, judgment and personal and professional integrity. The Governance Committee seeks nominees who are likely to be most effective, in conjunction with other nominees and Board members, in collectively serving the long-term interests of the stockholders.

Only independent directors may serve on the Governance Committee. Each member of the Governance Committee satisfies the independence standards for such committee members established by NYSE. Messrs. Kollat, Mehney and Schrage and Ms. Sanders currently serve on the Governance Committee. Mr. Schrage is Chairman of this committee. The Governance Committee met four times during 2004.

Stockholder Nominations

Nominations may be made directly by a stockholder entitled to vote for the election of directors if, and only if, the stockholder submits advance notice of the proposed nomination to the Secretary of Wolverine and the notice is received by the Secretary of Wolverine not less than 50 nor more than 75 days before the annual meeting. However, if the first to occur of the notice of the meeting or public disclosure is given or made to stockholders less than 65 days before the annual meeting, the notice of the proposed nomination must be received not later than the close of business on the 15th day after the day on which the notice of the date of the meeting was mailed or the public disclosure was made, whichever occurs first. Each notice submitted by a stockholder must set forth each nominee's name, age, business address, residence address and principal occupation and employment, the class and number of shares of common stock beneficially owned by each nominee, and any other information concerning each nominee required to be included in a proxy statement soliciting proxies for the election of the nominee under the rules of the Securities and Exchange Commission (SEC). In addition, the notice must state the name, record address and the class and number of shares of common stock beneficially owned by the stockholder submitting the notice. If the chairman of the meeting determines that a nomination was not made in accordance with these procedures, he or she must announce that determination at the meeting and the nomination will be disregarded.

Compensation of Directors

Wolverine pays each non-employee director an annual retainer of \$30,000 plus \$2,000 per day for attendance at each regular meeting of the Board of Directors and \$1,000 per day for attendance at each committee meeting. In addition, Wolverine pays the chairperson

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of the Audit Committee an annual fee of \$7,500 and the chairpersons of the Compensation and Governance Committees annual fees of \$5,000. Directors who are also employees of Wolverine or any of its subsidiaries receive no annual retainer and are not compensated for attendance at Board or committee meetings. Wolverine also pays director expenses associated with attending Board and committee meetings and other Wolverine matters. In addition, Board members from time to time receive sample Wolverine products of nominal value for review and assessment.

Under the Amended and Restated Directors' Stock Option Plan (the Directors' Stock Option Plan) approved by stockholders in 2002, each newly appointed or elected non-employee director is granted an option to purchase shares of common stock with a market value on the date of his or her initial election or appointment equal to six times the annual director retainer fee then in effect. On the date of each annual meeting after his or her initial appointment or election, each non-employee director is granted an option to purchase shares with a market value on the annual meeting date equal to three times the annual director retainer fee then in effect. The exercise price of options granted under this plan is 100% of the market value of common stock on the date each option is granted. The term of each option may not exceed 10 years. Options were granted under this plan to all non-employee directors on April 22, 2004. Options to purchase a maximum of 718,665 shares of common stock (post-split) were authorized under the 2002 amendment to the Directors' Stock Option Plan.

In 2002, Wolverine adopted and the stockholders approved the Amended and Restated Outside Directors' Deferred Compensation Plan (the Deferred Compensation Plan), a supplemental nonqualified deferred compensation plan for directors who are not employees of Wolverine or its subsidiaries. The Deferred Compensation Plan amended and restated a plan originally adopted in 1996. The plan permits all non-employee directors to defer 25%, 50%, 75% or 100% of their directors' fees. Amounts deferred are credited on the books of Wolverine to an account established for that director as if the amounts had been invested to purchase shares of common stock using the market price of common stock on the payment date of the next cash dividend (phantom stock). Phantom stock units are increased by a dividend equivalent based on dividends paid by Wolverine, the amount of phantom stock units credited to each director's account and the market price of common stock on the payment date of the cash dividend. The accumulated phantom stock units in a director's account under the plan are distributed in shares of Wolverine common stock in a single lump-sum or annual installments over a period of up to 10 years by converting each phantom stock unit to one share of Wolverine common stock upon termination of service as a director or as of a date selected by the director.

Certain non-employee directors also received in 1996 an award of phantom stock units representing accrued retirement income under the former Director Retirement Plan, which was replaced by the Deferred Compensation Plan in 1996. No future non-employee director will receive retirement awards under the Deferred Compensation Plan. Phantom stock units that represent awards of retirement income are subject to delayed vesting provisions and are credited with dividend equivalents. Shares of Wolverine common stock equal to the number of all phantom stock units representing retirement awards credited to a director's account will be distributed upon the director's termination of service. Distributions will be made in 10 annual installments beginning the month following termination of service as a director.

Upon a change in control as defined in the Deferred Compensation Plan, Wolverine common stock equal to the phantom stock units credited to a director's account (both for deferred fees and retirement income) will be distributed to the director in a single lump sum. For purposes of the Deferred Compensation Plan, change in control is defined as:

failure of the individuals who were directors at the time the Deferred Compensation Plan was adopted and those whose election or nomination to the Board was approved by three-quarters of the directors then still in office who were directors at the time the Deferred Compensation Plan was adopted, or whose election or nomination was so approved, to constitute a majority of the Board;
acquisition by certain persons or groups of 20% or more of the common stock or combined outstanding voting power (excluding certain transactions);
approval by the stockholders of a reorganization, merger or consolidation (excluding certain permitted transactions); or
approval by the stockholders of a complete liquidation or dissolution of Wolverine or the sale or disposition of all or substantially all of the assets of Wolverine (excluding certain permitted transactions).

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Mr. Matthews serves as Lead Director of Wolverine. For his service as Lead Director, Mr. Matthews receives an annual fee of \$60,000. These payments are in lieu of the annual director retainer fee of \$30,000. Mr. Matthews receives the standard director fee for attendance at Board meetings and standard director stock options, but does not receive attendance fees for attending committee meetings.

In April 2000, Mr. Bloom retired as Chief Executive Officer of Wolverine but he continues to serve as Chairman of the Board of Directors. For his service as Chairman, Mr. Bloom receives an annual fee of \$90,000, together with reimbursement of certain business expenses. These payments are in lieu of the annual director retainer fee of \$30,000. Mr. Bloom receives the standard director fee for attendance at Board meetings and standard director stock options, but does not receive attendance fees for attending committee meetings. The scope of Mr. Bloom's service and his compensation are reviewed annually by the Board.

Corporate Governance Principles

Wolverine has developed governance principles to assist the Board in fulfilling its responsibilities to stockholders and to provide a framework for the Board's oversight responsibilities regarding the management of Wolverine. Wolverine's governance principles are dynamic and have been developed and revised over a period of many years to reflect changing laws, regulations and best business practices. The governance principles also provide guidance and transparency to management, employees, investors and other stakeholders regarding the Board's philosophy, high ethical standards, expectations for conducting business, and decision-making processes.

The following is a summary of certain of Wolverine's policies, charters, guidelines and principles relating to corporate governance and financial reporting. You may access complete current copies of our Code of Conduct and Compliance, Corporate Governance Guidelines, Director Independence Standards, Accounting and Finance Code of Ethics, Audit Committee Charter, Governance Committee Charter, Compensation Committee Charter and Executive Committee Charter at our website, www.wolverineworldwide.com. Each of these is also available in print to any stockholder upon request.

Independence

The Board believes that the independence of directors and Board committee members is important to assure that the Board and its committees operate only in the best interests of the stockholders and to avoid any appearance of conflict of interest. For over 10 years, Wolverine has functioned with only two active or former management employees as directors. The remainder of the Board's 10 to 12 directors over this period have been non-management directors. Only one current management employee, Wolverine's Chief Executive Officer and President, currently serves as a director. While Wolverine's formal Corporate Governance Guidelines require that a majority of the directors be independent, Wolverine has for many years operated with a substantial majority of independent directors. The Board does not intend to deviate from this practice.

The Board has determined that the following 7 of its 10 directors meet the director independence standards adopted by the Board and the applicable NYSE and SEC standards for independence (including NYSE and SEC independence standards relating to each committee upon which the respective directors serve), and have no material relationship with Wolverine:

Donald V. Fites
David T. Kollat
Brenda J. Lauderback
Phillip D. Matthews
David P. Mehney
Elizabeth A. Sanders
Paul D. Schrage

Our Board of Directors has adopted categorical Independence Standards, which are available at our website. These Independence Standards comply with, and in some areas, exceed the director independence standards required by NYSE. In summary, under these standards a director is considered independent only if the director and his or her immediate family members do not have, and generally have not had in the most recent three years, any material relationships with Wolverine, its subsidiaries or affiliates (including certain relationships with Wolverine's independent auditors). The standards establish thresholds at which such relationships are deemed to be not material. In

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addition, the Board examines on a case-by-case basis transactions and relationships that are not of a nature addressed by the categorical standards.

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines that set forth the primary framework of governance principles applicable to Wolverine. The Corporate Governance Guidelines outline the general duties and functions of the Board and management, and set forth general principles regarding Board composition, independence, Board meetings and responsibilities, Board committees, expectations of directors, annual performance evaluations, management succession and ethical expectations.

Alignment of Stockholder, Management and Director Interests

For many years, the Board has believed that directors and management should have a significant financial stake in Wolverine to align their interests with those of the stockholders. For that reason, several years ago the Board adopted formal stock ownership guidelines that require ownership of Wolverine stock (including ownership credit for phantom stock units allocated to non-employee directors) within certain time periods: (i) by directors equal in value to three times the current Board retainer, (ii) by the Chief Executive Officer equal in value to five times base salary, (iii) by other executive officers equal in value to between two and four times base salaries, and (iv) by other executive management equal in value to between one and two times base salaries. Most non-employee directors also participate in the Deferred Compensation Plan that allows non-employee directors to convert a portion or all of their cash compensation into stock ownership.

Code of Conduct and Compliance

For years, Wolverine and its employees and directors have followed an extensive Code of Conduct and Compliance (Code). This comprehensive Code establishes basic guidelines to help employees and directors comply with applicable legal requirements and sets forth Wolverine s expectations regarding business ethics, integrity, honesty, fairness and keeping commitments. The Code contains Wolverine s principles and procedures regarding conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of Wolverine s assets, compliance with laws, rules and regulations, engagement criteria for Wolverine s trading partners, whistle blower protection provisions, expectations regarding the integrity of books and records, and guidelines and procedures for many other subjects. Employees are surveyed annually to identify any areas of noncompliance with the Code, and the results of this survey are reported to the Board.

Board Committee Charters

The Board has organized and formed three operating committees, the Audit Committee, the Compensation Committee and the Governance Committee. In addition, the Board has an Executive Committee that is empowered to act as necessary on behalf of the Board between formal meetings of the Board. The Executive Committee has not met in over ten years. The Board has approved a committee charter for each committee that contains basic principles regarding the committee s organization, purpose, authority and responsibilities. The performance of each committee is reviewed annually by committee members and the Board.

Leadership

Since 1993, the Board has operated with an independent Lead Director. In addition, for the past five years Wolverine has divided the roles of its Chairman and Chief Executive Officer and the elected Chairman has not been an employee or officer of Wolverine. Wolverine s Corporate Governance Guidelines require that when Wolverine s Chief Executive Officer retires, he or she must tender his or her resignation from the Board and the issue of continued Board membership for the former Chief Executive Officer will be determined by the Board on a case-by-case basis.

Accounting and Finance Code of Ethics

The Board has adopted an Accounting and Finance Code of Ethics (Finance Ethics Code). This is an ethics code focused on the financial reporting process and is intended to protect the interests of all of Wolverine s constituents, including stockholders, employees, customers and the communities in which Wolverine conducts business. Many of the basic tenets of the Finance Ethics Code have been incorporated for many years in Wolverine s Code of Conduct and Compliance. The Finance Ethics Code is applicable to Wolverine s Chief Executive Officer, Chief Financial Officer and Corporate Controller and sets forth specific rules of conduct and expectations regarding the

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financial reporting process, protection of Wolverine's assets, compliance with rules and regulations and honest and ethical conduct in connection with the financial reporting process and related disclosures.

Attendance

The Board prides itself on its ability to recruit and retain directors who have a diversity of experience, who have the highest personal and professional integrity, who have demonstrated exceptional ability and judgment and who are effective (in conjunction with the other members of the Board) in collectively serving the long-term interests of the stockholders. Board and committee attendance is central to the proper functioning of the Board of Directors and is a priority. Directors are expected to make every effort to personally attend every Board meeting and every meeting of each committee on which they serve as a member. Over the past ten years, individual directors have attended 569 out of a total of 582 required Board meeting attendances. Directors are also expected to attend the Annual Meeting of Stockholders in person. All eleven then-current directors attended the 2004 annual meeting. Given Wolverine's home base in Rockford, Michigan and the geographic diversity of the home cities of Wolverine's directors, we believe this attendance record is exceptional.

Communication with the Board

Stockholders and interested parties may communicate with members of Wolverine's Board of Directors and may report any complaints or concerns regarding Wolverine's financial statements and accounting, auditing, internal control and reporting practices to the Audit Committee (including anonymous submissions) to *financialconcerns@wwwinc.com*, through various links provided on the Corporate Governance section of the Investors section of Wolverine's website at *www.wolverineworldwide.com* or by sending correspondence to the Board, a specific Board committee or a Board member c/o General Counsel, Wolverine World Wide, Inc., 9341 Courtland Drive, N.E., Rockford, Michigan 49351.

Board and Company Culture

Wolverine's comprehensive governance guidelines and principles are coupled with a robust, open and effective Board environment that promotes respect, trust and candor, fosters a culture of open dissent and permits each director to express opinions and contribute to the Board process. Directors are expected to have unrestricted access to management and any company information they desire. The participation of Board members and the open exchange of opinions is further encouraged at the Board committee level through the periodic rotation of Board members among its standing committees. This open and candid operating environment is shared by management and the Board and is essential to fully realize the benefits of Wolverine's formal governance guidelines, principles, charters and policies.

Stock Incentive Plan of 2005

Purposes and Effects of the Proposal

The Board of Directors firmly believes that Wolverine's long-term interests are best advanced by aligning the interests of its key employees and directors with the interests of its stockholders. Therefore, to attract, retain and motivate non-employee directors, officers and key management employees of exceptional abilities, and in recognition of the significant contributions to the long-term performance and growth of Wolverine and its subsidiaries made by these individuals, on February 10, 2005, the Board of Directors adopted, subject to stockholder approval, the Stock Incentive Plan of 2005 (the Plan). A copy of the Plan is attached as Appendix B to this proxy statement. The Plan is intended to supplement and continue the compensation policy and practice of other stock incentive plans of Wolverine, which Wolverine has utilized for these purposes for several decades. The Plan applies to both employees of Wolverine and non-employee directors and provides the ability for the Compensation Committee to award stock options, stock appreciation rights, restricted stock, restricted stock units and stock awards with vesting and other award provisions that provide effective incentives to Wolverine employees and non-employee directors and alignment of stockholder, management and director interests.

Since non-employee directors will be eligible to receive grants under the Plan, upon stockholder

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approval of the Plan, Wolverine's Amended and Restated Directors' Stock Option Plan, which was approved by the stockholders in April 2002, will be suspended and no additional stock options will be issued thereunder. The Amended and Restated Directors' Stock Option Plan is the only current plan that permits awards of options to non-employee directors.

Wolverine's current stock incentive plans have a limited number of authorized shares remaining for future awards to employees (approximately 814,524 shares in total as of March 1, 2005). In addition, Wolverine is currently only able to grant awards of stock options to non-employee directors. Thus, the Board of Directors believes that adoption of the Plan is now advisable in order to increase the available pool of shares for awards to employees and to allow for the grant of awards other than stock options to non-employee directors.

The following summarizes information as of March 1, 2005, with respect to available shares and outstanding awards under Wolverine's existing equity-based incentive plans:

814,524 shares of common stock were available for the grant of new awards to employees under *all* of Wolverine's existing equity-based compensation plans for employees;
options to acquire 5,446,734 shares of common stock were outstanding and unexercised under *all* of Wolverine's existing equity-based compensation plans for employees;
options to acquire 524,599 shares of common stock were outstanding and unexercised under *all* of Wolverine's stock option plans for non-employee directors;
the weighted-average exercise price of all outstanding stock options was approximately \$13.43;
the weighted-average term until expiration of all outstanding stock options was 6.13 years; and
559,961 shares of common stock previously available for the grant of stock options to non-employee directors under the Amended and Restated Directors' Stock Option Plan will no longer be available for grant upon stockholder approval of the Plan.
On March 1, 2005, the closing price of Wolverine common stock on the New York Stock Exchange was \$22.81 per share.

The following summarizes certain important information about the proposed Plan:

4,250,000 shares of common stock would be available for awards under the Plan, subject to certain anti-dilution and other adjustments; each share to be issued under the Plan pursuant to awards of restricted stock, restricted stock units, stock appreciation rights and stock awards would count as two (2) shares against the total pool of shares available under the Plan, and each share issued pursuant to awards of stock options would count as one (1) share against the pool;
the Company has historically granted approximately 75 to 81 percent of incentive awards as stock options and the remaining awards as restricted stock; at this percentage range, a total of approximately 3,500,000 shares could be awarded under the Plan;
the exercise or settlement price for all stock options and stock appreciation rights issuable under the Plan must be at least 100% of the market value of Wolverine's common stock on the date of grant;
other than in connection with a change in Wolverine's capitalization, the Plan prohibits repricing or modification of any award under the Plan without stockholder approval if the effect of the action would be to reduce the exercise or settlement price of an outstanding stock option or stock appreciation right;
stock option, restricted stock and restricted stock unit awards to employees will vest according to schedules set by the Compensation Committee based on (i) Wolverine's performance and/or (ii) continued employment with Wolverine over a period of time;
stock options granted to employees and all awards of restricted stock and restricted stock units that provide for vesting solely based on continued employment or service with Wolverine may not provide for full vesting over a period of less than three years (except in the event of a change in control of Wolverine or the recipient's death, disability or retirement);
no participant in the Plan may be granted awards with respect to more than 450,000 shares of Wolverine common stock in any calendar year;
annual awards to non-employee directors are limited to a market value (as described in the Plan) on the date of grant of 150% of the director's annual retainer and full Board meeting fees and initial awards upon becoming a director are limited to a

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market value of 300% of such annual retainer and full Board meeting fees; and shares available for issuance under the Plan are only replenished for awards that have been terminated, expired unexercised, forfeited or settled in cash.

Summary of the Plan

The following is a summary of the principal features of the Plan and is qualified in its entirety by reference to the terms of the Plan attached as Appendix B to this proxy statement.

General. The Plan is intended to grant stock incentives consistent with the past practice of Wolverine. Most of the options granted to employees under the current plans have been incentive stock options within the meaning of the Internal Revenue Code with an exercise price equal to the market price of the stock on the date of grant. However, the Plan would also permit the grant of stock appreciation rights, restricted stock, restricted stock units and stock awards if determined to be desirable to advance the purposes of the Plan (together with stock options, collectively referred to as Incentive Awards). By combining in a single plan many types of incentives commonly used in employee and director long-term incentive compensation programs, the Plan is intended to provide significant flexibility for Wolverine to design specific long-term incentives to best promote Plan objectives and in turn promote the interests of Wolverine's stockholders. Executive officers, officers, key employees and directors of Wolverine and its subsidiaries may be considered to have interests in the Plan because they may receive Incentive Awards under the Plan. The Plan would not be qualified under Section 401(a) of the Internal Revenue Code and would not be subject to the Employee Retirement Income Security Act of 1974.

Shares Subject to the Plan. Subject to certain anti-dilution and other adjustments, the total number of shares available for Incentive Awards under the Plan would be 4,250,000 shares of Wolverine's common stock, \$1.00 par value. Each share issued pursuant to an award of stock, stock appreciation rights, restricted stock or restricted stock units would count as two (2) shares towards the 4,250,000 share limit. Each share issued pursuant to an award of stock options would count as one (1) share towards the 4,250,000 share limit.

No Plan participant may be granted Incentive Awards with respect to more than 450,000 shares of Wolverine common stock during any calendar year, subject to certain anti-dilution and other adjustments. In addition, annual Incentive Awards to non-employee directors are limited to a market value on the date of grant equal to 150% of the director's annual retainer and full Board meeting fees, and initial awards upon becoming a director are limited to a market value of 300% of such annual retainer and full Board meeting fees.

Eligibility. Persons eligible to receive Incentive Awards under the Plan (with certain limitations discussed below) include corporate executive officers (currently eight persons), other officers and key employees (currently approximately 210 persons) and non-employee directors (currently nine persons) of Wolverine and its subsidiaries in consideration of their abilities to contribute to increased stockholder value as determined by the Compensation Committee. Additional individuals may become executive officers, officers, key employees or directors in the future and could participate in the Plan.

Administration. The Plan would be administered by the Compensation Committee of the Board of Directors. The Compensation Committee would determine, subject to the terms of the Plan, the persons to receive Incentive Awards, the amount of Incentive Awards to be granted to each person (subject to the limits specified in the Plan), the time of each grant, the terms and duration of each grant and all other determinations necessary or advisable for administration of the Plan. The Compensation Committee has the authority to amend the terms of Incentive Awards granted under the Plan from time to time in a manner consistent with the terms of the Plan. Notwithstanding the preceding sentence, other than in connection with a change in Wolverine's capitalization, no Incentive Award granted under the Plan may be repriced or modified without stockholder approval if the effect of such repricing or modification would be to reduce the exercise or settlement price of then outstanding Incentive Awards to the same participants.

Stock Options. The Plan permits Wolverine to grant to participants options to purchase shares of Wolverine common stock at stated prices for specific periods of time. Certain stock options that could be granted to employees under the Plan may qualify as incentive stock options as defined in Section 422 of the Internal Revenue Code. Wolverine has traditionally granted incentive stock options to its officers and key employees as a form of long-term, equity-based incentive compensation. The Plan also allows for the

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grant of stock options to employees and to non-employee directors that are not intended to qualify as incentive stock options within the meaning of the Internal Revenue Code. Stock options may be granted at any time prior to the termination of the Plan according to its terms or by action of the Board of Directors.

The Compensation Committee would establish the terms of individual stock option grants in stock option agreements. The stock option agreements would contain terms, conditions and restrictions that the Compensation Committee determines to be appropriate and consistent with the provisions of the Plan. The Plan requires that vesting schedules set by the Compensation Committee for employees be based on company performance and/or continued employment or service with Wolverine over a period of time; provided that stock options granted to employees with vesting schedules that are based solely on continued employment with Wolverine may not provide for full vesting over a period of less than three years (except in the event of a change in control of Wolverine or the death, disability or retirement of the option holder). Stock options granted to non-employee directors are not subject to this three-year minimum vesting provision and may be granted with immediate vesting. Stock options granted by the Compensation Committee to employees under the stock incentive plans currently in place generally vest in four installments over a three-year period subject to, among other things, the participant's continued employment with Wolverine or the applicable subsidiary. Stock options granted to non-employee directors have typically been fully vested on the date of grant. When exercising all or a portion of a stock option, a participant may pay the exercise price with cash or, if permitted by the Compensation Committee, shares of Wolverine common stock that meet required holding periods or other consideration substantially equal to cash. The Compensation Committee could also authorize payment by employees other than directors or executive officers of all or a portion of the exercise price in the form of a full recourse promissory note or installments on terms approved by the Compensation Committee. In addition, the Compensation Committee may implement a program for the broker-assisted cashless exercise of stock options.

Although the term of each stock option would be determined by the Compensation Committee, no stock option would be exercisable under the Plan after the expiration of 10 years from the date it was granted. Stock options generally become fully vested and will remain exercisable for limited periods of time in the event a stock option holder dies or becomes disabled. Unless the Compensation Committee determines otherwise, if a stock option holder is terminated without cause, no additional vesting will occur and the options previously vested will remain exercisable for a limited period of time. If a stock option holder is terminated for cause, the stock option holder will forfeit all rights to exercise any outstanding stock options unless the Compensation Committee determines otherwise. If a stock option holder retires (i) after age 62, (ii) after age 50 and the completion of seven years of service as an employee, officer and/or director of Wolverine or any subsidiary, or (iii) upon attaining any other age or years of service determined by the Compensation Committee, all of his or her options become fully vested and may be exercised for the remainder of the terms of the options unless the terms of the option agreement or grant provide otherwise. Stock options granted to participants under the Plan generally may not be transferred except by will or by the laws of descent and distribution, unless the Compensation Committee otherwise consents or transfer is permitted by the terms of the grant or the applicable stock option agreement.

Stock Appreciation Rights. The Plan also permits the Compensation Committee to grant stock appreciation rights. Stock appreciation rights each count as two (2) shares for purposes of determining shares available for issuance under the Plan. A stock appreciation right permits the holder to receive the difference between the market value of the shares of common stock subject to the stock appreciation right on the exercise date of the stock appreciation right and the exercise or settlement price of the stock appreciation rights. Stock appreciation rights may be granted in tandem with Incentive Awards granted under the Plan or stock options granted under other of Wolverine's equity-compensation plans or separate and apart from a grant of an Incentive Award or stock option. As with stock option grants, the Compensation Committee would establish the terms of individual awards of stock appreciation rights in an award agreement. Unless settled in cash, the exercise of a stock appreciation right that is granted in tandem with an Incentive Award or stock option will be in lieu of exercising such Incentive Award or stock option. Stock appreciation rights granted in tandem with an Incentive Award or stock option may be granted at the time the related award is granted or at any time after the grant and before the exercise or expiration of such

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award. All stock appreciation rights that are not granted in tandem with another award will be subject to the same terms and conditions as are applicable to stock options granted under the Plan, including the terms and conditions described above. All stock appreciation rights granted in tandem with an Incentive Award or stock option will have the same vesting, exercisability, forfeiture and termination provisions as the award with respect to which it was granted. Stock appreciation rights may be settled in shares of Wolverine's common stock, cash or a combination thereof.

Restricted Stock and Restricted Stock Units. The Plan also permits the Compensation Committee to award restricted stock and restricted stock units, subject to such terms and conditions set by the Compensation Committee. Shares of restricted stock and restricted stock units each count as two (2) shares for purposes of determining shares available for issuance under the Plan. As with stock option grants, the Compensation Committee would establish the terms of individual awards of restricted stock and restricted stock units in award agreements. The Plan requires that vesting schedules set by the Compensation Committee be based on company performance and/or continued employment or service with Wolverine over a period of time; provided that awards with vesting schedules that are based solely on continued employment or service as a non-employee director with Wolverine may not provide for full vesting over a period of less than three years (except in the event of a change in control of Wolverine or the death, disability or retirement of the participant). Restricted stock previously granted to employees (other than under the LTIP) generally vests in three installments over a five-year period, with 25% of the shares subject to an award vesting on the third anniversary of the date of grant, 25% of the shares vesting on the fourth anniversary and the remaining shares vesting on the fifth anniversary. Unless the Compensation Committee consents or provides otherwise in an award agreement, if a participant's employment is terminated during the restricted period for any reason other than death, disability or retirement (as defined in the Plan), the participant's restricted stock and restricted stock units that are still subject to full or partial restrictions would be entirely forfeited. If the participant's employment terminates during the restricted period by reason of death, disability or retirement, the restrictions on the participant's shares and units would terminate automatically. Wolverine has traditionally granted restricted stock awards as a form of long-term equity-based incentive compensation pursuant to its current stock incentive plans.

Without Compensation Committee authorization, a recipient of restricted stock or restricted stock units would not be allowed to sell, exchange, transfer, pledge, assign or otherwise dispose of the stock or stock unit other than by will or the laws of descent and distribution. In addition, the Compensation Committee could impose other restrictions on shares of restricted stock and/or restricted stock units. A restricted stock unit award represents the right to receive a specified number of shares of Wolverine common stock upon vesting of the award. Unless otherwise provided by the Compensation Committee, holders of restricted stock would enjoy all other rights of a stockholder with respect to restricted stock, including the right to vote restricted shares at stockholders' meetings and the right to receive all dividends paid with respect to shares of Wolverine common stock. Unless otherwise provided by the Compensation Committee, holders of restricted stock units would also be entitled to all dividends and other distributions paid with respect to the shares subject to the restricted stock unit award, however, holders of restricted stock units would not have any voting rights with respect to such shares prior to the vesting and transfer of the shares to the holder. Any securities received by a holder of restricted stock or restricted stock unit pursuant to a stock dividend, stock split, recapitalization, merger, consolidation, combination or exchange of shares would be subject to the same terms, conditions and restrictions that are applicable to the restricted stock or restricted stock unit for which the securities are received.

Stock Awards. The Plan also permits the Compensation Committee to make stock awards. Shares of stock awarded each count as two (2) shares for purposes of determining shares available for issuance under the Plan. A stock award of Wolverine's common stock would be subject to terms and conditions set by the Compensation Committee at the time of the award. Stock award recipients would generally have all voting, dividend, liquidation and other rights with respect to awarded shares of Wolverine common stock. However, the Compensation Committee could impose restrictions on the assignment or transfer of Wolverine common stock awarded under a stock award. Wolverine has previously granted stock awards for minimal numbers of shares to a limited number of persons in connection with short-term programs targeted at specific locations

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or profit centers as rewards for achieving pre-established sales or similar goals. Wolverine presently expects any future awards would be for a de minimis number of shares and similar purposes.

Deferred Stock Units. The Plan provides that the Compensation Committee may establish rules for the deferred delivery of shares following the exercise of a stock option or stock appreciation right or following the settlement, vesting or other events with respect to restricted stock and restricted stock units that could delay the recognition of taxable income by the holder (and the deduction by Wolverine) in connection with such an Incentive Award.

Performance-Based Awards. Section 162(m) of the Internal Revenue Code, as amended, limits to \$1,000,000 the annual income tax deduction that may be claimed by a publicly held corporation for compensation paid to its chief executive officer and to the four most highly compensated officers other than the chief executive officer. Qualified performance-based compensation is exempt from the \$1,000,000 limit and may be deducted even if other compensation exceeds \$1,000,000. The proposed Plan is intended to provide for the ability to grant awards that qualify as performance-based compensation under Section 162(m) to permit compensation associated with such awards awarded under the Plan to be tax deductible to Wolverine while allowing, as nearly as practicable, the continuation of Wolverine's preexisting practices with respect to the award of equity compensation.

Compensation associated with awards of restricted stock and restricted stock units under the Plan would not, based upon Wolverine's past practices, qualify as performance-based compensation for purposes of Section 162(m) and would be subject to the \$1,000,000 deductibility limit. However, the Plan does allow for the grant of awards of restricted stock, restricted stock units and stock awards that qualify as performance-based compensation. To qualify as performance-based compensation, the vesting of an award of stock, restricted stock or restricted stock units must be contingent on the achievement of one or more Qualifying Performance Criteria (as defined in the Plan and described below). Notwithstanding satisfaction of any performance goals, the number of shares of common stock granted, issued, retained and/or vested under an award of stock, restricted stock or restricted stock units may be reduced by the Compensation Committee on the basis of such further considerations as the Compensation Committee in its sole discretion shall determine. No award of stock, restricted stock or restricted stock units granted under the Plan that is intended to satisfy the requirements for performance-based compensation under Section 162(m) will be payable unless the Compensation Committee certifies in writing that the applicable performance goals have been satisfied.

Qualifying Performance Criteria. The performance criteria for any award of stock, restricted stock or restricted stock units that is intended to satisfy the requirements for performance-based compensation under Section 162(m) will be any one or more of the following, either individually, alternatively or in any combination, applied to either Wolverine as a whole or to a business unit or subsidiary, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Compensation Committee: (a) net earnings or earnings per share (including earnings before interest, taxes, depreciation and/or amortization), (b) income, net income or operating income, (c) revenues, (d) net sales, (e) return on sales, (f) return on equity, (g) return on capital (including return on total capital or return on invested capital), (h) return on assets or net assets, (i) earnings per share, (j) economic value added measurements, (k) return on invested capital, (l) return on operating revenue, (m) cash flow (before or after dividends), (n) stock price, (o) total stockholder return, (p) market capitalization, (q) economic value added, (r) debt leverage (debt to capital), (s) operating profit or net operating profit, (t) operating margin or profit margin or (u) cash from operations. To the extent consistent with Section 162(m), the Compensation Committee may appropriately adjust any evaluation of performance under a Qualifying Performance Criteria to exclude any of the following events that occurs during a performance period: (i) asset write-downs, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs, and (v) any extraordinary non-recurring items as described in Accounting Principles Board Opinion No. 30 and/or in management's discussion and analysis of financial condition and results of operations appearing in Wolverine's annual report to stockholders for the applicable year.

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Change in Control. Upon the occurrence of a change in control of Wolverine (as defined in the Plan), all outstanding stock options and stock appreciation rights would become immediately exercisable in full and would remain exercisable in accordance with their terms and all other outstanding Incentive Awards under the Plan would immediately become fully vested and nonforfeitable. In addition, the Compensation Committee, without the consent of any affected participant, could determine that some or all participants holding outstanding stock options and/or stock appreciation rights would receive, with respect to some or all of the shares subject to such stock options and/or stock appreciation rights, cash in an amount equal to the greater of the excess over the exercise price per share of each stock option or stock appreciation right of: (i) the highest sale price of the shares on the New York Stock Exchange immediately before the effective date of the change in control; or (ii) the price per share actually paid in connection with any change in control of Wolverine.

Amendment and Termination. The Board of Directors may terminate the Plan at any time and may from time to time amend or alter the Plan or any aspect of it as it considers proper and in the best interests of Wolverine, provided that no such amendment may be made without the approval of stockholders that would (i) reduce the exercise price at which stock options or stock appreciation rights may be granted below the price provided for in the Plan, (ii) reduce the exercise price of outstanding options, (iii) increase the yearly individual maximum limit on awards or (iv) otherwise amend the Plan in any manner requiring stockholder approval by law or under the New York Stock Exchange listing requirements. The Compensation Committee may alter or amend an award agreement and/or incentive award previously granted under the Plan to the extent it determines that such action is appropriate. Notwithstanding anything to the contrary in this paragraph, no such amendment or alteration to the Plan or to any previously granted award agreement or incentive award may be made that would impair the rights of the holder of the award, without such holder's consent, provided that no such consent is required if the Compensation Committee determines in its sole discretion and prior to the date of any change of control (as defined in the applicable award agreement) that such amendment or alteration is required or advisable in order for Wolverine, the Plan or the incentive award to satisfy any law or regulation or to meet the requirements of or avoid adverse financial accounting consequences under any accounting standard.

Subject to stockholder approval, the Plan would take effect on April 21, 2005, and, unless terminated earlier by the Board of Directors, no awards could be made under the Plan after April 20, 2015.

New Plan Benefits. Because benefits under the Plan will depend on the Compensation Committee's actions and the fair market value of Wolverine's common stock at various future dates, the benefits payable under the Plan and the benefits that would have been payable had the Plan been in effect during the most recent fiscal year are not determinable.

Registration. Wolverine intends to register shares covered by the Plan under the Securities Act of 1933 before any Incentive Award could be exercised. If the Plan is not approved by the stockholders, no Incentive Awards will be made under the Plan.

Federal Income Tax Consequences of the Plan

The following is only a summary of the effect of U.S. federal tax laws upon participants and Wolverine, is not complete, does not discuss the income tax laws of any state or foreign country in which a participant may reside, and is subject to change. Please note that the description with regard to stock appreciation rights and the deferred delivery of shares in particular are subject to change due to recently enacted tax legislation. Participants in the Plan should consult their own tax advisors regarding the specific tax consequences to them of participating in and receiving Incentive Awards under the Plan.

Stock Options. For federal income tax purposes, the participant would not recognize income and Wolverine would not receive a deduction at the time an incentive stock option is granted or at the time the incentive stock option is exercised. The difference between the market value of the common stock subject to the incentive stock option and the exercise price would, however, be a tax preference item for purposes of calculating alternative minimum tax. Upon sale of the stock acquired pursuant to an incentive stock option, as long as the participant held the stock for at least one year after the date of exercise of the stock option and at least two years after the date of grant of the stock option, the participant's basis would equal the exercise price and the participant would pay tax on the difference between the sale proceeds and the exercise price as capital gain. Wolverine would receive no deduction for federal income tax purposes under these

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circumstances. If, however, before the expiration of either of the above-described holding periods, the participant sold shares acquired under an incentive stock option, the participant generally would recognize taxable compensation income equal to the difference between the exercise price and the market value of the common stock acquired pursuant to the stock option at the time of exercise. Wolverine would then receive a corresponding deduction for federal income tax purposes. Additional gains, if any, recognized by the participant would result in the recognition of short- or long-term capital gain.

Federal income tax laws provide different rules for nonqualified stock options—those options that do not meet the Internal Revenue Code's definition of an incentive stock option. Under current federal income tax laws, a participant would not recognize any income and Wolverine would not receive a deduction at the time a nonqualified option is granted. If a nonqualified option is exercised, the participant would recognize compensation income in the year of exercise equal to the difference between the exercise price and the market value of the stock acquired upon exercise on the date of exercise. Wolverine would receive a corresponding deduction for federal income tax purposes. The participant's tax basis in the shares acquired would be increased over the exercise price by the amount of compensation income recognized. Sale of the stock after exercise would result in recognition of short- or long-term capital gain or loss.

Stock Appreciation Rights. The treatment of stock appreciation rights that are payable solely in the form of Wolverine's common stock under federal income tax laws is similar to the treatment of nonqualified stock options as described above. Under current federal income tax laws, a participant would not recognize any income and Wolverine would not receive a deduction at the time a stock appreciation right is granted. If a stock appreciation right is exercised, the participant would recognize compensation income in the year of exercise equal to the difference between the exercise or settlement price and the market value of the stock acquired upon exercise on the date of exercise. Wolverine would receive a corresponding deduction for federal income tax purposes. The participant's tax basis in the shares acquired would be increased over the exercise price by the amount of compensation income recognized. Sale of the stock after exercise would result in recognition of short-or long-term capital gain or loss.

Federal income tax laws provide different rules for stock appreciation rights that are payable in cash from those that are payable solely in the form of Wolverine common stock. Under current federal income tax laws, a participant would not recognize any income and Wolverine would not receive a deduction at the time a stock appreciation right is granted. Depending on the terms of the stock appreciation right, pursuant to recently enacted tax legislation, a participant may recognize taxable income upon the vesting of a cash-settled stock appreciation right and may also be subject to additional excise taxes and penalties. Wolverine would receive a corresponding deduction in any year in which the participant recognizes taxable income.

Restricted Stock, Restricted Stock Units and Stock Awards. Generally, a participant would not recognize income upon the award of restricted stock or restricted stock units. However, a participant would be required to recognize compensation income on the value of shares subject to such an award at the time the award vests (when the restrictions lapse). Stock awards are generally recognized as compensation income at issuance. At the time the participant recognizes compensation income, Wolverine would be entitled to a corresponding deduction for federal income tax purposes. If restricted stock or a restricted stock unit is forfeited by a participant prior to vesting, the participant would not recognize income and Wolverine would not receive a deduction. Prior to the vesting and lapse of restrictions, dividends paid on shares subject to awards of restricted stock and restricted stock units would be reported as compensation income to the participant and Wolverine would receive a corresponding deduction.

A participant could, within 30 days after the date of an award of restricted stock (but not an award of restricted stock units), elect to report compensation income for the tax year in which the award of restricted stock occurs. If the participant makes such an election, the amount of compensation income would be the value of the award of restricted stock at the time of grant. Any later appreciation in the value of the restricted stock would be treated as capital gain and realized only upon the sale of the stock subject to the award of restricted stock. Dividends received after such an election would be taxable as dividends and not treated as additional compensation income. If, however, restricted stock is forfeited after the participant makes such an election, the participant would not be allowed any deduction for the amount earlier taken into income. Upon the sale of shares

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subject to the restricted stock award, a participant would realize capital gain (or loss) in the amount of the difference between the sale price and the value of the stock previously reported by the participant as compensation income.

Withholding. If Incentive Awards are made under the Plan, Wolverine could withhold from any cash otherwise payable to a participant or require a participant to remit to Wolverine an amount sufficient to satisfy federal, state, local and foreign withholding taxes. Tax withholding obligations could be satisfied by withholding Wolverine common stock to be received upon exercise of an option or stock appreciation right or the vesting of restricted stock, restricted stock unit or stock award or by delivery to Wolverine of previously owned shares of common stock, subject to certain holding period requirements.

Miscellaneous Tax Issues. Wolverine will generally be entitled to a tax deduction corresponding in amount and time to the participant's recognition of ordinary income in the circumstances described above, provided, among other things, that such deduction meets the test of reasonableness and is an ordinary and necessary business expense. However, in connection with a change in control of Wolverine, and depending upon the terms and conditions of an Incentive Award and upon the individual circumstances of the holder of such award, certain amounts with respect to awards granted under the Plan may constitute excess parachute payments under the golden parachute provisions of Section 280G of the Internal Revenue Code. Pursuant to these provisions, the holder of the award will be subject to a 20% excise tax on any excess parachute payment and Wolverine will be denied any deduction with respect to such payment. In addition, as noted above, in certain instances as a result of the application of Section 162(m) of the Internal Revenue Code, Wolverine may be denied a compensation deduction for awards granted to certain officers that do not qualify as performance-based compensation to the extent their aggregate compensation exceeds \$1,000,000 in a given year.

Deferred Stock Units. As noted above, the Plan provides that the Compensation Committee may establish rules for the deferred delivery of shares following the exercise of a stock option or stock appreciation right or following the settlement, vesting or other events with respect to restricted stock and restricted stock units that could delay the recognition of taxable income by the holder (and the deduction by Wolverine) in connection with such an Incentive Award.

Vote Required

Approval of the Stock Incentive Plan of 2005 requires an affirmative vote of stockholders holding a majority of the shares present in person or represented by proxy and entitled to vote on this proposal. In addition, New York Stock Exchange rules require that the total vote cast on this proposal represent a majority of all shares entitled to vote on this proposal. For purposes of counting votes on this proposal, abstentions will be counted as voted against the proposal. Broker non-votes will not be counted as voted on the proposal, and the number of shares of which a majority is required will be reduced by the number of shares not voted.

Your Board of Directors recommends that you vote FOR approval of the Stock Incentive Plan of 2005.

Amendment of the Certificate of Incorporation

The Board of Directors proposes to amend the Fourth Article of Wolverine's Certificate of Incorporation to increase Wolverine's authorized capital stock from 82,000,000 shares, of which 80,000,000 are shares of common stock, \$1.00 par value per share (Common Stock), to 162,000,000 shares, of which 160,000,000 would be shares of Common Stock. The purpose of the amendment is to provide additional shares for possible future issuance.

As of March 1, 2005, there were 58,141,657 authorized shares of Common Stock issued and outstanding, excluding 155,721 shares of treasury stock. If all outstanding stock options were exercised, there would have been approximately 64,122,529 shares of Common Stock issued and outstanding as of March 1, 2005. A significant number of our existing authorized shares were used in connection with the three-for-two stock split (in the form of a stock dividend) distributed on February 1, 2005.

The Board of Directors believes that it is advisable to have additional authorized shares of Common Stock available to give Wolverine the ability to react quickly to opportunities. Although the Board of Directors has no present plans or commitments for the issuance of

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any of the additional shares that would be authorized upon approval of this amendment, such shares would be available for possible future stock splits and dividends, public or private offerings of Common Stock or securities convertible into Common Stock, employee benefit plans, equity-based acquisitions and other corporate purposes that might be proposed. If Wolverine's authorized capital stock is not increased, as of March 1, 2005, it would have less than 14,347,300 shares available for such uses.

All of the additional shares resulting from the increase in Wolverine's authorized Common Stock would be of the same class with the same dividend, voting and liquidation rights as the shares of Common Stock presently outstanding. Wolverine's authorized capital stock also includes, and will continue to include without increase, 2,000,000 shares of preferred stock, none of which is currently outstanding. Stockholders have no preemptive rights to acquire shares issued by Wolverine under its Certificate of Incorporation and stockholders would not acquire preemptive rights with respect to additional shares under the proposed amendment to Wolverine's Certificate of Incorporation. Under some circumstances, the issuance of additional shares of Common Stock could dilute the voting rights, equity and earnings per share of existing stockholders.

If the proposed amendment is adopted, the newly authorized shares would be unreserved and available for issuance by Wolverine without further stockholder authorization.

Although the Board of Directors has no present intention of issuing any additional shares of Common Stock as an anti-takeover measure, the proposed increase in authorized but unissued Common Stock could be considered an anti-takeover measure because the additional authorized but unissued shares of Common Stock could be used by the Board of Directors to make a change in control of Wolverine more difficult.

The first paragraph of the Fourth Article of Wolverine's Certificate of Incorporation, as amended, would read as follows:

FOURTH: The total number of shares that the corporation shall have authority to issue and have outstanding is One Hundred Sixty-Two Million (162,000,000) shares, of which Two Million (2,000,000) shares shall be Preferred Stock, par value One Dollar (\$1.00) per share, and One Hundred Sixty Million (160,000,000) shares shall be Common Stock, par value One Dollar (\$1.00) per share. The affirmative vote of holders of a majority of outstanding shares entitled to vote at the annual meeting of stockholders is required to approve the proposed amendment to Wolverine's Certificate of Incorporation. For the purpose of counting votes on this proposal, abstentions, broker non-votes and other shares not voted have the same effect as a vote against the proposal. The New York Stock Exchange has advised Wolverine that shares of Common Stock held by New York Stock Exchange member organizations, or their nominees, may be voted on this proposal without specific instructions from the beneficial owners of such shares.

Your Board of Directors recommends that you vote FOR the approval of the amendment to Wolverine's Certificate of Incorporation.

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Ownership of Wolverine Stock

Five Percent Stockholders

The following table sets forth information concerning the number of shares of Wolverine stock held by each entity known to Wolverine to be the beneficial owner of more than five percent of Wolverine's outstanding shares of common stock:

Five Percent Stockholders					
Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership of Common Stock(1)			Total Beneficial Ownership	Percent of Class
	Sole Voting Power	Sole Dispositive Power	Shared Voting or Dispositive Power		