

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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 30, 2006

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: 001-6024

WOLVERINE WORLD WIDE, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

38-1185150
(I.R.S. Employer Identification No.)

9341 Courtland Drive, Rockford, Michigan
(Address of principal executive offices)

49351
(Zip Code)

Registrant's telephone number, including area code: **(616) 866-5500**

Securities registered pursuant to Section 12(b) of the Securities Exchange Act:

Title of each class
Common Stock, \$1 Par Value

Name of each exchange on which registered
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes X No

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No X

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

Indicate by check mark whether the registrant is a large accelerated filer (as defined in Exchange Act Rule 12b-2), an accelerated filer (as defined in Exchange Act Rule 12b-2) or a non-accelerated filer.

Large accelerated filer X Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2).

Yes No X



The aggregate market value of the registrant's voting stock held by non-affiliates of the registrant based on the closing price on the New York Stock Exchange on June 16, 2006, the last business day of the registrant's most recently completed second fiscal quarter: \$1,252,095,162.

Number of shares outstanding of the registrant's Common Stock, \$1 par value (excluding shares of treasury stock) as of February 21, 2007: 55,564,471.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement for the registrant's annual stockholders' meeting to be held April 19, 2006, are incorporated by reference into Part III of this report.

FORWARD-LOOKING STATEMENTS

This Report on Form 10-K contains forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates and projections about the footwear business, worldwide economics and the Company itself. Statements, including without limitation, those related to: future revenue, earnings, margins, growth, cash flows, operating measurements, tax rates and tax benefits; expected economic returns; projected 2007 operating results and dividend rates; future share repurchase activity; future strength of the Company; future brand positioning; achievement of the Company vision; future pension costs; future marketing investments; the introduction of new lines or categories of products, including *Merrell*® Apparel and *Patagonia*® Footwear; future growth or success in specific countries, categories or market sectors; liquidity; capital resources and market risk are forward-looking statements. In addition, words such as "anticipates," "believes," "estimates," "expects," "forecasts," "intends," "is likely," "plans," "predicts," "projects," "should," "will," variations of such words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Risk Factors") that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what may be expressed or forecasted in such forward-looking statements.

Risk Factors include, but are not limited to, uncertainties relating to changes in demand for the Company's products; changes in consumer preferences or spending patterns; the cost and availability of inventories, services, labor and equipment furnished to the Company; the cost and availability of contract manufacturers; the cost and availability of raw materials, including leather and petroleum based materials; changes in planned consumer demand or at-once orders; customer order cancellations; the impact of competition and pricing by the Company's competitors; changes in government and regulatory policies; foreign currency fluctuation in valuations compared to the U.S. dollar; changes in monetary controls and valuations of the Chinese yuan renminbi and the relative value to the U.S. dollar; changes in duty structures in countries of import and export; the effect of anti-dumping measures in Europe that have been implemented by the European Commission with respect to leather footwear imported into the European Union from China and Vietnam at additional duty rates of 16.5% and 10.0%, respectively, from October 7, 2006 through October 6, 2008, for certain leather footwear; changes in interest rates, tax laws, duties, tariffs, quotas or applicable assessments; technological developments; changes in local, domestic or international economic and market conditions; the size and growth of footwear markets; service interruptions at shipping and receiving ports; changes in the amount or severity of inclement weather; changes due to the growth of Internet commerce; popularity of particular designs and categories of footwear; the ability of the Company to manage and forecast its growth and inventories; the ability to secure and protect trademarks, patents and other intellectual property; integration of operations of newly acquired businesses; changes in business strategy or development plans; the Company's ability to adapt and compete in global apparel and accessory markets; customer acceptance of the *Patagonia*® Footwear products; the ability to attract and retain qualified personnel; the ability to retain rights to brands licensed by the Company; loss of significant customers; relationships with international distributors and licensees; the Company's ability to meet at-once orders; the exercise of future purchase options by the U.S. Department of Defense on previously awarded contracts; the risk of doing business in developing countries and economically volatile areas; retail buying patterns; consolidation in the retail sector; and the acceptability of U.S. brands in international markets. Additionally, concerns regarding acts of terrorism, the war in Iraq and subsequent events have created significant global economic and political uncertainties that may have material and adverse effects on consumer demand, foreign sourcing of footwear, shipping and transportation, product imports and exports and the sale of products in foreign markets. These matters are representative of the Risk Factors that could cause a difference between an ultimate actual outcome and a forward-looking statement. Historical operating results are not necessarily indicative of the results

that may be expected in the future. The Risk Factors included here are not exhaustive. Other Risk Factors exist, and new Risk Factors emerge from time-to-time, that may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Furthermore, the Company undertakes no obligation to update, amend or clarify forward-looking statements, whether as a result of new information, future events or otherwise.

PART I

Item 1. Business.

General.

Wolverine World Wide, Inc. (the "Company") is a leading designer, manufacturer and marketer of a broad line of quality casual shoes, rugged outdoor and work footwear. The Company, a Delaware corporation, is the successor of a Michigan corporation of the same name, originally organized in 1906, which in turn was the successor of a footwear business established in Grand Rapids, Michigan in 1883.

Approximately 46.9 million pairs of Company branded footwear were sold during fiscal 2006, making the Company a global leader among footwear companies in the marketing of branded casual, work and outdoor footwear. The Company's products generally feature contemporary styling with proprietary technologies designed to provide maximum comfort and performance. The products are marketed throughout the world under widely recognized brand names, including *Bates®*, *Cat®*, *Harley-Davidson®*, *Hush Puppies®*, *HyTest®*, *Merrell®*, *Patagonia®*, *Sebago®* and *Wolverine®* footwear. The Company believes that its primary competitive strengths are its well-recognized brand names, broad range of comfortable footwear, patented and proprietary designs and comfort technologies, numerous distribution channels and diversified manufacturing and sourcing base. *Cat®* is a registered trademark of Caterpillar Inc., *Harley-Davidson®* is a registered trademark of H-D Michigan, Inc. and *Patagonia®* is a registered trademark of Patagonia, Inc.

The Company's footwear is sold under a variety of brand names designed to appeal to most consumers of casual, work and outdoor footwear at numerous price points. The Company's footwear products are organized under four operating units: (i) the Wolverine Footwear Group, focusing primarily on the *Bates®*, *HyTest®* and *Wolverine®* product lines of work, outdoor, uniform and lifestyle boots and shoes, and *Wolverine®* brand apparel, (ii) the Outdoor Group, currently focusing on the *Sebago®*, *Patagonia®* and *Merrell®* product lines of performance and lifestyle footwear, and, beginning with the anticipated product launch in 2007, *Merrell®* brand apparel, (iii) the Heritage Brands Group, focusing on the *Cat®* product lines of work and lifestyle footwear and the *Harley-Davidson®* lines of lifestyle and performance footwear, and (iv) The Hush Puppies Company, focusing on the *Hush Puppies®* brand of comfortable casual and dress footwear. The Company also licenses its brands for use on non-footwear products including apparel, eyewear, watches, socks, gloves, handbags and plush toys.

The Company's Global Operations Group is responsible for manufacturing, sourcing, distribution and customer support for the various Company brands. The Company's footwear is distributed domestically through 82 Company-owned retail stores and to numerous accounts including department stores, footwear chains, catalogs, specialty retailers, mass merchants and Internet retailers. Many of the retailers to which Wolverine distributes operate multiple storefront locations. The Company's products are marketed worldwide in more than 170 countries through Company-owned wholesale operations, licensees and distributors.

The Company, through its Wolverine Leathers Division, operates a tannery which tans pigskin leather for the shoe and leather goods industries. A significant portion of the pigskin leather tanned by the Company is used in the footwear marketed by the Company, and is also sold to Company licensees and other domestic and foreign manufacturers of footwear. In addition, Wolverine Procurement, Inc., a Company-owned subsidiary, performs skinning operations and purchases raw pigskins which it then cures and sells to outside customers for processing into pigskin leather products.

For financial information regarding the Company, see the consolidated financial statements of the Company and the notes thereto, which are attached as Appendix A to this Form 10-K. The Company has one reportable segment, Branded Footwear and Licensing. The Branded Footwear and Licensing segment is engaged in manufacturing, sourcing, licensing, marketing and distributing branded footwear and apparel, including casual shoes and apparel, dress shoes, boots, uniform shoes, work shoes and rugged outdoor footwear and apparel. The Company's Other Business units consist of its retail stores, tannery and pigskin procurement operations. Financial information regarding the Company's business segments and financial information about geographic areas is found in Note 9 to the consolidated financial statements of the Company that are attached as Appendix A to this Form 10-K.

Branded Footwear and Licensing.

The Company sources and markets a broad range of footwear styles including shoes, boots and sandals under many recognizable brand names including *Bates®*, *Cat®*, *Harley-Davidson®*, *Hush Puppies®*, *HyTest®*, *Merrell®*, *Patagonia®*, *Sebago®* and *Wolverine®*. The Company combines quality materials and skilled workmanship from around the world to produce footwear according to its specifications at both Company-owned and independent manufacturing facilities. The Company also licenses its brands for use on non-footwear products including apparel, eyewear, watches, socks, handbags and plush toys. Current significant licensing programs include *Hush Puppies®* apparel, eyewear, watches, socks, handbags and plush toys, and *Wolverine®* brand gloves, eyewear, socks and headwear.

The Company's four branded footwear and licensing operating units are described below.

1. **The Outdoor Group.** The Outdoor Group consists of *Merrell®*, *Sebago®*, and *Patagonia®* footwear and includes performance outdoor, hiking and nautical footwear as well as casual and after-sport footwear.

Merrell® Footwear. The *Merrell®* product line consists primarily of technical hiking, rugged outdoor and outdoor-inspired casual footwear designed for backpacking, day hiking and everyday use. The *Merrell®* product line also includes the "After-Sport" category, incorporating *Merrell®* footwear's technical hiking and outdoor expertise with *Wolverine Performance Leathers™* and other technical materials to create footwear with unique styling, performance and comfort features. In addition to footwear, the Outdoor Group markets a line of *Merrell®* packs, bags and luggage. The Outdoor Group also intends to launch a line of *Merrell®* brand apparel in fiscal 2007. *Merrell®* products are sold primarily through outdoor specialty retailers, department stores and catalogs. *Merrell®* footwear is marketed in approximately 100 countries worldwide.

Sebago® Footwear. The *Sebago®* product line consists primarily of performance nautical and American-inspired casual footwear for men and women such as boat shoes and handsewn loafers that have been manufactured and distributed since 1946.

Highly recognized *Sebago*® line extensions include *Sebago Docksides*®, *Drysides*™, *Campsides*™ and *Athletic Marine*. The *Sebago*® product line is marketed in approximately 110 countries worldwide. The *Sebago*® manufacturing and design tradition of quality componentry, durability, comfort and "Americana" heritage is further supported by targeted distribution to better-grade independent, marine and department store retailers throughout the world.

***Patagonia*® Footwear.** In 2005, the Company entered into a license agreement providing the Company with exclusive worldwide rights to manufacture, market, distribute and sell footwear under the *Patagonia*®, *Water Girl*® and other trademarks. The Outdoor Group has launched its *Patagonia*® Footwear line for Spring 2007.

2. ***Wolverine Footwear Group.*** The Wolverine Footwear Group encompasses footwear primarily under the *Wolverine*®, *Bates*®, and *HyTest*® brands and markets footwear designed with performance and comfort features to serve a variety of work, outdoor and lifestyle functions.

***Wolverine*® Work and Industrial Footwear.** The *Wolverine*® brand has built its reputation by offering high quality work boots and shoes that incorporate innovative technologies to deliver comfort and durability. The *Wolverine*® brand, which has been in existence for 124 years, markets work and outdoor footwear in three categories: (i) work and industrial; (ii) outdoor sport; and (iii) rugged casual. The development of *DuraShocks*® technology and *Wolverine MultiShox*™ technology, has allowed the *Wolverine*® brand to introduce a broad line of work footwear with a focus on comfort. The *Wolverine Fusion*®, *DuraShocks SR*™ and *Wolverine Compressor*™ technologies represent the Company's tradition of comfortable work and industrial footwear, a tradition that is continued and enhanced with the development of the *Wolverine MultiShox*™ Individual Comfort System. The *Wolverine*® work product line features work boots and shoes, including steel toe boots and shoes, targeting male and female industrial and farm workers. The *Wolverine*® rugged casual and outdoor sport product lines incorporate *DuraShocks*® technology and other comfort features into products designed for casual and outdoor sport use. The rugged casual line targets active lifestyles and includes trail shoes, rugged casuals and outdoor sandals. The outdoor sport line is designed to meet the demands of hunters, fishermen and other active outdoor sportsmen and women. Warmth, waterproofing and comfort are achieved through the use of *Gore-Tex*® (a registered trademark of W.L. Gore & Associates, Inc.) and *Thinsulate*® (a registered trademark of Minnesota Mining and Manufacturing Company) brand fabrics, the Company's performance leathers and patented *DuraShocks*® technologies. The Wolverine Footwear Group has also launched a line of work and rugged casual *Wolverine*® brand apparel. In addition, the *Wolverine*® brand is licensed for use on eyewear, headwear, gloves and socks.

***Bates*® Uniform Footwear.** The Bates Uniform Footwear Division is an industry leader in supplying footwear to military and civilian uniform users. The Bates Uniform Footwear Division utilizes *DuraShocks*®, *DuraShocks SR*™, *CoolTech*® and other proprietary comfort technologies in the design of its military-style boots and oxfords including the *Bates*®, *Enforcer Series*® and *Special Ops*™ footwear lines. The Bates Uniform Footwear Division contracts with the U.S. Department of Defense and the militaries of several foreign countries to supply military footwear. Civilian uniform uses include police, security, postal, restaurant and other industrial occupations. Bates

Uniform Footwear Division's products are also distributed through specialty retailers and catalogs.

HyTest® Safety Footwear. The *HyTest®* product line consists primarily of high-quality work boots and shoes designed to protect male and female industrial workers from foot injuries. *HyTest®* footwear incorporates various specialty safety features into its product lines, including steel toe, composite toe, metatarsal guards, electrical hazard, static dissipating and conductive footwear to protect against hazards of the workplace. In addition, *HyTest®* brand footwear incorporates features such as *FootRests®* comfort technology to provide comfort together with safety for working men and women. *HyTest®* footwear is distributed primarily through a network of independently-owned *Shoemobile®* mobile truck retail outlets providing direct sales of the Company's occupational and work footwear brands to workers at industrial facilities and also through direct sales arrangements with large industrial customers.

3. **The Heritage Brands Group.** The Heritage Brands Group consists of *Caterpillar®* Footwear and *Harley-Davidson®* Footwear.

Caterpillar® Footwear. Pursuant to a license arrangement with Caterpillar Inc., the Company has exclusive worldwide rights to manufacture, market and distribute footwear under the *Caterpillar®*, *Cat & Design®*, *Walking Machines®* and other trademarks. The Company believes the association with *Cat®* equipment enhances the reputation of its footwear for quality, ruggedness and durability. *Cat®* brand footwear products include work boots and shoes, sport boots, rugged casuals and lifestyle footwear, including lines of work and casual footwear featuring *Cat® iTechnology™* and *Hidden Tracks®* comfort features. In addition, the Company also manufactures and markets *Cat® Marine Power®* footwear, designed for industrial and recreational marine uses. *Cat®* footwear products target work and industrial users and active lifestyle users. *Cat®* footwear is marketed in approximately 150 countries worldwide. *Cat®*, *Caterpillar®*, *Cat & Design®*, *Walking Machines®* and *Marine Power®* are registered trademarks of Caterpillar Inc.

Harley-Davidson® Footwear. Pursuant to a license arrangement with the Harley-Davidson Motor Company, the Company has the exclusive right to manufacture, market, distribute and sell *Harley-Davidson®* brand footwear throughout the world. *Harley-Davidson®* brand footwear products include motorcycle, casual, fashion, work and western footwear for men, women and children. *Harley-Davidson®* footwear is sold globally through a network of independent *Harley-Davidson®* dealerships as well as through department stores and specialty retailers. *Harley-Davidson®* is a registered trademark of H-D Michigan, Inc.

4. **The Hush Puppies Company.** Since 1958, the *Hush Puppies®* brand has been a leader in the casual footwear market. The brand offers shoes and boots for men, women and children, and is marketed in approximately 130 countries. The modern styling is complemented by a variety of comfort features and proprietary technologies that have earned the brand its reputation for comfort. In addition, the *Hush Puppies®* brand is licensed for use on apparel, eyewear, handbags, socks, watches and plush toys.

Other Businesses.

In addition to manufacturing, sourcing, marketing and distributing the Company's footwear and apparel products as reported in the Branded Footwear and Licensing segment, the Company also (i) operates a Company-owned pigskin tannery through its Wolverine Leathers Division, (ii) purchases and cures raw pigskins for sale to various customers through its wholly-owned subsidiary Wolverine Procurement, Inc., and (iii) operates 82 domestic retail footwear stores.

1. **The Wolverine Leathers Division.** The Wolverine Leathers Division produces pigskin leathers primarily for use in the footwear industry. *Wolverine Leathers*® brand products are primarily manufactured in the Company's pigskin tannery located in Rockford, Michigan. The Company believes these leathers offer superior performance and advantages over cowhide leathers. The Company's waterproof and stain resistant leathers are featured in many of the Company's domestic footwear lines and many products offered by the Company's international licensees and distributors. Wolverine performance leathers are also featured in certain outside brands of athletic and outdoor footwear.
2. **Wolverine Procurement, Inc.** Wolverine Procurement, Inc. performs skinning operations and purchases raw pigskins from third parties, which it cures and sells to the Wolverine Leathers Division and to outside customers for processing into pigskin leather products.
3. **Wolverine Retail.** The Company operates 82 domestic retail shoe stores as of February 2007. These stores are under the *Hush Puppies*®, *Hush Puppies and Family*SM, *Track'N Trail*® and *Rockford Footwear Depot*SM names. Both the *Rockford Footwear Depot*SM and *Track'N Trail*® retail formats carry a large selection of Company branded footwear featuring such brands as *Wolverine*®, *Merrell*®, *Hush Puppies*®, *Cat*®, *Patagonia*®, *Sebago*® and *Harley-Davidson*®. The Company also operates direct-to-customer retail websites, including www.upfootgear.com, www.trackandtrail.com, www.catfootwear.com, www.hushpuppies.com and www.sebago.com.

Marketing.

The Company's overall marketing strategy is to develop brand-specific plans and related promotional materials for the United States and international markets to foster a differentiated and consistent image for each of the Company's core footwear brands. Each footwear brand group has its own marketing personnel who develop the marketing strategy for products within that group. Marketing campaigns and strategies vary by brand and may target accounts and/or end users as they strive to increase overall brand awareness for the Company's branded products. The Company's advertisements typically emphasize fashion, comfort, quality, durability, functionality and other performance and lifestyle aspects of the Company's footwear. Components of the brand-specific plans vary and may include print, radio and television advertising, event sponsorships, in-store point of purchase displays, promotional materials, and sales and technical assistance.

The Company's footwear brand groups provide its international licensees and distributors with creative direction and materials to convey consistent messages and brand images. Examples of marketing assistance that may be provided by the Company to its licensees and distributors are (i) direction on the categories of footwear to be promoted, (ii) photography and layouts, (iii) broadcast advertising, including commercials and film footage, (iv) point of purchase presentation specifications, blueprints and packaging, (v) sales materials, and (vi) consulting on retail store layout and design. The Company

believes its footwear brand names provide a competitive advantage and the Company makes significant expenditures on marketing and promotion to support the position of its products and enhance brand awareness.

Domestic Sales and Distribution.

The Company uses a wide variety of distribution channels to distribute its branded footwear products. To meet the diverse needs of its broad customer base, the Company uses the following distribution strategies.

- Traditional wholesale distribution is used to service department stores, large footwear chains, specialty retailers, catalogs, independent retailers and uniform outlets. A dedicated sales force and customer service team, advertising and point of purchase support, and in-stock inventories are used to service these accounts.
- Volume direct programs provide footwear at competitive prices with limited marketing support. These programs service major retail, mail order, mass merchant and government customers.
- A network of independent *Shoemobile*® distribution outlets is used to distribute the Company's work and occupational footwear at industrial facilities.
- The Company solicits all branches of the United States military and enters bids for contracts to supply specific footwear products. Such contracts typically contain future purchase options that are not required to be exercised.

In addition to its wholesale activities, the Company also operates a domestic retail operation as described above. The Company continues to develop various programs, both independently and with its retail customers, for the distribution of its products.

A broad distribution base insulates the Company from dependence on any one customer. No customer of the Company accounted for more than 10% of the Company's revenue in fiscal 2006.

The Company experiences moderate fluctuations in sales volume during the year as reflected in quarterly revenue (and taking into consideration the 16 weeks or 17 weeks included in the fourth accounting period versus the 12 weeks included in the first three accounting periods). The Company also experiences some fluctuation in its levels of working capital, typically including an increase in working capital requirements near the end of the third quarter. The Company provides working capital for such fluctuations through internal financing and through a revolving credit agreement that the Company has in place. The Company expects current seasonal sales patterns to continue in future years.

International Operations and Global Licensing.

The Company records revenue from foreign sources through a combination of (i) sales of branded footwear products generated from the Company's owned operations in Canada, the United Kingdom, Austria, Finland, France, Germany, Italy, The Netherlands, Spain, Sweden and Switzerland and from sales to international distributors for certain markets and businesses, and (ii) from royalty income through a network of independent licensees and distributors. The Company's owned operations include Hush Puppies (UK) Ltd., Wolverine Europe B.V. (formerly known as Merrell Europe B.V.), Merrell (Europe) Limited, Wolverine Europe Limited and Wolverine World Wide Corporation, Inc. (formerly known as

Hush Puppies Canada Footwear, Ltd.). The Company's owned operations are located in markets where the Company believes it can gain a strategic advantage.

The Company derives royalty income from sales of products (primarily Company footwear) bearing the *Hush Puppies*®, *Wolverine*®, *Bates*®, *HyTest*®, *Merrell*®, *Sebago*® and other trademarks by independent distributors and licensees. The Company also derives royalty income from sales of footwear bearing the *Cat*® and *Harley-Davidson*® trademarks through foreign distributors. License and distribution arrangements enable the Company to develop sales in international markets without the capital commitment required to maintain related foreign operations, employees, inventories or localized marketing programs.

The Company continues to develop a global network of licensees and distributors to market its footwear brands. The Company assists in designing products that are appropriate to each foreign market but are consistent with the global brand position. Independent licensees and distributors purchase goods from either the Company or authorized third-party manufacturers pursuant to distribution agreements or manufacture branded products consistent with Company standards pursuant to license agreements. Distributors and licensees are responsible for independently marketing and distributing Company branded products in their respective territories, with product and market support provided by the Company.

Manufacturing and Sourcing.

The Company controls the sourcing and manufacture of approximately 76% of the pairs of footwear marketed under the Company's brand names globally. The balance is controlled directly by the Company's licensees. Of the pairs controlled by the Company, approximately 88% are purchased or sourced from third parties, with the remainder produced at Company-operated facilities. Footwear produced by the Company is manufactured at Company-operated facilities in several domestic and certain affiliated foreign facilities located in Michigan, Arkansas, and the Dominican Republic. For some of the Company-produced footwear, a "twin plant" concept is utilized whereby a majority of the labor intensive cutting and fitting construction of the "upper" portion of shoes and boots is performed at the Company's facilities in the Dominican Republic and Arkansas, and the technology intensive construction, or "bottoming," is performed primarily at the Company's Michigan facilities.

The Company's factories each have the flexibility to produce a variety of footwear, which departs from the industry's historical practice of dedicating a given facility to production of specific footwear products. This flexibility allows the Company to quickly respond to changes in market preference and demand. The Company currently produces military footwear and work, casual and dress casual footwear in its owned facilities.

The Company sources a majority of its footwear from a variety of foreign manufacturing facilities in the Asia-Pacific region, South America and India. The Company maintains technical offices in the Asia-Pacific region to facilitate the sourcing and importation of quality footwear. The Company has established guidelines for each of its third-party manufacturers in order to monitor product quality, labor practices and financial viability. In addition, the Company has adopted "Engagement Criteria for Partners & Sources" to require that its domestic and foreign manufacturers, licensees and distributors use ethical business standards, comply with all applicable health and safety laws and regulations, are committed to environmentally safe practices, treat employees fairly with respect to wages, benefits and working conditions, and do not use child or prison labor.

The Company's domestic manufacturing operations allow the Company to (i) reduce its production lead time, enabling it to quickly respond to market demand and reduce inventory risk,

(ii) lower freight and shipping costs, and (iii) closely monitor product quality. The Company's foreign manufacturing strategy allows the Company to (i) benefit from lower manufacturing costs and state-of-the-art manufacturing facilities, (ii) source the highest quality raw materials from around the world, and (iii) avoid additional capital expenditures necessary for owned factories and equipment. The Company believes that its overall global manufacturing strategy gives the Company the flexibility to properly balance the need for timely shipments, high quality products and competitive pricing.

The Company owns and operates a pigskin tannery through its Wolverine Leathers Division. The Company and its licensees receive a majority of their pigskin leather requirements from the tannery. The Company believes the tannery provides a strategic advantage for the Company by producing pigskin leather using proprietary technology at prices below those available from other sources.

The Company's principal required raw material is quality leather, which it purchases from a select group of domestic and offshore suppliers, including the Company's tannery. The global availability of common upper materials and specialty leathers eliminates any reliance by the Company upon a sole supplier. The Company currently purchases the vast majority of the raw pigskins used in a significant portion of its tannery operations from one domestic source. This source has been a reliable and consistent supplier for over 30 years. Alternative sources of pigskin are available; however the price, processing and/or product characteristics are less advantageous to the Company. The Company purchases all of its other raw materials and component parts from a variety of sources, none of which is believed by the Company to be a dominant supplier.

The Company is subject to the normal risks of doing business abroad due to its international operations, including the risk of expropriation, acts of war or terrorism, political disturbances and similar events, the imposition of trade barriers, quotas, tariffs and duties, loss of most favored nation trading status and currency and exchange rate fluctuations. With respect to international sourcing activities, management believes that over a period of time, it could arrange adequate alternative sources of supply for the products currently obtained from its foreign suppliers. A sustained disruption of such sources of supply could have an adverse impact on the Company's operations and financial condition.

Trademarks, Licenses and Patents.

The Company holds a significant portfolio of registered and common law trademarks that identify its branded footwear products. The owned trademarks that are most widely used by the Company include *Hush Puppies*®, *Wolverine*®, *Bates*®, *Wolverine Fusion*®, *DuraShocks*®, *Wolverine MultiShox*™, *Wolverine Compressor*™, *Hidden Tracks*®, *iTechnology*™, *Bounce*®, *Comfort Curve*®, *HyTest*®, *Merrell*®, *Continuum*®, *Sebago*®, *Q-Form*™ and *Track'N Trail*®. Pigskin leather produced by the Company's Wolverine Leathers Division is sold under the trademarks *Wolverine Leathers*®, *Wolverine Warrior Leather*®, *Weather Tight*® and *All Season Weather Leathers*™. The Company has obtained license rights to manufacture, market and distribute footwear throughout the world under the *Cat*®, *Harley-Davidson*® and *Patagonia*® trademarks, and the right to manufacture, market and distribute footwear in the United States and other countries under the *Stanley*® trademark, all pursuant to license arrangements with the respective trademark owners. The Company's license agreement for *Stanley*® footwear will terminate effective June 30, 2008. The *Cat*® footwear license has a current term extending through December 2011. The *Harley-Davidson*® footwear license is long term and extends for more than five years. The *Patagonia*® footwear license extends for more than five years and also includes conditional renewal options. All of these license agreements are subject to early termination provisions.

The Company believes that its products are identified by consumers by its trademarks and that its trademarks are valuable assets. The Company is not aware of any infringing uses or any prior claims of

ownership of its trademarks that could materially affect its current business. It is the policy of the Company to pursue registration of its primary marks whenever possible and to vigorously defend its trademarks against infringement or other threats to the greatest extent practicable under the laws of the United States and other countries. The Company also holds many design and utility patents, copyrights and various other proprietary rights. The Company protects all of its proprietary rights to the greatest extent practicable under applicable laws.

Order Backlog.

At February 17, 2007, the Company had an order backlog of approximately \$354 million compared with an order backlog of approximately \$317 million at February 18, 2006, determined on a basis consistent with the current year. Substantially all of the backlog relates to demand for products expected to be shipped in 2007. Orders in backlog are subject to cancellation by customers and to changes in planned customer demand or at-once orders. The backlog at a particular time is affected by a number of factors, including seasonality, retail conditions, expected customer demand, product availability and the schedule for the manufacture and shipment of products. Accordingly, a comparison of backlog from period to period is not necessarily meaningful and may not be indicative of eventual actual shipments.

Competition.

The Company's footwear lines are manufactured and marketed in a highly competitive environment. The Company competes with numerous domestic and foreign marketers, manufacturers and importers of footwear, some of which are larger and have greater resources than the Company. The Company's major competitors for its brands of footwear are located in the United States and Europe. The Company has at least ten major competitors in connection with the sale of its work shoes and boots, at least ten major competitors in connection with the sale of its sport boots, and at least thirty major competitors in connection with the sale of its casual, work and outdoor shoes. Product performance and quality, including technological improvements, product identity, competitive pricing and ability to control costs, and the ability to adapt to style changes are all important elements of competition in the footwear markets served by the Company. The footwear industry in general is subject to changes in consumer preferences. The Company strives to maintain its competitive position through promotion of brand awareness, manufacturing and sourcing efficiencies, and the style, comfort and value of its products. Future sales by the Company will be affected by its continued ability to sell its products at competitive prices and to meet shifts in consumer preferences.

Because of the lack of reliable published statistics, the Company is unable to state with certainty its position in the footwear industry. Market shares in the non-athletic footwear industry are highly fragmented and no one company has a dominant market position.

Research and Development.

In addition to normal and recurring product development, design and styling activities, the Company engages in research and development related to the development of new production techniques and to improving the function, performance, reliability and quality of its branded footwear and other products. The Company's continuing relationship with the Biomechanics Evaluation Laboratory at Michigan State University, for example, has led to specific biomechanical design concepts, such as *Bounce*®, *DuraShocks*® and *Hidden Tracks*® comfort technologies, that have been incorporated in the Company's footwear. While the Company continues to be a leading developer of footwear innovations, research and development costs do not represent a material portion of operating expenses.

Environmental Matters.

Compliance with federal, state and local provisions which have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment have not had, nor are they expected to have, any material effect on the capital expenditures, earnings or competitive position of the Company and its subsidiaries. The Company uses and generates certain substances and wastes that are regulated or may be deemed hazardous under certain federal, state and local regulations with respect to the environment. The Company from time to time works with federal, state and local agencies to resolve cleanup issues at various waste sites and other regulatory issues.

Employees.

As of December 30, 2006, the Company had approximately 4,532 domestic and foreign production, office and sales employees. Approximately 457 employees were covered by four union contracts expiring at various dates through April 30, 2009. The Company presently considers its employee relations to be good.

Available Information.

Information about the Company, including the Company's Code of Conduct & Compliance, Corporate Governance Guidelines, Director Independence Standards, Accounting and Finance Code of Ethics, Audit Committee Charter, Compensation Committee Charter, Executive Committee Charter and Governance Committee Charter, is available at its website, www.wolverineworldwide.com. Printed copies of the documents listed above are available, without charge, by writing to the Company at 9341 Courtland Drive, N.E., Rockford, Michigan 49351, Attention: General Counsel.

The Company also makes available on or through its website, free of charge, the Company's annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to those reports (along with certain other Company filings with the Securities and Exchange Commission ("SEC")) as soon as reasonably practicable after electronically filing such material with, or furnishing it to, the SEC. These materials are also accessible on the SEC's website at www.sec.gov.

Item 1A. Risk Factors.

Impact of Consumer Spending Patterns.

The success of the Company's operations depends to a significant extent upon a number of factors affecting disposable consumer income, both domestic and foreign, including economic conditions and factors such as employment, business conditions, interest rates and taxation. In addition, consumer spending patterns may be affected by changes in the amount or severity of inclement weather, the acceptability of U.S. brands in international markets and the growth or decline of global footwear markets. The Company's business, results of operations and financial condition may be adversely affected by changes in consumer spending or economic conditions.

Competition and Changes in Consumer Preferences.

The Company competes with numerous other marketers of footwear, some of which are larger and have greater resources than the Company. Product performance and quality, including technological

improvements, product identity, competitive pricing and the ability to adapt to style changes are all important elements of competition in the footwear industry. The footwear industry in general is subject to changes in consumer preferences with respect to the popularity of particular designs and categories of footwear. The Company strives to maintain and improve its competitive position through promotion of brand awareness, sourcing efficiencies, and the style, comfort and value of its products. Future sales by the Company will be affected by its continued ability to sell its products at competitive prices and to meet shifts in consumer preferences. If the Company is unable to respond effectively to competitive pressures and changes in consumer spending, the Company's business, results of operations and financial condition will be adversely affected.

Inventory Management.

The Company's ability to manage its inventories properly is an important factor in its operations. Inventory shortages can impede the Company's ability to meet at-once orders and can adversely affect the timing of shipments to customers and diminish brand loyalty. Conversely, excess inventories can result in increased interest costs as well as lower gross margins due to the necessity of lowering prices in order to liquidate excess inventories. If the Company is unable to effectively manage its inventory, its business, results of operations and financial condition will be adversely affected.

Dependence on Foreign Manufacturers.

The Company currently sources most of its footwear from third party manufacturers in foreign countries, predominantly China. As is common in the industry, the Company does not have long-term contracts with its foreign footwear manufacturers. The Company is a major customer of many of the third party manufacturers from which it sources products. There can be no assurance, however, that the Company will not experience difficulties with such manufacturers, including reduction in the availability of production capacity, failure to meet production deadlines or increases in manufacturing costs. The Company's future results will depend partly on its ability to maintain positive working relationships with its third party manufacturers.

Foreign manufacturing is subject to a number of risks, including work stoppages, transportation delays and interruptions, political instability, foreign currency fluctuations, changing economic conditions, expropriation, nationalization, the imposition of tariffs, import and export controls and other non-tariff barriers and changes in governmental policies. The possibility exists that trade relations with China and other countries where the Company sources its products will worsen or that China will shift its manufacturing capacity away from footwear to other industries. Any of these events could have an adverse effect on the Company's business, results of operations and financial condition.

Changes in monetary controls and valuations of the Chinese yuan renminbi and the currencies of other countries from which the Company sources, and their relative value to the U.S. Dollar could have an adverse effect on the Company's business, results of operations and financial condition.

The Company cannot predict whether additional United States or foreign customs quotas, duties, taxes or other changes or restrictions will be imposed upon the importation of non-domestically produced products in the future or what effect such actions could have on the Company's business, financial condition or results of operations.

Suppliers and Service Providers.

The Company's ability to competitively price its products depends on the cost of footwear components, services, labor, equipment and raw materials, including leather and materials used in the production of outsoles. The cost of services and materials is subject to change based on the availability and market conditions that are difficult to predict. Conditions such as diseases affecting the availability of leather affect the cost of the footwear marketed by the Company. In addition, the Company's shipping costs are affected by fuel prices and numerous other factors such as the possibility of service interruptions at shipping and receiving ports.

The Company purchases pigskins for its tannery operations from a single domestic source pursuant to short-term contracts. Although this source has been a reliable and consistent supplier for over 30 years, there are no assurances that it will continue as a supplier. Failure of this source to continue to supply the Company with pigskin or to supply the Company with pigskin on less favorable terms could have a negative impact on the Company's business, results of operations and financial condition.

Customers.

The Company's financial success is directly related to the willingness of its customers to continue to purchase its products. The Company does not typically have long-term contracts with its customers. Sales to the Company's customers are generally on an order-by-order basis and are subject to rights of cancellation and rescheduling by the customers. Failure to fill customers' orders in a timely manner could harm the Company's relationships with its customers. Furthermore, if any of the Company's major customers experience a significant downturn in its business, or fails to remain committed to the Company's products or brands, then these customers may reduce or discontinue purchases from the Company, which could have an adverse effect on the Company's business, results of operations and financial condition.

The Company sells its products to wholesale customers and extends credit based on an evaluation of each customer's financial condition, usually without requiring collateral. The financial difficulties of a customer could cause the Company to stop doing business with that customer or reduce its business with that customer. The Company's inability to collect from its customers or a cessation or reduction of sales to certain customers because of credit concerns could have an adverse effect on the Company's business, results of operations and financial condition.

The recent trend toward consolidation in the retail industry could lead to customers seeking more favorable terms of purchase from the Company and could lead to a decrease in the number of stores that carry the Company's products.

The Company has been awarded a number of U.S. Department of Defense contracts that include future purchase options for *Bates*® footwear. Failure to exercise these purchase options by the Department of Defense or the failure of the Company to secure future U.S. Department of Defense contracts could have an adverse effect on the Company's business, results of operations and financial condition.

The Company's products are sold in many international markets through independent licensees or distributors. Failure by the Company's licensees or distributors to meet planned annual sales goals could have an adverse effect on the Company's business, results of operations and financial condition, and it may be difficult and costly to locate an acceptable substitute distributor or licensee. If a change in distributors becomes necessary, the Company may experience increased costs, as well as substantial disruption and a resulting loss of sales and brand equity in that market.

In addition, changes in the channels of distribution such as the growth of Internet commerce and the trend toward the sale of private label products by major retailers could have an adverse effect on the Company's business, results of operations and financial condition.

Implementation of Growth Strategy.

As part of its growth strategy, the Company seeks to enhance the positioning of its brands and to extend its brands into complementary product categories and consumer groups, to expand geographically, and to improve operational performance. There can be no assurance that we will be able to successfully implement any or all of these growth strategies, which could have an adverse effect on the Company's business, results of operations and financial condition. There is no assurance that the *Patagonia*® footwear launch and the Company's expected *Merrell*® brand expansion into apparel in Fall 2007 will be successful. The Company is investing substantial resources into these two product launches in 2007 and the failure of either or both could have an adverse effect on the Company's business, results of operations and financial condition.

Reputational Risks.

The Company requires its independent contract manufacturers, distributors, licensees and others with which it does business to comply with the Company's standards relating to working conditions and other matters. If a party with which the Company does business is found to have violated the Company's standards, the Company could receive negative publicity that could damage its reputation and negatively affect the value of its brands.

Information Technology.

The Company's technology systems are critical to the operations of its business. Any interruption, impairment or loss of data integrity or malfunction of these systems could severely impact the Company's business, including delays in product fulfillment and reduced efficiency in operations. In addition, costs and potential problems and interruptions associated with the implementation of new or upgraded systems or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of our operations.

Government/Regulation.

The Company's business is affected by changes in government and regulatory policies in the United States and on a global basis. Changes in interest rates, tax laws, duties, tariffs and quotas could have a negative impact on the Company's ability to produce and market footwear at competitive prices.

Global Political and Economic Uncertainty.

Concerns regarding acts of terrorism, the war in Iraq and subsequent events have created significant global economic and political uncertainties that may have material and adverse effects on consumer demand, foreign sourcing of footwear, shipping and transportation, product imports and exports and the sale of products in foreign markets. The Company is subject to risks in doing business in developing countries and economically volatile areas.

Currency.

Foreign currency fluctuation in valuations compared to the U.S. Dollar, changes in monetary controls and valuations, and the relative value to the U.S. dollar affect the Company's profitability. For a more detailed discussion of risk relating to foreign currency fluctuation, see Item 7A, *Quantitative and Qualitative Disclosures About Market Risk*.

Protection of Intellectual Property; Continuation of Licensing Agreements.

The Company invests significant resources to develop and protect its intellectual property. The Company's ability to remain competitive is dependent upon its continued ability to secure and protect trademarks, patents and other intellectual property rights. In addition, some of the Company's branded footwear operations are operated pursuant to licensing agreements with third party trademark owners. These agreements are subject to early termination for breach. Early termination of any of these license agreements by the licensor could have a material adverse effect on the Company's business, results of operations and financial condition.

Integration of Newly Acquired Businesses.

The Company may make strategic acquisitions in the future and cannot assure that it will be able to successfully integrate the operations of newly-acquired businesses into the Company's current operations. The failure to integrate newly acquired businesses or the inability to make suitable strategic acquisitions in the future could have an adverse effect on the Company's business, results of operations and financial condition.

Litigation and Regulatory Proceedings.

The Company is a defendant from time to time in lawsuits and regulatory actions relating to its business. Due to the inherent uncertainties of litigation and regulatory proceedings, the Company cannot accurately predict the ultimate outcome of any such proceedings. An unfavorable outcome could have an adverse impact on the Company's business, financial condition and results of operations. In addition, regardless of the outcome of any litigation or regulatory proceedings, such proceedings are expensive and may require that the Company devote substantial resources and executive time to defend the Company.

Anti-Takeover Provisions.

Provisions of the Company's certificate of incorporation, bylaws, and the Company's Rights Plan, as well as provisions of Delaware law, could discourage, delay or prevent a merger, acquisition or other change in control of the Company. These provisions are intended to protect stockholders' interests by providing the Board of Directors a means to attempt to deny coercive takeover attempts or to negotiate with a potential acquirer in order to obtain more favorable terms. Such provisions include a board of directors that is classified so that only one-third of directors stand for election each year, the authorization of "blank check" preferred stock, which the Company's Board of Directors could issue with provisions designed to prevent or delay a takeover attempt, and provisions of the Company's Rights Plan that make it more difficult to acquire the Company without negotiating with the Board of Directors. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors and take other corporate actions.

Attraction and Retention of Qualified Personnel.

The Company is dependent on the efforts and abilities of its senior executive officers. While the Company believes that its senior management team has significant depth and that appropriate senior management succession plans are in place; the loss of one or more members of senior executive management or the failure to successfully implement succession planning could have an adverse effect on the Company, its results of operations and financial condition. The Company's future success also depends on its ability to identify, attract and retain additional qualified personnel. While the Company has historically been successful in attracting and retaining key employees, competition for such employees in the footwear industry is intense and failure to retain or attract key employees could adversely impact the Company.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

The Company operates its domestic administration, sales and marketing operations primarily from an owned facility of approximately 225,000 square feet in Rockford, Michigan. The Company's manufacturing and tanning operations are primarily conducted at a combination of leased and owned facilities in Arkansas, Michigan and the Dominican Republic. The Company operates its warehousing operations primarily through owned warehouses in Rockford, Michigan, totaling approximately 475,000 square feet, a leased warehouse in Cedar Springs, Michigan, of approximately 356,000 square feet and a leased warehouse in Howard City, Michigan, of approximately 460,000 square feet.

The Company also leases and owns various other offices and warehouses in the United States to meet its operational requirements. In addition, the Company's subsidiary, Hush Puppies Retail, Inc., operates retail stores through leases with various third-party landlords. International operations are conducted in Canada, the United Kingdom, and Europe through leased warehouses, offices and showrooms. The Company believes that its current facilities are suitable and adequate for its current needs.

Item 3. Legal Proceedings.

The Company is involved in litigation and various legal matters arising in the normal course of business, including certain environmental compliance activities. The Company has considered facts related to legal and regulatory matters and opinions of counsel handling these matters, and does not believe the ultimate resolution of such proceedings will have a material adverse effect on the Company's financial condition or future results of operations.

Item 4. Submission of Matters to a Vote of Security Holders.

No matter was submitted to a vote of security holders, through the solicitation of proxies or otherwise, during the fourth quarter of the fiscal year covered by this report.

Supplemental Item. Executive Officers of the Registrant.

The following table lists the names and ages of the Executive Officers of the Company and the positions presently held with the Company. The information provided below the table lists the business

experience of each such Executive Officer during the past five years. All Executive Officers serve at the pleasure of the Board of Directors of the Company, or if not appointed by the Board of Directors, they serve at the pleasure of management.

<u>Name</u>	<u>Age</u>	<u>Positions held with the Company</u>
Kenneth A. Grady	50	General Counsel and Secretary
Stephen L. Gulis, Jr.	49	Executive Vice President, Chief Financial Officer and Treasurer
Cheryl L. Johnson	45	Vice President, Human Resources
Blake W. Krueger	53	Chief Operating Officer and President
Timothy J. O'Donovan	61	Chief Executive Officer and Chairman
Nicholas P. Ottenwess	44	Vice President of Finance and Corporate Controller

Kenneth A. Grady has served the Company as General Counsel and Secretary since October 2006. During 2006, he was President and shareholder of the law firm K.A. Grady PC. During 2005, he served as Vice President, General Counsel and Secretary of PC Connection, Inc., a direct marketer of information technology products and solutions. From 2004 to 2005, Mr. Grady served as Executive Vice President of Administration, General Counsel and Secretary of KB Toys, Inc., a specialty toy retailer. From 2001 to 2004, he served as Vice President, General Counsel and Secretary of KB Toys, Inc.

Stephen L. Gulis, Jr., has served the Company as Executive Vice President, Chief Financial Officer and Treasurer since April 1996. From 1994 to April 1996 he served as Vice President and Chief Financial Officer. From 1993 to 1994 he served as Vice President of Finance and Corporate Controller and from 1986 to 1993 he was the Vice President of Administration and Controller for The Hush Puppies Company.

Cheryl L. Johnson has served the Company as Vice President of Human Resources since January 2006. From 2004 to 2006 she served as Human Resources Director for Whirlpool Corporation, a manufacturer and marketer of major home appliances. From 2002 to 2004 she served as Vice President of Global Human Resources, Fluid Handling Products Division for Textron, Inc., a manufacturer of centrifugal, axial flow, power, direct acting and gear pumps. During 2002 she served as Global Human Resources Director, Flooring Division, for E.I. du Pont de Nemours and Company, a chemical company, and from 1991 to 2002, she served as Global Human Resources Manager for that company.

Blake W. Krueger has served the Company as Chief Operating Officer and President since October 2005. From August 2004 to October 2005, he served as Executive Vice President and Secretary of the Company and President of the Heritage Brands Group. From November 2003 to August 2004 he served the Company as Executive Vice President, Secretary, and President of Caterpillar Footwear. From April 1996 to November 2003 he served the Company as Executive Vice President, General Counsel and Secretary. From 1993 to April 1996 he served as General Counsel and Secretary. From 1985 to 1996 he was a partner with the law firm of Warner Norcross & Judd LLP.

Timothy J. O'Donovan has served the Company as Chief Executive Officer and Chairman of the Board since April 2005. From April 2000 to April 2005 he served as Chief Executive Officer and President. From 1996 to April 2000 he served as Chief Operating Officer and President. From 1982 to April 1996 he served as Executive Vice President.

Nicholas P. Ottenwess has served the Company as Vice President of Finance and Corporate Controller since June 2001. From September 1997 to June 2001 he served as Corporate Controller. From 1993 to September 1997 he served as Vice President of Finance and Administration for The Hush Puppies Company.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

The Company's common stock is traded on the New York Stock Exchange under the symbol "WWW." The following table shows the high and low stock prices on the New York Stock Exchange and dividends declared by calendar quarter for 2006 and 2005. The number of stockholders of record on February 21, 2007, was 1,388.

Stock Price	2006		2005	
	High	Low	High	Low
First quarter	\$ 24.21	\$ 20.96	\$ 23.65	\$ 20.04
Second quarter	25.18	20.26	25.70	18.90
Third quarter	26.46	22.27	25.02	20.48
Fourth quarter	30.20	25.41	22.95	19.35

Cash Dividends Declared Per Share	2006	2005
First quarter	\$.075	\$.065
Second quarter	.075	.065
Third quarter	.075	.065
Fourth quarter	.075	.065

A quarterly dividend of \$0.09 per share was declared during the first quarter of fiscal 2007.

All prices and dividends are adjusted for the Company's three-for-two stock split distribution on February 1, 2005.

See Item 12 for information with respect to the Company's equity compensation plans.

The following table relates information regarding the Company's purchases of its own common stock during the fourth quarter:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
Period 1 (September 10, 2006 to October 7, 2006)				
Common Stock Repurchase Program ⁽¹⁾	-	\$ -	-	1,492,682
Employee Transactions ⁽²⁾	7,218	28.26	N/A	N/A
Period 2 (October 8, 2006 to November 4, 2006)				
Common Stock Repurchase Program ⁽¹⁾	114,300	\$ 27.49	114,300	1,378,382
Employee Transactions ⁽²⁾	3,237	27.76	N/A	N/A
Period 3 (November 5, 2006 to December 2, 2006)				
Common Stock Repurchase Program ⁽¹⁾	186,500	\$ -	186,500	1,191,882
Employee Transactions ⁽²⁾	-	-	N/A	N/A
Period 4 (December 3, 2006 to December 30, 2006)				
Common Stock Repurchase Program ⁽¹⁾	-	-	-	1,191,882
Employee Transactions ⁽²⁾	28,370	\$ 29.04	N/A	N/A
Total for Fourth Quarter ended December 30, 2006				
Common Stock Repurchase Program ⁽¹⁾	300,800	\$ 27.57	300,800	1,191,882
Employee Transactions ⁽²⁾	38,825	28.79	N/A	N/A

- (1) The Company's Board of Directors approved common stock repurchase programs on December 13, 2005, and on October 5, 2004. Each program authorizes the repurchase of 3.0 million shares of common stock over a 24-month period commencing on the effective date of the program. All shares repurchased during the period covered by this report were purchased under publicly announced programs.
- (2) Employee transactions include: (1) shares delivered or attested in satisfaction of the exercise price and/or tax withholding obligations by holders of employee stock options who exercised options and (2) restricted shares withheld to offset tax withholding that occurs upon vesting of restricted shares. The Company's employee stock compensation plans currently provide that the value of the shares delivered or attested to, or withheld, shall be the closing price of the Company's common stock on the date the relevant transaction occurs.

Item 6. Selected Financial Data.

Five-Year Operating and Financial Summary ⁽¹⁾

	2006	2005	2004	2003	2002
<i>(Thousands of Dollars, Except Per Share Data)</i>					
Summary of Operations					
Revenue	\$ 1,141,887	\$ 1,060,999	\$ 991,909	\$ 888,926	\$ 827,106
Net earnings	83,647	74,467	65,938	51,716	47,912
Per share of common stock:					
Basic net earnings ⁽²⁾⁽³⁾	\$ 1.52	\$ 1.33	\$ 1.15	\$.88	\$.79
Diluted net earnings ⁽²⁾⁽³⁾	1.47	1.27	1.09	.85	.77
Cash dividends declared ⁽²⁾	.30	.26	.19	.15	.12
Financial Position at Year End					
Total assets	\$ 671,092	\$ 626,580	\$ 639,571	\$ 593,762	\$ 531,994
Long-term debt	21,471	32,411	43,904	59,923	72,915

Notes to Five-Year Operating and Financial Summary

- (1) This summary should be read in conjunction with the consolidated financial statements and the notes thereto, which are attached as Appendix A to this Form 10-K.
- (2) On December 15, 2004, the Company announced a three-for-two stock split in the form of a stock dividend on shares of common stock outstanding at January 3, 2005 that was distributed to stockholders on February 1, 2005. All per share data has been retroactively adjusted for the increased shares resulting from this stock split. Treasury shares were excluded from the stock split.
- (3) Basic earnings per share are based on the weighted average number of shares of common stock outstanding during the year after adjustment for nonvested restricted common stock. Diluted earnings per share assume the exercise of dilutive stock options and the vesting of all outstanding restricted stock.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

OVERVIEW

Wolverine World Wide, Inc. (the "Company") has a strategic vision - "To Excite Consumers Around the World with Innovative Footwear and Apparel that Bring Style to Purpose." To reach this vision, the Company continues to focus on the tenets of product innovation, global expansion, brand development, service excellence and community service with the end goal of delivering superior shareholder returns. There is also continued focus on the financial growth initiatives of achieving mid-to-upper single digit average annual revenue growth, annual double-digit EPS increases and improved asset utilization and strong cash generation.

The following financial performance highlights of 2006 are a result of the execution of these strategies:

- Seventh consecutive year of revenue growth with revenue increasing 7.6% to an all-time record level of \$1.142 billion
- Earnings per share achieved an all-time record level of \$1.47 per share, an increase of 15.7% over the \$1.27 reported in the prior year, which marks the fourth consecutive year of double-digit growth
- Continued focus on improved cash collections resulted in a 2.9% decrease in accounts receivable on a revenue increase of 7.6%

- Inventory increased 14.2% primarily to support the growth of the global *Merrell*® Footwear business and the initial launch of *Patagonia*® Footwear
- Investment spending to support the development of the *Merrell*® Apparel and *Patagonia*® Footwear initiatives totaled \$6.8 million in 2006
- Cash provided from operating activities for 2006 reached \$108.3 million, marking the fourth consecutive year of cash generation in excess of \$100.0 million
- The Company's cash position remained strong at the end of 2006 with \$124.7 million of cash on hand and debt outstanding of \$21.5 million

The following is a discussion of the Company's results of operations and liquidity and capital resources. This section should be read in conjunction with the consolidated financial statements and notes. All share and per share amounts in Management's Discussion and Analysis of Financial Condition and Results of Operations have been adjusted for all periods to reflect the three-for-two stock split distributed on February 1, 2005.

RESULTS OF OPERATIONS - FISCAL 2006 COMPARED TO FISCAL 2005

FINANCIAL SUMMARY - 2006 VERSUS 2005

	2006		2005		Change	
	\$	%	\$	%	\$	%
<i>(Millions of Dollars, Except Per Share Data)</i>						
Revenue						
Branded footwear and licensing	\$ 1,036.9	90.8%	\$ 964.5	90.9%	\$ 72.4	7.5%
Other business units	105.0	9.2%	96.5	9.1%	8.5	8.8%
Total revenue	\$ 1,141.9	100.0%	\$ 1,061.0	100.0%	80.9	7.6%
Gross margin						
Branded footwear and licensing	\$ 402.3	38.8%	\$ 369.6	38.3%	\$ 32.7	8.9%
Other business units	39.2	37.4%	35.6	36.9%	3.6	10.1%
Total gross margin	441.5	38.7%	\$ 405.2	38.2%	\$ 36.3	9.0%
Selling and administrative expenses						
Interest (income) expense - net	\$ (2)	0.0%	1.9	0.2%	(2.1)	(110.6%)
Other expense - net	1.2	0.1%	.2	0.0%	1.0	698.7%
Earnings before income taxes and minority interest	122.3	10.7%	111.2	10.5%	11.1	9.9%
Net earnings	83.6	7.3%	74.5	7.0%	9.1	12.3%
Diluted earnings per share	\$ 1.47	-	\$ 1.27	-	\$.20	15.7%

The Company has one reportable segment that is engaged in manufacturing, sourcing, marketing, licensing and distributing branded footwear, apparel and accessories. Within the branded footwear and licensing segment, the Company has identified five operating units, consisting of the Outdoor Group (comprised of the *Merrell*®, *Sebago*® and *Patagonia*® Footwear brands), the Wolverine Footwear Group (comprised of the *Wolverine*®, *HYTEST*®, *Bates*® Footwear and *Stanley*® Footgear brands and certain

private label branded products), the Heritage Brands Group (comprised of *Cat*® Footwear and *Harley-Davidson*® Footwear), The Hush Puppies Company, and Other Branded Footwear. The Company's other business units consist of Wolverine Retail and Wolverine Leathers (comprised of the tannery and procurement operations). The following is supplemental information on total revenue:

TOTAL REVENUE

	2006		2005		Change	
	\$	%	\$	%	\$	%
<i>(Millions of Dollars)</i>						
Outdoor Group	\$ 393.3	34.4%	\$ 337.8	31.8%	\$ 55.5	16.5%
Wolverine Footwear Group	275.8	24.2%	285.5	26.9%	(9.7)	(3.4%)
Heritage Brands Group	192.3	16.8%	174.2	16.4%	18.1	10.4%
The Hush Puppies Company	169.9	14.9%	163.4	15.4%	6.5	4.0%
Other Branded Footwear	5.6	0.5%	3.6	0.4%	2.0	57.8%
Total branded footwear and licensing revenue	\$ 1,036.9	90.8%	\$ 964.5	90.9%	\$ 72.4	7.5%
Other business units	105.0	9.2%	96.5	9.1%	8.5	8.8%
Total revenue	\$ 1,141.9	100.0%	\$ 1,061.0	100.0%	\$ 80.9	7.6%

REVENUE

Revenue for 2006 increased \$80.9 million over 2005. Increases in unit volume, changes in product mix and changes in selling price for the branded footwear and licensing segment operations, as discussed below, contributed \$66.8 million of the revenue increase. Of the \$66.8 million revenue increase, \$19.2 million was attributed to increased shipments to an international distributor and the conversion of this distributor from a royalty arrangement to a wholesale operation, which required recognition of sales and cost of products sold. The impact of translating foreign denominated revenue to U.S. dollars improved revenue by \$5.6 million. The other business units contributed \$8.5 million to the increase. Both domestic and international revenue increased, with international revenue accounting for 33.4% of total revenue in 2006 compared to 30.2% in 2005.

The Outdoor Group reported an increase in revenue of \$55.5 million over 2005, its ninth year of double-digit growth. The *Merrell*® business realized a \$54.8 million increase over the prior year as revenue increases were achieved across all geographic locations. The brand also continued to experience growth with its network of international distributors. Strong sales in the multi-sport, after-sport and sports fashion categories drove the majority of the increase. The *Sebago*® brand experienced a slight decrease in revenue from the prior year. The decrease was primarily a result of lower than anticipated shipments in the U.S. The growth and change in the international distributor arrangement mentioned above contributed \$11.8 million to the increase for the Outdoor Group. The first shipments of the *Patagonia*® product contributed approximately \$.8 million to the increase.

The Wolverine Footwear Group recorded a \$9.7 million decrease in revenue for 2006, as compared to 2005. The *Wolverine*® boot business experienced an increase of \$3.8 million during 2006 due to strong customer demand and reorder activity on the *Wolverine*® *MultiShox*™ comfort technology product. A decrease of \$6.0 million in the *Bates*® division was primarily the result of a planned reduction of Department of Defense contract shipments. The *Stanley*® Footgear and private label businesses realized \$3.6 million and \$3.9 million revenue decreases, respectively, due to reduced customer demand.

The Heritage Brands Group experienced an \$18.1 million revenue increase in 2006 as compared to 2005. *Cat*® Footwear's revenue increased \$16.1 million driven by strong revenue growth in the U.S., Canada, continental Europe and globally through the international distribution network. Improved sell-through

results have been experienced through the introduction of expanded product campaigns including the *Legendary RAW™* and *iTechnology™* collections. Increased shipments to the *Harley-Davidson®* dealer network resulted in a \$2.0 million revenue increase for the *Harley-Davidson®* Footwear brand in 2006. The growth and change in the international distributor arrangement mentioned above contributed \$7.4 million to the increase for the Heritage Brands Group.

The Hush Puppies Company's revenue increased \$6.5 million in 2006. The majority of the revenue growth was driven by increased wholesale shipments in the Canadian and European markets, as well as higher royalty income generated by international licensees. Strong response to the *Hush Puppies®* product fueled a revenue increase of \$4.6 million in Canada, an increase of \$2.6 million in Europe and a slight increase in the U.S. A \$2.1 million revenue decrease in the slipper product was experienced as the Company has decided to phase out of the slipper business. International licensing revenue increased \$1.2 million in 2006 as global demand for *Hush Puppies®* product continued to grow.

Within the Company's other business units, Wolverine Retail reported a \$4.5 million increase in revenue as a result of a mid-single digit same-store revenue increase, as well as the net addition of six stores as compared to 2005. The Wolverine Leathers operation reported a \$4.0 million increase primarily due to increased demand for the Company's proprietary sueded products.

The Company ended 2006 with an increase in order backlog of over 10% above 2005 year-end levels. This backlog principally reflects demand for the first half of 2007.

GROSS MARGIN

The gross margin level for 2006 of 38.7% was a 50 basis point increase over the prior year. A change in business mix contributed an increase of 40 basis points, favorable product costs increased margin by 30 basis points and benefits from favorable foreign exchange contract rates associated with the Company's foreign entity inventory purchases added 10 basis points. These improvements were partially offset by a reduction of 30 basis points due to increased product costs on the European operations related to the levying of dumping duties on products sourced from China and Vietnam.

SELLING AND ADMINISTRATIVE EXPENSES

Selling and administrative expenses increased \$26.3 million during 2006 to \$318.2 million. The Company invested approximately \$6.1 million in product development and selling and administrative costs on the *Merrell®* Apparel and *Patagonia®* Footwear initiatives in 2006. Incremental stock-based compensation costs increased the selling and administrative expenses by \$2.7 million as a result of the adoption of Statement of Financial Accounting Standards (SFAS) No. 123(R). The remaining increases related primarily to selling and distribution costs that vary with the increase in revenue.

INTEREST, OTHER & TAXES

The change in net interest reflected increased interest income from invested cash balances, as well as lower average outstanding amounts on senior notes and minimal borrowing under the Company's revolving credit facility.

The increase in other expense primarily related to the change in realized gains or losses on foreign denominated assets and liabilities.

The Company's effective income tax rate for 2006 was 31.6%, compared to 33.1% in 2005. In the fourth quarter of 2006, the Company recognized a one-time net income tax benefit of \$1.5 million resulting from the closure of prior year income tax audits. The 2005 income tax rate reflected additional income tax expense of \$1.4 million due to the Company's repatriation of earnings of foreign subsidiaries of \$41.5

million as provided under the American Jobs Creation Act of 2004. The annualized effective tax rate for fiscal 2007 is estimated to range from 33.0% to 33.5%.

NET EARNINGS

As a result of the revenue, gross margin and expense changes discussed above, the Company achieved net earnings of \$83.6 million compared to \$74.5 million in 2005, an increase of \$9.1 million.

RESULTS OF OPERATIONS - FISCAL 2005 COMPARED TO FISCAL 2004

FINANCIAL SUMMARY - 2005 VERSUS 2004

	2005		2004		Change	
	\$	%	\$	%	\$	%
<i>(Millions of Dollars, Except Per Share Data)</i>						
Revenue						
Branded footwear and licensing	\$ 964.5	90.9%	\$ 903.6	91.1%	\$ 60.9	6.7%
Other business units	96.5	9.1%	88.3	8.9%	8.2	9.2%
Total revenue	\$ 1,061.0	100.0%	\$ 991.9	100.0%	69.1	7.0%
Gross margin						
Branded footwear and licensing	\$ 369.6	38.3%	\$ 343.1	38.0%	\$ 26.5	7.7%
Other business units	35.6	36.9%	31.0	35.2%	4.6	14.7%
Total gross margin	\$ 405.2	38.2%	\$ 374.1	37.7%	\$ 31.1	8.3%
Selling and administrative expenses						
	\$ 291.9	27.5%	\$ 274.1	27.6%	\$ 17.8	6.5%
Interest expense - net	1.9	0.2%	3.2	0.3%	(1.3)	(41.1%)
Other (income) expense - net	.2	0.0%	(.3)	0.0%	.5	(149.2%)
Earnings before income taxes and minority interest	111.2	10.5%	97.1	9.8%	14.2	14.6%
Net earnings	74.5	7.0%	65.9	6.6%	8.6	12.9%
Diluted earnings per share	\$ 1.27	-	\$ 1.09	-	\$.18	16.5%

The following is supplemental information on total revenue:

TOTAL REVENUE

	2005		2004		Change	
	\$	%	\$	%	\$	%
<i>(Millions of Dollars)</i>						
Outdoor Group	\$ 337.8	31.8%	\$ 286.6	28.9%	\$ 51.2	17.8%
Wolverine Footwear Group	285.5	26.9%	293.8	29.6%	(8.3)	(2.8%)
Heritage Brands Group	174.2	16.4%	164.4	16.6%	9.8	5.9%
The Hush Puppies Company	163.4	15.4%	152.8	15.4%	10.6	7.0%
Other Branded Footwear	3.6	0.4%	6.0	0.6%	(2.4)	(40.9%)
Total branded footwear and licensing revenue	\$ 964.5	90.9%	\$ 903.6	91.1%	\$ 60.9	6.7%
Other business units	96.5	9.1%	88.3	8.9%	8.2	9.2%

Total revenue	\$ 1,061.0	100.0%	\$ 991.9	100.0%	\$ 69.1	7.0%
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REVENUE

Revenue for 2005 increased \$69.1 million over 2004. The addition of the *Cat*® and *Wolverine*® wholesale operations in Canada, as well as the transition of the *Merrell*® businesses in Sweden and Finland and the *Sebago*® operations in the U.K. and Germany from distributor-based businesses to Company-owned wholesale businesses represented \$20.6 million of the revenue increase. Increases in unit volume, changes in product mix and changes in selling price for the branded footwear and licensing segment operations, as discussed below, contributed \$45.0 million of the revenue increase. The impact of translating foreign denominated revenue to U.S. dollars improved revenue by \$3.5 million. Both domestic and international revenue increased with international revenue accounting for 30.2% of total revenue in 2005 compared to 27.5% in 2004.

The Outdoor Group reported a 17.8% increase in revenue over 2004, its eighth year of double-digit growth. The *Merrell*® business achieved double-digit growth in the U.S., Canada and Europe. The brand also experienced growth with its network of international distributors. Strong sales in the multi-sport, after-sport and sports fashion categories drove the increase. The *Sebago*® brand experienced a 17.6% increase in revenue over the prior year. The increase was driven by sales in the international markets where distribution arrangements have been converted to Company-owned wholesale operations.

The Wolverine Footwear Group experienced a 2.8% decline in revenue for 2005. The *Wolverine*® and *Stanley*® Footgear boot businesses experienced an increase of \$5.7 million during 2005 as new product and marketing initiatives drove strong retail performance. The conversion of a Canadian distributorship to a Company-owned wholesale operation accounted for approximately half of the increase. The decrease of \$12.2 million in the *Bates*® division was primarily the result of a planned reduction in combat boot shipments. A reduction in demand for private label product contributed \$1.8 million to the decrease in revenue for 2005.

The Heritage Brands Group experienced a 5.9% revenue increase in 2005. The *Cat*® Footwear increase was driven by revenue growth in Europe and with the Company's global trading partners. Positive consumer response to new product initiatives such as *iTechnology*™ and expanded retail distribution helped to drive the increase. The conversion of the business in Canada from a distributorship to a Company-owned wholesale operation also contributed to the increase. Revenue for the *Harley-Davidson*® Footwear brand remained even with the prior year.

The Hush Puppies Company's revenue increased 7.0% in 2005. The revenue growth was broad-based as increases were achieved in the U.S., Canada and Europe. Strong response to the new contemporary-styled *Hush Puppies*® product fueled growth both in the Company-owned wholesale operations and with the Company's global licensing partners.

Within the Company's other business units, Wolverine Retail reported an upper-single-digit same-store sales increase as consumers responded favorably to the Company's products. Wolverine Leathers recorded a revenue increase driven by greater demand for sueded leather footwear.

The Company ended 2005 with an order backlog approximately 11% above 2004 year-end levels.

GROSS MARGIN

The gross margin level for 2005 of 38.2% was a 50 basis point improvement over the prior year. Benefits from favorable foreign exchange contract rates associated with the Company's foreign entity inventory purchases resulted in lower product costs which added 60 basis points to the margin. An increase in shipments of higher margin products improved margin by 40 basis points. Unfavorable manufacturing

variances and increased product costs totaling 50 basis points partially offset the gross margin improvement.

SELLING AND ADMINISTRATIVE EXPENSES

Selling and administrative expenses increased \$17.8 million during 2005 to \$291.9 million. The addition of the *Cat®* and *Wolverine®* operations in Canada, as well as the transition of the *Merrell®* businesses in Sweden and Finland and the *Sebago®* operations in the U.K. and Germany from distributor-based businesses to Company-owned wholesale businesses, accounted for \$7.3 million of the increase. The Company continued to invest in marketing and new business development which accounted for \$2.7 million of the increase. The remaining increases related primarily to selling and distribution costs that vary with the increase in revenue.

INTEREST, OTHER & TAXES

The decrease in net interest expense reflected lower average outstanding amounts on senior notes and minimal borrowing under the Company's revolving credit facility, as well as increased interest income from invested cash balances.

The decrease in other income primarily related to the change in realized gains or losses on foreign denominated assets and liabilities.

The Company's effective income tax rate for 2005 was 33.1% compared to 31.8% in 2004. During the fourth quarter of 2005, the Company elected to repatriate earnings of foreign subsidiaries as provided under the American Jobs Creation Act of 2004. The Company repatriated \$41.5 million of eligible earnings and, as a result, recorded a related tax expense of \$1.4 million.

NET EARNINGS

As a result of the revenue, gross margin and expense changes discussed above, the Company achieved net earnings of \$74.5 million compared to \$65.9 million in 2004, an increase of \$8.6 million.

LIQUIDITY AND CAPITAL RESOURCES

	December 30, 2006	December 31, 2005	Change	
			\$	%
<i>(Millions of Dollars)</i>				
Cash and cash equivalents	\$ 124.7	\$ 85.3	\$39.4	46.2%
Accounts receivable	152.6	157.1	(4.5)	(2.9%)
Inventories	184.3	161.3	23.0	14.2%
Accounts payable	47.4	41.1	6.3	15.4%
Accrued salaries and wages	19.3	17.5	1.8	10.0%
Other accrued liabilities	43.5	34.4	9.1	26.3%
Debt	21.5	32.4	(10.9)	(33.8%)
Cash provided by operating activities	108.3	117.3	(9.0)	(7.7%)
Additions to property, plant and equipment	17.1	19.2	(2.1)	(10.9%)
Depreciation and amortization	20.6	20.0	.6	2.9%

The Company continued to strengthen its balance sheet in 2006. Cash of \$108.3 million was generated from operating activities in 2006. Accounts receivable decreased 2.9% on a 7.6% revenue gain, while reducing the accounts receivable days' sales outstanding from the prior year by 2.0%. Inventory levels were up 14.2% at year end and inventory turns increased by 5.9% in comparison to the prior year.

The increase in accounts payable was attributed to the timing of inventory purchases from contract suppliers. The increase in other accrued liabilities was primarily attributable to adjustments made for foreign currency forward exchange contracts, an increase in employee benefit accruals, an increase in profit-sharing accruals, timing of royalty payments and an increase in taxes payable.

The majority of capital expenditures were for information system enhancements, consumer-direct initiatives, distribution equipment and building improvements. The Company leases machinery, equipment and certain warehouse, office and retail store space under operating lease agreements that expire at various dates through 2023.

The Company has a long-term revolving credit agreement that expires in July 2010 and allows for borrowings up to \$150.0 million. The revolving credit facility is used to support working capital requirements. No amounts were outstanding under the revolving credit facility at December 30, 2006 or December 31, 2005. The Company was in compliance with all debt covenant requirements at December 30, 2006 and December 31, 2005. Proceeds from the existing credit facility along with cash flows from operations are expected to be sufficient to meet capital needs in the foreseeable future. Any excess cash flows from operating activities are expected to be used to purchase property, plant and equipment, pay down existing debt, fund internal and external growth initiatives, pay dividends or repurchase the Company's common stock.

The decrease in debt was the result of annual principal payments on the Company's senior notes. The Company had commercial letter-of-credit facilities outstanding of \$2.8 million and \$2.9 million at the end of 2006 and 2005, respectively. The total debt to total capital ratio for the Company was 4.1% in 2006 and 6.6% in 2005.

The Company's pension benefit results are based upon actuarial valuations. Inherent in these valuations are key assumptions, including discount rates and expected returns on plan assets. The Company is required to consider market conditions, including changes in interest rates, in selecting these assumptions. Pre-tax expense resulting from the Company's qualified defined benefit pension plans increased \$.8 million for 2006 when compared to 2005 primarily due to the change in actuarial assumptions for purposes of estimating participant mortality. For 2006, the Company adopted the provision of SFAS No. 158 requiring the recognition of the funded status of pension plans on its balance sheet. As a result, the Company recorded a net reduction of \$13.1 million within the accumulated other comprehensive income component of stockholders' equity, a reduction to net assets of \$12.3 million and an increase to net liabilities of \$1.6 million. This adjustment had no impact on the net earnings or cash flows of the Company. The Company estimates that pre-tax expense related to qualified defined benefit pension plans will decrease in 2007 as compared to 2006 by approximately \$4.1 million primarily as a result of the reduction in the amortization of prior market value losses and a discount rate increase. This estimate is based on the expected early adoption of the measurement date provision of SFAS No. 158 in 2007, which requires the use of the Company's year end as its pension plan measurement date beginning for the 2008 expense determination. The Company previously used September 30 as its measurement date.

Applying the provisions of SFAS No. 87 and SFAS No. 132, the Company's qualified defined benefit pension plans (the "Plans") were overfunded by \$9.6 million in 2006 and \$11.1 million in 2005. Under the Employee Retirement Income Security Act of 1974, the Plans had no minimum funding requirements for 2006 and 2005. Discretionary cash contributions were made to the Plans totaling \$3.0 million in 2006 and \$3.1 million in 2005 to provide long-term stability to the Plans. The Company expects to contribute approximately \$3.0 million to its qualified defined benefit pension plans and approximately \$.9 million to the Supplemental Executive Retirement Plan (SERP) in 2007.

In the fourth quarter and full year 2006 results, the Company recognized a one-time net income tax benefit of \$1.5 million resulting from the closure of prior year income tax audits. In 2005, the Company elected to repatriate earnings of foreign subsidiaries as provided under the American Jobs Creation Act of 2004 (the "Act"), which provided for a tax deduction of 85% of certain foreign earnings that were repatriated in 2005. During the fourth quarter of fiscal 2005, the Company repatriated foreign earnings of \$41.5 million and, as a result, recorded a related tax expense of \$1.4 million. No provision has been made for U.S. federal and state income taxes or foreign taxes that may result from future remittances of the undistributed earnings of foreign subsidiaries of \$125.3 million at December 30, 2006 (\$89.2 million at December 31, 2005) as the Company expects such earnings will remain invested overseas indefinitely.

The Company's Board of Directors has approved common stock repurchase programs each authorizing the repurchase of 3.0 million shares of common stock over a 24-month period. The primary purpose of these stock repurchase programs is to increase shareholder value. The Company intends to continue repurchasing shares of its common stock in open market or privately negotiated transactions, from time-to-time, depending upon market conditions and other factors.

Authorization effective date	2006		Shares repurchased	2005		Cumulative	
	Shares repurchased	Market price of shares repurchased		Market price of shares repurchased	Shares repurchased	Market price of shares repurchased	
December 13, 2005	1,808,118	\$ 42,039,000	-	\$ -	1,808,118	\$42,039,000	
October 5, 2004	18,882	407,000	2,942,400	63,682,000	3,000,000	64,862,000	

The Company declared dividends of \$16.5 million in 2006, or \$.30 per share, which was a 15.4% increase on a per share basis over the \$14.5 million, or \$.26 per share, declared in 2005. On February 8, 2007, the Company declared a quarterly cash dividend of \$.09 per share of common stock, an increase of 20.0% as compared to the same period of 2006. The quarterly dividend is payable on May 1, 2007, to shareholders of record on April 2, 2007.

On June 6, 2005, the Company announced an exclusive global footwear licensing agreement for *Patagonia*® Footwear, with the initial product introduction debuting in Spring 2007.

During the second quarter of 2005, the Company purchased the remaining 5% ownership from the minority stockholder of Wolverine Europe Limited for a purchase price of \$2.3 million, making it a wholly-owned subsidiary. The transaction eliminated the minority interest of \$.6 million and resulted in goodwill of \$1.8 million.

On January 3, 2005, the Company expanded its owned *Cat*® and *Wolverine*® Footwear operations in Canada. This expansion allowed the Company to directly wholesale all of its major brands in Canada. Assets consisting primarily of inventory, fixed assets and amortizable intangible assets totaling \$2.1 million and assumed liabilities of \$.8 million were acquired from a former *Wolverine*® and *Cat*® Footwear distributor for \$2.3 million in cash and resulted in goodwill and intangible assets of approximately \$1.0 million. Consolidated pro forma revenue and net earnings, assuming the transaction occurred at the beginning of 2005, were not materially different from reported amounts. Pursuant to SFAS No. 142, goodwill and indefinite-lived intangibles will not be amortized, but will be evaluated for impairment annually. Goodwill was assigned to the Company's branded footwear and licensing segment. The amortizable intangible assets have a weighted average useful life of approximately ten years.

On January 3, 2005, the Company expanded its owned *Merrell*® operations into Sweden and Finland and its *Sebago*® operations into the U.K. and Germany. Assets consisting primarily of inventory totaling approximately \$.5 million were acquired from former distributors for cash.

These acquisitions are discussed further in Note 11 to the consolidated financial statements.

In early October 2006, the European Commission announced definitive anti-dumping duties at rates of 16.5% and 10.0% on imports from China and Vietnam, respectively. These definitive measures became effective October 7, 2006 and will remain in effect until October 6, 2008. The imposition of these anti-dumping measures could have a material impact on the Company's business, results of operations and financial condition.

NEW ACCOUNTING STANDARDS

In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes-an interpretation of FASB Statement No. 109* (FIN 48), which clarifies the accounting for uncertainty in tax positions. This Interpretation requires that the Company recognize in its financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. This Interpretation is effective for fiscal years beginning after December 15, 2006, with the cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. The Company is in process of calculating the effects and expects that the adoption of FIN 48 will not have a material impact on its consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* (SFAS No. 157). This new standard establishes a framework for measuring the fair value of assets and liabilities. This framework is intended to provide increased consistency in how fair value determinations are made under various existing accounting standards which permit, or in some cases require, estimates of fair market value. SFAS No. 157 also expands financial statement disclosure requirements about a company's use of fair value measurements, including the effect of such measures on earnings. The Company is required to adopt this new accounting guidance at the beginning of the fiscal year ending January 3, 2009. While the Company is currently evaluating the provisions of SFAS No. 157, the adoption is not expected to have a material impact on its consolidated financial statements.

In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* (SFAS No. 158). SFAS No. 158 amends SFAS No. 87, *Employers' Accounting for Pensions*, SFAS No. 88, *Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits*, SFAS No. 106, *Employers' Accounting for Postretirement Benefits Other than Pensions* and SFAS No. 132, *Employers' Disclosures about Pensions and Other Postretirement Benefits*. The amendments retain most of the existing measurement and disclosure guidance and will not change the amounts recognized in the Company's statements of operations. SFAS No. 158 requires companies to recognize a net asset or liability with an offset to equity, by which the defined benefit postretirement obligation is over- or under-funded. This aspect of SFAS No. 158 became effective for the Company's current fiscal year ended December 30, 2006 and has been included in the accompanying consolidated financial statements. SFAS No. 158 did not have an effect on the Company's consolidated financial condition at December 31, 2005 or January 1, 2005. SFAS No. 158 also requires that employers measure plan assets and obligations as of the date of their year-end financial statements beginning with the Company's fiscal year ending January 3, 2009. The Company expects to early adopt this requirement of SFAS No. 158 in the fiscal year ending December 29, 2007. See Note 6

for further discussion of the effect of adopting SFAS No. 158 on the Company's consolidated financial statements.

CRITICAL ACCOUNTING POLICIES

The preparation of the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, management evaluates these estimates. Estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Historically, actual results have not been materially different from the Company's estimates. However, actual results may differ from these estimates under different assumptions or conditions.

The Company has identified the following critical accounting policies used in determining estimates and assumptions in the amounts reported. Management believes that an understanding of these policies is important to an overall understanding of the consolidated financial statements.

REVENUE RECOGNITION

Revenue is recognized on the sale of products manufactured or sourced by the Company when the related goods have been shipped, legal title has passed to the customer and collectibility is reasonably assured. Revenue generated through programs with licensees and distributors involving products bearing the Company's trademarks is recognized as earned according to stated contractual terms upon either the purchase or shipment of branded products by licensees and distributors.

The Company records provisions against gross revenue for estimated stock returns and cash discounts in the period when the related revenue is recorded. These estimates are based on factors that include, but are not limited to, historical stock returns, historical discounts taken and analysis of credit memorandum activity. The actual amount of customer returns or allowances, which is uncertain, may differ from the Company's estimates. The Company would record either an increase or decrease to net sales in the period in which it determined an adjustment to be appropriate.

ACCOUNTS RECEIVABLE

The Company maintains an allowance for uncollectible accounts receivable for estimated losses resulting from its customers' inability to make required payments. Company management evaluates the allowance for uncollectible accounts receivable based on a review of current customer status and historical collection experience. Historically, losses have been within the Company's expectations. Adjustments to these estimates may be required if the financial condition of the Company's customers were to change. If the Company were to determine that increases or decreases to the allowance for uncollectible accounts were appropriate, the Company would record either an increase or decrease to general and administrative expenses in the period the Company made such a determination. At December 30, 2006 and December 31, 2005, management believes that it has provided sufficient reserves to address future collection uncertainties.

INVENTORY

The Company values its inventory at the lower of cost or market. Cost is determined by the last-in, first-out (LIFO) method for all domestic raw materials and work-in-process inventories, and certain domestic finished goods inventories. Cost is determined using methods approximating cost under the first-in, first-out (FIFO) method for all raw materials, work-in-process and finished good inventories in foreign countries. The FIFO method is also used for all finished goods inventories of the Company's retail

business, due to the unique nature of that operation, and for certain domestic finished goods inventories that were acquired as part of asset purchase transactions. Once elected, the Company has applied these inventory cost valuation methods consistently from year to year. The Company reduces the value of its inventories to the lower of cost or market for excess or obsolete inventories based upon assumptions about future demand and market conditions. If the Company were to determine that the estimated market value of its inventory is less than the carrying value of such inventory, the Company would provide a reserve for such difference as a charge to cost of sales. If actual market conditions are different from those projected, adjustments to those inventory reserves may be required. The adjustments would increase or decrease the Company's cost of sales and net income in the period in which they were realized or recorded. Inventory quantities are verified at various times throughout the year by performing annual physical inventory observations and perpetual inventory cycle count procedures. If the Company determines that adjustments to the inventory quantities are appropriate, an increase or decrease to the Company's cost of sales and inventory would be recorded in the period in which such determination was made. At December 30, 2006 and December 31, 2005, management believes that it has provided sufficient reserves for excess or obsolete inventories.

GOODWILL AND OTHER NON-AMORTIZABLE INTANGIBLES

Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are subject to impairment tests at least annually. The first step of the goodwill impairment test requires that the fair value of the applicable reporting unit be compared with its recorded value. The Company establishes fair value by calculating the present value of the expected future cash flows of the reporting unit. The Company uses assumptions about expected future operating performance in determining estimates of those cash flows, which may differ from actual cash flows. If the recorded values of these assets are not recoverable, based on this discounted cash flow analysis, management performs the next step which compares the fair value of the reporting unit calculated in step one to the fair value of the tangible and intangible assets of the reporting unit, which results in an implied fair value of goodwill. Goodwill is reduced by any shortfall of implied goodwill to its carrying value. Impairment tests for other non-amortizable intangibles require the determination of the fair value of the intangible asset. The carrying value is reduced by any excess over fair value. The Company reviewed the carrying amounts of goodwill and other non-amortizable intangible assets and there was no impairment indicated for the years ended December 30, 2006 or December 31, 2005.

INCOME TAXES

The Company operates in multiple tax jurisdictions both inside and outside the United States. Accordingly, management must determine the appropriate allocation of income in accordance with local law for each of these jurisdictions. The Company believes its tax accruals are adequate to cover exposures related to changes in income allocation between tax jurisdictions. The carrying value of the Company's deferred tax assets assumes that the Company will be able to generate sufficient taxable income in future years to utilize these deferred tax assets. If these assumptions change, the Company may be required to record valuation allowances against its gross deferred tax assets in future years, which would result in additional income tax expense in the Company's consolidated statements of operations. Management evaluates the potential for realizing gross deferred tax assets and assesses the need for valuation allowances on a quarterly basis. The Company did not record a valuation allowance in 2006 or 2005.

On a periodic basis, the Company estimates what the effective tax rate will be for the full fiscal year and records a quarterly income tax provision in accordance with the anticipated annual rate. As the fiscal year progresses, that estimate is refined based upon actual events and earnings by tax jurisdictions during the year. This continual estimation process periodically results in a change to the expected effective tax rate for the fiscal year. When this occurs, the Company adjusts the income tax provision during the quarter in which the change in estimate occurs so that the year-to-date provision equals the expected annual rate.

STOCK-BASED COMPENSATION

The Company accounts for stock-based compensation in accordance with the fair value recognition provisions of SFAS No. 123(R), *Share-Based Payment*. The Company utilizes the Black-Scholes model, which requires the input of subjective assumptions. These assumptions include estimating (a) the length of time employees will retain their vested stock options before exercising them ("expected term"), (b) the volatility of the Company's common stock price over the expected term and (c) the number of options that will ultimately not complete their vesting requirements ("forfeitures"). Changes in the subjective assumptions can materially affect the estimate of fair value of stock-based compensation and, consequently, the related amounts recognized on the consolidated condensed statements of operations.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company faces market risk to the extent that changes in foreign currency exchange rates affect the Company's foreign assets, liabilities and inventory purchase commitments and to the extent that its long-term debt requirements are affected by changes in interest rates. The Company manages these risks by attempting to denominate contractual and other foreign arrangements in U.S. dollars and by maintaining a significant percentage of its debt on a fixed-rate basis. The Company does not believe that there has been a material change in the nature of the Company's primary market risk exposures, including the categories of market risk to which the Company is exposed and the particular markets that present the primary risk of loss to the Company. As of the date of this Annual Report, the Company does not know of or expect there to be any material change in the general nature of its primary market risk exposure in the near term.

Under the provisions of SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS Nos. 137 and 138, the Company is required to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through earnings. If a derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of the hedged assets, liabilities or firm commitments through earnings or recognized in accumulated other comprehensive income until the hedged item is recognized in earnings.

The Company conducts wholesale operations outside of the United States in Europe and Canada where the functional currencies are primarily the British pound, euro, and Canadian dollar. The Company utilizes foreign currency forward exchange contracts to manage the volatility associated with inventory purchases made by non-U.S. wholesale operations in foreign currencies in the normal course of business. At December 30, 2006 and December 31, 2005, the Company had outstanding forward currency exchange contracts to purchase \$56.4 million and \$61.4 million, respectively, of various currencies (principally U.S. dollars) with maturities ranging up to 252 days.

The Company also has production facilities in the Dominican Republic where financial statements reflect U.S. dollars as the functional currency; however, operating costs are paid in the local currency. Royalty revenue generated by the Company from third-party foreign licensees is calculated in the licensees' local currencies, but paid in U.S. dollars. Accordingly, the Company could be subject to related foreign currency remeasurement gains and losses in 2007 and beyond.

Assets and liabilities outside the United States are primarily located in the United Kingdom, Canada and The Netherlands. The Company's investments in foreign subsidiaries with a functional currency other than the U.S. dollar are generally considered long-term. Accordingly, the Company does not hedge these net investments. For the year ended December 30, 2006, the strengthening of foreign currencies increased the value of these investments in net assets by \$9.5 million. For the year ended December 31, 2005, the strengthening of the U.S. dollar decreased the value of these investments in net assets by \$11.5 million. These changes resulted in cumulative foreign currency translation adjustments at December 30, 2006 and

December 31, 2005 of \$21.8 million and \$12.2 million, respectively, that are deferred and recorded as a component of accumulated other comprehensive income in stockholders' equity.

Because the Company markets, sells and licenses its products throughout the world, it could be affected by weak economic conditions in foreign markets that could reduce demand for its products.

The Company is exposed to changes in interest rates primarily as a result of its long-term debt requirements. The Company's interest rate risk management objectives are to limit the effect of interest rate changes on earnings and cash flows and to effectively manage overall borrowing costs. To achieve its objectives, the Company maintains substantially all fixed-rate debt to take advantage of lower relative interest rates currently available and finances seasonal working capital needs with variable-rate debt. The Company has not historically utilized interest rate swaps or similar hedging arrangements to fix interest rates; however, in 1998 the Company entered into an interest rate lock agreement to fix the interest rate prior to the issuance of 6.5% senior notes in the amount of \$75 million. The contract was settled in 1998 and resulted in a prepayment of interest of \$2.2 million that is being amortized over the term of the senior notes. The remaining unamortized balance at December 30, 2006 was \$.5 million. The amortization of the prepayment creates an effective interest rate of 6.78% on the senior notes.

The Company does not enter into contracts for speculative or trading purposes, nor is it a party to any leveraged derivative instruments.

The following table lists required principal payments and related interest rates for the Company's short- and long-term debt by fiscal year of maturity.

							2006			2005
	2007	2008	2009	2010	2011	There- after	Total	Fair Value	Total	Fair Value
<i>(Millions of Dollars, Except Percentages)</i>										
Denominated in U.S. Dollars:										
Fixed rate	\$10.7	\$10.7	-	-	-	-	\$21.4	\$21.7	\$32.4	\$33.0
Average interest rate	6.5%	6.5%	-	-	-	-	6.5%	-	6.5%	-

The Company has the following payments under contractual obligations due by period:

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
<i>(Thousands of Dollars)</i>					
Long-term debt	\$ 21,429	\$ 10,715	\$ 10,714	\$ -	\$ -
Estimated interest on long-term debt	1,393	697	696	-	-
Capital leases	42	15	20	7	-
Operating leases	81,059	13,020	22,435	15,275	30,329
Purchase obligations(1)	218,000	218,000	-	-	-
Deferred compensation	1,747	314	544	369	520
Pension(2)	3,000	3,000	-	-	-
SERP	16,048	938	2,702	3,058	9,350
Dividends declared	9,121	9,121	-	-	-
Minimum royalties	6,858	1,152	2,390	3,316	-
Minimum advertising	6,605	1,579	3,301	1,725	-
Total	\$ 365,302	\$ 258,551	\$ 42,802	\$ 23,750	\$ 40,199

- (1) Purchase obligations primarily relate to inventory and capital expenditure commitments.
- (2) Pension obligations reflect only planned pension funding as there are currently no required funding obligations under government regulation. Funding amounts are calculated on an annual basis and no required or planned funding beyond one year has been determined.

The Company had \$153.5 million of additional borrowing capacity available under all of its existing credit facilities at December 30, 2006. The Company's additional borrowing capacity is summarized as follows:

	Expiration of availability		
	Total commitments available	Less than 1 year	1 year or greater
<i>(Millions of Dollars)</i>			
Revolving credit	\$150.0	\$ -	\$150.0
Standby letters of credit	3.5	3.5	-

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The response to this Item is set forth under the caption "Quantitative and Qualitative Disclosures About Market Risk" in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data.

The response to this Item is set forth in Appendix A of this Annual Report on Form 10-K and is incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures.

An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on and as of the time of such evaluation, the Company's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report. There have been no changes during the year ended December 30, 2006 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting.

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Securities Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over

financial reporting as of December 30, 2006, based on the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of December 30, 2006.

Management's assessment of the effectiveness of our internal control over financial reporting as of December 30, 2006 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their attestation report which is included in Appendix A and is incorporated into this Item 9A by reference.

Changes in Internal Control Over Financial Reporting.

There was no change in the Company's internal control over financial reporting that occurred during the sixteen-week period ended December 30, 2006 that has materially affected, or that is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors and Executive Officers of the Registrant.

The Company's Audit Committee is comprised of four Board members, all of whom are independent under independence standards adopted by the Board and applicable regulations of the SEC and the New York Stock Exchange (including independence standards related specifically to Audit Committee membership). The Audit Committee members each have financial and business experience with companies of substantial size and complexity and have a significant understanding of generally accepted accounting principles, financial statements, internal controls and audit committee functions. The Company's Board of Directors has determined that David T. Kollat and Phillip D. Matthews are audit committee financial experts as defined by the SEC. Additional information regarding the Audit Committee is provided in the Definitive Proxy Statement of the Company with respect to the Annual Meeting of Stockholders to be held on April 19, 2007, under the caption "Wolverine's Board of Directors" under the subheading "Board Committees and Meetings-Audit Committee."

The Company has adopted an Accounting and Finance Code of Ethics that applies to the Company's principal executive officer, principal financial officer and principal accounting officer and has adopted a Code of Conduct & Compliance that applies to the Company's directors and employees. The Accounting and Finance Code of Ethics and the Code of Conduct & Compliance are available on the Company's website, www.wolverineworldwide.com. Any waiver from the Accounting and Finance Code of Ethics or the Code of Conduct & Compliance with respect to the Company's executive officers and directors will be disclosed on the Company's website. Any amendment to the Accounting and Finance Code of Ethics will be disclosed on the Company's website.

The information regarding directors of the Company contained under the caption "Election of Directors" and under the caption "Wolverine's Board of Directors" under the subheading "Nominees for Terms Expiring in 2010," "Continuing Directors - Terms Expiring in 2009," and "Continuing Directors - Terms Expiring in 2008" in the definitive Proxy Statement of the Company with respect to the Annual Meeting of Stockholders to be held on April 19, 2007, is incorporated herein by reference.

In addition to the directors discussed in the definitive Proxy Statement, the Company's Board of Directors currently includes Paul D. Schrage (age 72), who will retire at this year's annual meeting. His term was scheduled to expire at the annual meeting in 2008. Mr. Schrage is retiring after ten years of service as a director. Mr. Schrage 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 operation and was employed at that company from 1967 until his retirement in 1997.

The information regarding directors and executive officers of the Company under the caption "Related Matters" under the subheading "Section 16(a) Beneficial Ownership Reporting Compliance" in the definitive Proxy Statement of the Company with respect to the Annual Meeting of Stockholders to be held on April 19, 2007, is incorporated herein by reference. Additional information regarding Executive Officers is provided in the Supplemental Item following Item 4 of Part I above.

Item 11. Executive Compensation.

The information contained under the captions "Executive Compensation" and "Compensation Committee Report" in the definitive Proxy Statement of the Company with respect to the Annual Meeting of Stockholders to be held on April 19, 2007, is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information contained under the caption "Ownership of Wolverine Stock" contained in the definitive Proxy Statement of the Company with respect to the Annual Meeting of Stockholders to be held on April 19, 2007, is incorporated herein by reference.

The following table provides information about Wolverine's equity compensation plans as of December 30, 2006:

Equity Compensation Plan Information

Plan Category ⁽¹⁾	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	4,574,945 ⁽²⁾⁽³⁾	\$ 16.53	4,986,486 ⁽⁴⁾
Equity compensation plans not approved by security holders	-	N/A	-
Total	4,574,945	\$ 16.53	4,986,486

Notes to Equity Compensation Plan Information

- (1) Each plan for which aggregated information is provided contains customary anti-dilution provisions that are applicable in the event of a stock split, stock dividend or certain other changes in the Company's capitalization.
- (2) Includes 4,161,516 stock options awarded to employees under the 1993 Stock Incentive Plan, the 1995 Stock Incentive Plan, the 1997 Stock Incentive Plan, the Stock Incentive Plan of 1999, the Stock Incentive Plan of 2001, the Stock Incentive Plan of 2003 and the Stock Incentive Plan of 2005 and 413,429 stock options awarded to non-employee directors under the Stock Incentive Plan of 2005 and the Amended and Restated Directors' Stock Option Plan approved by stockholders in 2002 and the previous Amended and Restated Directors' Stock Option Plan initially adopted in 1988. Column (a) does not include stock units credited to outside directors' fee accounts or retirement accounts under the Outside Directors' Deferred Compensation Plan. Stock units do not have an exercise price. Each stock unit credited to a director's fee account and retirement account under the Outside Directors' Deferred Compensation Plan will be converted into one share of common stock upon distribution. Column (a) also does not include shares of restricted or unrestricted common stock previously issued under the Company's equity compensation plans.
- (3) Of this amount, 677,800 options were not exercisable as of December 30, 2006, due to vesting restrictions.
- (4) Comprised of: (i) 544,726 shares available for issuance under the Outside Directors' Deferred Compensation Plan upon the retirement of the current directors or upon a change in control; and (ii) 4,441,760 shares issuable under the various employee stock incentive plans. Of these total amounts available, the number of shares with respect to the following plans may be issued other than upon the exercise of an option, warrant or right as of December 30, 2006:
 - Outside Directors' Deferred Compensation Plan: 544,726
 - 1997 Stock Incentive Plan: 22,339
 - Stock Incentive Plan of 1999: 56,056
 - Stock Incentive Plan of 2001: 412,926
 - Stock Incentive Plan of 2003: 28,961
 - Stock Incentive Plan of 2005: 1,954,091

The Outside Directors' Deferred Compensation Plan is a supplemental, unfunded, nonqualified deferred compensation plan for non-employee directors. Beginning in 2006, the Company began paying an annual equity retainer to non-management directors in the form of a contribution under the Outside Directors' Deferred Compensation Plan. Participation in the plan beyond the annual equity retainer is voluntary. The plan allows participating directors to receive, in lieu of some or all directors' fees, a number of stock units equal to the amount of the deferred directors' fees divided by the fair market value of the Company's common stock on the date of payment of the next cash dividend on the Company's common stock. These stock units are increased by a dividend equivalent based on dividends paid by the Company and the amount of stock units credited to the participating director's fee account and retirement account. Upon distribution, the participating directors receive a number of shares of the Company's common stock equal to the number of stock units to be distributed at that time. Distribution is triggered by termination of service as a director or by a change in control of the Company and can occur in a lump sum, in installments or on another deferred basis. Of the 544,726 shares issuable under the Outside

Directors' Deferred Compensation Plan, 217,672 shares have been issued to a trust to satisfy the Company's obligations and are included in shares reported as issued and outstanding as of the record date.

The employee stock incentive plans listed above are equity-based incentive plans for officers, key employees, and, under the Stock Incentive Plan of 2005, directors. Those plans authorize awards of stock options, restricted common stock, common stock and, under certain plans, tax benefit rights, restricted stock units, deferred stock units, and/or stock appreciation rights. The Stock Incentive Plans of 2001 and 2003 specifically limit the number of shares that can be awarded as restricted or unrestricted common stock to 40% and 15%, respectively, of the shares authorized under the plan. The Stock Incentive Plan of 2005 provides that each share of restricted or unrestricted common stock, each restricted stock unit and each stock appreciation right is counted as two shares against the total number of shares authorized under the Stock Incentive Plan of 2005. The number of securities listed as remaining available in column (c) of the table assumes the grant of all stock options, which count as only one share against the total number of shares authorized under the Stock Incentive Plan of 2005. Actual shares available under the Stock Incentive Plan of 2005 will be less to the extent that awards of restricted or unrestricted common stock, restricted stock units or stock appreciation rights are issued from that plan. The numbers provided in this footnote and in column (c) will increase to the extent that options relating to the number of shares listed in column (a) of the table or other outstanding awards (e.g., shares of restricted or unrestricted stock, restricted stock units or stock appreciation rights) previously issued under a plan are canceled, surrendered, modified, exchanged for substitutes or expire or terminate prior to exercise or vesting because the number of shares underlying any such awards will again become available for issuance under the plan under which the award was granted.

Item 13. Certain Relationships and Related Transactions.

The information contained under the caption "Related Matters" under the subheading "Certain Relationships and Related Transactions" contained in the definitive Proxy Statement of the Company with respect to the Annual Meeting of Stockholders to be held on April 19, 2007, is incorporated herein by reference. The information contained under the caption "Corporate Governance Principles" under the subheading "Independence" contained in the definitive Proxy Statement of the Company with respect to the Annual Meeting of Stockholders to be held on April 19, 2007, is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

The information contained under the caption "Selection of Auditors" in the definitive Proxy Statement of the Company with respect to the Annual Meeting of Stockholders to be held on April 19, 2007, is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

Item 15(a)(1). Financial Statements. Attached as Appendix A.

The following consolidated financial statements of Wolverine World Wide, Inc. and subsidiaries are filed as a part of this report:

- Consolidated Balance Sheets as of December 30, 2006 and December 31, 2005.

- Consolidated Statements of Stockholders' Equity and Comprehensive Income for the Fiscal Years Ended December 30, 2006, December 31, 2005 and January 1, 2005.
- Consolidated Statements of Operations for the Fiscal Years Ended December 30, 2006, December 31, 2005 and January 1, 2005.
- Consolidated Statements of Cash Flows for the Fiscal Years Ended December 30, 2006, December 31, 2005 and January 1, 2005.
- Notes to the Consolidated Financial Statements as of December 30, 2006.
- Reports of Independent Registered Public Accounting Firm.

Item 15(a)(2). Financial Statement Schedules. Attached as Appendix B.

The following consolidated financial statement schedule of Wolverine World Wide, Inc. and subsidiaries is filed as a part of this report:

- Schedule II--Valuation and Qualifying Accounts of Continuing Operations.

All other schedules (I, III, IV, and V) for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are inapplicable and, therefore, have been omitted.

Item 15(a)(3). Exhibits.

The following exhibits are filed as part of this report:

<u>Exhibit Number</u>	<u>Document</u>
3.1	Restated Certificate of Incorporation.
3.2	Amended and Restated By-laws. Previously filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended September 7, 2002. Here incorporated by reference.
4.1	Restated Certificate of Incorporation. See Exhibit 3.1 above.
4.2	Amended and Restated By-laws. See Exhibit 3.2 above.
4.3	Rights Agreement dated as of April 17, 1997. Previously filed with the Company's Form 8-A filed April 12, 1997. Here incorporated by reference.
4.4	Amendment No. 1 dated as of June 30, 2000, to the Rights Agreement dated as of April 17, 1997.

- 4.5 Second Amendment dated as of February 11, 2002, to the Rights Agreement dated as of April 17, 1997. Previously filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the period ended March 23, 2002. Here incorporated by reference.
- 4.6 Third Amendment dated as of December 10, 2002, to the Rights Agreement dated as of April 17, 1997. Previously filed as Exhibit 4.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2002. Here incorporated by reference.
- 4.7 Note Purchase Agreement dated as of December 8, 1998, relating to 6.50% Senior Notes due on December 8, 2008. Previously filed as Exhibit 4.7 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 2005. Here incorporated by reference.
- 4.8 The Registrant has several classes of long-term debt instruments outstanding in addition to those described in Exhibits 4.7 and 4.9. The authorized amount of none of these classes of debt exceeds 10% of the Company's total consolidated assets. The Company agrees to furnish copies of any agreement defining the rights of holders of any such long-term indebtedness to the Securities and Exchange Commission upon request.
- 4.9 Credit Agreement dated as of July 22, 2005, among Wolverine World Wide, Inc. and certain of its subsidiaries, JPMorgan Chase Bank, N.A., as Administrative Agent, Harris, N.A., as Syndication Agent, Comerica Bank, Standard Federal Bank N.A. and National City Bank of the Midwest, as Documentation Agents, and certain other Banks that are parties to the Credit Agreement. Previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 28, 2005. Here incorporated by reference.
- 10.1 Amended and Restated 1993 Stock Incentive Plan.*
- 10.2 Amended and Restated 1995 Stock Incentive Plan.*
- 10.3 Amended and Restated 1997 Stock Incentive Plan.*
- 10.4 Amended and Restated Stock Incentive Plan of 1999.*
- 10.5 Amended and Restated Stock Incentive Plan of 2001.*
- 10.6 Amended and Restated Stock Incentive Plan of 2003.*
- 10.7 Amended and Restated Stock Incentive Plan of 2005.*
- 10.8 Amended and Restated Directors' Stock Option Plan.*
- 10.9 Amended and Restated Outside Directors' Deferred Compensation Plan.* Previously filed as Appendix E to the Company's Definitive Proxy Statement with respect to the Company's Annual Meeting of Stockholders held on April 25, 2002. Here incorporated by reference.
- 10.10 Amended and Restated Executive Short-Term Incentive Plan (Annual Bonus Plan).* Previously filed as Appendix B to the Company's Definitive Proxy Statement with respect to the Company's Annual Meeting of Stockholders held on April 25, 2002. Here incorporated by reference.

- 10.11 Amended and Restated Executive Long-Term Incentive Plan (3-Year Bonus Plan) (Restated as amended through February 10, 2005).* Previously filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005. Here incorporated by reference.
- 10.12 Amended and Restated Stock Option Loan Program.* Previously filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended September 7, 2002. Here incorporated by reference.
- 10.13 Executive Severance Agreement.* Previously filed as Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 2005. Here incorporated by reference. An updated participant schedule of current executive officers who are parties to the agreement is attached as Exhibit 10.13.
- 10.14 Form of Indemnification Agreement.* A participant schedule of current executive officers and directors who are parties to the agreement is attached to the agreement.
- 10.15 Benefit Trust Agreement dated May 19, 1987, and Amendments Number 1, 2, 3 and 4 thereto.*
- 10.16 Amended and Restated Supplemental Executive Retirement Plan.* An updated participant schedule is attached to the Plan.
- 10.17 Employees' Pension Plan (Restated as amended through March 28, 2005).* Previously filed as Exhibit 10.19 to the Company Annual Report on Form 10-K for the fiscal year ended December 31, 2005. Here incorporated by reference.
- 10.18 Form of Incentive Stock Option Agreement.* Previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 9, 2005. Here incorporated by reference.
- 10.19 Form of Non-Qualified Stock Option Agreement for Stephen L. Gulis, Blake W. Krueger and Timothy J. O'Donovan.* Previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated February 9, 2005. Here incorporated by reference.
- 10.20 Form of Non-Qualified Stock Option Agreement for employees other than those to whom Exhibit 10.19 applies.* Previously filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated February 9, 2005. Here incorporated by reference.
- 10.21 Form of Restricted Stock Agreement.* Previously filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated February 9, 2005. Here incorporated by reference.
- 10.22 Form of Incentive Stock Option Agreement.* Previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 15, 2006. Here incorporated by reference.
- 10.23 Form of Non-Qualified Stock Option Agreement for Stephen L. Gulis, Blake W. Krueger and Timothy J. O'Donovan.* Previously filed as Exhibit 10.2 to the Company's Current Report of Form 8-K dated February 15, 2006. Here incorporated by reference.

- 10.24 Form of Non-Qualified Stock Option Agreement for employees other than those to whom Exhibit 10.23 applies.* Previously filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated February 15, 2006. Here incorporated by reference.
- 10.25 Form of Restricted Stock Agreement.* Previously filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated February 15, 2006. Here incorporated by reference.
- 10.26 Form of Stock Option Agreement for non-employee directors.* Previously filed as Exhibit 10.23 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 2005. Here incorporated by reference.
- 21 Subsidiaries of Registrant.
- 23 Consent of Ernst & Young LLP.
- 24 Powers of Attorney.
- 31.1 Certification of President and Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Executive Vice President, Chief Financial Officer and Treasurer under Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certification pursuant to 18 U.S.C. § 1350.

*Management contract or compensatory plan or arrangement.

The Company will furnish a copy of any exhibit listed above to any stockholder without charge upon written request to Mr. Kenneth A. Grady, General Counsel and Secretary, 9341 Courtland Drive, Rockford, Michigan 49351.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

WOLVERINE WORLD WIDE, INC.

Dated: February 27, 2007

By: /s/ Stephen L. Gulis, Jr.

Stephen L. Gulis, Jr.
Executive Vice President,
Chief Financial Officer and Treasurer
(Principal Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/ Timothy J. O'Donovan <hr/> Timothy J. O'Donovan	Chief Executive Officer and Chairman of the Board of Directors (Principal Executive Officer)	February 27, 2007
/s/ Stephen L. Gulis, Jr. <hr/> Stephen L. Gulis, Jr.	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)	February 27, 2007
/s/ Nicholas P. Ottenwess <hr/> Nicholas P. Ottenwess	Vice President of Finance and Corporate Controller (Principal Accounting Officer)	February 27, 2007
*/s/ Jeffrey M. Boromisa <hr/> Jeffrey M. Boromisa	Director	February 27, 2007
*/s/ Alberto L. Grimoldi <hr/> Alberto L. Grimoldi	Director	February 27, 2007
*/s/ David T. Kollat <hr/> David T. Kollat	Director	February 27, 2007

*/s/ Brenda J. Lauderback Director February 27, 2007

Brenda J. Lauderback

/s/ Blake W. Krueger Director February 27, 2007

Blake W. Krueger

*/s/ Phillip D. Matthews Director February 27, 2007

Phillip D. Matthews

*/s/ David P. Mehney Director February 27, 2007

David P. Mehney

*/s/ Shirley D. Peterson Director February 27, 2007

Shirley D. Peterson

*/s/ Paul D. Schrage Director February 27, 2007

Paul D. Schrage

*/s/ Michael A. Volkema Director February 27, 2007

Michael A. Volkema

*By /s/ Blake W. Krueger President and Chief
Operating Officer February 27, 2007

Blake W. Krueger
Attorney-in-Fact

APPENDIX A
Financial Statements

CONSOLIDATED BALANCE SHEETS

As of Fiscal Year End
2006 2005

(Thousands of Dollars)

ASSETS

Current assets:

Cash and cash equivalents	\$ 124,663	\$ 85,258
Accounts receivable, less allowances (2006 - \$13,320; 2005 - \$8,729)	152,608	157,119
Inventories		
Finished products	168,603	140,729
Raw materials and work-in-process	15,656	20,618

184,259 161,347

Deferred income taxes	8,346	5,411
Prepaid expenses and other current assets	15,437	11,613

Total current assets **485,313** 420,748

Property, plant and equipment:

Land	882	882
Buildings and improvements	71,687	68,235
Machinery and equipment	146,967	140,909
Software	58,187	54,605

277,723 264,631

Less accumulated depreciation **189,771** 171,429

87,952 93,202

Other assets:

Goodwill	38,776	35,624
Other non-amortizable intangibles	8,506	8,347
Cash surrender value of life insurance	31,739	29,257
Pension assets	10,233	33,735
Deferred income taxes	3,736	-
Other	4,837	5,667

97,827 112,630

Total assets **\$ 671,092** \$ 626,580

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$ 47,420	\$ 41,107
Salaries, wages and other compensation	19,254	17,510
Income taxes	6,435	4,231
Taxes, other than income taxes	4,414	3,560
Other accrued expenses	32,662	26,657
Current maturities of long-term debt	10,730	10,972

Total current liabilities **120,915** 104,037

Long-term debt, less current maturities	10,741	21,439
Deferred compensation	11,026	9,227
Accrued pension liabilities	22,744	19,367
Deferred income taxes	-	9,658
Other liabilities	1,107	531
Stockholders' equity:		
Common stock, \$1 par value: authorized 160,000,000 shares; shares issued, including treasury shares: 2006 - 60,468,000; 2005 - 59,211,814	60,468	59,212
Additional paid-in capital	31,341	13,203
Retained earnings	519,815	452,672
Accumulated other comprehensive income	3,923	9,398
Unearned compensation	-	(5,873)
Cost of shares in treasury: 2006 - 5,005,487 shares; 2005 - 3,082,548 shares	(110,988)	(66,291)
<hr/>		
Total stockholders' equity	504,559	462,321
<hr/>		
Total liabilities and stockholders' equity	\$ 671,092	\$ 626,580

() Denotes deduction.

See accompanying notes to consolidated financial statements.

**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
AND COMPREHENSIVE INCOME**

	Fiscal Year		
	2006	2005	2004
<i>(Thousands of Dollars, Except Per Share Data)</i>			
COMMON STOCK			
Balance at beginning of the year	\$ 59,212	\$ 67,350	\$ 66,389
Common stock issued under stock incentive plans (2006 - 1,255,286 shares; 2005 - 1,214,857 shares; 2004 - 2,081,586 shares)	1,256	1,214	2,082
Impact of stock split on treasury shares	-	(9,352)	(1,121)
Balance at end of the year	60,468	59,212	67,350
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning of the year	13,203	99,518	81,980
Stock-based compensation expense	7,155	-	-
Reclassification of unearned compensation upon adoption of SFAS No. 123(R)	(5,873)	-	-
Amounts associated with common stock issued under stock incentive plans:			
Proceeds over par value	12,254	14,609	8,878
Income tax benefits	4,672	3,720	7,782
Impact of stock split on treasury shares	-	(104,726)	1,121
Issuance of treasury shares (2006 - 14,511 shares; 2005 - 11,662 shares; 2004 - 8,924 shares)	55	12	87
Net change in employee notes receivable	(125)	70	(330)
Balance at end of the year	31,341	13,203	99,518
RETAINED EARNINGS			
Balance at beginning of the year	452,672	437,406	382,603
Impact of stock split on treasury shares	-	(44,725)	-
Net earnings	83,647	74,467	65,938
Cash dividends (2006 - \$.30 per share; 2005 - \$.26 per share; 2004 - \$.19 per share)	(16,504)	(14,476)	(11,135)
Balance at end of the year	519,815	452,672	437,406
ACCUMULATED OTHER COMPREHENSIVE INCOME			
Balance at beginning of the year	9,398	19,446	8,540
Foreign currency translation adjustments	9,548	(11,544)	9,727
Change in fair value of foreign exchange contracts, net of taxes (2006 - \$901; 2005 - \$1,280; 2004 - \$174)	(1,657)	2,085	160
Pension adjustments, net of taxes (2006 - \$6,885; 2005 - \$303; 2004 - \$524)	(13,366)	(589)	1,019
Balance at end of the year	3,923	9,398	19,446
UNEARNED COMPENSATION			

Balance at beginning of the year	(5,873)	(4,955)	(4,138)
Awards under restricted stock incentive plans	-	(4,190)	(4,165)
Compensation expense	-	3,272	3,348
Reclassification of unearned compensation upon adoption of SFAS No. 123(R)	5,873	-	-
Balance at end of the year	-	(5,873)	(4,955)
COST OF SHARES IN TREASURY			
Balance at beginning of the year	(66,291)	(160,474)	(105,280)
Common stock purchased for treasury (2006 - 1,937,450 shares; 2005 - 2,994,210 shares; 2004 - 2,251,972 shares)	(45,009)	(64,856)	(55,331)
Issuance of treasury shares (2006 - 14,511 shares; 2005 - 11,662 shares; 2004 - 8,924 shares)	312	236	137
Impact of stock split on treasury shares	-	158,803	-
Balance at end of the year	(110,988)	(66,291)	(160,474)
Total stockholders' equity at end of the year	\$ 504,559	\$ 462,321	\$ 458,291
COMPREHENSIVE INCOME			
Net earnings	\$ 83,647	74,467	\$ 65,938
Foreign currency translation adjustments	9,548	(11,544)	9,727
Change in fair value of foreign exchange contracts, net of taxes	(1,657)	2,085	160
Minimum pension liability adjustment, net of taxes	(306)	(589)	1,019
Total comprehensive income	\$ 91,232	\$ 64,419	\$ 76,844

() Denotes deduction.

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Fiscal Year		
	2006	2005	2004
<i>(Thousands of Dollars, Except Per Share Data)</i>			
Revenue	\$ 1,141,887	\$ 1,060,999	\$ 991,909
Cost and expenses:			
Cost of products sold	700,349	655,800	617,774
Selling and administrative expenses	318,243	291,891	274,125
Interest expense	2,973	3,647	4,185
Interest income	(3,175)	(1,736)	(940)
Other (income) expense	1,205	150	(305)
	1,019,595	949,752	894,839
Earnings before income taxes and minority interest	122,292	111,247	97,070
Income taxes	38,645	36,780	30,879
Earnings before minority interest	83,647	74,467	66,191
Minority interest	-	-	253
Net earnings	\$ 83,647	\$ 74,467	\$ 65,938
Net earnings per share:			
Basic	\$ 1.52	\$ 1.33	\$ 1.15
Diluted	1.47	1.27	1.09

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Fiscal Year

	2006	2005	2004
<i>(Thousands of Dollars)</i>			
OPERATING ACTIVITIES			
Net earnings	\$ 83,647	\$ 74,467	\$ 65,938
Adjustments necessary to reconcile net earnings to net cash provided by operating activities:			
Depreciation	19,641	19,470	18,683
Amortization	981	570	388
Deferred income taxes (credit)	(8,543)	(4,908)	1,179
Stock-based compensation expense	7,155	3,272	3,348
Excess tax benefits from stock-based compensation	(3,599)	-	-
Pension	7,254	6,221	1,025
Other	3,498	2,378	1,452
Changes in operating assets and liabilities:			
Accounts receivable	6,409	(7,739)	(2,332)
Inventories	(18,764)	19,375	(15,833)
Other operating assets	(3,382)	11,221	(2,776)
Accounts payable	5,434	(4,862)	21,229
Other operating liabilities	8,588	(2,153)	11,912
Net cash provided by operating activities	108,319	117,312	104,213
INVESTING ACTIVITIES			
Business acquisitions, net of cash acquired	-	(4,602)	-
Additions to property, plant and equipment	(17,067)	(19,160)	(18,080)
Other	(1,115)	3,146	1,820
Net cash used in investing activities	(18,182)	(20,616)	(16,260)
FINANCING ACTIVITIES			
Proceeds from long-term borrowings	61,685	69,972	44,385
Payments of long-term debt	(72,624)	(81,465)	(60,404)
Cash dividends paid	(16,079)	(14,814)	(11,135)
Purchase of common stock for treasury	(45,009)	(64,856)	(55,331)
Proceeds from shares issued under stock incentive plans	13,752	11,951	6,688
Excess tax benefits from stock-based compensation	3,599	-	-
Net cash used in financing activities	(54,676)	(79,212)	(75,797)
Effect of foreign exchange rate changes	3,944	(4,398)	4,660
Increase in cash and cash equivalents	39,405	13,086	16,816
Cash and cash equivalents at beginning of the year	85,258	72,172	55,356
Cash and cash equivalents at end of the year	\$ 124,663	\$ 85,258	\$ 72,172

OTHER CASH FLOW INFORMATION

Interest paid	\$ 2,545	\$ 3,171	\$ 4,056
Net income taxes paid	35,784	27,207	23,868

() Denotes reduction in cash and cash equivalents.
See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

NATURE OF OPERATIONS

Wolverine World Wide, Inc. (NYSE: WWW) is a leading designer, manufacturer and marketer of a broad line of quality casual shoes, performance outdoor footwear, work shoes and boots, and uniform shoes and boots. The Company's global portfolio of owned and licensed brands includes: *Bates*®, *Cat*® Footwear, *Harley-Davidson*® Footwear, *Hush Puppies*®, *HYTEST*®, *Merrell*®, *Patagonia*® Footwear, *Sebago*®, *Stanley*® Footgear and *Wolverine*®. Apparel and licensing programs are utilized to extend the Company's owned brands into product categories beyond footwear. The Company also operates a retail division to showcase its brands and branded footwear from other manufacturers, a tannery that produces *Wolverine Performance Leathers*™ and a pigskin procurement operation.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Wolverine World Wide, Inc. and its wholly and majority owned subsidiaries (collectively, the "Company"). All intercompany accounts and transactions have been eliminated in consolidation.

FISCAL YEAR

The Company's fiscal year is the 52- or 53-week period that ends on the Saturday nearest to December 31. Fiscal years presented in this report include the 52-week periods ended December 30, 2006, December 31, 2005 and January 1, 2005.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

REVENUE RECOGNITION

Revenue is recognized on the sale of products manufactured or sourced by the Company when the related goods have been shipped, legal title has passed to the customer and collectibility is reasonably assured. Revenue generated through programs with licensees and distributors involving products bearing the Company's trademarks is recognized as earned according to stated contractual terms upon either the purchase or shipment of branded products by licensees and distributors.

The Company records provisions against gross revenue for estimated stock returns and cash discounts in the period when the related revenue is recorded. These estimates are based on factors that include, but are not limited to, historical stock returns, historical discounts taken and analysis of credit memorandum activity.

COST OF PRODUCTS SOLD

Cost of products sold for the Company's operations include the actual product costs, including inbound freight charges, purchasing, sourcing, inspection and receiving costs. Warehousing costs are included in selling and administrative expenses.

SHIPPING AND HANDLING COSTS

Shipping and handling costs that are charged to and reimbursed by the customer are recognized as revenue, while the related expenses incurred by the Company are recorded as cost of products sold in the consolidated statements of operations.

CASH EQUIVALENTS

All short-term investments with a maturity of three months or less when purchased are considered cash equivalents.

ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

The Company maintains an allowance for uncollectible accounts receivable for estimated losses resulting from its customers' inability to make required payments. Company management evaluates the allowance for uncollectible accounts receivable based on a review of current customer status and historical collection experience. Adjustments to these estimates may be required if the financial condition of the Company's customers were to change. The Company does not require collateral or other security on trade accounts receivable.

INVENTORIES

Inventories are valued at the lower of cost or market. Cost is determined by the last-in, first-out (LIFO) method for all domestic raw materials and work-in-process inventories, and certain U.S. finished goods inventories. Cost is determined using methods approximating cost under the first-in, first-out (FIFO) method for all raw materials, work-in-process and finished goods inventories in foreign countries. The FIFO method is also used for all finished goods inventories of the Company's retail business, due to the unique nature of that operation, and for certain U.S. finished goods inventories that were acquired as part of asset purchase transactions. Once elected, the Company has applied these inventory cost valuation methods consistently from year to year.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated on the basis of cost and include expenditures for new facilities, major renewals, betterments and software. Normal repairs and maintenance are expensed as incurred.

Depreciation of property, plant and equipment is computed using the straight-line method. The depreciable lives range from five to forty years for buildings and improvements and from three to ten years for machinery, equipment and software. Leasehold improvements are depreciated at the lesser of the estimated useful life or lease term, including reasonably assured lease renewals as determined at lease inception.

GOODWILL AND OTHER INTANGIBLES

Goodwill represents the excess of the purchase price over the fair value of net tangible and identifiable intangible assets of acquired businesses. Other intangibles consist primarily of trademarks, brand names, patents and customer relationships. Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are subject to impairment tests at least annually in accordance with Statement of Financial Accounting Standards (SFAS) No. 142, *Goodwill and Other Intangible Assets*. The Company reviews the carrying amounts of goodwill and other non-amortizable intangible assets annually by reporting unit to determine if such assets may be impaired. If the carrying amounts of these assets are not recoverable based upon a discounted cash flow analysis, such assets are reduced by the estimated shortfall of fair value to recorded value. Other amortizable intangible assets (principally patents) are amortized using the straight-line method over their estimated useful lives (periods ranging from two to fifteen years). Other amortizable intangible assets are included in other assets on the consolidated balance sheets and have net carrying amounts of \$3,019,000 and \$2,318,000 for 2006 and 2005, respectively, and accumulated amortization of \$2,457,000 and \$1,610,000 for 2006 and 2005, respectively. Estimated aggregate amortization expense for such intangibles for each of the five fiscal years subsequent to 2006 is as follows: 2007 - \$1,065,000; 2008 - \$929,000; 2009 - \$726,000; 2010 - \$362,000; 2011 - \$87,000.

The Company has performed the required annual impairment tests and has determined that there was no impairment indicated for recorded goodwill and other non-amortizable intangibles.

The changes in the carrying amount of goodwill and other non-amortizable intangibles for the years ended December 30, 2006 and December 31, 2005 are as follows:

	Goodwill	Trademarks	Total
<i>(Thousands of Dollars)</i>			
Balance at January 1, 2005	\$ 35,552	\$ 8,090	\$ 43,642
Intangibles acquired	2,489	257	2,746
Purchase accounting adjustments	313	-	313
Foreign currency translation effects	(2,730)	-	(2,730)
Balance at December 31, 2005	\$ 35,624	\$ 8,347	\$ 43,971
Intangibles acquired	-	277	277
Trademark disposals	-	(118)	(118)
Foreign currency translation effects	3,152	-	3,152
Balance at December 30, 2006	\$ 38,776	\$ 8,506	\$ 47,282

IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or an asset group may not be recoverable. Each impairment test is based on a comparison of the carrying amount of the asset or asset group to the future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment amount to be recognized is the amount by which the carrying value of the assets exceeds their fair value.

STOCK-BASED COMPENSATION

Prior to January 1, 2006, the Company followed Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees*, and related Interpretations, in accounting for its stock incentive plans. The Company did not recognize stock-based compensation expense related to employee stock options in its statements of operations for periods prior to the adoption of SFAS No. 123(R), *Share-Based Payment*, as options granted had an exercise price equal to the market value of the underlying common stock on the date of grant. Effective January 1, 2006, the Company adopted the fair value recognition provisions of SFAS No. 123(R) using the modified prospective transition method. Under that transition method, compensation cost recognized in the year ended December 30, 2006 includes: (a) compensation cost for all stock-based payments granted prior to, but not yet vested as of January 1, 2006, based on the grant date fair value estimate in accordance with the original provisions of SFAS No. 123, *Accounting for Stock-Based Compensation*, and (b) compensation cost for all stock-based payments granted subsequent to January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123(R). Results of prior periods have not been restated.

As a result of adopting SFAS No. 123(R) on January 1, 2006, the Company's earnings before income taxes for the year ended December 30, 2006 is \$3,214,000 lower than if it had continued to account for stock-based compensation under APB Opinion No. 25. The Company's net earnings for the year ended December 30, 2006 are lower by \$2,511,000, or \$.05 per basic share and \$.04 per diluted share.

The Company recognized compensation costs of \$7,155,000 and related income tax benefits of \$1,967,000 for its stock-based compensation plans in the statements of operations for the year ended December 30, 2006. Compensation costs capitalized as part of inventory and property, plant and equipment were not material.

Prior to the adoption of SFAS No. 123(R), the Company presented all tax benefits of deductions resulting from the exercise of stock options as operating cash flows in the statements of cash flows. SFAS No. 123(R) requires the cash flows resulting from the tax benefits resulting from tax deductions in excess of the compensation cost recognized for those options (excess tax benefits) to be classified as financing cash flows. The \$3,599,000 excess tax benefit classified as a financing cash inflow would have been classified as an operating cash inflow if the Company had not adopted SFAS No. 123(R).

Effective December 13, 2005, the Board of Directors accelerated the vesting of nonvested stock options previously granted to employees and officers of the Company under its various stock-based incentive plans. As a result of this action, options to purchase approximately 1,003,000 shares of common stock

that otherwise would have vested in 2006, 2007 and 2008 became fully vested and an additional \$4,407,000 of pro forma stock-based compensation expense was recognized in the quarter ended December 31, 2005. Accordingly, compensation costs of \$2,185,000, \$1,495,000 and \$727,000 in 2006, 2007 and 2008, respectively, that would have been recognized in each year after the adoption of SFAS No. 123(R) will not be recognized due to the modification. The decision to accelerate the vesting of these options, which the Company believes to be in the best interests of its stockholders, was made primarily to reduce non-cash compensation expense that would have been recorded in future periods following the Company's adoption of SFAS No. 123(R).

Pro forma information regarding net earnings and earnings per share has been determined as if the Company had applied the fair value recognition provisions of SFAS No. 123 to its stock awards for all periods presented. For purposes of pro forma disclosures, the estimated fair values of stock options are amortized to expense over the related vesting periods and awards subject to acceleration of vesting upon retirement are recognized over the explicit service period up to the date of actual retirement. The Company's pro forma information under SFAS No. 123 is as follows:

	2005	2004
<i>(Thousands of Dollars, Except Per Share Data)</i>		
Net earnings, as reported	\$ 74,467	\$ 65,938
Add: Total stock-based employee compensation expense included in reported net income, net of related tax effects	3,272	3,374
Deduct: Total stock-based employee compensation expense determined under fair value method for all awards, net of related tax effects	7,266	8,330
Pro forma net earnings	\$ 70,473	\$ 60,982

Net earnings per share:		
Basic-as reported	\$ 1.33	\$ 1.15
Basic-pro forma	1.26	1.06
Diluted-as reported	1.27	1.09
Diluted-pro forma	1.20	1.01

The Company estimated the fair value of employee stock options on the date of grant using the Black-Scholes model. The estimated weighted-average fair value for each option granted was \$5.29, \$5.10 and \$4.68 per share in 2006, 2005 and 2004, respectively, with the following weighted-average assumptions:

	2006	2005	2004
Expected market price volatility (1)	24.5%	23.9%	31.7%
Risk-free interest rate (2)	4.6%	3.7%	3.4%
Dividend yield (3)	1.4%	1.1%	1.0%
Expected term (4)	4 years	4 years	4 years

- (1) Based on historical volatility of the Company's common stock. The expected volatility is based on the daily percentage change in the price of the stock over four years.
- (2) Represents the U.S. Treasury yield curve in effect for the expected term of the option at the time of grant.
- (3) Represents the Company's cash dividend yield for the expected term.
- (4) Represents the period of time that options granted are expected to be outstanding. The Company determined that all employee groups exhibit similar exercise and post-vesting termination behavior to determine the expected term.

Stock-based compensation expense recognized in the consolidated condensed statements of operations for the year ended December 30, 2006 has been reduced for estimated forfeitures, as it is based on awards ultimately expected to vest. SFAS No. 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures

were estimated based on historical experience. In the Company's pro forma information required under SFAS No. 123 for the periods prior to fiscal 2006, the Company accounted for forfeitures as they occurred. The cumulative effect of the change in accounting for forfeitures was not material.

ADVERTISING COSTS

Advertising costs are expensed as incurred and customer specific advertising dollars are expensed when earned by customers. Total advertising expense was \$42,037,000 in 2006, \$40,059,000 in 2005 and \$38,611,000 in 2004, and includes customer specific advertising dollars of \$9,327,000 in 2006, \$6,445,000 in 2005 and \$9,689,000 in 2004. The Company provides sales incentives to certain retail customers in the form of a cooperative advertising program and accounts for this in accordance with EITF 01-9, *Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)*. Under this program, customers are reimbursed for Company-approved advertising expenditures where the value to the Company is objectively verifiable.

INCOME TAXES

The provision for income taxes is based on the earnings reported in the consolidated financial statements. A deferred income tax asset or liability is determined by applying currently enacted tax laws and rates to the cumulative temporary differences between the carrying values of assets and liabilities for financial statement and income tax purposes.

EARNINGS PER SHARE

Basic earnings per share is computed based on weighted-average shares of common stock outstanding during each year after adjustment for nonvested common stock issued under restricted stock incentive plans. Diluted earnings per share assumes the exercise of dilutive stock options and the vesting of all common stock under restricted stock programs.

The following table sets forth the reconciliation of weighted average shares used in the computation of basic and diluted earnings per share:

	2006	2005	2004
Weighted average shares outstanding during the year	55,655,822	57,241,893	58,498,042
Adjustment for nonvested restricted common stock	(802,624)	(1,098,177)	(1,099,677)
Denominator for basic earnings per share	54,853,198	56,143,716	57,398,365
Effect of dilutive stock options	1,622,103	1,742,344	2,265,984
Adjustment for nonvested common stock - treasury method	455,806	789,065	809,708
Denominator for diluted earnings per share	56,931,107	58,675,125	60,474,057

Options to purchase 507,775 shares of common stock in 2006, 516,335 shares in 2005 and 588,978 shares in 2004 have not been included in the denominator for the computation of diluted earnings per share because the related exercise prices were greater than the average market price for the period and, therefore, they were antidilutive.

STOCK SPLIT

On December 15, 2004, the Company announced a three-for-two stock split in the form of a stock dividend on shares of common stock outstanding at January 3, 2005 that was distributed to stockholders on February 1, 2005. All share and per share amounts in the consolidated financial statements and related notes have been adjusted for all periods to reflect the stock split. Treasury shares were not split in the transaction however, in conjunction with the stock split, 9,352,361 shares of treasury stock were issued to fund a portion of the transaction.

FOREIGN CURRENCY

For the Company's international subsidiaries, the local currency is the functional currency. Assets and liabilities of these subsidiaries are translated into U.S. dollars at the year-end exchange rate. Operating statement amounts are translated at average exchange rates for the period. The cumulative translation adjustments resulting from changes in exchange rates are included in the consolidated balance sheets as

component of accumulated other comprehensive income in stockholders' equity. Transaction gains and losses are included in the consolidated statements of operations and were not material.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, accounts and notes receivable, accounts and notes payable and long-term debt. Except for fixed rate long-term debt with a carrying value of \$21,429,000 and a fair value of \$21,723,000 at December 30, 2006 and a carrying value of \$32,385,000 and a fair value of \$32,975,000 at December 31, 2005, the Company's estimate of the fair values of these financial instruments approximates their carrying amounts for the respective years. Fair value was determined using discounted cash flow analyses and current interest rates for similar instruments. The Company does not hold or issue financial instruments for trading purposes.

The Company follows SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS Nos. 137 and 138, which requires that all derivative instruments be recorded on the consolidated balance sheets at fair value and establishes criteria for designation and effectiveness of hedging relationships. The Company utilizes foreign currency forward exchange contracts to manage the volatility associated with foreign currency inventory purchases made by non-U.S. wholesale operations in the normal course of business. At December 30, 2006 and December 31, 2005, foreign exchange contracts with a notional value of \$56,399,000 and \$61,404,000, respectively, were outstanding to purchase various currencies (principally U.S. dollars) with maturities ranging up to 252 days. These contracts have been designated as cash flow hedges. As of December 30, 2006 and December 31, 2005, a liability of \$1,352,000 and an asset of \$715,000, respectively, have been recognized for the fair value of the foreign currency forward exchange contracts.

The fair value of the foreign currency forward exchange contracts represents the estimated receipts or payments necessary to terminate the contracts. Hedge effectiveness is evaluated by the hypothetical derivative method. Any hedge ineffectiveness is reported within the cost of products sold caption of the consolidated statements of operations. Hedge ineffectiveness was not material in 2006 or 2005. If, in the future, the foreign exchange contracts are determined to be ineffective hedges or terminated before their contractual termination dates, the Company would be required to reclassify into earnings all or a portion of the unrealized amounts related to the cash flow hedges that are currently included in accumulated other comprehensive income within stockholders' equity.

COMPREHENSIVE INCOME

Comprehensive income represents net earnings and any revenue, expenses, gains and losses that, under accounting principles generally accepted in the United States, are excluded from net earnings and recognized directly as a component of stockholders' equity.

Ending accumulated other comprehensive income is as follows:

	2006	2005
<i>(Thousands of Dollars)</i>		
Foreign currency translation adjustments	\$ 21,790	\$ 12,243
Foreign currency cash flow hedge adjustments, net of taxes (2006 - \$614; 2005 - \$287)	(1,048)	608
Pension adjustments, net of taxes (2006 - \$8,664; 2005 - \$1,779)	(16,819)	(3,453)
Accumulated other comprehensive income	\$ 3,923	\$ 9,398

RECLASSIFICATIONS

Certain amounts previously reported in 2005 and 2004 have been reclassified to conform with the presentation used in 2006.

2. Inventories

Inventories of \$71,420,000 at December 30, 2006 and \$72,546,000 at December 31, 2005 have been valued using the LIFO method. If the FIFO method had been used, inventories would have been \$8,191,000 and \$8,858,000 higher than reported at December 30, 2006 and December 31, 2005, respectively.

3. Debt

Long-term debt consists of the following obligations:

	2006	2005
<hr/>		
<i>(Thousands of Dollars)</i>		
6.5% senior notes payable	\$ 21,429	\$ 32,385
Other	42	26
<hr/>		
	21,471	32,411
Less current maturities	10,730	10,972
<hr/>		
	\$ 10,741	\$ 21,439
<hr/>		

The 6.5% unsecured senior notes payable require annual principal payments of \$10,714,000 due through the maturity date of December 8, 2008. In connection with the issuance of these senior notes, the Company entered into an interest rate lock agreement with a bank that was settled in 1998 and resulted in a prepayment of interest of \$2,200,000. This prepayment is being amortized over the remaining term of the notes using the effective interest method. The remaining unamortized balance at December 30, 2006 was \$480,000.

The Company has an unsecured revolving credit agreement that allows for borrowings up to \$150,000,000, subject to increase or decrease as specified in the credit agreement. This agreement, which expires in July 2010, requires that interest be paid at a variable rate based on one of the following options elected by the Company: prime, LIBOR or money market rate plus applicable spread. No amounts were outstanding under revolving credit facilities at December 30, 2006 or December 31, 2005.

The Company had commercial letters of credit outstanding of \$2,813,000 and \$2,936,000 at December 30, 2006 and December 31, 2005, respectively.

The long-term loan agreements contain restrictive covenants that, among other things, require the Company to maintain certain financial ratios and minimum levels of consolidated net worth. At December 30, 2006, the Company was in compliance with all restrictive covenants. The agreements also impose restrictions on securing additional debt, sale and merger transactions and the disposition of significant assets.

Principal maturities of long-term debt subsequent to 2007 are as follows: 2008 - \$10,726,000; 2009 - \$8,000; 2010 - \$7,000.

Interest costs of \$170,000 in 2006, \$208,000 in 2005 and \$408,000 in 2004 were capitalized in connection with various capital improvement and computer hardware and software installation projects.

4. Leases

The Company leases machinery, equipment and certain warehouse, office and retail store space under operating lease agreements that expire at various dates through 2023. Certain leases contain renewal provisions and generally require the Company to pay utilities, insurance, taxes and other operating expenses. At December 30, 2006, minimum rental payments due under all noncancelable leases were as follows: 2007 - \$13,020,000; 2008 - \$11,979,000; 2009 - \$10,456,000; 2010 - \$8,366,000; 2011 - \$6,909,000; thereafter - \$30,329,000.

Rental expense under all operating leases consisted primarily of minimum rentals and totaled \$13,934,000 in 2006, \$12,403,000 in 2005 and \$11,542,000 in 2004.

5. Capital Stock

The Company has 2,000,000 authorized shares of \$1 par value preferred stock, of which none is issued or outstanding.

The Company has a preferred stock rights plan that is designed to protect stockholder interests in the event the Company is confronted with coercive or unfair takeover tactics. Two-thirds of one right is associated with each share of common stock currently outstanding. The rights trade with the common stock and become exercisable only upon the occurrence of certain triggering events. Each right, when exercisable, will entitle the holder to purchase one one-hundredth of a share of Series B junior participating preferred stock for \$120. The Company has designated 500,000 shares of preferred stock as Series B junior participating preferred stock for possible future issuance under the Company's preferred stock rights plan. Upon issuance for reasons other than liquidation, each share of Series B junior participating preferred stock will have 100 votes and a preferential quarterly dividend equal to the greater of \$21 per share or 100 times the dividend declared on common stock.

If, after a triggering event, the Company is a party to a merger or other business combination, regardless of whether the Company is the surviving corporation, right holders other than the party to the merger will be entitled to receive common stock of the surviving corporation worth twice the exercise price of the rights. The plan also provides for protection against self-dealing transactions by certain 15% stockholders or the activities of an adverse person (as defined in the plan). The Company may redeem the rights for \$.01 each at any time prior to a person being designated as an adverse person or fifteen days after a triggering event. Unless redeemed earlier, all rights expire on May 7, 2007. The Board of Directors can elect to exclude certain transactions from triggering the exercise of preferred stock rights and other actions under the plan.

As of December 30, 2006, the Company had stock options outstanding or available for grant under stock incentive plans adopted in 1993, 1995, 1997, 1999, 2001, 2003 and 2005. Shares of restricted stock may also be granted under each of these plans, with the exception of the 1993 plan. As of December 30, 2006, the Company had approximately 3,908,000 stock incentive units available for issuance under the Stock Incentive Plan of 2005. Under the provisions of the Stock Incentive Plan of 2005, each option granted counts as one stock incentive unit and each share of restricted stock granted counts as two stock incentive units. In addition, as of December 30, 2006, the Company had approximately 534,000 stock incentive units available for grant under the balance of its other plans. Options granted under each plan have an exercise price equal to the fair market value of the underlying stock on the grant date, expire no later than ten years from the grant date and generally vest over three years. Common stock issued under these plans is subject to certain restrictions, including a prohibition against any sale, transfer or other disposition by the officer or employee during the vesting period (except for certain transfers for estate planning purposes for certain officers) and a requirement to forfeit all or a certain portion of the award upon certain terminations of employment or upon failure to achieve performance criteria in certain instances. These restrictions lapse over a three- to five-year period from the date of the award. The Company has elected to recognize expense for these stock-based incentive plans ratably over the vesting term on a straight-line basis. Certain option and restricted share awards provide for accelerated vesting under various scenarios, including retirement and upon a change in control of the Company. With regard to acceleration of vesting upon retirement, employees of eligible retirement age are vested in accordance with plan provisions and applicable stock option and restricted stock agreements. The Company issues shares to plan participants upon exercise or vesting of stock-based incentive awards from either authorized, but unissued, shares or treasury shares.

A summary of the transactions under the stock option plans is as follows:

	Shares Under Option	Weighted- Average Exercise Price	Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at January 3, 2004	6,632,964	\$10.41		
Granted	1,938,069	17.75		
Exercised	(2,880,498)	9.90		
Cancelled	(108,186)	13.60		
Outstanding at January 1, 2005	5,582,349	\$13.14	5.8	\$43,531,000
Granted	643,695	22.89		
Exercised	(1,166,838)	11.62		
Cancelled	(18,494)	16.30		
Outstanding at December 31, 2005	5,040,712	\$14.72	5.6	\$39,201,000
Granted	735,210	22.71		
Exercised	(1,168,639)	12.51		
Cancelled	(32,338)	20.46		
Outstanding at December 30, 2006	4,574,945	\$16.53	5.6	\$54,873,000
Estimated forfeitures	(7,796)			
Vested or expected to vest at December 30, 2006	4,567,149	\$16.52	5.6	\$54,828,000
Nonvested at December 30, 2006 and expected to vest	(670,004)			
Exercisable at December 30, 2006	3,897,145	\$15.46	5.0	\$50,890,000

The total pre-tax intrinsic value of options exercised during the year ended December 30, 2006 was \$14,375,000. As of December 30, 2006, there was \$1,639,000 of unrecognized compensation cost related to stock option awards that is expected to be recognized over a weighted-average period of 0.7 years.

The aggregate intrinsic value in the preceding table represents the total pre-tax intrinsic value, based on the Company's closing stock price of \$28.52 as of December 30, 2006, which would have been received by the option holders had all option holders exercised in-the-money options as of that date. The total number of in-the-money options exercisable as of December 30, 2006 was 3,897,145. As of December 31, 2005, 5,040,712 outstanding options were exercisable, and the weighted-average exercise price was \$14.72.

A summary of the nonvested restricted shares issued under stock award plans is as follows:

	Shares	Weighted- Average Grant Date Fair Value
Nonvested at January 3, 2004	985,877	\$ 9.32
Granted	300,861	15.48
Vested	(367,442)	8.00
Forfeited	(13,734)	12.37
Nonvested at January 1, 2005	905,562	\$ 11.85
Granted	188,150	23.03

Vested	(159,821)	10.80
Forfeited	-	-
<hr/>		
Nonvested at December 31, 2005	933,891	\$ 14.28
Granted	178,950	22.59
Vested	(324,735)	12.06
Forfeited	(12,296)	17.09
<hr/>		
Nonvested at December 30, 2006	775,810	\$ 17.09
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As of December 30, 2006, there was \$5,001,000 of unrecognized compensation cost related to nonvested share-based compensation arrangements granted under restricted stock award plans. That cost is expected to be recognized over a weighted-average period of 1.3 years. The total fair value of shares vested during the year ended December 30, 2006 was \$7,283,000.

6. Retirement Plans

The Company has noncontributory, defined benefit pension plans covering a majority of its domestic employees. The Company's principal defined benefit pension plan provides benefits based on the employees' years of service and final average earnings (as defined in the plan), while the other plan provides benefits at a fixed rate per year of service. The Company intends to annually contribute amounts deemed necessary to maintain the plans on a sound actuarial basis.

The Company has a Supplemental Executive Retirement Plan ("SERP") for certain current and former employees that entitles them to receive payments from the Company following retirement based on the employees' years of service and final average earnings (as defined in the SERP). Under the SERP, the employees can elect early retirement with a corresponding reduction in benefits. The Company also has individual deferred compensation agreements with certain former employees that entitle them to receive payments from the Company for a period of fifteen to eighteen years following retirement. The Company maintains life insurance policies with a cash surrender value of \$31,025,000 at December 30, 2006 and \$28,557,000 at December 31, 2005 that are intended to fund deferred compensation benefits under the SERP and deferred compensation agreements.

The Company has a defined contribution money accumulation plan covering substantially all domestic employees that provides for Company contributions based on earnings. This plan is combined with the principal defined benefit pension plan for funding purposes to the extent allowable under applicable regulations. The Company recognized expense for the money accumulation plan of \$2,100,000 in 2006, \$2,031,000 in 2005 and \$1,788,000 in 2004. The Company has certain defined contribution plans at foreign subsidiaries. Contributions to these plans were \$978,000 in 2006, \$962,000 in 2005 and \$832,000 in 2004. The Company also has a defined benefit plan at a foreign location that provides for retirement benefits based on years of service. At December 30, 2006, the obligation recorded under this plan was \$2,500,000 with the majority recognized in the deferred compensation liability on the accompanying balance sheet.

On December 30, 2006, the Company adopted the recognition and disclosure provisions of SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*. SFAS No. 158 requires the Company to recognize the funded status of its pension plans in the December 30, 2006 consolidated balance sheets, with a corresponding adjustment to accumulated other comprehensive income, net of tax. The adjustment to accumulated other comprehensive income at adoption represents the net unrecognized actuarial losses and unrecognized prior service costs, which were previously netted against the plan's funded status in the Company's consolidated balance sheets pursuant to the provisions of SFAS No. 87, *Employers' Accounting for Pensions*. These amounts will be subsequently recognized as a component of net periodic pension cost on the same basis as the amounts recognized in accumulated other comprehensive income at adoption of SFAS No. 158.

The incremental effects of adopting the provisions of SFAS No. 158 on the Company's consolidated balance sheets at December 30, 2006 are presented in the following table. There was no effect on the Company's consolidated statements of operations for the year ended December 30, 2006, or for any prior period presented, and it will not affect the Company's operating results in future periods.

	Before Implementation of SFAS No. 158	Change Due to SFAS No. 158	After Implementation of SFAS No. 158
<i>(Thousands of Dollars)</i>			
Assets:			
Prepaid pension cost	\$ 28,443	\$ (18,210)	\$ 10,233
Deferred income taxes	1,936	6,728	8,664
Intangible asset - pension	854	(854)	-
Total assets	\$ 31,233	\$ (12,336)	\$ 18,897
Liabilities and Stockholders' Equity:			
Accrued pension liabilities	\$ 21,166	\$ 1,578	\$ 22,744
Accumulated other comprehensive income	(3,759)	(13,060)	(16,819)
Total liabilities and stockholders' equity	\$ 17,407	\$ (11,482)	\$ 5,925

The Company currently uses a September 30 measurement date for its defined benefit plans. The following summarizes the status of and changes in the Company's pension assets and related obligations for its pension plans (which include the Company's defined benefit pension plans and the SERP) as of:

	September 30	
	2006	2005
<i>(Thousands of Dollars)</i>		
Change in projected benefit obligations:		
Projected benefit obligations at beginning of the year	\$ 167,631	\$ 156,868
Service cost pertaining to benefits earned during the year	4,940	4,272
Interest cost on projected benefit obligations	10,342	9,444
Actuarial losses	1,124	4,108
Benefits paid to plan participants	(7,775)	(7,061)
Projected benefit obligations at end of the year	\$ 176,262	\$ 167,631
Change in fair value of pension assets:		
Fair value of pension assets at beginning of the year	\$ 158,407	\$ 144,272
Actual return on plan assets	8,991	17,442
Company contributions	3,875	3,754
Benefits paid to plan participants	(7,775)	(7,061)
Fair value of pension assets at end of the year	\$ 163,498	\$ 158,407
Funded status	\$ (12,764)	\$ (9,224)
Amounts recognized in the consolidated balance sheets:		
Non current assets	10,233	34,809
Non current liabilities	(22,997)	(20,016)

Net amount recognized	\$ (12,764)	\$ 14,793
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Amounts recognized in accumulated other comprehensive income, net of tax:

Unrecognized net actuarial loss	3,759	3,453
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Effect of adoption of SFAS No. 158:

Unrecognized net actuarial loss	11,770	-
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Unrecognized prior service cost	1,290	-
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Net amount recognized	\$ 16,819	\$ 3,453
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Funded status of pension plans and SERP (supplemental):

Funded status of qualified defined benefit plans and SERP	\$ (12,764)	\$ (9,224)
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Nonqualified trust assets (cash surrender value of life insurance) recorded in other assets and intended to satisfy the projected benefit obligation of unfunded supplemental employee retirement plans	29,020	26,212
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Net funded status of pension plans and SERP (supplemental)	\$ 16,256	\$ 16,988
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The Company made contributions of \$253,000 and \$178,000 subsequent to the measurement date and before the fiscal years ended 2006 and 2005, respectively.

Information for pension plans with an accumulated benefit obligation in excess of plan assets:

	September 30	
	2006	2005
<i>(Thousands of Dollars)</i>		
Projected benefit obligations	\$ 32,847	\$ 24,216
Accumulated benefit obligations	31,268	22,815
Fair value of plan assets	9,463	2,799

The accumulated benefit obligations for all defined benefit pension plans and the SERP were \$165,935,000 and \$157,931,000 at September 30, 2006 and 2005, respectively.

The following is a summary of net pension and SERP cost recognized by the Company:

	2006	2005	2004
<i>(Thousands of Dollars)</i>			
Service cost pertaining to benefits earned during the year	\$ (4,940)	\$ (4,272)	\$ (3,983)
Interest cost on projected benefit obligations	(10,342)	(9,444)	(8,991)
Expected return on pension assets	12,844	12,013	11,906
Net amortization loss	(8,743)	(7,800)	(5,548)
Net pension cost	\$ (11,181)	\$ (9,503)	\$ (6,616)

The prior service cost and actuarial loss included in accumulated other comprehensive income and expected to be recognized in net periodic pension cost during 2007 is \$427,000 (\$282,000, net of tax) and \$4,952,000 (\$3,268,000, net of tax), respectively. Expense for qualified defined benefit pension plans was \$8,759,000 in 2006, \$7,916,000 in 2005 and \$4,825,000 in 2004.

	2006	2005
Weighted average assumptions used to determine benefit obligations at September 30:		
Discount rate	6.25%	6.00%
Rate of compensation increase	3.50%	3.50%
Weighted average assumptions used to determine net periodic benefit cost for the years ended:		
Discount rate	6.00%	5.98%
Expected long-term rate of return on plan assets	8.75%	8.75%
Rate of compensation increase	3.50%	3.50%

Unrecognized net experience losses exceeding certain corridors are amortized over a five-year period, unless the minimum amortization method based on average remaining service periods produces a higher amortization.

The long-term rate of return is based on overall market expectations for a balanced portfolio with an asset mix similar to the Company's, utilizing historic returns for broad market and fixed income indices.

	2006	2005
Weighted average asset allocations at September 30 by asset category are as follows:		
Equity securities	72.6%	74.4%
Fixed income investments	20.0%	19.7%
Cash and money market investments	7.4%	5.9%
	100.0%	100.0%

The Company's investment policy for plan assets uses a blended approach of U.S. and foreign equities combined with U.S. fixed income investments. Policy guidelines indicate that total equities should not exceed 80% and fixed income securities should not exceed 50%. Within the equity and fixed income classifications, the investments are diversified.

The Company expects to contribute \$3,000,000 to its qualified defined benefit pension plans and \$938,000 to the SERP in 2007.

Expected benefit payments for the five years subsequent to 2006 and the sum of the five years following those are as follows: 2007 - \$8,061,000; 2008 - \$8,632,000; 2009 - \$9,092,000; 2010 - \$9,430,000; 2011 - \$9,878,000; and 2012 through 2016 - \$58,874,000.

7. Income Taxes

The provisions for income taxes consist of the following:

	2006	2005	2004
<i>(Thousands of Dollars)</i>			
Currently payable:			
Federal	\$ 35,442	\$ 30,458	\$ 23,096
State and foreign	11,746	11,230	6,604
Deferred (credit) expense	(8,543)	(4,908)	1,179
	\$ 38,645	\$ 36,780	\$ 30,879

A reconciliation of the Company's total income tax expense and the amount computed by applying the statutory federal income tax rate of 35% to earnings before income taxes is as follows:

	2006	2005	2004
<i>(Thousands of Dollars)</i>			
Income taxes at statutory rate	\$ 42,850	\$ 38,937	\$ 33,975
State income taxes, net of federal income tax reduction	349	314	343
Nontaxable earnings of foreign affiliates	(2,123)	(1,625)	(2,186)
Research and development credits	(481)	(740)	(550)
Repatriation of earnings of foreign subsidiaries	-	1,400	-
Foreign earnings taxed at rates differing from the U.S. statutory rate	(93)	(853)	(313)
Tax reserve adjustments	(1,535)	-	-
Other	(322)	(653)	(390)
	\$ 38,645	\$ 36,780	\$ 30,879

Significant components of the Company's deferred income tax assets and liabilities as of the end of 2006 and 2005 are as follows:

	2006	2005
<i>(Thousands of Dollars)</i>		
Deferred income tax assets:		
Accounts receivable and inventory valuation allowances	\$ 4,570	\$ 2,541
Deferred compensation accruals	2,140	2,019
Future benefit of foreign net operating losses	254	254
Accrued pension costs	8,664	1,779
Other amounts not deductible until paid	8,422	5,623
Total deferred income tax assets	24,050	12,216
Deferred income tax liabilities:		
Tax over book depreciation	(6,388)	(8,131)

Prepaid pension costs	(3,983)	(6,821)
Other	(1,597)	(1,511)
<hr/>		
Total deferred income tax liabilities	(11,968)	(16,463)
<hr/>		
Net deferred income tax assets (liabilities)	\$ 12,082	\$ (4,247)
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In 2005, the Company elected to repatriate earnings of foreign subsidiaries as provided under the American Jobs Creation Act of 2004 (the "Act"), which was enacted on October 22, 2004. The Act provides for a tax deduction of 85% of certain foreign earnings that were repatriated in 2005. During the fourth quarter of fiscal 2005, the Company repatriated \$41,547,000 of eligible foreign earnings for this deduction and as a result recorded tax expense of \$1,400,000.

No provision has been made for U.S. federal and state income taxes or foreign taxes that may result from future remittances of the remaining undistributed earnings of foreign subsidiaries of \$125,293,000 at December 30, 2006 as the Company expects such earnings will remain invested overseas indefinitely. (At December 31, 2005, undistributed foreign earnings were \$89,239,000).

8. Litigation and Contingencies

The Company is involved in various environmental claims and other legal actions arising in the normal course of business. The environmental claims include sites where the Environmental Protection Agency has notified the Company that it is a potentially responsible party with respect to environmental remediation. These remediation claims are subject to ongoing environmental impact studies, assessment of remediation alternatives, allocation of costs between responsible parties and concurrence by regulatory authorities and have not yet advanced to a stage where the Company's liability is fixed. However, after taking into consideration legal counsel's evaluation of all actions and claims against the Company, management is currently of the opinion that their outcome will not have a material effect on the Company's consolidated financial position or future results of operations.

Pursuant to certain of the Company's lease agreements, the Company has provided financial guarantees to third parties in the form of indemnification provisions. These provisions indemnify and reimburse the third parties for costs, including but not limited to adverse judgments in lawsuits, taxes and operating costs. The terms of the guarantees are equal to the terms of the related lease agreements. The Company is not able to calculate the maximum potential amount of future payments it could be required to make under these guarantees, as the potential payment is dependent upon the occurrence of future unknown events.

The Company has future minimum royalty obligations due under the terms of certain licenses held by the Company. These minimum future obligations are as follows:

	2007	2008	2009	2010	2011
<i>(Thousands of Dollars)</i>					
Minimum royalties	\$1,152	\$1,062	\$1,328	\$1,544	\$1,772

Minimum royalties are based on both fixed obligations and assumptions regarding the consumer price index. Royalty obligations in excess of minimum requirements are based upon future sales levels. In accordance with these agreements, the Company incurred royalty expense of \$3,159,000, \$3,145,000 and \$3,100,000 for 2006, 2005 and 2004, respectively.

The terms of certain license agreements also require advertising expenditures based on the level of sales. In accordance with these agreements, the Company's advertising obligations, based on actual sales, totaled \$2,331,000, \$1,906,000 and \$1,982,000 for 2006, 2005 and 2004, respectively.

9. Business Segments

The Company has one reportable segment that is engaged in manufacturing, sourcing, marketing, licensing and distributing branded footwear, apparel and accessories to the retail sector, including casual shoes, dress shoes, performance outdoor footwear, boots, uniform shoes, work shoes, slippers, moccasins and apparel and accessories. Revenue of this segment is derived from the sale of branded footwear to external customers as well as royalty income from the licensing of the Company's trademarks and brand names to licensees and distributors. The business units comprising the branded footwear and licensing segment manufacture or source, market and distribute products in a similar manner. Branded footwear

and licensed products are distributed through wholesale channels and under licensing and distributor arrangements.

The other business units in the following tables consist of the Company's retail, tannery and pigskin procurement operations. The Company operated 82 domestic retail stores and 14 consumer-direct internet sites at December 30, 2006 that sell Company-manufactured and sourced products, as well as footwear manufactured by unaffiliated companies. The other business units distribute products through retail and wholesale channels.

The Company measures segment profits as earnings before income taxes and minority interest. The accounting policies used to determine profitability and total assets of the branded products and other business segments are the same as disclosed in Note 1.

Business segment information is as follows:

2006				
	Branded Footwear and Licensing	Other Businesses	Corporate	Consolidated
<i>(Thousands of Dollars)</i>				
Revenue	\$ 1,036,929	\$ 104,958	\$ -	\$ 1,141,887
Intersegment sales	38,712	2,798	-	41,510
Interest (income) expense - net	9,862	1,050	(11,114)	(202)
Depreciation expense	7,339	3,859	8,443	19,641
Earnings (loss) before income taxes	133,463	6,976	(18,147)	122,292
Total assets	439,248	50,040	181,804	671,092
Additions to property, plant and equipment	6,943	3,205	6,919	17,067
2005				
	Branded Footwear and Licensing	Other Businesses	Corporate	Consolidated
<i>(Thousands of Dollars)</i>				
Revenue	\$ 964,522	\$ 96,477	\$ -	\$ 1,060,999
Intersegment sales	36,232	3,437	-	39,669
Interest (income) expense - net	9,706	1,009	(8,804)	1,911
Depreciation expense	7,845	3,735	7,890	19,470
Earnings (loss) before income taxes	120,668	5,847	(15,268)	111,247
Total assets	406,024	41,600	178,956	626,580
Additions to property, plant and equipment	7,975	4,721	6,464	19,160
2004				
	Branded Footwear and Licensing	Other Businesses	Corporate	Consolidated
<i>(Thousands of Dollars)</i>				
Revenue	\$ 903,611	\$ 88,298	\$ -	\$ 991,909
Intersegment sales	30,750	2,939	-	33,689
Interest (income) expense - net	9,266	968	(6,989)	3,245
Depreciation expense	6,585	3,215	8,883	18,683
Earnings (loss) before income taxes and minority interest	111,261	4,226	(18,417)	97,070
Total assets	453,522	39,260	146,789	639,571
Additions to property, plant and equipment	8,920	3,890	5,270	18,080



Geographic information, based on shipping destination, related to revenue from external customers included in the consolidated statements of operations is as follows:

	2006	2005	2004
<i>(Thousands of Dollars)</i>			
United States	\$ 721,548	\$ 740,442	\$ 718,674
Foreign countries:			
Europe and Russia	266,522	219,085	193,461
Canada	80,225	66,955	49,797
Central and South America	20,725	12,131	9,084
Asia	44,845	13,960	11,990
Middle East/Africa	8,022	8,426	8,903
Total foreign countries revenue	420,339	320,557	273,235
	\$ 1,141,887	\$ 1,060,999	\$ 991,909

The Company's long-lived assets (primarily property, plant and equipment and intangible assets) are as follows:

	2006	2005	2004
<i>(Thousands of Dollars)</i>			
United States	\$ 141,543	\$ 131,820	\$ 132,651
Foreign countries	34,003	40,277	40,776

The Company does not believe that it is dependent upon any single customer, since no customer accounts for more than 10% of consolidated revenue.

The Company sources approximately 88% (based on pairs) of its footwear products from unrelated suppliers primarily located in Asia. The remainder is produced in Company-owned manufacturing facilities in the United States and the Dominican Republic. All licensed apparel and accessories are sourced from unrelated suppliers. While changes in suppliers could cause delays in manufacturing and a possible loss of sales, management believes that other suppliers could provide similar products on comparable terms.

Revenue derived from the branded footwear and licensing segment accounted for approximately 91% of revenue in 2006, 2005 and 2004. No other product groups account for more than 10% of consolidated revenue.

Approximately 10% of the Company's employees are subject to bargaining unit contracts extending through various dates ranging from 2007 through 2009.

10. Quarterly Results of Operations (Unaudited)

The Company reports its quarterly results of operations on the basis of 12-week periods for each of the first three quarters and a 16- or 17-week period for the fourth quarter. The fourth quarters of 2006 and 2005 include 16 weeks.

The Company's unaudited quarterly results of operations are as follows:

2006

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<i>(Thousands of Dollars, Except Per Share Data)</i>				
Revenue	\$ 262,839	\$ 238,457	\$ 298,856	\$ 341,735
Gross margin	105,875	90,405	117,542	127,716
Net earnings	19,629	14,234	26,140	23,644
Net earnings per share:				
Basic	\$.36	\$.26	\$.48	\$.42
Diluted	.34	.25	.46	.42

2005

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<i>(Thousands of Dollars, Except Per Share Data)</i>				
Revenue	\$ 245,175	\$ 215,706	\$ 279,116	\$ 321,002
Gross margin	96,406	84,454	108,661	115,678
Net earnings	16,133	13,257	24,634	20,443
Net earnings per share:				
Basic	\$.28	\$.23	\$.44	\$.37
Diluted	.27	.22	.42	.36

Adjustments in the fourth quarter resulted in an increase in net earnings of \$743,000 (\$.01 per share) in 2006 and a decrease in net earnings of \$890,000 (\$.02 per share) in 2005. These adjustments related primarily to inventories.

11. Business Acquisitions

During the second quarter of 2005, the Company purchased the remaining 5% ownership from the minority stockholder of Wolverine Europe Limited, making it a wholly-owned subsidiary. The purchase price was \$2,322,000. The transaction eliminated the minority interest of \$566,000 and resulted in goodwill of \$1,756,000.

On January 3, 2005, the Company converted its *Cat®* and *Wolverine®* businesses in Canada from a non-affiliated distributor-based operation to a Company-owned wholesale operation. This expansion allowed the Company to directly wholesale all major brands in Canada. Assets consisting primarily of inventory, fixed assets and amortizable intangible assets totaling \$2,117,000 and assumed liabilities of \$883,000 were acquired from a former *Wolverine®* and *Cat®* Footwear distributor for cash of \$2,280,000 and resulted in goodwill and intangible assets of \$1,046,000. Consolidated pro forma revenue and net earnings, assuming the transaction occurred at the beginning of 2005, were not materially different from reported amounts. Pursuant to SFAS No. 142, goodwill and indefinite-lived intangibles will not be amortized, but will be evaluated for impairment annually. Goodwill was assigned to the Company's branded footwear and licensing segment. The amortizable intangible assets have a weighted average useful life of approximately ten years.

On January 3, 2005, the Company converted its *Merrell®* operations in Sweden and Finland and its *Sebago®* operations in the United Kingdom and Germany from a non-affiliated distributor-based operation to a Company-owned wholesale operation. Assets consisting primarily of inventory totaling \$544,000 were acquired from former distributors for cash.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Wolverine World Wide, Inc.

We have audited the accompanying consolidated balance sheets of Wolverine World Wide, Inc. and subsidiaries as of December 30, 2006 and December 31, 2005, and the related consolidated statements of stockholders' equity and comprehensive income, operations and cash flows for each of the three fiscal years in the period ended December 30, 2006. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wolverine World Wide, Inc. and subsidiaries at December 30, 2006 and December 31, 2005, and the consolidated results of their operations and their cash flows for each of the three fiscal years in the period ended December 30, 2006, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note 1 and Note 6 to the consolidated financial statements, in 2006 the Company changed its method of accounting for share-based payments and defined benefit plans in connection with the required adoption of Statement of Financial Accounting Standards Nos. 123(R) and 158, respectively.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Wolverine World Wide, Inc.'s internal control over financial reporting as of December 30, 2006, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 8, 2007 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Grand Rapids, Michigan
February 8, 2007

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON
INTERNAL CONTROL OVER FINANCIAL REPORTING**

Board of Directors and Stockholders
Wolverine World Wide, Inc.

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting, that Wolverine World Wide, Inc. and subsidiaries maintained effective internal control over financial reporting as of December 30, 2006, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Wolverine World Wide, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that Wolverine World Wide, Inc. maintained effective internal control over financial reporting as of December 30, 2006, is fairly stated, in all material respects, based on the COSO criteria. Also, in our opinion, Wolverine World Wide, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 30, 2006, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the 2006 consolidated financial statements of Wolverine World Wide, Inc. and subsidiaries and our report dated February 8, 2007 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Grand Rapids, Michigan
February 8, 2007

APPENDIX B

Schedule II - Valuation and Qualifying Accounts of Continuing Operations

Wolverine World Wide, Inc. and Subsidiaries

Column A	Column B	Column C	Column D	Column E	
Description	Balance at Beginning of Period	Additions		Deductions (Describe)	Balance at End of Period
		(1) Charged to Costs and Expenses	(2) Charged to Other Accounts (Describe)		
Fiscal year ended December 30, 2006					
Deducted from asset accounts:					
Allowance for doubtful accounts	\$ 4,656,000	\$ 3,106,000		\$ 1,438,000 (A)	\$ 6,324,000
Allowance for sales returns	2,540,000	29,675,000		26,893,000 (B)	5,322,000
Allowance for cash discounts	1,533,000	14,920,000		14,779,000 (C)	1,674,000
Inventory valuation allowances	6,456,000	9,954,000		6,760,000 (D)	9,650,000
	\$ 15,185,000	\$ 57,655,000		\$ 49,871,000	\$ 22,970,000
Fiscal year ended December 31, 2005					
Deducted from asset accounts:					
Allowance for doubtful accounts	\$ 4,834,000	\$ 1,706,000		\$ 1,884,000 (A)	\$ 4,656,000
Allowance for sales returns	1,786,000	28,405,000		27,651,000 (B)	2,540,000
Allowance for cash discounts	1,580,000	13,023,000		13,070,000 (C)	1,533,000
Inventory valuation allowances	5,844,000	10,941,000		10,329,000 (D)	6,456,000
	\$ 14,044,000	\$ 54,075,000		\$ 52,934,000	\$ 15,185,000
Fiscal year ended January 1, 2005					
Deducted from asset accounts:					
Allowance for doubtful accounts	\$ 7,335,000	\$ 3,638,000		\$ 6,139,000 (A)	\$ 4,834,000
Allowance for sales returns	1,997,000	23,611,000		23,822,000 (B)	1,786,000
Allowance for cash discounts	1,130,000	13,539,000		13,089,000 (C)	1,580,000
Inventory valuation allowances	6,355,000	8,385,000		8,896,000 (D)	5,844,000
	\$ 16,817,000	\$ 49,173,000		\$ 51,946,000	\$ 14,044,000

(A) Accounts charged off, net of recoveries.

(B) Actual customer returns.

(C) Discounts given to customers.

(D) Adjustment upon disposal of related inventories.

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

**EXHIBITS
TO
FORM 10-K**

**For the Fiscal Year Ended
December 30, 2006**

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

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Document</u>
3.1	Restated Certificate of Incorporation.
3.2	Amended and Restated By-laws. Previously filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended September 7, 2002. Here incorporated by reference.
4.1	Restated Certificate of Incorporation. See Exhibit 3.1 above.
4.2	Amended and Restated By-laws. See Exhibit 3.2 above.
4.3	Rights Agreement dated as of April 17, 1997. Previously filed with the Company's Form 8-A filed April 12, 1997. Here incorporated by reference.
4.4	Amendment No. 1 dated as of June 30, 2000, to the Rights Agreement dated as of April 17, 1997.
4.5	Second Amendment dated as of February 11, 2002, to the Rights Agreement dated as of April 17, 1997. Previously filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the period ended March 23, 2002. Here incorporated by reference.
4.6	Third Amendment dated as of December 10, 2002, to the Rights Agreement dated as of April 17, 1997. Previously filed as Exhibit 4.6 to the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2002. Here incorporated by reference.
4.7	Note Purchase Agreement dated as of December 8, 1998, relating to 6.50% Senior Notes due on December 8, 2008. Previously filed as Exhibit 4.7 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 2005. Here incorporated by reference.
4.8	The Registrant has several classes of long-term debt instruments outstanding in addition to those described in Exhibits 4.7 and 4.9. The authorized amount of none of these classes of debt exceeds 10% of the Company's total consolidated assets. The Company agrees to furnish copies of any agreement defining the rights of holders of any such long-term indebtedness to the Securities and Exchange Commission upon request.
4.9	Credit Agreement dated as of July 22, 2005, among Wolverine World Wide, Inc. and certain of its subsidiaries, JPMorgan Chase Bank, N.A., as Administrative Agent, Harris, N.A., as Syndication Agent, Comerica Bank, Standard Federal Bank N.A. and National City Bank of the Midwest, as Documentation Agents, and certain other Banks that are parties to the Credit Agreement. Previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 28, 2005. Here incorporated by reference.
10.1	Amended and Restated 1993 Stock Incentive Plan.*
10.2	Amended and Restated 1995 Stock Incentive Plan.*
10.3	Amended and Restated 1997 Stock Incentive Plan.*
10.4	Amended and Restated Stock Incentive Plan of 1999.*

- 10.5 Amended and Restated Stock Incentive Plan of 2001.*
- 10.6 Amended and Restated Stock Incentive Plan of 2003.*
- 10.7 Amended and Restated Stock Incentive Plan of 2005.*
- 10.8 Amended and Restated Directors' Stock Option Plan.*
- 10.9 Amended and Restated Outside Directors' Deferred Compensation Plan.* Previously filed as Appendix E to the Company's Definitive Proxy Statement with respect to the Company's Annual Meeting of Stockholders held on April 25, 2002. Here incorporated by reference.
- 10.10 Amended and Restated Executive Short-Term Incentive Plan (Annual Bonus Plan).* Previously filed as Appendix B to the Company's Definitive Proxy Statement with respect to the Company's Annual Meeting of Stockholders held on April 25, 2002. Here incorporated by reference.
- 10.11 Amended and Restated Executive Long-Term Incentive Plan (3-Year Bonus Plan) (Restated as amended through February 10, 2005).* Previously filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005. Here incorporated by reference.
- 10.12 Amended and Restated Stock Option Loan Program.* Previously filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended September 7, 2002. Here incorporated by reference.
- 10.13 Executive Severance Agreement.* Previously filed as Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 2005. Here incorporated by reference. An updated participant schedule of current executive officers who are parties to the agreement is attached as Exhibit 10.13.
- 10.14 Form of Indemnification Agreement.* A participant schedule of current executive officers and directors who are parties to the agreement is attached to the agreement.
- 10.15 Benefit Trust Agreement dated May 19, 1987, and Amendments Number 1, 2, 3 and 4 thereto.*
- 10.16 Amended and Restated Supplemental Executive Retirement Plan.* An updated participant schedule is attached to the Plan.
- 10.17 Employees' Pension Plan (Restated as amended through March 28, 2005).* Previously filed as Exhibit 10.19 to the Company Annual Report on Form 10-K for the fiscal year ended December 31, 2005. Here incorporated by reference.
- 10.18 Form of Incentive Stock Option Agreement.* Previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 9, 2005. Here incorporated by reference.
- 10.19 Form of Non-Qualified Stock Option Agreement for Stephen L. Gulis, Blake W. Krueger and Timothy J. O'Donovan.* Previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated February 9, 2005. Here incorporated by reference.

- 10.20 Form of Non-Qualified Stock Option Agreement for employees other than those to whom Exhibit 10.19 applies.* Previously filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated February 9, 2005. Here incorporated by reference.
- 10.21 Form of Restricted Stock Agreement.* Previously filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated February 9, 2005. Here incorporated by reference.
- 10.22 Form of Incentive Stock Option Agreement.* Previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 15, 2006. Here incorporated by reference.
- 10.23 Form of Non-Qualified Stock Option Agreement for Stephen L. Gulis, Blake W. Krueger and Timothy J. O'Donovan.* Previously filed as Exhibit 10.2 to the Company's Current Report of Form 8-K dated February 15, 2006. Here incorporated by reference.
- 10.24 Form of Non-Qualified Stock Option Agreement for employees other than those to whom Exhibit 10.23 applies.* Previously filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated February 15, 2006. Here incorporated by reference.
- 10.25 Form of Restricted Stock Agreement.* Previously filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated February 15, 2006. Here incorporated by reference.
- 10.26 Form of Stock Option Agreement for non-employee directors.* Previously filed as Exhibit 10.23 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 2005. Here incorporated by reference.
- 21 Subsidiaries of Registrant.
- 23 Consent of Ernst & Young LLP.
- 24 Powers of Attorney.
- 31.1 Certification of President and Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Executive Vice President, Chief Financial Officer and Treasurer under Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certification pursuant to 18 U.S.C. § 1350.

*Management contract or compensatory plan or arrangement.

EXHIBIT 3.1

RESTATED CERTIFICATE OF INCORPORATION
OF
WOLVERINE WORLD WIDE, INC.

Wolverine World Wide, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), certifies that:

A. The name of the Corporation is Wolverine World Wide, Inc. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on March 3, 1969.

B. This Restated Certificate of Incorporation has been duly adopted pursuant to Section 245 of the General Corporation Law of the State of Delaware. The provisions of the Certificate of Incorporation of the Corporation as heretofore amended or supplemented are hereby restated and integrated into the single instrument that is hereinafter set forth. Such instrument does not further amend the provisions of the Corporation's Certificate of Incorporation as heretofore amended or supplemented, and there is no discrepancy between the provisions in the Corporation's Certificate of Incorporation as heretofore amended or supplemented and the provisions of this Restated Certificate of Incorporation.

C. The text of the Certificate of Incorporation of the Corporation is restated to read as follows:

FIRST. The name of the corporation is

WOLVERINE WORLD WIDE, INC.

SECOND. The address of its registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, Delaware 19801, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

THIRD. The nature of the business or purposes to be conducted or promoted by the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware, as amended from time to time.

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 Board of Directors is authorized to cause Preferred Stock, \$1 par value, to be issued from time to time in one or more series, with such voting powers, full or limited, or no voting powers, and such designations, provisions, and relative, participating, preferential or other special rights and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issue of such stock adopted by the Board of Directors. The Board of Directors is expressly authorized to adopt such resolution or resolutions and issue such stock from time to time as may seem desirable.

The authorized shares of Common Stock of the par value of \$1 per share are all of one class with equal voting powers, and each such share shall be equal to every other such share.

SERIES A JUNIOR PARTICIPATING PREFERRED STOCK: Pursuant to the authority vested in the Board of Directors of this Corporation in accordance with the provisions of its Certificate of Incorporation, a series of Preferred Stock of the Corporation be and it hereby is created, and that the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as follows:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" and the number constituting such series shall be 150,000.

Section 2. Dividends and Distributions.

(A) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Junior Participating Preferred Stock with respect to the holders of shares of Series A Junior Participating Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the fifteenth day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Participating Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$6.00 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, par value \$1.00 per share, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Junior Participating Preferred Stock. In the event the Corporation shall at any time after May 7, 1987 (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in

each such case the amount to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Junior Participating Preferred Stock as provided in paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$6.00 per share on the Series A Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Participating Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Junior Participating Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Junior Participating Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time after May 7, 1987 (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after

such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Participating Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) (i) If at any time dividends on any Series A Junior Participating Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Junior Participating Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock (including holders of the Series A Junior Participating Preferred Stock) with dividends in arrears in an amount equal to six (6) quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect two (2) Directors.

(ii) During any default period, such voting right of the holders of Series A Junior Participating Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (iii) of this Section 3(C) or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders, provided that neither such voting right nor the right of the holders of any other series of Preferred Stock, if any, to increase, in certain cases, the authorized number of Directors shall be exercised unless the holders of ten percent (10%) in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of the holders of Common Stock shall not affect the exercise by the holders of Preferred Stock of such voting right. At any meeting at which the holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect Directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two (2) Directors or, if such right is exercised at an annual meeting, to elect two (2) Directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of Directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect Directors in any default period and during the continuance of such period, the number of Directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or pari passu with the Series A Junior Participating Preferred Stock

(iii) Unless the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect Directors, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of the holders of Preferred Stock, which meeting shall thereupon be called by the President, a Vice-President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this paragraph (C) (iii) shall be given to each holder of record of Preferred Stock by mailing a

copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than 20 days and not later than 60 days after such order or request or in default of the calling of such meeting within 60 days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding. Notwithstanding the provisions of this paragraph (C)(iii), no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of the stockholders.

(iv) In any default period, the holders of Common Stock, and other classes of stock of the Corporation, if applicable, shall continue to be entitled to elect the whole number of Directors until the holders of Preferred Stock shall have exercised their right to elect two (2) Directors voting as a class, after the exercise of which right (x) the Directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in paragraph (C)(ii) of this Section 3) be filled by vote of a majority of the remaining Directors theretofore elected by the holders of the class of stock which elected the Director whose office shall have become vacant. References in this paragraph (C) to Directors elected by the holders of a particular class of stock shall include Directors elected by such Directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect Directors shall cease, (y) the term of any Directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of Directors shall be such number as may be provided for in the certificate of incorporation or by-laws irrespective of any increase made pursuant to the provisions of paragraph (C)(ii) of this Section 3 (such number being subject, however, to change thereafter in any manner provided by law or in the certificate of incorporation or by-laws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining Directors.

(D) Except as set forth herein, holders of Series A Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Participating Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either

as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, except dividends paid ratably on the Series A Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Junior Participating Preferred Stock;

(iv) purchase or otherwise acquire for consideration any shares of Series A Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series A Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

Section 6. Liquidation, Dissolution or Unwinding. (A) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Series A Junior Participating Preferred Stock shall have received \$100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series A Liquidation Preference"), following the payment of the full amount of the Series A Liquidation Preference, no additional

distributions shall be made to the holders of shares of Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series A Liquidation Preference by (ii) 100 (as appropriately adjusted as set forth in subparagraph C below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Series A Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series A Junior Participating Preferred Stock and Common Stock, respectively, holders of Series A Junior Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(B) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on a parity with the Series A Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are not sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(C) In the event the Corporation shall at any time after May 7, 1987 (i) declare any dividend of Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time after May 7, 1987 (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after

such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series A Junior Participating Preferred Stock shall not be redeemable.

Section 9. Ranking. The Series A Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 10. Amendment. The Certificate of Incorporation of the Corporation shall not be further amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Participating Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series A Junior Participating Preferred Stock, voting separately as a class.

Section 11. Fractional Shares. Series A Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Participating Preferred Stock.

SERIES B JUNIOR PARTICIPATING PREFERRED STOCK: Pursuant to the authority vested in the Board of Directors of this Corporation in accordance with the provisions of its Certificate of Incorporation, a series of Preferred Stock of the Corporation be and it hereby is created, and that the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as follows:

Section 1. Designation and Amount. The shares of such series shall be designated as "Series B Junior Participating Preferred Stock" and the number of shares constituting such series shall be 500,000.

Section 2. Dividends and Distributions.

(A) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series B Junior Participating Preferred Stock with respect to the holders of shares of Series B Junior Participating Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the fifteenth day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series B Junior Participating Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$21.00 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, \$1.00 par value per share, of the

Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series B Junior Participating Preferred Stock. In the event the Corporation shall at any time on or after April 16, 1997 (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series B Junior Participating Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series B Junior Participating Preferred Stock as provided in paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$21.00 per share on the Series B Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series B Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series B Junior Participating Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series B Junior Participating Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series B Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series B Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series B Junior Participating Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series B Junior Participating Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time after April 16, 1997 (i) declare any dividend on Common Stock payable in

shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series B Junior Participating Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein or by law, the holders of shares of Series B Junior Participating Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) (i) If at any time dividends on any Series B Junior Participating Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series B Junior Participating Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock (including holders of the Series B Junior Participating Preferred Stock) with dividends in arrears in an amount equal to six (6) quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect two (2) Directors.

(ii) During any default period, such voting right of the holders of Series B Junior Participating Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (iii) of this Section 3(C) or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders, provided that neither such voting right nor the right of the holders of any other series of Preferred Stock, if any, to increase, in certain cases, the authorized number of Directors shall be exercised unless the holders of ten percent (10 %) in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of the holders of Common Stock shall not affect the exercise by the holders of Preferred Stock of such voting right. At any meeting at which the holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect Directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two (2) Directors or, if such right is exercised at an annual meeting, to elect two (2) Directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of Directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect Directors in any default period and during the continuance of such period, the number of Directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or pari passu with the Series B Junior Participating Preferred Stock.

(iii) Unless the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect Directors, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than ten percent

(10%) of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of the holders of Preferred Stock, which meeting shall thereupon be called by the President, an Executive Vice President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this paragraph (C)(iii) shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than 20 days and not later than 60 days after such order or request or in default of the calling of such meeting within 60 days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding. Notwithstanding the provisions of this paragraph (C)(iii), no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of the stockholders.

(iv) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of Directors until the holders of Preferred Stock shall have exercised their right to elect two (2) Directors voting as a class, after the exercise of which right (x) the Directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in paragraph (C)(ii) of this Section 3) be filled by vote of a majority of the remaining Directors theretofore elected by the holders of the class of stock which elected the Director whose office shall have become vacant. References in this paragraph (C) to Directors elected by the holders of a particular class of stock shall include Directors elected by such Directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect Directors shall cease, (y) the term of any Directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of Directors shall be such number as may be provided for in the certificate of incorporation or by-laws irrespective of any increase made pursuant to the provisions of paragraph (C)(ii) of this Section 3 (such number being subject, however, to change thereafter in any manner provided by law or in the certificate of incorporation or by-laws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining Directors.

(D) Except as set forth herein, holders of Series B Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any Corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series B Junior Participating Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared,

on shares of Series B Junior Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series B Junior Participating Preferred Stock;

(ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series B Junior Participating Preferred Stock, except dividends paid ratably on the Series B Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series B Junior Participating Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series B Junior Participating Preferred Stock;

(iv) Purchase or otherwise acquire for consideration any shares of Series B Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series B Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes,

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series B Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

Section 6. Liquidation, Dissolution or Winding Up.

(A) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series B Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Series B Junior Participating Preferred Stock shall have received \$240.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series B Liquidation Preference"). Following the payment of the full amount of the Series B Liquidation Preference, no additional distributions shall be made to the holders of shares of Series B Junior Participating Preferred Stock: unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series B Liquidation Preference by (ii) 100 (as appropriately adjusted as set forth in subparagraph C below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Series B Liquidation Preference and the Common Adjustment in respect of all outstanding shares of Series B Junior Participating Preferred Stock and Common Stock, respectively, holders of Series B Junior Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(B) In the event, however, that there are no sufficient assets available to permit payment in full of the Series B Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on the parity with the Series B Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are no sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(C) In the event the Corporation shall at any time after April 16, 1997 (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series B Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for each share

of Common Stock is changed or exchanged. In the event the Corporation shall at any time after April 16, 1997 (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series B Junior Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series B Junior Participating Preferred Stock shall not be redeemable.

Section 9. Ranking. The Series B Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 10. Amendment. The Certificate of Incorporation of the Corporation shall not be further amended in any manner which would materially alter or change the powers, preferences or special rights of the Series B Junior Participating Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series B Junior Participating Preferred Stock, voting separately as a class; provided, however, that at any time that there are no outstanding shares of Series B Junior Participating Preferred Stock and no outstanding rights, warrants, or options to acquire shares of Series B Junior Participating Preferred Stock, the Board of Directors may amend the powers, preferences, and rights of the Series B Junior Participating Preferred Stock or convert such shares of Series B Junior Participating Preferred Stock into authorized but unissued shares of preferred stock which may be reissued as part of a new series of preferred stock in accordance with the provisions of the Certificate of Incorporation.

Section 11. Fractional Shares. Series B Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holders fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series B Junior Participating Preferred Stock.

FIFTH. The corporation is to have perpetual existence.

SIXTH. The Board of Directors shall have the power, at any regular or special meeting at which a quorum is present, by the affirmative vote of a majority of the whole Board:

To make, alter or repeal the By-Laws of the corporation.

To authorize and cause to be executed mortgages and liens upon the real and personal property of the corporation.

To set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve in the manner in which it was created.

To designate one or more committees, each committee to consist of two or more of the directors of the corporation, which, to the extent provided in the resolution or in the By-Laws of the corporation, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be stated in the By-Laws of the corporation or as may be determined from time to time by resolution adopted by the Board of Directors.

SEVENTH. (a) Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified by the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) Any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise may be indemnified by the corporation against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application, that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery of the State of Delaware or such other court shall deem proper.

(c) Any indemnification under subsections (a) and (b) of this section (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (a)

and (b) of this section. Such determination shall be made (1) by the Board of Directors by a majority of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel (who may be the regular counsel of the corporation) in a written opinion, or (3) by the stockholders.

(d) To the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of this section, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(e) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the manner provided in subsection (c) upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this section.

(f) The indemnification provided by this section shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any By-Law, agreement, vote of stockholders or disinterested director or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this section.

EIGHTH. No director of the corporation shall be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty by such director as a director; provided however, that this Article EIGHTH shall not eliminate or limit the liability of a director to the extent provided by applicable law (i) for any breach of the director's duty of loyalty to the corporation or its stockholder, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this Article EIGHTH shall apply to or have any effect on the liability or alleged liability of any director of the corporation for or with respect to any acts or omissions of such director occurring prior to such amendment or repeal.

IN WITNESS WHEREOF, the Corporation has caused this Restated Certificate of Incorporation to be signed by Kenneth A. Grady, its General Counsel and Secretary, this 23rd day of February 2007.

WOLVERINE WORLD WIDE, INC.

/s/ Kenneth A. Grady

Kenneth A. Grady
General Counsel and Secretary

EXHIBIT 4.4

FIRST AMENDMENT TO RIGHTS AGREEMENT
BETWEEN
WOLVERINE WORLD WIDE, INC.
AND
HARRIS TRUST AND SAVINGS BANK

This First Amendment to Rights Agreement (the "Amendment") amends the Rights Agreement between WOLVERINE WORLD WIDE, INC. ("Wolverine") and HARRIS TRUST AND SAVINGS BANK ("Harris Bank") dated April 17, 1997 (the "Rights Agreement"). COMPUTERSHARE INVESTOR SERVICES, L.L.C. ("Computershare") joins in this amendment as successor in interest to Harris Bank. Capitalized terms not otherwise defined in this Amendment shall have the meanings set forth in the Rights Agreement.

WHEREAS, under the Rights Agreement, Harris Bank is appointed as the "Rights Agent" as defined therein; and

WHEREAS, Harris Bank has transferred certain of its operations to Computershare; and

WHEREAS, as successor in interest to Harris Bank under the Rights Agreement, the parties now desire that Computershare be appointed Rights Agent under the Rights Agreement.

In consideration of the terms set forth herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereby agree as follows:

1. **Appointment of Substitute Rights Agent.** Wolverine hereby appoints Computershare to act as agent for the Company and the holders of the Rights (who, in accordance with Section 3 of the Rights Agreement, shall, prior to the Distribution Date, also be the holders of the Common Stock) in accordance with the terms and conditions hereof, and Computershare hereby accepts such appointment to serve as Rights Agent. The appointment of Computershare as Rights Agent is deemed effective as of June 30, 2000 (the "Effective Date"). As of the Effective Date, all references in the Rights Agreement to "Rights Agent" shall be deemed to refer to Computershare, Harris Bank shall no longer be the Rights Agent and Computershare shall be fully responsible for all responsibilities and obligations of Rights Agent under the Rights Agreement.

2. **Section 21.** Section 21 of the Rights Agreement is amended in its entirety and replaced with the following provision:

"Section 21. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Agreement upon thirty (30) days' notice in writing mailed to the Company, and to each transfer agent of the Common Stock and Preferred Stock, by registered or certified mail, and to the holders of the Rights Certificates by first-class mail. The Company may

remove the Rights Agent or any successor Rights Agent upon thirty (30) days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Stock and Preferred Stock, by registered or certified mail, and to the holders of the Rights Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of thirty (30) days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Rights Certificate (who shall, with such notice, submit his Rights Certificate for inspection by the Company), then any registered holder of any Rights Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be a corporation or trust company (or similar form of entity under the laws of any state of the United States or a foreign jurisdiction) authorized to conduct business under the laws of the United States or any state of the United States, in good standing, having a principal office in any state of the United States, which is authorized under such laws to exercise corporate trust, fiduciary or stockholder services powers and is subject to supervision or examination by federal or state authority and which has at the time of its appointment as Rights Agent a combined capital and surplus of at least \$10,000,000. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Stock and the Preferred Stock, and mail a notice thereof in writing to the registered holders of the Rights Certificates. Failure to give any notice provided for in this Section 21, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be."

3. **Section 24.** The address stated for the Rights Agent under Section 24 of the Rights Agreement is amended and replaced with the following:

Computershare Investor Services, L.L.C.
2 North LaSalle
Chicago, Illinois 60602
Attention: Charles Zade

4. Except as specifically set forth in this Amendment, all terms and conditions as set forth in the Rights Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and attested as of the dates set forth below.

Attest:

WOLVERINE WORLD WIDE, INC.

By /s/ James D. Zwiers
James D. Zwiers
Associate General Counsel and
Assistant Secretary

By /s/ Blake W. Krueger
Blake W. Krueger
Executive Vice President,
General Counsel and Secretary

Attest:

HARRIS TRUST AND SAVINGS BANK

By /s/ Blanche O. Hurt
Blanche O. Hurt
Vice President and Senior Counsel

By /s/ Martin J. McHale
Martin J. McHale
Vice President

Attest:

COMPUTERSHARE INVESTOR
SERVICES, L.L.C.

By /s/ Tod C. Shafer
Tod C. Shafer
Manager, Client Services

By /s/ Keith A. Bradley
Keith A. Bradley
Manager, Client Services

EXHIBIT 10.1

WOLVERINE WORLD WIDE, INC.

AMENDED AND RESTATED
1993 STOCK INCENTIVE PLAN

SECTION 1

Establishment of Plan; Purpose of Plan

1.1 Establishment of Plan. The Company hereby establishes the 1993 STOCK INCENTIVE PLAN (the "Plan") for its corporate, divisional, and Subsidiary officers and other key employees. The Plan permits the grant and award of Stock Options, Restricted Stock, Stock Awards, and Tax Benefit Rights.

1.2 Purpose of Plan. The purpose of the Plan is to provide officers and key management employees of the Company, its divisions, and its Subsidiaries with an increased incentive to make significant and extraordinary contributions to the long-term performance and growth of the Company and its Subsidiaries, to join the interests of officers and key employees with the interests of the Company's stockholders through the opportunity for increased stock ownership, and to attract and retain officers and key employees of exceptional ability. The Plan is further intended to provide flexibility to the Company in structuring long-term incentive compensation to best promote the foregoing objectives.

SECTION 2

Definitions

The following words have the following meanings unless a different meaning is plainly required by the context:

2.1 "Act" means the Securities Exchange Act of 1934, as amended.

2.2 "Board" means the Board of Directors of the Company.

2.3 "Change in Control" means (a) the sale, lease, exchange, or other transfer of substantially all of the Company's assets (in one transaction or in a series of related transactions) to, or the merger or consolidation of the Company with, a corporation that is not controlled by the Company; or (b) a change in control of the Company of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Act: *provided that*, without limitation, such a change in control shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Act), other than a Subsidiary or any employee benefit plan of the Company or a Subsidiary or any entity holding Common Stock pursuant to the terms of any such employee benefit plan, is or becomes the beneficial owner (as defined in Rule 13(d)-3 under the Act), directly or indirectly, of securities of the Company representing twenty percent (20%) or more of the combined voting power of the Company's then outstanding securities; or (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board

cease for any reason to constitute at least a majority of the Board, unless the election, or nomination for election by the Company's stockholders, of each new director was approved by a vote of at least two-thirds (2/3) of the directors then still in office who were directors at the beginning of the period.

2.4 "Code" means the Internal Revenue Code of 1986, as amended.

2.5 "Committee" means the Compensation Committee of the Board or such other committee as the Board shall designate to administer the Plan. The Committee shall consist of at least two members of the Board, and all of its members shall be "disinterested persons" as defined in Rule 16b-3 under the Act.

2.6 "Common Stock" means the Common Stock of the Company, par value \$1 per share.

2.7 "Company" means Wolverine World Wide, Inc., a Delaware corporation, and its successors and assigns.

2.8 "Incentive Award" means the award or grant of a Stock Option, Restricted Stock, Stock Award, or Tax Benefit Right to a Participant pursuant to the Plan.

2.9 "Market Value" shall equal the closing market price of shares of Common Stock reported on the New York Stock Exchange (or any successor exchange that is the primary stock exchange for trading of Common Stock) on the date of grant, exercise or vesting, as applicable, or if the New York Stock Exchange (or any such successor) is closed on that date, the last preceding date on which the New York Stock Exchange (or any such successor) was open for trading and on which shares of Common Stock were traded.

2.10 "Participant" means a corporate officer, divisional officer, or other key employee of the Company, its divisions, or its Subsidiaries who the Committee determines is eligible to participate in the Plan and who is designated to be granted an Incentive Award under the Plan.

2.11 "Restricted Period" means the period of time during which Restricted Stock awarded under the Plan is subject to restrictions. The Restricted Period may differ among Participants and may have different expiration dates with respect to shares of Common Stock covered by the same Incentive Award.

2.12 "Restricted Stock" means Common Stock awarded to a Participant pursuant to Section 6 of the Plan.

2.13 "Retirement" means the voluntary termination of all employment by a Participant after the Participant has attained 60 years of age, or such other age as shall be determined by the Committee in its sole discretion or as otherwise may be set forth in the Incentive Award agreement or other grant document with respect to a Participant and a particular Incentive Award.

2.14 "Stock Award" means an award of Common Stock awarded to a Participant pursuant to Section 7 of the Plan.

2.15 "Stock Option" means the right to purchase Common Stock at a stated price for a specified period of time. For purposes of the Plan, a Stock Option may be

either an incentive stock option within the meaning of Section 422(b) of the Code or a nonqualified stock option.

2.16 "Subsidiary" means any corporation or other entity of which fifty percent (50%) or more of the outstanding voting stock or voting ownership interest is directly or indirectly owned or controlled by the Company or by one or more Subsidiaries of the Company.

2.17 "Tax Benefit Right" means any right granted to a Participant pursuant to Section 8 of the Plan.

SECTION 3

Administration

3.1 Power and Authority. The Committee shall administer the Plan, shall have full power and authority to interpret the provisions of the Plan, and shall have full power and authority to supervise the administration of the Plan. All determinations, interpretations, and selections made by the Committee regarding the Plan shall be final and conclusive. The Committee shall hold its meetings at such times and places as it deems advisable. Action may be taken by a written instrument signed by a majority of the members of the Committee, and any action so taken shall be fully as effective as if it had been taken at a meeting duly called and held. The Committee shall make such rules and regulations for the conduct of its business as it deems advisable. The members of the Committee shall not be paid any additional fees for their services.

3.2 Grants or Awards to Participants. In accordance with and subject to the provisions of the Plan, the Committee shall have the authority to determine all provisions of Incentive Awards as the Committee may deem necessary or desirable and as are consistent with the terms of the Plan, including, without limitation, the following: (a) the persons who shall be selected as Participants; (b) the nature and extent of the Incentive Awards to be made to each Participant (including the number of shares of Common Stock to be subject to each Incentive Award, any exercise price, the manner in which an Incentive Award will vest or become exercisable, and the form of payment for the Incentive Award); (c) the time or times when Incentive Awards will be granted; (d) the duration of each Incentive Award; and (e) the restrictions and other conditions to which payment or vesting of Incentive Awards may be subject.

3.3 Amendments or Modifications of Awards. The Committee shall have the authority to amend or modify the terms of any outstanding Incentive Award in any manner, provided that the amended or modified terms are not prohibited by the Plan as then in effect, including, without limitation, the authority to: (a) modify the number of shares or other terms and conditions of an Incentive Award; (b) extend the term of an Incentive Award; (c) accelerate the exercisability or vesting or otherwise terminate any restrictions relating to an Incentive Award; (d) accept the surrender of any outstanding Incentive Award; or (e) to the extent not previously exercised or vested, authorize the grant of new Incentive Awards in substitution for surrendered Incentive Awards.

3.4 Indemnification of Committee Members. Each person who is or shall have been a member of the Committee shall be indemnified and held harmless by the Company from and against any cost, liability, or expense imposed or incurred in

connection with such person's or the Committee's taking or failing to take any action under the Plan. Each such person shall be justified in relying on information furnished in connection with the Plan's administration by any appropriate person or persons.

SECTION 4

Shares Subject to the Plan

4.1 Number of Shares. Subject to adjustment as provided in subsection 4.2 of the Plan, a maximum of 350,000 shares of Common Stock shall be available for Incentive Awards under the Plan. Such shares shall be authorized and may be either unissued or treasury shares.

4.2 Adjustments. If the number of shares of Common Stock outstanding changes by reason of a stock dividend, stock split, recapitalization, merger, consolidation, combination, exchange of shares, or any other change in the corporate structure or shares of the Company, the number and kind of securities subject to and reserved under the Plan, together with applicable exercise prices, shall be appropriately adjusted. No fractional shares shall be issued pursuant to the Plan, and any fractional shares resulting from adjustments shall be eliminated from the respective Incentive Awards, with an appropriate cash adjustment for the value of any Incentive Awards eliminated. If an Incentive Award is cancelled, surrendered, modified, exchanged for a substitute Incentive Award, or expires or terminates during the term of the Plan but prior to the exercise or vesting of the Incentive Award in full, the shares subject to but not delivered under such Incentive Award shall be available for other Incentive Awards.

SECTION 5

Stock Options

5.1 Grant. A Participant may be granted one or more Stock Options under the Plan. Stock Options shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion. In addition, the Committee may vary, among Participants and among Stock Options granted to the same Participant, any and all of the terms and conditions of the Stock Options granted under the Plan. The Committee shall have complete discretion in determining the number of Stock Options granted to each Participant. The Committee may designate whether or not a Stock Option is to be considered an incentive stock option as defined in Section 422(b) of the Code.

5.2 Stock Option Agreements. Stock Options shall be evidenced by Stock Option agreements containing such terms and conditions, consistent with the provisions of the Plan, as the Committee shall from time to time determine. Unless a Stock Option agreement provides otherwise, Stock Options shall be subject to the terms and conditions set forth in this Section

5.3 Stock Option Price. The per share Stock Option price shall be determined by the Committee, but shall be a price that is equal to or higher than the par value of the Company's Common Stock; provided, however, that the per share Stock Option price for

any shares designated as incentive stock options shall be equal to or greater than one hundred percent (100%) of the Market Value on the date of grant.

5.4 Medium and Time of Payment. The exercise price for each share purchased pursuant to a Stock Option granted under the Plan shall be payable in cash or, if the Committee consents, in shares of Common Stock (including Common Stock to be received upon a simultaneous exercise) or other consideration substantially equivalent to cash. The time and terms of payment may be amended with the consent of a Participant before or after exercise of a Stock Option, but such amendment shall not reduce the Stock Option price. The Committee may from time to time authorize payment of all or a portion of the Stock Option price in the form of a promissory note or installments according to such terms as the Committee may approve. The Board may restrict or suspend the power of the Committee to permit such loans and may require that adequate security be provided.

5.5 Stock Options Granted to Ten Percent Stockholders. No Stock Option granted to any Participant who at the time of such grant owns, together with stock attributed to such Participant under Section 424(d) of the Code, more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries may be designated as an incentive stock option, unless such Stock Option provides an exercise price equal to at least one hundred ten percent (110%) of the Market Value of the Common Stock and the exercise of the Stock Option after the expiration of five years from the date of grant of the Stock Option is prohibited by its terms.

5.6 Limits on Exercisability. Stock Options shall be exercisable for such periods as may be fixed by the Committee, not to exceed 10 years from the date of grant. At the time of the exercise of a Stock Option, the holder of the Stock Option, if requested by the Committee, must represent to the Company that the shares are being acquired for investment and not with a view to the distribution thereof. The Committee may in its discretion require a Participant to continue the Participant's service with the Company and its Subsidiaries for a certain length of time prior to a Stock Option becoming exercisable and may eliminate such delayed vesting provisions. No Stock Option issued to officers and employees subject to Section 16 of the Act shall be exercisable during the first six months of its term.

5.7 Restrictions on Transferability.

(a) General. Unless the Committee otherwise consents or unless the Stock Option agreement or grant provide otherwise: (i) no Stock Options granted under the Plan may be sold, exchanged, transferred, pledged, assigned, or otherwise alienated or hypothecated except by will or the laws of descent and distribution; and (ii) all Stock Options granted to a Participant shall be exercisable during the Participant's lifetime only by such Participant, his guardian, or legal representative.

(b) Other Restrictions. The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to the exercise of a Stock Option under the Plan as the Committee deems advisable, including, without limitation, restrictions under applicable federal or state securities laws.

5.8 Termination of Employment or Officer Status.

(a) General. If a Participant ceases to be employed by or an officer of the Company or one of its Subsidiaries for any reason other than the Participant's death, disability, Retirement, or termination for cause, the Participant may exercise his Stock Options only for a period of three months after such termination of employment or officer status, but only to the extent the Participant was entitled to exercise the Stock Options on the date of termination, unless the Committee otherwise consents or the terms of the Stock Option agreement or grant provide otherwise. For purposes of the Plan, the following shall not be deemed a termination of employment or officer status: (i) a transfer of an employee from the Company to any Subsidiary; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days, duly authorized in writing by the Company, provided that the employee's right to reemployment is guaranteed either by statute or contract; or (iv) a termination of employment with continued service as an officer.

(b) Death. If a Participant dies either while an employee or officer of the Company or one of its Subsidiaries or after the termination of employment other than for cause but during the time when the Participant could have exercised a Stock Option under the Plan, the Stock Option issued to such Participant shall be exercisable by the personal representative of such Participant or other successor to the interest of the Participant for one year after the Participant's death, but only to the extent that the Participant was entitled to exercise the Stock Option on the date of death or termination of employment, whichever first occurred, unless the Committee otherwise consents or the terms of the Stock Option agreement or grant provide otherwise.

(c) Disability. If a Participant ceases to be an employee or officer of the Company or one of its Subsidiaries due to the Participant's disability, the Participant may exercise a Stock Option for a period of one year following such termination of employment, but only to the extent that the Participant was entitled to exercise the Stock Option on the date of such event, unless the Committee otherwise consents or the terms of the Stock Option agreement or grant provide otherwise.

(d) Participant Retirement. If a Participant Retires as an employee or officer of the Company or one of its Subsidiaries, any Stock Option granted under the Plan may be exercised during the remaining term of the Stock Option, unless the terms of the Stock Option agreement or grant provide otherwise.

(e) Termination for Cause. If a Participant is terminated for cause, the Participant shall have no further right to exercise any Stock Option previously granted.

SECTION 6

Restricted Stock

6.1 Grant. A Participant may be granted Restricted Stock under the Plan. Restricted Stock shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as shall be determined by the Committee in its sole discretion. The Committee may impose such restrictions or conditions, consistent with the provisions of the Plan, to the vesting of Restricted Stock as it deems appropriate.

6.2 Restricted Stock Agreements. Awards of Restricted Stock shall be evidenced by Restricted Stock agreements containing such terms and conditions, consistent with the provisions of the Plan, as the Committee shall from time to time determine. Unless a Restricted Stock agreement provides otherwise, Restricted Stock Awards shall be subject to the terms and conditions set forth in this Section 6.

6.3 Termination of Employment or Officer Status.

(a) General. In the event of termination of employment or officer status during the Restricted Period for any reason other than death, disability, Retirement, or termination for cause, then any shares of Restricted Stock still subject to restrictions at the date of such termination shall automatically be forfeited and returned to the Company; provided, however, that in the event of a voluntary or involuntary termination of the employment or officer status of a Participant by the Company, the Committee may, in its sole discretion, waive the automatic forfeiture of any or all such shares of Restricted Stock and/or may add such new restrictions to such shares of Restricted Stock as it deems appropriate. For purposes of the Plan, the following shall not be deemed a termination of employment or officer status: (i) a transfer of an employee from the Company to any Subsidiary; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days, duly authorized in writing by the Company, provided that the employee's right to reemployment is guaranteed either by statute or contract; and (iv) a termination of employment with continued service as an officer.

(b) Death, Retirement Disability. Unless the Committee otherwise consents or unless the terms of the Restricted Stock agreement or grant provide otherwise, in the event a Participant terminates his employment with the Company because of death, disability, or Retirement during the Restricted Period, the restrictions applicable to the shares of Restricted Stock shall terminate automatically with respect to that number of shares (rounded to the nearest whole number) equal to the total number of shares of Restricted Stock granted to such Participant multiplied by the number of full months that have elapsed since the date of grant divided by the maximum number of full months of the Restricted Period. All remaining shares shall be forfeited and returned to the Company; provided, however, that the Committee may, in its sole discretion, waive the restrictions remaining on any or all such remaining shares of Restricted Stock either before or after the death, disability, or Retirement of the Participant.

(c) Termination for Cause. If a Participant's employment is terminated for cause, the Participant shall have no further right to exercise or receive any Restricted Stock, and all Restricted Stock still subject to restrictions at the date of such termination shall automatically be forfeited and returned to the Company.

6.4 Restrictions on Transferability.

(a) General. Unless the Committee otherwise consents or unless the terms of the Restricted Stock agreement or grant provide otherwise: (i) shares of Restricted Stock shall not be sold, exchanged, transferred, pledged, assigned, or otherwise alienated or hypothecated during the Restricted Period except by will or the laws of descent and distribution; and (ii) all rights with respect to Restricted Stock granted to a Participant under the Plan shall be exercisable during the Participant's lifetime only by such Participant, his guardian, or legal representative.

(b) Other Restrictions. The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to an award of Restricted Stock under the Plan as the Committee deems advisable, including, without limitation, restrictions under applicable federal or state securities laws.

6.5 Legending of Restricted Stock. Any certificates evidencing shares of Restricted Stock awarded pursuant to the Plan shall bear the following legend:

The shares represented by this certificate were issued subject to certain restrictions under the Wolverine World Wide, Inc. 1993 Stock Incentive Plan (the "Plan"). A copy of the Plan is on file in the office of the Secretary of the Company. This certificate is held subject to the terms and conditions contained in a restricted stock agreement that includes a prohibition against the sale or transfer of the stock represented by this certificate except in compliance with that agreement, and that provides for forfeiture upon certain events.

6.6 Representations and Warranties. A Participant who is awarded Restricted Stock shall represent and warrant that the Participant is acquiring the Restricted Stock for the Participant's own account and investment and without any intention to resell or redistribute the Restricted Stock. The Participant shall agree not to resell or distribute such Restricted Stock after the Restricted Period except upon such conditions as the Company may reasonably specify to ensure compliance with federal and state securities laws.

6.7 Rights as a Stockholder. A Participant shall have all voting, dividend, liquidation, and other rights with respect to Restricted Stock held of record by such Participant as if the Participant held unrestricted Common Stock; *provided, however*, that the unvested portion of any award of Restricted Stock shall be subject to any restrictions on transferability or risks of forfeiture imposed pursuant to subsections 6.1 and 6.4 of the Plan. Unless the Committee otherwise determines or unless the terms of the Restricted Stock agreement or grant provide otherwise, any noncash dividends or distributions paid with respect to shares of unvested Restricted Stock shall be subject to the same restrictions as the shares to which such dividends or distributions relate.

SECTION 7

Stock Awards

7.1 Grant. A Participant may be granted one or more Stock Awards under the Plan in lieu of, or as payment for, the rights of a Participant under any other compensation plan, policy, or program of the Company or its Subsidiaries. Stock Awards shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion.

7.2 Rights as a Stockholder. A Participant shall have all voting, dividend, liquidation, and other rights with respect to shares of Common Stock issued to the Participant as a Stock Award under this Section 7 upon the Participant becoming the holder of record of the Common Stock granted pursuant to such Stock Awards; provided, however, that the Committee may impose such restrictions on the assignment or transfer of Common Stock awarded pursuant to a Stock Award as it deems appropriate.

SECTION 8

Tax Benefit Rights

8.1 Grant. A Participant may be granted Tax Benefit Rights under the Plan to encourage a Participant to exercise Stock Options and provide certain tax benefits to the Company. A Tax Benefit Right entitles a Participant to receive from the Company or a Subsidiary a cash payment not to exceed the amount calculated by multiplying the ordinary income, if any, realized by the Participant for federal tax purposes as a result of the exercise of a nonqualified stock option, or the disqualifying disposition of shares acquired under an incentive stock option, by the maximum federal income tax rate (including any surtax or similar charge or assessment) for corporations, plus the applicable state and local tax imposed on the exercise of the Stock Option or the disqualifying disposition.

8.2 Restrictions. A Tax Benefit Right may be granted only with respect to a stock option issued and outstanding or to be issued under the Plan or any other plan of the Company or its Subsidiaries that has been approved by the stockholders as of the date of the Plan and may be granted concurrently with or after the grant of the stock option. Such rights with respect to outstanding stock options shall be issued only with the consent of the Participant if the effect would be to disqualify an incentive stock option, change the date of grant or the exercise price, or otherwise impair the Participant's existing stock options. A stock option to which a Tax Benefit Right has been attached shall not be exercisable by an officer or employee subject to Section 16 of the Act for a period of six months from the date of the grant of the Tax Benefit Right.

8.3 Terms and Conditions. The Committee shall determine the terms and conditions of any Tax Benefit Rights granted and the Participants to whom such rights will be granted with respect to stock options under the Plan or any other plan of the Company. The Committee may amend, cancel, limit the term of, or limit the amount payable under a Tax Benefit Right at any time prior to the exercise of the related stock

option, unless otherwise provided under the terms of the Tax Benefit Right. The net amount of a Tax Benefit Right, subject to withholding, may be used to pay a portion of the stock option price, unless otherwise provided by the Committee.

SECTION 9

Change in Control

9.1 Acceleration of Vesting. If a Change in Control of the Company shall occur, then, unless the Committee or the Board otherwise determines with respect to one or more Incentive Awards, without action by the Committee or the Board (a) all outstanding Stock Options shall become immediately exercisable in full and shall remain exercisable during the remaining term thereof, regardless of whether the Participants to whom such Stock Options have been granted remain in the employ or service of the Company or any Subsidiary; and (b) all other outstanding Incentive Awards shall become immediately fully vested and nonforfeitable.

9.2 Cash Payment for Stock Options. If a Change in Control of the Company shall occur, then the Committee, in its sole discretion, and without the consent of any Participant affected thereby, may determine that some or all Participants holding outstanding Stock Options shall receive, with respect to some or all of the shares of Common Stock subject to such Stock Options, as of the effective date of any such Change in Control of the Company, cash in an amount equal to the greater of the excess of (a) the highest sales price of the shares on the New York Stock Exchange on the date immediately prior to the effective date of such Change in Control of the Company or (b) the highest price per share actually paid in connection with any Change in Control of the Company over the exercise price per share of such Stock Options.

9.3 Limitation on Change in Control Payments. Notwithstanding anything in subsection 9.1 or 9.2 to the contrary, if, with respect to a Participant, the acceleration of the vesting of an Incentive Award as provided in subsection 9.1 or the payment of cash in exchange for all or part of a Stock Option as provided in subsection 9.2 (which acceleration or payment could be deemed a "payment" within the meaning of Section 280G(b)(2) of the Code), together with any other payments that such Participant has the right to receive from the Company or any corporation that is a member of an "affiliated group" (as defined in Section 1504(a) of the Code without regard to Section 1504(b) of the Code) of which the Company is a member, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the payments to such Participant pursuant to subsection 9.1 or 9.2 shall be reduced to the largest amount as will result in no portion of such payments being subject to the excise tax imposed by Section 4999 of the Code.

SECTION 10

General Provisions

10.1 No Rights to Awards. No Participant or other person shall have any claim to be granted any Incentive Award under the Plan, and there is no obligation of uniformity of treatment of Participants or holders or beneficiaries of Incentive Awards under the Plan. The terms and conditions of Incentive Awards of the same type and the determination of the Committee to grant a waiver or modification of any Incentive Award

and the terms and conditions thereof need not be the same with respect to each Participant.

10.2 Withholding. The Company or a Subsidiary shall be entitled to (a) withhold and deduct from future wages of a Participant (or from other amounts that may be due and owing to a Participant from the Company or a Subsidiary), or make other arrangements for the collection of, all legally required amounts necessary to satisfy any and all federal, state, and local withholding and employment-related tax requirements attributable to an Incentive Award, including, without limitation, the grant, exercise, or vesting of, or payment of dividends with respect to, an Incentive Award or a disqualifying disposition of Common Stock received upon exercise of an incentive stock option; or (b) require a Participant promptly to remit the amount of such withholding to the Company before taking any action with respect to an Incentive Award. Unless the Committee determines otherwise, withholding may be satisfied by withholding Common Stock to be received upon exercise or by delivery to the Company of previously owned Common Stock. The Company may establish such rules and procedures concerning timing of any withholding election as it deems appropriate to comply with Rule 16b-3 under the Act.

10.3 Compliance With Laws: Listing and Registration of Shares. All Incentive Awards granted under the Plan (and all issuances of Common Stock or other securities under the Plan) shall be subject to all applicable laws, rules, and regulations, and to the requirement that if at any time the Committee shall determine, in its discretion, that the listing, registration or qualification of the shares covered thereby upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the grant of such Incentive Award or the issue or purchase of shares thereunder, such Incentive Award may not be exercised in whole or in part, or the restrictions on such Incentive Award shall not lapse, unless and until such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

10.4 No Limit on Other Compensation Arrangements. Nothing contained in the Plan shall prevent the Company or any Subsidiary from adopting or continuing in effect other or additional compensation arrangements, including the grant of stock options and other stock-based awards, and such arrangements may be either generally applicable or applicable only in specific cases.

10.5 No Right to Employment. The grant of an Incentive Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Subsidiary. The Company or any Subsidiary may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any written agreement with a Participant.

10.6 Governing Law. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Michigan and applicable federal law.

10.7 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions

of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

SECTION 11

Termination and Amendment

The Board may terminate the Plan at any time, or may from time to time amend the Plan as it deems proper and in the best interests of the Company, provided that without stockholder approval no such amendment may: (a) materially increase either the benefits to Participants under the Plan or the number of shares that may be issued under the Plan; (b) materially modify the eligibility requirements; or (c) impair any outstanding Incentive Award without the consent of the Participant, except according to the terms of the Plan or the Incentive Award. No termination, amendment, or modification of the Plan shall become effective with respect to any Incentive Award previously granted under the Plan without the prior written consent of the Participant holding such Incentive Award unless such amendment or modification operates solely to the benefit of the Participant.

SECTION 12

Effective Date and Duration of the Plan

This Plan shall take effect April 27, 1993, subject to approval by the stockholders at the 1993 Annual Meeting of Stockholders or any adjournment thereof or at a Special Meeting of Stockholders. Unless earlier terminated by the Board of Directors, the Plan shall terminate on April 26, 2003. No Incentive Award shall be granted under the Plan after such date.

EXHIBIT 10.2

WOLVERINE WORLD WIDE, INC.

AMENDED AND RESTATED 1995 STOCK INCENTIVE PLAN

SECTION 1

Establishment of Plan; Purpose of Plan

1.1 *Establishment of Plan.* The Company hereby establishes the 1995 STOCK INCENTIVE PLAN (the "Plan") for its corporate, divisional, and Subsidiary officers and other key employees. The Plan permits the grant and award of Stock Options, Restricted Stock, Stock Awards, and Tax Benefit Rights.

1.2 *Purpose of Plan.* The purpose of the Plan is to provide officers and key management employees of the Company, its divisions, and its Subsidiaries with an increased incentive to make significant and extraordinary contributions to the long-term performance and growth of the Company and its Subsidiaries, to join the interests of officers and key employees with the interests of the Company's stockholders through the opportunity for increased stock ownership, and to attract and retain officers and key employees of exceptional ability. The Plan is further intended to provide flexibility to the Company in structuring long-term incentive compensation to best promote the foregoing objectives.

SECTION 2

Definitions

The following words have the following meanings unless a different meaning is plainly required by the context:

2.1 "Act" means the Securities Exchange Act of 1934, as amended.

2.2 "Board" means the Board of Directors of the Company.

2.3 "Change in Control" means (i) the failure of the Continuing Directors at any time to constitute at least a majority of the members of the Board; (ii) the acquisition by any Person other than an Excluded Holder of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of twenty percent (20%) or more of the outstanding Common Stock or the combined voting power of the Company's outstanding securities entitled to vote generally in the election of directors; (iii) the approval by the stockholders of the Company of a reorganization, merger or consolidation, unless with or into a Permitted Successor; or (iv) the approval by the stockholders of the Company of a complete liquidation or dissolution of the

Company or the sale or disposition of all or substantially all of the assets of the Company other than to a Permitted Successor.

2.4 "Code" means the Internal Revenue Code of 1986, as amended.

2.5 "Committee" means the Compensation Committee of the Board or such other committee as the Board shall designate to administer the Plan. The Committee shall consist of at least two members of the Board, and all of its members shall be "disinterested persons" as defined in Rule 16b-3 under the Act.

2.6 "Common Stock" means the Common Stock of the Company, par value \$1 per share.

2.7 "Company" means Wolverine World Wide, Inc., a Delaware corporation, and its successors and assigns.

2.8 "Continuing Directors" mean the individuals constituting the Board as of the date this Plan was adopted and any subsequent directors whose election or nomination for election by the Company's stockholders was approved by a vote of two-thirds (2/3) of the individuals who are then Continuing Directors, but specifically excluding any individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as the term is used in Rule 14a-11 of Regulation 14A promulgated under the Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

2.9 "Employee Benefit Plan" means any plan or program established by the Company or a Subsidiary for the compensation or benefit of employees of the Company or any of its Subsidiaries.

2.10 "Excluded Holder" means (A) any Person who at the time this Plan was adopted was the beneficial owner of twenty percent (20%) or more of the outstanding Common Stock or (B) the Company, a Subsidiary or any Employee Benefit Plan of the Company or a Subsidiary or any trust holding Common Stock or other securities pursuant to the terms of an Employee Benefit Plan.

2.11 "Incentive Award" means the award or grant of a Stock Option, Restricted Stock, Stock Award, or Tax Benefit Right to a Participant pursuant to the Plan.

2.12 "Market Value" shall equal the closing market price of shares of Common Stock reported on the New York Stock Exchange (or any successor exchange that is the primary stock exchange for trading of Common Stock) on the date of grant, exercise or vesting, as applicable, or if the New York Stock Exchange (or any such successor) is closed on that date, the last preceding date on which the New York Stock Exchange (or any such successor) was open for trading and on which shares of Common Stock were traded.

2.13 "Participant" means a corporate officer, divisional officer, or any key employee of the Company, its divisions, or its Subsidiaries who the Committee determines is eligible to participate in the Plan and who is designated to be granted an Incentive Award under the Plan.

2.14 "Permitted Successor" means a corporation which, immediately following the consummation of a transaction specified in clauses (iii) and (iv) of the definition of "Change in Control" above, satisfies each of the following criteria: (A) sixty percent (60%) or more of the outstanding common stock of the corporation and the combined voting power of the outstanding securities of the corporation entitled to vote generally in the election of directors (in each case determined immediately following the consummation of the applicable transaction) is beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners of the Company's outstanding Common Stock and outstanding securities entitled to vote generally in the election of directors (respectively) immediately prior to the applicable transaction, (B) no Person other than an Excluded Holder beneficially owns, directly or indirectly, twenty percent (20%) or more of the outstanding common stock of the corporation or the combined voting power of the outstanding securities of the corporation entitled to vote generally in the election of directors (for these purposes the term Excluded Holder shall include the corporation, any Subsidiary of the corporation and any Employee Benefit Plan of the corporation or any such Subsidiary or any trust holding common stock or other securities of the corporation pursuant to the terms of any such Employee Benefit Plan), and (C) at least a majority of the board of directors is comprised of Continuing Directors.

2.15 "Person" has the same meaning as set forth in Section 13(d) and 14(d)(2) of the Act.

2.16 "Restricted Period" means the period of time during which Restricted Stock awarded under the Plan is subject to restrictions. The Restricted Period may differ among Participants and may have different expiration dates with respect to shares of Common Stock covered by the same Incentive Award.

2.17 "Restricted Stock" means Common Stock awarded to a Participant pursuant to Section 6 of the Plan.

2.18 "Retirement" means the voluntary termination of all employment by a Participant after the Participant has attained 60 years of age, or such other age as shall be determined by the Committee in its sole discretion or as otherwise may be set forth in the Incentive Award agreement or other grant document with respect to a Participant and a particular Incentive Award.

2.19 "Stock Award" means an award of Common Stock awarded to a Participant pursuant to Section 7 of the Plan.

2.20 "Stock Option" means the right to purchase Common Stock at a stated price for a specified period of time. For purposes of the Plan, a Stock Option may be either an incentive stock option within the meaning of Section 422(b) of the Code or a nonqualified stock option.

2.21 "Subsidiary" means any corporation or other entity of which fifty percent (50%) or more of the outstanding voting stock or voting ownership interest is directly or indirectly owned or controlled by the Company or by one or more Subsidiaries of the Company.

2.22 "Tax Benefit Right" means any right granted to a Participant pursuant to Section 8 of the Plan.

SECTION 3

Administration

3.1 *Power and Authority.* The Committee shall administer the Plan, shall have full power and authority to interpret the provisions of the Plan and Incentive Awards granted under the Plan, and shall have full power and authority to supervise the administration of the Plan and Incentive Awards granted under the Plan. All determinations, interpretations, and selections made by the Committee regarding the Plan shall be final and conclusive. The Committee shall hold its meetings at such times and places as it deems advisable. Action may be taken by a written instrument signed by a majority of the members of the Committee, and any action so taken shall be fully as effective as if it had been taken at a meeting duly called and held. The Committee shall make such rules and regulations for the conduct of its business as it deems advisable. The members of the Committee shall not be paid any additional fees for their services.

3.2 *Grants or Awards to Participants.* In accordance with and subject to the provisions of the Plan, the Committee shall have the authority to determine all provisions of Incentive Awards as the Committee may deem necessary or desirable and as are consistent with the terms of the Plan, including, without limitation, the following: (a) the persons who shall be selected as Participants; (b) the nature and extent of the Incentive Awards to be made to each Participant (including the number of shares of Common Stock to be subject to each Incentive Award, any exercise price, the manner in which an Incentive Award will vest or become exercisable, and the form of payment for the Incentive Award); (c) the time or times when Incentive Awards will be granted; (d) the duration of each Incentive Award; and (e) the restrictions and other conditions to which payment or vesting of Incentive Awards may be subject.

3.3 *Amendments or Modifications of Awards.* The Committee shall have the authority to amend or modify the terms of any outstanding Incentive Award in any manner, provided that the amended or modified terms are not prohibited by the Plan as then in effect, including, without limitation, the authority to: (a) modify the number of shares or other terms and conditions of an Incentive Award; (b) extend the term of an Incentive Award; (c) accelerate the exercisability or vesting or otherwise terminate any restrictions relating to an Incentive Award; (d) accept the surrender of any outstanding Incentive Award; or (e) to the extent not previously exercised or vested, authorize the grant of new Incentive Awards in substitution for surrendered Incentive Awards.

3.4 *Indemnification of Committee Members.* Each person who is or shall have been a member of the Committee shall be indemnified and held harmless by the Company from and against any cost, liability, or expense imposed or incurred in connection with such person's or the Committee's taking or failing to take any action under the Plan. Each such person shall be justified in relying on information furnished in connection with the Plan's administration by any appropriate person or persons.

SECTION 4

Shares Subject to the Plan

4.1 *Number of Shares.* Subject to adjustment as provided in subsection 4.2 of the Plan, a maximum of 500,000 shares of Common Stock shall be available for Incentive Awards under the Plan. Such shares shall be authorized and may be either unissued or treasury shares.

4.2 *Adjustments.* If the number of shares of Common Stock outstanding changes by reason of a stock dividend, stock split, recapitalization, merger, consolidation, combination, exchange of shares, or any other change in the corporate structure or shares of the Company, the number and kind of securities subject to and reserved under the Plan, together with applicable exercise prices, shall be appropriately adjusted. No fractional shares shall be issued pursuant to the Plan, and any fractional shares resulting from adjustments shall be eliminated from the respective Incentive Awards, with an appropriate cash adjustment for the value of any Incentive Awards eliminated. If an Incentive Award is cancelled, surrendered, modified, exchanged for a substitute Incentive Award, or expires or terminates during the term of the Plan but prior to the exercise or vesting of the Incentive Award in full, the shares subject to but not delivered under such Incentive Award shall be available for other Incentive Awards.

SECTION 5

Stock Options

5.1 *Grant.* A Participant may be granted one or more Stock Options under the Plan. Stock Options shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion. In addition, the Committee may vary, among Participants and among Stock Options granted to the same Participant, any and all of the terms and conditions of the Stock Options granted under the Plan. The Committee shall have complete discretion in determining the number of Stock Options granted to each Participant. The Committee may designate whether or not a Stock Option is to be considered an incentive stock option as defined in Section 422(b) of the Code.

5.2 *Stock Option Agreements.* Stock Options shall be evidenced by Stock Option agreements containing such terms and conditions, consistent with the provisions of the Plan, as the Committee shall from time to time determine. To the extent not covered by the Stock Option agreement, the terms and conditions of this Section 5 shall govern.

5.3 *Stock Option Price.* The per share Stock Option price shall be determined by the Committee, but shall be a price that is equal to or higher than the par value of the Company's Common Stock; provided, however, that the per share Stock Option price for any shares designated as incentive stock options shall be equal to or greater than one hundred percent (100%) of the Market Value on the date of grant.

5.4 *Medium and Time of Payment.* The exercise price for each share purchased pursuant to a Stock Option granted under the Plan shall be payable in cash or, if the Committee consents, in shares of Common Stock (including Common Stock to be received upon a simultaneous exercise) or other consideration substantially equivalent to cash. The time and terms of payment may be amended with the consent of a Participant before or after exercise of a Stock Option. The Committee may from time to time authorize payment of all or a portion of the Stock Option price in the form of a promissory note or other deferred payment installments according to such terms as the Committee may approve. The Board may restrict or suspend the power of the Committee to permit such loans and may require that adequate security be provided.

5.5 *Stock Options Granted to Ten Percent Stockholders.* No Stock Option granted to any Participant who at the time of such grant owns, together with stock attributed to such Participant under Section 424(d) of the Code, more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries may be designated as an incentive stock option, unless such Stock Option provides an exercise price equal to at least one hundred ten percent (110%) of the Market Value of the Common Stock and the exercise of the Stock Option after the expiration of five years from the date of grant of the Stock Option is prohibited by its terms.

5.6 *Limits on Exercisability.* Stock Options shall be exercisable for such periods as may be fixed by the Committee, not to exceed 10 years from the date of grant. At the time of the exercise of a Stock Option, the holder of the Stock Option, if requested by the Committee, must represent to the Company that the shares are being acquired for investment and not with a view to the distribution thereof. The Committee may in its discretion require a Participant to continue the Participant's service with the Company and its Subsidiaries for a certain length of time prior to a Stock Option becoming exercisable and may eliminate such delayed vesting provisions. No Stock Option issued to officers and employees subject to Section 16 of the Act shall be exercisable during the first six months of its term.

5.7 *Restrictions on Transferability.*

(a) *General.* Unless the Committee otherwise consents (before or after the option grant) or unless the Stock Option agreement or grant provide otherwise; (i) no Stock Options granted under the Plan may be sold, exchanged, transferred, pledged, assigned, or otherwise alienated or hypothecated except by will or the laws of descent and distribution; and (ii) all Stock Options granted to a Participant shall be exercisable during the Participant's lifetime only by such Participant, his guardian, or legal representative.

(b) *Other Restrictions.* The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to the exercise of a Stock Option under the Plan as the Committee deems advisable, including, without limitation, restrictions under applicable federal or state securities laws.

5.8 *Termination of Employment or Officer Status.*

(a) *General.* If a Participant ceases to be employed by or an officer of the Company or one of its Subsidiaries for any reason other than the Participant's death, disability, Retirement, or termination for cause, the Participant may exercise his Stock Options only for a period of three months after such termination of employment or officer status, but only to the extent the Participant was entitled to exercise the Stock Options on the date of termination, unless the Committee otherwise consents or the terms of the Stock Option agreement or grant provide otherwise. For purposes of the Plan, the following shall not be deemed a termination of employment or officer status: (i) a transfer of an employee from the Company to any Subsidiary; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days, duly authorized in writing by the company, provided that the employee's right to reemployment is guaranteed either by statute or contract; or (iv) a termination of employment with continued service as an officer.

(b) *Death.* If a Participant dies either while an employee or officer of the Company or one of its Subsidiaries or after the termination of employment other than for cause but during the time when the Participant could have exercised a Stock Option under the Plan, the Stock Option issued to such Participant shall be exercisable by the personal representative of such Participant or other successor to the interest of the Participant for one year after the Participant's death, but only to the extent that the Participant was entitled to exercise the Stock Option on the date of death or termination of employment, whichever first occurred, unless the Committee otherwise consents or the terms of the Stock Option agreement or grant provide otherwise.

(c) *Disability.* If a Participant ceases to be an employee or officer of the Company or one of its Subsidiaries due to the Participant's disability, the Participant may exercise a Stock Option for a period of one year following such termination of employment, but only to the extent that the Participant was entitled to exercise the Stock Option on the date of such event, unless the Committee otherwise consents or the terms of the Stock Option agreement or grant provide otherwise.

(d) *Participant Retirement.* If a Participant Retires as an employee or officer of the Company or one of its Subsidiaries, any Stock Option granted under the Plan may be exercised during the remaining term of the Stock Option, unless the terms of the Stock Option agreement or grant provide otherwise.

(e) *Termination for Cause.* If a Participant is terminated for cause, the Participant shall have no further right to exercise any Stock Option previously granted, unless the committee and the Board determine otherwise.

SECTION 6

Restricted Stock

6.1 *Grant.* A Participant may be granted Restricted Stock under the Plan. Restricted Stock shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as shall be determined by the Committee in its sole discretion. The Committee may impose such restrictions or conditions, consistent with the provisions of the Plan, to the vesting of Restricted Stock as it deems appropriate.

6.2 *Termination of Employment or Officer Status.*

(a) *General.* In the event of termination of employment or officer status during the Restricted Period for any reason other than death, disability, Retirement, or termination for cause, then any shares of Restricted Stock still subject to restrictions at the date of such termination shall automatically be forfeited and returned to the Company; PROVIDED, HOWEVER, that in the event of a voluntary or involuntary termination of the employment or officer status of a Participant by the Company, the Committee may, in its sole discretion, waive the automatic forfeiture of any or all such shares of Restricted Stock and/or may add such new restrictions to such shares of Restricted Stock as it deems appropriate. For purposes of the Plan, the following shall not be deemed a termination of employment or officer status: (i) a transfer of an employee from the Company to any Subsidiary; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days duly authorized in writing by the Company, provided that the employee's right to reemployment is guaranteed either by statute or contract; and (iv) a termination of employment with continued service as an officer.

(b) *Death, Retirement, or Disability.* Unless the Committee otherwise consents or unless the terms of the Restricted Stock agreement or grant provide otherwise, in the event a Participant terminates his employment with the Company because of death, disability, or Retirement during the Restricted Period, the restrictions applicable to the shares of Restricted Stock shall terminate automatically with respect to that number of shares (rounded to the nearest whole number) equal to the total number of shares of Restricted Stock granted to such Participant multiplied by the number of full months that have elapsed since the date of grant divided by the maximum number of full months of the Restricted Period. All remaining shares shall be forfeited and returned to the Company; PROVIDED, HOWEVER, that the Committee may, in its sole discretion, waive the restrictions remaining on any or all such remaining shares of Restricted Stock either before or after the death, disability, or Retirement of the Participant.

(c) *Termination for Cause.* If a Participant's employment is terminated for cause, the Participant shall have no further right to exercise or receive any Restricted Stock, and all restricted Stock still subject to restrictions at the date of such termination shall automatically be forfeited and returned to the Company, unless the Committee and the Board determine otherwise.

6.4 *Restrictions on Transferability.*

(a) *General.* Unless the Committee otherwise consents or unless the terms of the Restricted Stock agreement or grant provide otherwise: (i) shares of Restricted Stock shall not be sold, exchanged, transferred, pledged, assigned, or otherwise alienated or hypothecated during the Restricted Period except by will or the laws of descent and distribution; and (ii) all rights with respect to Restricted Stock granted to a Participant under the Plan shall be exercisable during the Participant's lifetime only by such Participant, his guardian, or legal representative.

(b) *Other Restrictions.* The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to an award of Restricted Stock under the Plan as the Committee deems advisable, including, without limitation, restrictions under applicable federal or state securities laws.

6.5 *Legending of Restricted Stock.* Any certificates evidencing shares of Restricted Stock awarded pursuant to the Plan shall bear the following legend:

The shares represented by this certificate were issued subject to certain restrictions under the Wolverine World Wide, Inc. 1995 Stock Incentive Plan (the "Plan"). A copy of the Plan is on file in the office of the Secretary of the Company. This certificate is held subject to the terms and conditions contained in a restricted stock agreement that includes a prohibition against the sale or transfer of the stock represented by this certificate except in compliance with that agreement, and that provides for forfeiture upon certain events.

6.6 *Representations and Warranties.* A Participant who is awarded Restricted Stock shall represent and warrant that the Participant is acquiring the Restricted Stock for the Participant's own account and investment and without any intention to resell or redistribute the Restricted Stock. The Participant shall agree not to resell or distribute such Restricted Stock after the Restricted Period except upon such conditions as the Company may reasonably specify to ensure compliance with federal and state securities laws.

6.7 *Rights as a Stockholder.* A Participant shall have all voting, dividend, liquidation, and other rights with respect to Restricted Stock held of record by such Participant as if the Participant held unrestricted Common Stock; PROVIDED, HOWEVER, that the unvested portion of any award of Restricted Stock shall be subject to any restrictions on transferability or risks of forfeiture imposed pursuant to subsections 6.1 and 6.4 of the Plan. Unless the Committee otherwise determines or unless the terms of the Restricted Stock agreement or grant

provide otherwise, any noncash dividends or distributions paid with respect to shares of unvested Restricted Stock shall be subject to the same restrictions as the shares to which such dividends or distributions relate.

SECTION 7

Stock Awards

7.1 *Grant.* A Participant may be granted one or more Stock Awards under the Plan in lieu of, or as payment for, the rights of a Participant under any other compensation plan, policy, or program of the Company or its Subsidiaries. Stock Awards shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion.

7.2 *Rights as a Stockholder.* A Participant shall have all voting, dividend, liquidation, and other rights with respect to shares of Common Stock issued to the Participant as a Stock Award under this Section 7 upon the Participant becoming the holder of record of the Common Stock granted pursuant to such Stock Awards; provided, however, that the Committee may impose such restrictions on the assignment or transfer of Common Stock awarded pursuant to a Stock Award as it deems appropriate.

SECTION 8

Tax Benefit Rights

8.1 *Grant.* A Participant may be granted Tax Benefit Rights under the Plan to encourage a Participant to exercise Stock Options and provide certain tax benefits to the Company. A Tax Benefit Right entitles a Participant to receive from the Company or a Subsidiary a cash payment not to exceed the amount calculated by multiplying the ordinary income, if any, realized by the Participant for federal tax purposes as a result of the exercise of a nonqualified stock option, or the disqualifying disposition of shares acquired under an incentive stock option, by the maximum federal income tax rate (including any surtax or similar charge or assessment) for corporations, plus the applicable state and local tax imposed on the exercise of the Stock Option or the disqualifying disposition.

8.2 *Restrictions.* A Tax Benefit Right may be granted only with respect to a stock option issued and outstanding or to be issued under the Plan or any other plan of the Company or its Subsidiaries that has been approved by the stockholders as of the date of the Plan and may be granted concurrently with or after the grant of the stock option. Such rights with respect to outstanding stock options shall be issued only with the consent of the Participant if the effect would be to disqualify an incentive stock option, change the date of grant or the exercise price, or otherwise impair the Participant's existing stock options. A stock option to which a Tax Benefit Right has been attached shall not be exercisable by an officer or employee subject to

Section 16 of the Act for a period of six months from the date of the grant of the Tax Benefit Right.

8.3 *Terms and Conditions.* The Committee shall determine the terms and conditions of any Tax Benefit Rights granted and the Participants to whom such rights will be granted with respect to stock options under the Plan or any other plan of the Company. The Committee may amend, cancel, limit the term of, or limit the amount payable under a Tax Benefit Right at any time prior to the exercise of the related stock option, unless otherwise provided under the terms of the Tax Benefit Right. The net amount of a Tax Benefit Right, subject to withholding, may be used to pay a portion of the stock option price, unless otherwise provided by the Committee.

SECTION 9

Change in Control

9.1 *Acceleration of Vesting.* If a Change in Control of the Company shall occur, then, unless the Committee or the Board otherwise determines with respect to one or more Incentive Awards, without action by the Committee or the Board (a) all outstanding Stock Options shall become immediately exercisable in full and shall remain exercisable during the remaining term thereof, regardless of whether the Participants to whom such Stock Options have been granted remain in the employ or service of the Company or any Subsidiary; and (b) all other outstanding Incentive Awards shall become immediately fully vested and nonforfeitable.

9.2 *Cash Payment for Stock Options.* If a Change in Control of the Company shall occur, then the Committee, in its sole discretion, and without the consent of any Participant affected thereby, may determine that some or all Participants holding outstanding Stock Options shall receive, with respect to some or all of the shares of Common Stock subject to such Stock Options, as of the effective date of any such Change in Control of the Company, cash in an amount equal to the greater of (a) the highest sales price of the shares on the New York Stock Exchange on the date immediately prior to the effective date of such Change in Control of the Company or (b) the highest price per share actually paid in connection with any Change in Control of the Company over the exercise price per share of such Stock Options.

SECTION 10

General Provisions

10.1 *No Rights to Awards.* No Participant or other person shall have any claim to be granted any Incentive Award under the Plan, and there is no obligation of uniformity of treatment of Participants or holders or beneficiaries of Incentive Awards under the Plan. The terms and conditions of Incentive Awards of the same type and the determination of the Committee to grant a waiver or modification of any Incentive Award and the terms and conditions thereof need not be the same with respect to each Participant.

10.2 *Withholding.* The Company or a Subsidiary shall be entitled to (a) withhold and deduct from future wages of a Participant (or from other amounts that may be due and owing to a Participant from the Company or a Subsidiary), or make other arrangements for the collection of, all legally required amounts necessary to satisfy any and all federal, state, and local withholding and employment-related tax requirements attributable to an Incentive Award, including, without limitation, the grant, exercise, or vesting of, or payment of dividends with respect to, an Incentive Award or a disqualifying disposition of Common Stock received upon exercise of an incentive stock option; or (b) require a Participant promptly to remit the amount of such withholding to the Company before taking any action with respect to an Incentive Award. Unless the Committee determines otherwise, withholding may be satisfied by withholding Common Stock to be received upon exercise or by delivery to the Company of previously owned Common Stock. The Company may establish such rules and procedures concerning timing of any withholding election as it deems appropriate to comply with Rule 16b-3 under the Act.

10.3 *Compliance With Laws; Listing and Registration of Shares.* All Incentive Awards granted under the Plan (and all issuances of Common Stock or other securities under the Plan) shall be subject to all applicable laws, rules, and regulations, and to the requirement that if at any time the Committee shall determine, in its discretion, that the listing, registration, or qualification of the shares covered thereby upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the grant of such Incentive Award or the issue or purchase of shares thereunder, such Incentive Award may not be exercised in whole or in part, or the restrictions on such Incentive Award shall not lapse, unless and until such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

10.4 *Limit on Plan Awards.* No Participant shall be eligible to receive Incentive Awards under the Plan which in the aggregate represent more than 25% of the total shares available for Incentive Awards granted under the Plan.

10.5 *No Limit on Other Compensation Arrangements.* Nothing contained in the Plan shall prevent the Company or any Subsidiary from adopting or continuing in effect other or additional compensation arrangements, including the grant of stock options and other stock-based awards, and such arrangements may be either generally applicable or applicable only in specific cases.

10.6 *No Right to Employment.* The grant of an Incentive Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Subsidiary. The Company or any Subsidiary may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any written agreement with a Participant.

10.7 *Governing Law.* The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Michigan and applicable federal law.

10.8 *Severability.* In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

SECTION 11

Termination and Amendment

The Board may terminate the Plan at any time, or may from time to time amend the Plan as it deems proper and in the best interests of the Company, provided that without stockholder approval no such amendment may: (a) materially increase either the benefits to Participants under the Plan or the number of shares that may be issued under the Plan; (b) materially modify the eligibility requirements; or (c) impair any outstanding Incentive Award without the consent of the Participant, except according to the terms of the Plan or the Incentive Award. No termination, amendment, or modification of the Plan shall become effective with respect to any Incentive Award previously granted under the Plan without the prior written consent of the Participant holding such Incentive Award unless such amendment or modification operates solely to the benefit of the Participant.

SECTION 12

Effective Date and Duration of the Plan

This Plan shall take effect April 19, 1995, subject to approval by the stockholders at the 1995 Annual Meeting of Stockholders or any adjournment thereof or at a Special Meeting of Stockholders. Unless earlier terminated by the Board of Directors, the Plan shall terminate on April 18, 2005. No Incentive Award shall be granted under the Plan after such date.

EXHIBIT 10.3

WOLVERINE WORLD WIDE, INC.

AMENDED AND RESTATED 1997 STOCK INCENTIVE PLAN

SECTION 1

Establishment of Plan; Purpose of Plan

1.1 Establishment of Plan. The Company hereby establishes the 1997 STOCK INCENTIVE PLAN (the "Plan") for its corporate, divisional and Subsidiary officers and other key employees. The Plan permits the grant and award of Stock Options, Restricted Stock, Stock Awards and Tax Benefit Rights.

1.2 Purpose of Plan. The purpose of the Plan is to provide officers and key management employees of the Company, its divisions and its Subsidiaries with an increased incentive to make significant and extraordinary contributions to the long-term performance and growth of the Company and its Subsidiaries, to join the interests of officers and key employees with the interests of the Company's stockholders through the opportunity for increased stock ownership and to attract and retain officers and key employees of exceptional abilities. The Plan is further intended to provide flexibility to the Company in structuring long-term incentive compensation to best promote the foregoing objectives. Within that context, the Plan is intended to provide performance-based compensation under Section 162(m) of the Code and shall be interpreted, administered and amended if necessary to achieve that purpose.

SECTION 2

Definitions

The following words have the following meanings unless a different meaning is plainly required by the context:

- 2.1 "Act" means the Securities Exchange Act of 1934, as amended.
 - 2.2 "Board" means the Board of Directors of the Company.
 - 2.3 "Change in Control" means (a) the failure of the Continuing Directors at any time to constitute at least a majority of the members of the Board; (b) the acquisition by any Person other than an Excluded Holder of beneficial ownership (within the meaning of Rule 13d-3 issued under the Act) of 20% or more of the outstanding Common Stock or the combined voting power of the Company's outstanding securities entitled to vote generally in the election of directors; (c) the approval by the stockholders of the Company of a reorganization, merger or consolidation, unless with or into a Permitted Successor; or (d) the approval by the stockholders of the Company of a complete liquidation or dissolution of the Company or the sale or disposition of all or substantially all of the assets of the Company other than to a Permitted Successor.
 - 2.4 "Code" means the Internal Revenue Code of 1986, as amended.
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- 2.5 "Committee" means the Compensation Committee of the Board or such other committee as the Board shall designate to administer the Plan. The Committee shall consist of at least two members of the Board and all of its members shall be "non-employee directors" as defined in Rule 16b-3 issued under the Act and "outside directors" as defined in the regulations issued under Section 162(m) of the Code.
- 2.6 "Common Stock" means the Common Stock of the Company, \$1 par value.
- 2.7 "Company" means Wolverine World Wide, Inc., a Delaware corporation, and its successors and assigns.
- 2.8 "Continuing Directors" mean the individuals constituting the Board as of the date this Plan was adopted and any subsequent directors whose election or nomination for election by the Company's stockholders was approved by a vote of three-quarters (3/4) of the individuals who are then Continuing Directors, but specifically excluding any individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as the term is used in Rule 14a-11 of Regulation 14A issued under the Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.
- 2.9 "Employee Benefit Plan" means any plan or program established by the Company or a Subsidiary for the compensation or benefit of employees of the Company or any of its Subsidiaries.
- 2.10 "Excluded Holder" means (a) any Person who at the time this Plan was adopted was the beneficial owner of 20% or more of the outstanding Common Stock; or (b) the Company, a Subsidiary or any Employee Benefit Plan of the Company or a Subsidiary or any trust holding Common Stock or other securities pursuant to the terms of an Employee Benefit Plan.
- 2.11 "Incentive Award" means the award or grant of a Stock Option, Restricted Stock, Stock Award or Tax Benefit Right to a Participant pursuant to the Plan.
- 2.12 "Market Value" shall equal the closing market price of shares of Common Stock reported on the New York Stock Exchange (or any successor exchange that is the primary stock exchange for trading of Common Stock) on the date of grant, exercise or vesting, as applicable, or if the New York Stock Exchange (or any such successor) is closed on that date, the last preceding date on which the New York Stock Exchange (or any such successor) was open for trading and on which shares of Common Stock were traded.
- 2.13 "Participant" means a corporate officer, divisional officer or any key employee of the Company, its divisions or its Subsidiaries is granted an Incentive Award under the Plan.
- 2.14 "Permitted Successor" means a company which, immediately following the consummation of a transaction specified in clauses (c) and (d) of the definition of "Change in Control" above, satisfies each of the following criteria: (a) 50% or more of the outstanding common stock of the company and the combined voting power of the outstanding securities of the company entitled to vote generally in the election of directors (in each case determined immediately following the consummation of the applicable transaction) is beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners

of the Company's outstanding Common Stock and outstanding securities entitled to vote generally in the election of directors (respectively) immediately prior to the applicable transaction; (b) no Person other than an Excluded Holder beneficially owns, directly or indirectly, 20% or more of the outstanding common stock of the company or the combined voting power of the outstanding securities of the company entitled to vote generally in the election of directors (for these purposes the term Excluded Holder shall include the company, any subsidiary of the company and any employee benefit plan of the company or any such subsidiary or any trust holding common stock or other securities of the company pursuant to the terms of any such employee benefit plan); and (c) at least a majority of the board of directors is comprised of Continuing Directors.

- 2.15 "Person" has the same meaning as set forth in Sections 13(d) and 14(d)(2) of the Act.
- 2.16 "Restricted Period" means the period of time during which Restricted Stock awarded under the Plan is subject to restrictions. The Restricted Period may differ among Participants and may have different expiration dates with respect to shares of Common Stock covered by the same Incentive Award.
- 2.17 "Restricted Stock" means Common Stock awarded to a Participant pursuant to Section 6 of the Plan.
- 2.18 "Retirement" means the voluntary termination of all employment by a Participant after the Participant has attained 60 years of age, or such other age as shall be determined by the Committee in its sole discretion or as otherwise may be set forth in the Incentive Award agreement or other grant document with respect to a Participant and a particular Incentive Award.
- 2.19 "Stock Award" means an award of Common Stock awarded to a Participant pursuant to Section 7 of the Plan.
- 2.20 "Stock Option" means the right to purchase Common Stock at a stated price for a specified period of time. For purposes of the Plan, a Stock Option may be either an incentive stock option within the meaning of Section 422(b) of the Code or a nonqualified stock option.
- 2.21 "Subsidiary" means any company or other entity of which 50% or more of the outstanding voting stock or voting ownership interest is directly or indirectly owned or controlled by the Company or by one or more Subsidiaries of the Company.
- 2.22 "Tax Benefit Right" means any right granted to a Participant pursuant to Section 8 of the Plan.

SECTION 3

Administration

3.1 Power and Authority. The Committee shall administer the Plan. The Committee may delegate record keeping, calculation, payment and other ministerial administrative functions to individuals designated by the Committee, who may be employees of the Company and its Subsidiaries. Except as limited in this Plan or as may be necessary to assure that this Plan provides performance-based compensation under Section 162(m) of the Code, the Committee shall have all of the express and implied powers and duties set forth in this Plan, shall have full power and authority to interpret the provisions of the Plan and Incentive Awards granted under the Plan and shall have full power and authority to supervise the administration of the Plan and Incentive Awards granted under the Plan and to make all other determinations considered necessary or advisable for the administration of the Plan. All determinations, interpretations and selections made by the Committee regarding the Plan shall be final and conclusive. The Committee shall hold its meetings at such times and places as it deems advisable. Action may be taken by a written instrument signed by a majority of the members of the Committee and any action so taken shall be fully as effective as if it had been taken at a meeting duly called and held. The Committee shall make such rules and regulations for the conduct of its business as it deems advisable.

3.2 Grants or Awards to Participants. In accordance with and subject to the provisions of the Plan, the Committee shall have the authority to determine all provisions of Incentive Awards as the Committee may deem necessary or desirable and as are consistent with the terms of the Plan, including, without limitation, the following: (a) the persons who shall be selected as Participants; (b) the nature and, subject to the limitation set forth in Section 4.2 of the Plan, extent of the Incentive Awards to be made to each Participant (including the number of shares of Common Stock to be subject to each Incentive Award, any exercise price, the manner in which an Incentive Award will vest or become exercisable and the form of payment for the Incentive Award); (c) the time or times when Incentive Awards will be granted; (d) the duration of each Incentive Award; and (e) the restrictions and other conditions to which payment or vesting of Incentive Awards may be subject.

3.3 Amendments or Modifications of Awards. The Committee shall have the authority to amend or modify the terms of any outstanding Incentive Award in any manner, provided that the amended or modified terms are not prohibited by the Plan as then in effect, including, without limitation, the authority to: (a) modify the number of shares or other terms and conditions of an Incentive Award; (b) extend the term of an Incentive Award; (c) accelerate the exercisability or vesting or otherwise terminate any restrictions relating to an Incentive Award; (d) accept the surrender of any outstanding Incentive Award; and (e) to the extent not previously exercised or vested, authorize the grant of new Incentive Awards in substitution for surrendered Incentive Awards.

3.4 Indemnification of Committee Members. Neither any member or former member of the Committee nor any individual to whom authority is or has been delegated shall be personally responsible or liable for any act or omission in connection with the performance of powers or duties or the exercise of discretion or judgment in the administration and implementation of the Plan. Each person who is or shall have been a member of the Committee shall be indemnified and held harmless by the Company from and against any cost, liability or expense imposed or incurred in connection with such person's or the Committee's taking or failing to take any action under the Plan. Each such person shall be justified in relying on information furnished in connection with the Plan's administration by any appropriate person or persons.

SECTION 4

Shares Subject to the Plan

4.1 Number of Shares. Subject to adjustment as provided in Section 4.3 of the Plan, a maximum of 1,000,000 shares of Common Stock shall be available for Incentive Awards under the Plan. Such shares shall be authorized and may be either unissued or treasury shares.

4.2 Limitation Upon Incentive Awards. No Participant shall be granted, during any calendar year, Incentive Awards with respect to more than 25% of the total number of shares of Common Stock available for Incentive Awards under the Plan set forth in Section 4.1 of the Plan, subject to adjustment as provided in Section 4.3 of the Plan. The purpose of this Section 4.2 is to ensure that the Plan provides performance-based compensation under Section 162(m) of the Code and this Section 4.2 shall be interpreted, administered and amended if necessary to achieve that purpose.

4.3 Adjustments. If the number of shares of Common Stock outstanding changes by reason of a stock dividend, stock split, recapitalization, merger, consolidation, combination, exchange of shares or any other change in the corporate structure or shares of the Company, the number and kind of securities subject to and reserved under the Plan, together with applicable exercise prices, shall be appropriately adjusted. No fractional shares shall be issued pursuant to the Plan and any fractional shares resulting from adjustments shall be eliminated from the respective Incentive Awards. If an Incentive Award is canceled, surrendered, modified, exchanged for a substitute Incentive Award or expires or terminates during the term of the Plan but prior to the exercise or vesting of the Incentive Award in full, the shares subject to but not delivered under such Incentive Award shall be available for other Incentive Awards. If shares subject to and otherwise deliverable upon the exercise of an Incentive Award are surrendered to the Company in connection with the exercise or vesting of an Incentive Award, the surrendered shares subject to the Incentive Award shall be available for other Incentive Awards.

SECTION 5

Stock Options

5.1 Grant. A Participant may be granted one or more Stock Options under the Plan. The Committee, in its discretion, may provide in the initial grant of a Stock Option for the subsequent automatic grant of additional Stock Options for the number of shares, if any, that are subject to the initial Stock Option and surrendered to the Company in connection with the exercise of the initial or any subsequently granted Stock Option. Stock Options shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion. In addition, the Committee may vary, among Participants and among Stock Options granted to the same Participant, any and all of the terms and conditions of the Stock Options granted under the Plan. The Committee shall have complete discretion in determining the number of Stock Options granted to each Participant. The Committee may designate whether or not a Stock Option is to be considered an incentive stock option as defined in Section 422(b) of the Code.

5.2 Stock Option Agreements. Stock Options shall be evidenced by stock option agreements containing such terms and conditions, consistent with the provisions of the Plan, as the Committee shall from time to time determine. To the extent not covered by the stock option agreement, the terms and conditions of this Section 5 shall govern.

5.3 Stock Option Price. The per share Stock Option price shall be determined by the Committee, but shall be a price that is equal to or higher than the par value of the Company's Common Stock; *provided*, that the per share Stock Option price for any shares designated as incentive stock options shall be equal to or greater than 100% of the Market Value on the date of grant.

5.4 Medium and Time of Payment. The exercise price for each share purchased pursuant to a Stock Option granted under the Plan shall be payable in cash or, if the Committee consents, in shares of Common Stock (including Common Stock to be received upon a simultaneous exercise) or other consideration substantially equivalent to cash. The time and terms of payment may be amended with the consent of a Participant before or after exercise of a Stock Option. The Committee may from time to time authorize payment of all or a portion of the Stock Option price in the form of a promissory note or other deferred payment installments according to such terms as the Committee may approve. The Board may restrict or suspend the power of the Committee to permit such loans and may require that adequate security be provided.

5.5 Stock Options Granted to Ten Percent Stockholders. No Stock Option granted to any Participant who at the time of such grant owns, together with stock attributed to such Participant under Section 424(d) of the Code, more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries may be designated as an incentive stock option, unless such Stock Option provides an exercise price equal to at least 110% of the Market Value of the Common Stock and the exercise of the Stock Option after the expiration of 5 years from the date of grant of the Stock Option is prohibited by its terms.

5.6 Limits on Exercisability. Stock Options shall be exercisable for such periods, not to exceed 10 years from the date of grant, as may be fixed by the Committee. At the time of the exercise of a Stock Option, the holder of the Stock Option, if requested by the Committee, must represent to the Company that the shares are being acquired for investment and not with a view to the distribution thereof. The Committee may in its discretion require a Participant to continue the Participant's service with the Company and its Subsidiaries for a certain length of time prior to a Stock Option becoming exercisable and may eliminate such delayed vesting provisions.

5.7 Restrictions on Transferability.

(a) General. Unless the Committee otherwise consents (before or after the option grant) or unless the stock option agreement or grant provides otherwise; (i) no incentive stock option granted under the Plan may be sold, exchanged, transferred, pledged, assigned or otherwise alienated or hypothecated except by will or the laws of descent and distribution; and (ii) all Stock Options that are not incentive stock options may be transferred; *provided*, that as a condition to any such transfer the transferee must execute a written agreement permitting the Company to withhold from the shares subject to the Stock Option a number of shares having a Market Value at least equal to the amount of any federal, state or local withholding or other taxes associated with or resulting from the exercise of a Stock Option. All provisions of a Stock Option which are determined with reference to the Participant, including without limitation those which refer to the Participant's employment

with the Company or its Subsidiaries, shall continue to be determined with reference to the Participant after any transfer of a Stock Option.

(b) Other Restrictions. The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to the exercise of a Stock Option under the Plan as the Committee deems advisable, including, without limitation, restrictions under applicable federal or state securities laws.

5.8 Termination of Employment or Officer Status.

(a) General. If a Participant ceases to be employed by or an officer of the Company or one of its Subsidiaries for any reason other than the Participant's death, disability, Retirement or termination for cause, the Participant may exercise his or her Stock Options only for a period of 3 months after such termination of employment or officer status, but only to the extent the Participant was entitled to exercise the Stock Options on the date of termination, unless the Committee otherwise consents or the terms of the stock option agreement or grant provide otherwise. For purposes of the Plan, the following shall not be deemed a termination of employment or officer status: (i) a transfer of an employee from the Company to any Subsidiary; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days, duly authorized in writing by the Company, provided that the employee's right to reemployment is guaranteed either by statute or contract; or (iv) a termination of employment with continued service as an officer.

(b) Death. If a Participant dies either while an employee or officer of the Company or one of its Subsidiaries or after the termination of employment other than for cause but during the time when the Participant could have exercised a Stock Option under the Plan, the Stock Option issued to such Participant shall be exercisable by the personal representative of such Participant or other successor to the interest of the Participant for 1 year after the Participant's death, but only to the extent that the Participant was entitled to exercise the Stock Option on the date of death or termination of employment, whichever first occurred, unless the Committee otherwise consents or the terms of the stock option agreement or grant provide otherwise.

(c) Disability. If a Participant ceases to be an employee or officer of the Company or one of its Subsidiaries due to the Participant's disability, the Participant may exercise a Stock Option for a period of 1 year following such termination of employment, but only to the extent that the Participant was entitled to exercise the Stock Option on the date of such event, unless the Committee otherwise consents or the terms of the stock option agreement or grant provide otherwise.

(d) Participant Retirement. If a Participant Retires as an employee or officer of the Company or one of its Subsidiaries, any Stock Option granted under the Plan may be exercised during the remaining term of the Stock Option, unless the terms of the stock option agreement or grant provide otherwise.

(e) Termination for Cause. If a Participant is terminated for cause, the Participant shall have no further right to exercise any Stock Option previously granted, unless the Committee and the Board determine otherwise.

SECTION 6

Restricted Stock

6.1 Grant. A Participant may be granted Restricted Stock under the Plan. Restricted Stock shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as shall be determined by the Committee in its sole discretion. The Committee may impose such restrictions or conditions, consistent with the provisions of the Plan, to the vesting of Restricted Stock as it deems appropriate. The Committee may also require that certificates representing shares of Restricted Stock be retained and held in escrow by a designated employee or agent of the Company or any Subsidiary until any restrictions applicable to shares of Common Stock so retained have been satisfied or lapsed.

6.2 Restricted Stock Agreements. Awards of Restricted Stock shall be evidenced by restricted stock agreements containing such terms and conditions, consistent with the provisions of the Plan, as the Committee shall from time to time determine. Unless a restricted stock agreement provides otherwise, Restricted Stock awards shall be subject to the terms and conditions set forth in this Section 6.

6.3 Termination of Employment or Officer Status.

(a) General. In the event of termination of employment or officer status during the Restricted Period for any reason other than death, disability, Retirement or termination for cause, then any shares of Restricted Stock still subject to restrictions at the date of such termination shall automatically be forfeited and returned to the Company; *provided*, that in the event of a voluntary or involuntary termination of the employment or officer status of a Participant by the Company, the Committee may, in its sole discretion, waive the automatic forfeiture of any or all such shares of Restricted Stock and/or may add such new restrictions to such shares of Restricted Stock as it deems appropriate. For purposes of the Plan, the following shall not be considered a termination of employment or officer status: (i) a transfer of an employee from the Company to any Subsidiary; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days duly authorized in writing by the Company, provided that the employee's right to reemployment is guaranteed either by statute or contract; and (iv) a termination of employment with continued service as an officer.

(b) Death, Retirement or Disability. Unless the Committee otherwise consents or unless the terms of the restricted stock agreement or grant provide otherwise, in the event a Participant terminates his or her employment with the Company because of death, disability or Retirement during the Restricted Period, the restrictions applicable to the shares of Restricted Stock shall terminate automatically with respect to that number of shares (rounded to the nearest whole number) equal to the total number of shares of Restricted Stock granted to such Participant multiplied by the number of full months that have elapsed since the date of grant divided by the total number of full months in the Restricted Period. All remaining

shares shall be forfeited and returned to the Company; *provided*, that the Committee may, in its sole discretion, waive the restrictions remaining on any or all such remaining shares of Restricted Stock either before or after the death, disability or Retirement of the Participant.

(c) Termination for Cause. If a Participant's employment is terminated for cause, the Participant shall have no further right to exercise or receive any Restricted Stock and all Restricted Stock still subject to restrictions at the date of such termination shall automatically be forfeited and returned to the Company, unless the Committee and the Board determine otherwise.

6.4 Restrictions on Transferability.

(a) General. Unless the Committee otherwise consents or unless the terms of the Restricted Stock agreement or grant provide otherwise: (i) shares of Restricted Stock shall not be sold, exchanged, transferred, pledged, assigned or otherwise alienated or hypothecated during the Restricted Period except by will or the laws of descent and distribution; and (ii) all rights with respect to Restricted Stock granted to a Participant under the Plan shall be exercisable during the Participant's lifetime only by such Participant, his or her guardian or legal representative.

(b) Other Restrictions. The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to an award of Restricted Stock under the Plan as the Committee deems advisable, including, without limitation, restrictions under applicable federal or state securities laws.

6.5 Legending of Restricted Stock. Any certificates evidencing shares of Restricted Stock awarded pursuant to the Plan shall bear the following legend:

The shares represented by this certificate were issued subject to certain restrictions under the Wolverine World Wide, Inc. 1997 Stock Incentive Plan (the "Plan"). A copy of the Plan is on file in the office of the Secretary of the Company. This certificate is held subject to the terms and conditions contained in a restricted stock agreement that includes a prohibition against the sale or transfer of the stock represented by this certificate except in compliance with that agreement and that provides for forfeiture upon certain events.

6.6 Representations and Warranties. A Participant who is awarded Restricted Stock shall represent and warrant that the Participant is acquiring the Restricted Stock for the Participant's own account and investment and without any intention to resell or redistribute the Restricted Stock. The Participant shall agree not to resell or distribute such Restricted Stock after the Restricted Period except upon such conditions as the Company may reasonably specify to ensure compliance with federal and state securities laws.

6.7 Rights as a Stockholder. A Participant shall have all voting, dividend, liquidation and other rights with respect to Restricted Stock held of record by such Participant as if the Participant held unrestricted Common Stock; *provided*, that the unvested portion of any award of Restricted Stock shall be subject to any restrictions on transferability or risks of forfeiture imposed pursuant to Sections 6.1, 6.3 and 6.4 of the Plan. Unless the Committee otherwise determines or unless the terms of the restricted stock agreement or grant provide otherwise, any noncash dividends or distributions paid with respect to shares of unvested Restricted Stock shall be subject to the same restrictions as the shares to which such dividends or distributions relate.

SECTION 7

Stock Awards

7.1 Grant. A Participant may be granted one or more Stock Awards under the Plan in lieu of, or as payment for, the rights of a Participant under any other compensation plan, policy or program of the Company or its Subsidiaries. Stock Awards shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion.

7.2 Rights as a Stockholder. A Participant shall have all voting, dividend, liquidation and other rights with respect to shares of Common Stock issued to the Participant as a Stock Award under this Section 7 upon the Participant becoming the holder of record of the Common Stock granted pursuant to such Stock Awards; *provided*, that the Committee may impose such restrictions on the assignment or transfer of Common Stock awarded pursuant to a Stock Award as it deems appropriate.

SECTION 8

Tax Benefit Rights

8.1 Grant. A Participant may be granted Tax Benefit Rights under the Plan to encourage a Participant to exercise Stock Options and provide certain tax benefits to the Company. A Tax Benefit Right entitles a Participant to receive from the Company or a Subsidiary a cash payment not to exceed the amount calculated by multiplying the ordinary income, if any, realized by the Participant for federal tax purposes as a result of the exercise of a nonqualified stock option, or the disqualifying disposition of shares acquired under an incentive stock option, by the maximum federal income tax rate (including any surtax or similar charge or assessment) for companies, plus the applicable state and local tax imposed on the exercise of the Stock Option or the disqualifying disposition.

8.2 Restrictions. A Tax Benefit Right may be granted only with respect to a Stock Option issued and outstanding or to be issued under the Plan or any other plan of the Company or its Subsidiaries that has been approved by the stockholders as of the date of the Plan and may be granted concurrently with or after the grant of the Stock Option. Such rights with respect to outstanding Stock Options shall be issued only with the consent of the Participant if the effect would be to disqualify an incentive stock option, change the date of grant or the exercise price or otherwise impair the Participant's existing Stock Options.

8.3 Terms and Conditions. The Committee shall determine the terms and conditions of any Tax Benefit Rights granted and the Participants to whom such rights will be granted with respect to Stock Options under the Plan or any other plan of the Company. The Committee may amend, cancel, limit the term of or limit the amount payable under a Tax Benefit Right at any time prior to the exercise of the related Stock Option, unless otherwise provided under the terms of the Tax Benefit Right. The net amount of a Tax Benefit Right, subject to withholding, may be used to pay a portion of the Stock Option price, unless otherwise provided by the Committee.

SECTION 9

Change in Control

9.1 Acceleration of Vesting. If a Change in Control of the Company shall occur, then, unless the Committee or the Board otherwise determines with respect to one or more Incentive Awards, without action by the Committee or the Board: (a) all outstanding Stock Options shall become immediately exercisable in full and shall remain exercisable during the remaining term thereof, regardless of whether the Participants to whom such Stock Options have been granted remain in the employ or service of the Company or any Subsidiary; and (b) all other outstanding Incentive Awards shall become immediately fully vested and exercisable and nonforfeitable.

9.2 Cash Payment for Stock Options. If a Change in Control of the Company shall occur, then the Committee, in its sole discretion, and without the consent of any Participant affected thereby, may determine that some or all Participants holding outstanding Stock Options shall receive, with respect to some or all of the shares of Common Stock subject to such Stock Options, as of the effective date of any such Change in Control of the Company, cash in an amount equal to the greater of the excess of (a) the highest sales price of the shares on the New York Stock Exchange on the date immediately prior to the effective date of such Change in Control of the Company or (b) the highest price per share actually paid in connection with any Change in Control of the Company over the exercise price per share of such Stock Options.

SECTION 10

General Provisions

10.1 No Rights to Awards. No Participant or other person shall have any claim to be granted any Incentive Award under the Plan and there is no obligation of uniformity of treatment of Participants or holders or beneficiaries of Incentive Awards under the Plan. The terms and conditions of Incentive Awards of the same type and the determination of the Committee to grant a waiver or modification of any Incentive Award and the terms and conditions thereof need not be the same with respect to each Participant.

10.2 Withholding. The Company or a Subsidiary shall be entitled to: (a) withhold and deduct from future wages of a Participant (or from other amounts that may be due and owing to a Participant from the Company or a Subsidiary), or make other arrangements for the collection of, all legally required amounts necessary to satisfy any and all federal, state, local and foreign withholding and employment-related tax requirements attributable to an Incentive Award, including, without limitation, the grant, exercise or vesting of, or payment of dividends with respect to, an Incentive Award or a disqualifying disposition of Common Stock received upon exercise of an incentive stock option; or (b) require a Participant promptly to remit the amount of such withholding to the Company before taking any action with respect to an Incentive Award. Unless the Committee determines otherwise, withholding may be satisfied by withholding Common Stock to be received upon exercise or by delivery to the Company of previously owned Common Stock.

10.3 Compliance With Laws; Listing and Registration of Shares. All Incentive Awards granted under the Plan (and all issuances of Common Stock or other securities under the Plan) shall be subject to all applicable laws, rules and regulations, and to the requirement that if at any time the Committee shall determine,

in its discretion, that the listing, registration or qualification of the shares covered thereby upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the grant of such Incentive Award or the issue or purchase of shares thereunder, such Incentive Award may not be exercised in whole or in part, or the restrictions on such Incentive Award shall not lapse, unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

10.4 No Limit on Other Compensation Arrangements. Nothing contained in the Plan shall prevent the Company or any Subsidiary from adopting or continuing in effect other or additional compensation arrangements, including the grant of stock options and other stock-based awards, and such arrangements may be either generally applicable or applicable only in specific cases.

10.5 No Right to Employment. The grant of an Incentive Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Subsidiary. The Company or any Subsidiary may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any written agreement with a Participant.

10.6 Governing Law. The validity, construction and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware and applicable federal law.

10.7 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of the Plan and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

SECTION 11

Termination and Amendment

The Board may terminate the Plan at any time, or may from time to time amend the Plan as it deems proper and in the best interests of the Company, provided that no such amendment may impair any outstanding Incentive Award without the consent of the Participant, except according to the terms of the Plan or the Incentive Award. No termination, amendment or modification of the Plan shall become effective with respect to any Incentive Award previously granted under the Plan without the prior written consent of the Participant holding such Incentive Award unless such amendment or modification operates solely to the benefit of the Participant.

SECTION 12

Effective Date and Duration of the Plan

This Plan shall take effect April 16, 1997, subject to approval by the stockholders at the 1997 Annual Meeting of Stockholders or any adjournment thereof or at a Special Meeting of Stockholders. Unless earlier terminated by the Board of Directors, no Incentive Award shall be granted under the Plan after April 15, 2007.

EXHIBIT 10.4

WOLVERINE WORLD WIDE, INC.

**AMENDED AND RESTATED
STOCK INCENTIVE PLAN OF 1999**

SECTION 1

Establishment of Plan; Purpose of Plan

1.1 *Establishment of Plan.* The Company hereby establishes the STOCK INCENTIVE PLAN OF 1999 (the "Plan") for its corporate, divisional and Subsidiary officers and other key employees. The Plan permits the grant and award of Stock Options, Restricted Stock, Stock Awards and Tax Benefit Rights.

1.2 *Purpose of Plan.* The purpose of the Plan is to provide officers and key management employees of the Company, its divisions and its Subsidiaries with an increased incentive to contribute to the long-term performance and growth of the Company and its Subsidiaries, to join the interests of officers and key employees with the interests of the Company's stockholders through the opportunity for increased stock ownership and to attract and retain officers and key employees. The Plan is further intended to provide flexibility to the Company in structuring long-term incentive compensation to best promote the foregoing objectives. Within that context, the Plan is intended to provide performance-based compensation under Section 162(m) of the Code and shall be interpreted, administered and amended if necessary to achieve that purpose.

SECTION 2

Definitions

The following words have the following meanings unless a different meaning plainly is required by the context:

2.1 "Act" means the Securities Exchange Act of 1934, as amended.

2.2 "Board" means the Board of Directors of the Company.

2.3 "Change in Control," unless otherwise defined in an Incentive Award, means (a) the failure of the Continuing Directors at any time to constitute at least a majority of the members of the Board; (b) the acquisition by any Person other than an Excluded Holder of beneficial ownership (within the meaning of Rule 13d-3 issued under the Act) of 20% or more of the outstanding Common Stock or the combined voting power of the Company's outstanding

securities entitled to vote generally in the election of directors; (c) the approval by the stockholders of the Company of a reorganization, merger or consolidation, unless with or into a Permitted Successor; or (d) the approval by the stockholders of the Company of a complete liquidation or dissolution of the Company or the sale or disposition of all or substantially all of the assets of the Company other than to a Permitted Successor.

2.4 "Code" means the Internal Revenue Code of 1986, as amended.

2.5 "Committee" means the Compensation Committee of the Board. The Committee shall consist of at least 2 members of the Board and all of its members shall be "non-employee directors" as defined in Rule 16b-3 issued under the Act and "outside directors" as defined in the regulations issued under Section 162(m) of the Code.

2.6 "Common Stock" means the Common Stock, \$1 par value, of the Company.

2.7 "Company" means Wolverine World Wide, Inc., a Delaware corporation, and its successors and assigns.

2.8 "Continuing Directors" mean the individuals constituting the Board as of the date this Plan was adopted and any subsequent directors whose election or nomination for election by the Company's stockholders was approved by a vote of three-quarters (3/4) of the individuals who are then Continuing Directors, but specifically excluding any individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as the term is used in Rule 14a-11 of Regulation 14A issued under the Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

2.9 "Employee Benefit Plan" means any plan or program established by the Company or a Subsidiary for the compensation or benefit of employees of the Company or any of its Subsidiaries.

2.10 "Excluded Holder" means (a) any Person who at the time this Plan was adopted was the beneficial owner of 20% or more of the outstanding Common Stock; or (b) the Company, a Subsidiary or any Employee Benefit Plan of the Company or a Subsidiary or any trust holding Common Stock or other securities pursuant to the terms of an Employee Benefit Plan.

2.11 "Incentive Award" means the award or grant of a Stock Option, Restricted Stock, Stock Award or Tax Benefit Right to a Participant pursuant to the Plan.

2.12 "Market Value" shall equal the closing market price of shares of Common Stock reported on the New York Stock Exchange (or any successor exchange that is the primary stock exchange for trading of Common Stock) on the date of grant, exercise or vesting, as applicable, or if the New York Stock Exchange (or any such successor) is closed on that date, the last preceding date on which the New York Stock Exchange (or any such successor) was open for trading and on which shares of Common Stock were traded.

2.13 "Participant" means a corporate officer, divisional officer or any key employee of the Company, its divisions or its Subsidiaries who is granted an Incentive Award under the Plan.

2.14 "Permitted Successor" means a company that, immediately following the consummation of a transaction specified in clauses (c) and (d) of the definition of "Change in Control" above, satisfies each of the following criteria: (a) 50% or more of the outstanding common stock of the company and the combined voting power of the outstanding securities of the company entitled to vote generally in the election of directors (in each case determined immediately following the consummation of the applicable transaction) is beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners of the Company's outstanding Common Stock and outstanding securities entitled to vote generally in the election of directors (respectively) immediately prior to the applicable transaction; (b) no Person other than an Excluded Holder beneficially owns, directly or indirectly, 20% or more of the outstanding common stock of the company or the combined voting power of the outstanding securities of the company entitled to vote generally in the election of directors (for these purposes the term Excluded Holder shall include the company, any subsidiary of the company and any employee benefit plan of the company or any such subsidiary or any trust holding common stock or other securities of the company pursuant to the terms of any such employee benefit plan); and (c) at least a majority of the board of directors of the company is comprised of Continuing Directors.

2.15 "Person" has the same meaning as set forth in Sections 13(d) and 14(d)(2) of the Act.

2.16 "Restricted Period" means the period of time during which Restricted Stock awarded under the Plan is subject to restrictions. The Restricted Period may differ among Participants and may have different expiration dates with respect to shares of Common Stock covered by the same Incentive Award.

2.17 "Restricted Stock" means Common Stock awarded to a Participant pursuant to Section 6 of the Plan.

2.18 "Retirement" means the voluntary termination of all employment by a Participant after the Participant has attained 60 years of age, or such other age as shall be determined by the Committee in its sole discretion or as otherwise may be set forth in the Incentive Award agreement or other grant document with respect to a Participant and a particular Incentive Award.

2.19 "Stock Award" means an award of Common Stock awarded to a Participant pursuant to Section 7 of the Plan.

2.20 "Stock Option" means the right to purchase Common Stock at a stated price for a specified period of time. For purposes of the Plan, a Stock Option may be either an incentive stock option within the meaning of Section 422(b) of the Code or a nonqualified stock option.

2.21 "Subsidiary" means any corporation or other entity of which 50% or more of the outstanding voting stock or voting ownership interest is directly or indirectly owned or controlled by the Company or by 1 or more Subsidiaries of the Company.

2.22 "Tax Benefit Right" means any right granted to a Participant pursuant to Section 8 of the Plan.

SECTION 3

Administration

3.1 *Power and Authority.* The Committee shall administer the Plan. The Committee may delegate record keeping, calculation, payment and other ministerial administrative functions to individuals designated by the Committee, who may be officers or employees of the Company or its Subsidiaries. Except as limited in this Plan or as may be necessary to ensure that this Plan provides performance-based compensation under Section 162(m) of the Code, the Committee shall have all of the express and implied powers and duties set forth in the Bylaws of the Company and this Plan, shall have full power and authority to interpret the provisions of the Plan and Incentive Awards granted under the Plan and shall have full power and authority to supervise the administration of the Plan and Incentive Awards granted under the Plan and to make all other determinations considered necessary or advisable for the administration of the Plan. All determinations, interpretations and selections made by the Committee regarding the Plan shall be final and conclusive. The Committee shall hold its meetings at such times and places as it considers advisable. Action may be taken by a written instrument signed by a majority of the members of the Committee and any action so taken shall be fully as effective as if it had been taken at a meeting duly called and held. The Committee shall make such rules and regulations for the conduct of its business as it considers advisable.

3.2 *Grants or Awards to Participants.* In accordance with and subject to the provisions of the Plan, the Committee shall have the authority to determine all provisions of Incentive Awards as the Committee may consider necessary or desirable and as are consistent with the terms of the Plan, including, without limitation, the following: (a) the persons who shall be selected as Participants; (b) the nature and, subject to the limitation set forth in Section 4.2 of the Plan, extent of the Incentive Awards to be made to each Participant (including the number of shares of Common Stock to be subject to each Incentive Award, any exercise price, the manner in which an Incentive Award will vest or become exercisable and the form of payment for the Incentive Award); (c) the time or times when Incentive Awards will be granted; (d) the duration of each Incentive Award; and (e) the restrictions and other conditions to which payment or vesting of Incentive Awards may be subject.

3.3 *Amendments or Modifications of Awards.* The Committee shall have the authority to amend or modify the terms of any outstanding Incentive Award in any manner, provided that the amended or modified terms are not prohibited by the Plan as then in effect, including, without limitation, the authority to: (a) modify the number of shares or other terms and

conditions of an Incentive Award; (b) extend the term of an Incentive Award; (c) accelerate the exercisability or vesting or otherwise terminate, waive or modify any restrictions relating to an Incentive Award; (d) accept the surrender of any outstanding Incentive Award; and (e) to the extent not previously exercised or vested, authorize the grant of new Incentive Awards in substitution for surrendered Incentive Awards; *provided*, that Incentive Awards issued under the Plan may not be repriced, replaced, regranted through cancellation or modified without stockholder approval if the effect of such repricing, replacement, regnant or modification would be to reduce the exercise price of then outstanding Incentive Awards to the same Participants.

3.4 *Indemnification of Committee Members*. Neither any member or former member of the Committee nor any individual to whom authority is or has been delegated shall be personally responsible or liable for any act or omission in connection with the performance of powers or duties or the exercise of discretion or judgment in the administration and implementation of the Plan. Each person who is or shall have been a member of the Committee shall be indemnified and held harmless by the Company from and against any cost, liability or expense imposed or incurred in connection with such person's or the Committee's taking or failing to take any action under the Plan. Each such person shall be justified in relying on information furnished in connection with the Plan's administration by any appropriate person or persons.

SECTION 4

Shares Subject to the Plan

4.1 *Number of Shares*. Subject to adjustment as provided in Section 4.3 of the Plan, the total number of shares of Common Stock available for Incentive Awards under the Plan shall be 2,000,000 shares of Common Stock; plus shares subject to Incentive Awards that are canceled, surrendered, modified, exchanged for substitute Incentive Awards or expire or terminate prior to the exercise or vesting of the Incentive Award in full and shares that are surrendered to the Company in connection with the exercise or vesting of an Incentive Award, whether previously owned or otherwise subject to such Incentive Award. Such shares shall be authorized and may be either unissued or treasury shares or shares repurchased by the Company, including shares purchased on the open market.

4.2 *Limitation Upon Incentive Awards*. No Participant shall be granted, during any calendar year, Incentive Awards with respect to more than 25% of the total number of shares of Common Stock available for Incentive Awards under the Plan set forth in Section 4.1 of the Plan for the Plan Year that includes the greatest number of days contained in such calendar year, subject to adjustment as provided in Section 4.3 of the Plan. The purpose of this Section 4.2 is to ensure that the Plan provides performance-based compensation under Section 162(m) of the Code and this Section 4.2 shall be interpreted, administered and amended if necessary to achieve that purpose.

4.3 *Adjustments.*

(a) *Stock Dividends and Distributions.* If the number of shares of Common Stock outstanding changes by reason of a stock dividend, stock split, recapitalization or other general distribution of Common Stock or other securities to holders of Common Stock, the number and kind of securities subject to Incentive Awards and reserved for issuance under the Plan, together with applicable exercise prices, as well as the number of shares available for issuance under the Plan, shall be adjusted appropriately. No fractional shares shall be issued pursuant to the Plan and any fractional shares resulting from such adjustments shall be eliminated from the respective Incentive Awards.

(b) *Other Actions Affecting Common Stock.* If there occurs, other than as described in the preceding subsection, any merger, business combination, recapitalization, reclassification, subdivision or combination approved by the Board that would result in the Persons who were stockholders of the Company immediately prior to the effective time of any such transaction owning or holding, in lieu of or in addition to shares of Common Stock, other securities, money and/or property (or the right to receive other securities, money and/or property) immediately after the effective time of such transaction, then the outstanding Incentive Awards and reserves for Incentive Awards under this Plan shall be adjusted in such manner and at such time as shall be equitable under the circumstances. It is intended that in the event of any such transaction, Incentive Awards under this Plan shall entitle the holder of each Incentive Award to receive (upon exercise in the case of Stock Options), in lieu of or in addition to shares of Common Stock, any other securities, money and/or property receivable upon consummation of any such transaction by holders of Common Stock with respect to each share of Common Stock outstanding immediately prior to the effective time of such transaction; upon any such adjustment, holders of Incentive Awards under this Plan shall have only the right to receive in lieu of or in addition to shares of Common Stock such other securities, money and/or other property as provided by the adjustment. If the agreement, resolution or other document approved by the Board to effect any such transaction provides for the adjustment of Incentive Awards under the Plan in connection with such transaction, then the adjustment provisions contained in such agreement, resolution or other document shall be final and conclusive.

SECTION 5

Stock Options

5.1 *Grant.* A Participant may be granted one or more Stock Options under the Plan. The Committee, in its discretion, may provide in the initial grant of a Stock Option or other Incentive Award for the subsequent automatic grant of additional Stock Options for the number of shares, if any, that are subject to the initial Stock Option or other Incentive Award and surrendered to the Company in connection with the exercise or vesting of the initial or any subsequently granted Stock Option or other Incentive Award. Stock Options shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion. In addition, the Committee may vary, among Participants and among Stock Options granted to the same Participant, any and all of the terms and conditions of the Stock Options granted under the Plan. Subject to the limitation imposed by Section 4.2 of the Plan, the Committee shall have complete discretion in determining the number of Stock Options granted to each Participant. The Committee may designate whether or not a Stock Option is to be considered an incentive stock option as defined in Section 422(b) of the Code; *provided*, that the number of shares of Common Stock that may be designated as subject to incentive stock options for any given Participant shall be limited to that number of shares that become exercisable for the first time by the Participant during any calendar year (under all plans of the Company and its Subsidiaries) and have an aggregate Market Value less than or equal to \$100,000 (or such other amount as may be set forth in the Code) and all shares subject to an Incentive Award that have a Market Value in excess of such aggregate amount shall automatically be subject to Stock Options that are not incentive stock options.

5.2 *Stock Option Agreements.* Stock Options shall be evidenced by stock option agreements and/or certificates of award containing the terms and conditions applicable to such Stock Options. To the extent not covered by the stock option agreement, the terms and conditions of this Section 5 shall govern.

5.3 *Stock Option Price.* The per share Stock Option price shall be determined by the Committee, but shall be a price that is equal to or higher than the par value of the Company's Common Stock; *provided*, that the per share Stock Option price for any shares designated as incentive stock options shall be equal to or greater than 100% of the Market Value on the date of grant.

5.4 *Medium and Time of Payment.* The exercise price for each share purchased pursuant to a Stock Option granted under the Plan shall be payable in cash or, if the Committee consents or provides in the applicable stock option agreement or grant, in shares of Common Stock (including Common Stock to be received upon a simultaneous exercise of that or any other Incentive Award) or other consideration substantially equivalent to cash. The time and terms of payment may be amended with the consent of a Participant before or after exercise of a Stock Option. The Committee may from time to time authorize payment of all or a portion of the Stock Option price in the form of a promissory note or other deferred payment installments according

to such terms as the Committee may approve. The Board may restrict or suspend the power of the Committee to permit such loans and may require that adequate security be provided.

5.5 *Stock Options Granted to 10% Stockholders.* No Stock Option granted to any Participant who at the time of such grant owns, together with stock attributed to such Participant under Section 424(d) of the Code, more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries may be designated as an incentive stock option, unless such Stock Option provides an exercise price equal to at least 110% of the Market Value of the Common Stock and the exercise of the Stock Option after the expiration of 5 years from the date of grant of the Stock Option is prohibited by its terms.

5.6 *Limits on Exercisability.* Except as set forth in Section 5.5, Stock Options shall be exercisable for such periods, not to exceed 10 years from the date of grant, as may be fixed by the Committee. At the time of the exercise of a Stock Option, the holder of the Stock Option, if requested by the Committee, must represent to the Company that the shares are being acquired for investment and not with a view to the distribution thereof. The Committee may in its discretion require a Participant to continue the Participant's service with the Company and its Subsidiaries for a certain length of time prior to a Stock Option becoming exercisable and may eliminate such delayed vesting provisions.

5.7 *Restrictions on Transferability.*

(a) *General.* Unless the Committee otherwise consents or permits (before or after the option grant) or unless the stock option agreement or grant provides otherwise, Stock Options granted under the Plan may not be sold, exchanged, transferred, pledged, assigned or otherwise alienated or hypothecated except by will or the laws of descent and distribution, and, as a condition to any transfer permitted by the Committee or the terms of the stock option agreement or grant, the transferee must execute a written agreement permitting the Company to withhold from the shares subject to the Stock Option a number of shares having a Market Value at least equal to the amount of any federal, state or local withholding or other taxes associated with or resulting from the exercise of a Stock Option. All provisions of a Stock Option that are determined with reference to the Participant, including without limitation those that refer to the Participant's employment with the Company or its Subsidiaries, shall continue to be determined with reference to the Participant after any transfer of a Stock Option.

(b) *Other Restrictions.* The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to the exercise of a Stock Option under the Plan as the Committee deems advisable, including, without limitation, restrictions under applicable federal or state securities laws.

5.8 *Termination of Employment or Officer Status.* Unless the Committee otherwise consents or permits (before or after the option grant) or unless the stock option agreement or grant provides otherwise:

(a) *General.* If a Participant ceases to be employed by or an officer of the Company or one of its Subsidiaries for any reason other than the Participant's death, disability, Retirement or termination for cause, the Participant may exercise his or her Stock Options in accordance with their terms for a period of 3 months after such termination of employment or officer status, but only to the extent the Participant was entitled to exercise the Stock Options on the date of termination. For purposes of the Plan, the following shall not be considered a termination of employment or officer status: (i) a transfer of an employee from the Company to any Subsidiary; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days, duly authorized in writing by the Company, provided that the employee's right to re-employment is guaranteed by statute, contract or written policy of the Company; or (iv) a termination of employment with continued service as an officer. For purposes of the Plan, termination of employment shall be considered to occur on the date on which the employee is no longer obligated to perform services for the Company or any of its Subsidiaries and the employee's right to re-employment is not guaranteed by statute, contract or written policy of the Company, regardless of whether the employee continues to receive compensation from the Company or any of its Subsidiaries after such date.

(b) *Death.* If a Participant dies either while an employee or officer of the Company or one of its Subsidiaries or after the termination of employment other than for cause but during the time when the Participant could have exercised a Stock Option, the Stock Options issued to such Participant shall be exercisable in accordance with their terms by the personal representative of such Participant or other successor to the interest of the Participant for 1 year after the Participant's death, but only to the extent that the Participant was entitled to exercise the Stock Options on the date of death or termination of employment, whichever first occurred, and not beyond the original terms of the Stock Options.

(c) *Disability.* If a Participant ceases to be an employee or officer of the Company or one of its Subsidiaries due to the Participant's disability, the Participant may exercise his or her Stock Options in accordance with their terms for 1 year following such termination of employment, but only to the extent that the Participant was entitled to exercise the Stock Options on the date of such event and not beyond the original terms of the Stock Options.

(d) *Participant Retirement.* If a Participant Retires as an employee or officer of the Company or one of its Subsidiaries, Stock Options granted under the Plan may be exercised in accordance with their terms during the remaining terms of the Stock Options.

(e) *Termination for Cause.* If a Participant is terminated for cause, the Participant shall have no further right to exercise any Stock Options previously granted. The Committee or officers designated by the Committee shall have absolute discretion to determine whether a termination is for cause.

SECTION 6

Restricted Stock

6.1 *Grant.* A Participant may be granted Restricted Stock under the Plan. Restricted Stock shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as shall be determined by the Committee in its sole discretion. The Committee may impose such restrictions or conditions, consistent with the provisions of the Plan, to the vesting of Restricted Stock as it considers appropriate. The Committee may also require that certificates representing shares of Restricted Stock be retained and held in escrow by a designated employee or agent of the Company or any Subsidiary until any restrictions applicable to shares of Common Stock so retained have been satisfied or lapsed.

6.2 *Restricted Stock Agreements.* Awards of Restricted Stock shall be evidenced by restricted stock agreements or certificates of award containing such terms and conditions, consistent with the provisions of the Plan, as the Committee shall from time to time determine. Unless a restricted stock agreement or certificate provides otherwise, Restricted Stock awards shall be subject to the terms and conditions set forth in this Section 6.

6.3 *Termination of Employment or Officer Status.* Unless the Committee otherwise consents or permits (before or after the grant of Restricted Stock) or unless the restricted stock agreement or grant provides otherwise:

(a) *General.* In the event of termination of employment or officer status during the Restricted Period for any reason other than death, disability, Retirement or termination for cause, any shares of Restricted Stock still subject to restrictions at the date of such termination shall automatically be forfeited and returned to the Company. For purposes of the Plan, the following shall not be considered a termination of employment or officer status: (i) a transfer of an employee from the Company to any Subsidiary; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days duly authorized in writing by the Company, provided that the employee's right to re-employment is guaranteed by statute, contract or written policy of the Company; and (iv) a termination of employment with continued service as an officer. For purposes of the Plan, termination of employment shall be considered to occur on the date on which the employee is no longer obligated to perform services for the Company or any of its Subsidiaries and the employee's right to re-employment is not guaranteed by statute, contract or written policy of the Company, regardless of whether the employee continues to receive compensation from the Company or any of its Subsidiaries after such date.

(b) *Death, Retirement or Disability.* In the event a Participant terminates his or her employment with the Company because of death, disability or Retirement during the

Restricted Period, the restrictions applicable to the shares of Restricted Stock shall terminate automatically with respect to that number of shares (rounded to the nearest whole number) equal to the total number of shares of Restricted Stock granted to such Participant multiplied by the number of full months that have elapsed since the date of grant divided by the total number of full months in the Restricted Period. All remaining shares shall be forfeited and returned to the Company; *provided*, that the Committee may, in its sole discretion, waive the restrictions remaining on any or all such remaining shares of Restricted Stock either before or after the death, disability or Retirement of the Participant.

(c) *Termination for Cause.* If a Participant's employment is terminated for cause, the Participant shall have no further right to exercise or receive any Restricted Stock and all Restricted Stock still subject to restrictions at the date of such termination shall automatically be forfeited and returned to the Company. The Committee or officers designated by the Committee shall have absolute discretion to determine whether a termination is for cause.

6.4 *Restrictions on Transferability.*

(a) *General.* Unless the Committee otherwise consents or permits or unless the terms of the restricted stock agreement or grant provide otherwise: (i) shares of Restricted Stock shall not be sold, exchanged, transferred, pledged, assigned or otherwise alienated or hypothecated during the Restricted Period except by will or the laws of descent and distribution; and (ii) all rights with respect to Restricted Stock granted to a Participant under the Plan shall be exercisable during the Participant's lifetime only by such Participant, his or her guardian or legal representative.

(b) *Other Restrictions.* The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to an award of Restricted Stock under the Plan as the Committee considers advisable, including, without limitation, restrictions under applicable federal or state securities laws.

6.5 *Legending of Restricted Stock.* Any certificates evidencing shares of Restricted Stock awarded pursuant to the Plan shall bear the following legend:

The shares represented by this certificate were issued subject to certain restrictions under the Wolverine World Wide, Inc. Stock Incentive Plan of 1999 (the "Plan"). This certificate is held subject to the terms and conditions contained in a restricted stock agreement that includes a prohibition against the sale or transfer of the stock represented by this certificate except in compliance with that agreement and that provides for forfeiture upon certain events. Copies of the Plan and the restricted stock agreement are on file in the office of the Secretary of the Company.

6.6 *Rights as a Stockholder.* A Participant shall have all voting, dividend, liquidation and other rights with respect to Restricted Stock held of record by such Participant as if the Participant held unrestricted Common Stock; *provided*, that the unvested portion of any award of Restricted Stock shall be subject to any restrictions on transferability or risks of forfeiture imposed pursuant to Sections 6.1, 6.3 and 6.4 of the Plan. Unless the Committee otherwise determines or unless the terms of the restricted stock agreement or grant provide otherwise, any noncash dividends or distributions paid with respect to shares of unvested Restricted Stock shall be subject to the same restrictions as the shares to which such dividends or distributions relate.

SECTION 7

Stock Awards

7.1 *Grant.* A Participant may be granted one or more Stock Awards under the Plan. Stock Awards shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion.

7.2 *Rights as a Stockholder.* A Participant shall have all voting, dividend, liquidation and other rights with respect to shares of Common Stock issued to the Participant as a Stock Award under this Section 7 upon the Participant becoming the holder of record of the Common Stock granted pursuant to such Stock Award; *provided*, that the Committee may impose such restrictions on the assignment or transfer of Common Stock awarded pursuant to a Stock Award as it considers appropriate.

SECTION 8

Tax Benefit Rights

8.1 *Grant.* A Participant may be granted Tax Benefit Rights under the Plan to encourage a Participant to exercise Stock Options and provide certain tax benefits to the Company. A Tax Benefit Right entitles a Participant to receive from the Company or a Subsidiary a cash payment not to exceed the amount calculated by multiplying the ordinary income, if any, realized by the Participant for federal tax purposes as a result of the exercise of a nonqualified stock option, or the disqualifying disposition of shares acquired under an incentive stock option, by the maximum federal income tax rate (including any surtax or similar charge or assessment) for corporations, plus the applicable state and local tax imposed on the exercise of the Stock Option or the disqualifying disposition.

8.2 *Restrictions.* A Tax Benefit Right may be granted only with respect to a Stock Option issued and outstanding or to be issued under the Plan or any other plan of the Company or its Subsidiaries that has been approved by the stockholders as of the date of the Plan and may be granted concurrently with or after the grant of the Stock Option. Such rights with respect to outstanding Stock Options shall be issued only with the consent of the Participant if the effect would be to disqualify an incentive stock option, change the date of grant or the exercise price or otherwise impair the Participant's existing Stock Options.

8.3 *Terms and Conditions.* The Committee shall determine the terms and conditions of any Tax Benefit Rights granted and the Participants to whom such rights will be granted with respect to Stock Options under the Plan or any other plan of the Company. The Committee may amend, cancel, limit the term of or limit the amount payable under a Tax Benefit Right at any time prior to the exercise of the related Stock Option, unless otherwise provided under the terms of the Tax Benefit Right. The net amount of a Tax Benefit Right, subject to withholding, may be used to pay a portion of the Stock Option price, unless otherwise provided by the Committee.

SECTION 9

Change in Control

9.1 *Acceleration of Vesting.* If a Change in Control of the Company shall occur, then, unless the Committee or the Board otherwise determines with respect to 1 or more Incentive Awards, without action by the Committee or the Board: (a) all outstanding Stock Options shall become immediately exercisable in full and shall remain exercisable during the remaining term thereof, regardless of whether the Participants to whom such Stock Options have been granted remain in the employ or service of the Company or any Subsidiary; and (b) all other outstanding Incentive Awards shall become immediately fully vested and exercisable and nonforfeitable.

9.2 *Cash Payment for Stock Options.* If a Change in Control of the Company shall occur, then the Committee, in its sole discretion, and without the consent of any Participant

affected thereby, may determine that some or all Participants holding outstanding Stock Options shall receive, with respect to some or all of the shares of Common Stock subject to such Stock Options, as of the effective date of any such Change in Control of the Company, cash in an amount equal to the greater of the excess of (a) the highest sales price of the shares on the New York Stock Exchange on the date immediately prior to the effective date of such Change in Control of the Company or (b) the highest price per share actually paid in connection with any Change in Control of the Company over the exercise price per share of such Stock Options.

SECTION 10

General Provisions

10.1 *No Rights to Awards.* No Participant or other person shall have any claim to be granted any Incentive Award under the Plan and there is no obligation of uniformity of treatment of Participants or holders or beneficiaries of Incentive Awards under the Plan. The terms and conditions of Incentive Awards of the same type and the determination of the Committee to grant a waiver or modification of any Incentive Award and the terms and conditions thereof need not be the same with respect to each Participant.

10.2 *Withholding.* The Company or a Subsidiary shall be entitled to: (a) withhold and deduct from future wages of a Participant (or from other amounts that may be due and owing to a Participant from the Company or a Subsidiary), or make other arrangements for the collection of, all legally required amounts necessary to satisfy any and all federal, state, local and foreign withholding and employment-related tax requirements attributable to an Incentive Award, including, without limitation, the grant, exercise or vesting of, or payment of dividends with respect to, an Incentive Award or a disqualifying disposition of Common Stock received upon exercise of an incentive stock option; or (b) require a Participant promptly to remit the amount of such withholding to the Company before taking any action with respect to an Incentive Award. Unless the Committee determines otherwise, withholding may be satisfied by withholding Common Stock to be received upon exercise or vesting of an Incentive Award or by delivery to the Company of previously owned Common Stock.

10.3 *Compliance With Laws; Listing and Registration of Shares.* All Incentive Awards granted under the Plan (and all issuances of Common Stock or other securities under the Plan) shall be subject to all applicable laws, rules and regulations, and to the requirement that if at any time the Committee shall determine, in its discretion, that the listing, registration or qualification of the shares covered thereby upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the grant of such Incentive Award or the issue or purchase of shares thereunder, such Incentive Award may not be exercised in whole or in part, or the restrictions on such Incentive Award shall not lapse, unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

10.4 *No Limit on Other Compensation Arrangements*. Nothing contained in the Plan shall prevent the Company or any Subsidiary from adopting or continuing in effect other or additional compensation arrangements, including the grant of stock options and other stock-based awards, and such arrangements may be either generally applicable or applicable only in specific cases.

10.5 *No Right to Employment*. The grant of an Incentive Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Subsidiary. The Company or any Subsidiary may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any written agreement with a Participant.

10.6 *Suspension of Rights under Incentive Awards*. The Company, by written notice to a Participant, may suspend a Participant's and any transferee's rights under any Incentive Award for a period not to exceed 30 days while the termination for cause of that Participant's employment with the Company and its Subsidiaries is under consideration.

10.7 *Governing Law*. The validity, construction and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware and applicable federal law.

10.8 *Severability*. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of the Plan and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

SECTION 11

Termination and Amendment

The Board may terminate the Plan at any time or may from time to time amend the Plan as it considers proper and in the best interests of the Company, provided that no such amendment may impair any outstanding Incentive Award without the consent of the Participant, except according to the terms of the Plan or the Incentive Award. No termination, amendment or modification of the Plan shall become effective with respect to any Incentive Award previously granted under the Plan without the prior written consent of the Participant holding such Incentive Award unless such amendment or modification operates solely to the benefit of the Participant.

SECTION 12

Effective Date and Duration of the Plan

This Plan shall take effect February 24, 1999, subject to approval by the stockholders at the 1999 Annual Meeting of Stockholders or any adjournment thereof or at a Special Meeting of Stockholders. Unless earlier terminated by the Board of Directors, no Incentive Award shall be granted under the Plan after February 23, 2009.

EXHIBIT 10.5

WOLVERINE WORLD WIDE, INC.

AMENDED AND RESTATED STOCK INCENTIVE PLAN OF 2001

SECTION 1

Establishment of Plan; Purpose of Plan

1.1 *Establishment of Plan.* The Company hereby establishes the STOCK INCENTIVE PLAN OF 2001 (the "Plan") for its corporate, divisional and Subsidiary officers and other key employees. The Plan permits the grant and award of Stock Options, Restricted Stock, Stock Awards and Tax Benefit Rights.

1.2 *Purpose of Plan.* The purpose of the Plan is to provide officers and key management employees of the Company, its divisions and its Subsidiaries with an increased incentive to contribute to the long-term performance and growth of the Company and its Subsidiaries, to join the interests of officers and key employees with the interests of the Company's stockholders through the opportunity for increased stock ownership and to attract and retain officers and key employees. The Plan is further intended to provide flexibility to the Company in structuring long-term incentive compensation to best promote the foregoing objectives. Within that context, it is intended that most awards of Stock Options under the Plan are to provide performance-based compensation under Section 162(m) of the Code and the Plan shall be interpreted, administered and amended if necessary to achieve that purpose.

SECTION 2

Definitions

The following words have the following meanings unless a different meaning plainly is required by the context:

2.1 "Act" means the Securities Exchange Act of 1934, as amended.

2.2 "Board" means the Board of Directors of the Company.

2.3 "Change in Control," unless otherwise defined in an Incentive Award, means (a) the failure of the Continuing Directors at any time to constitute at least a majority of the members of the Board; (b) the acquisition by any Person other than an Excluded Holder of beneficial ownership (within the meaning of Rule 13d-3 issued under the Act) of 20% or more of the outstanding Common Stock or the combined voting power of the Company's outstanding securities entitled to vote generally in the election of directors; (c) the approval by the stockholders of the Company of a reorganization, merger or consolidation, unless with or into a Permitted Successor; or (d) the approval by the stockholders of the Company of a complete liquidation or dissolution of the Company or the sale or disposition of all or substantially all of the assets of the Company other than to a Permitted Successor.

2.4 "Code" means the Internal Revenue Code of 1986, as amended.

2.5 "Committee" means the Compensation Committee of the Board. The Committee shall consist of at least 2 members of the Board and all of its members shall be "non-employee directors" as defined in Rule 16b-3 issued under the Act and "outside directors" as defined in the regulations issued under Section 162(m) of the Code.

2.6 "Common Stock" means the Common Stock, \$1 par value, of the Company.

2.7 "Company" means Wolverine World Wide, Inc., a Delaware corporation, and its successors and assigns.

2.8 "Continuing Directors" mean the individuals constituting the Board as of the date this Plan was adopted and any subsequent directors whose election or nomination for election by the Company's stockholders was approved by a vote of three-quarters (3/4) of the individuals who are then Continuing Directors, but specifically excluding any individual whose initial assumption of office occurs as a result of either an actual or threatened solicitation subject to Rule 14a-12(c) of Regulation 14A issued under the Act or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

2.9 "Employee Benefit Plan" means any plan or program established by the Company or a Subsidiary for the compensation or benefit of employees of the Company or any of its Subsidiaries.

2.10 "Excluded Holder" means (a) any Person who at the time this Plan was adopted was the beneficial owner of 20% or more of the outstanding Common Stock; or (b) the Company, a Subsidiary or any Employee Benefit Plan of the Company or a Subsidiary or any trust holding Common Stock or other securities pursuant to the terms of an Employee Benefit Plan.

2.11 "Incentive Award" means the award or grant of a Stock Option, Restricted Stock, Stock Award or Tax Benefit Right to a Participant pursuant to the Plan.

2.12 "Market Value" shall equal the closing market price of shares of Common Stock reported on the New York Stock Exchange (or any successor exchange that is the primary stock exchange for trading of Common Stock) on the date of grant, exercise or vesting, as applicable, or if the New York Stock Exchange (or any such successor) is closed on that date, the last preceding date on which the New York Stock Exchange (or any such successor) was open for trading and on which shares of Common Stock were traded.

2.13 "Participant" means a corporate officer, divisional officer or any key employee of the Company, its divisions or its Subsidiaries who is granted an Incentive Award under the Plan.

2.14 "Permitted Successor" means a company that, immediately following the consummation of a transaction specified in clauses (c) and (d) of the definition of "Change in Control" above, satisfies each of the following criteria: (a) 50% or more of the outstanding common stock of the company and the combined voting power of the outstanding securities of the company entitled to vote generally in the election of directors (in each case determined immediately following the consummation of the applicable transaction) is beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners of the Company's outstanding Common Stock and outstanding securities entitled to vote generally in the election of directors (respectively) immediately prior to the applicable transaction; (b) no Person other than an Excluded Holder beneficially owns, directly or indirectly, 20% or more of the outstanding common stock of the company or the combined voting power of the outstanding securities of the company entitled to vote generally in the election of directors (for these purposes the term Excluded Holder shall include the company, any subsidiary of the company and any employee benefit plan of the company or any such subsidiary or any trust holding common stock or other securities of the company pursuant to the terms of any such employee benefit plan); and (c) at least a majority of the board of directors of the company is comprised of Continuing Directors.

2.15 "Person" has the same meaning as set forth in Sections 13(d) and 14(d)(2) of the Act.

2.16 "Restricted Period" means the period of time during which Restricted Stock awarded under the Plan is subject to restrictions. The Restricted Period may differ among Participants and may have different expiration dates with respect to shares of Common Stock covered by the same Incentive Award.

2.17 "Restricted Stock" means Common Stock awarded to a Participant pursuant to Section 6 of the Plan.

2.18 "Retirement" means the voluntary termination of all employment by a Participant after the Participant has attained 55 years of age, or such other age as shall be determined by the Committee in its sole discretion or as otherwise may be set forth in the Incentive Award agreement or other grant document with respect to a Participant and a particular Incentive Award.

2.19 "Stock Award" means an award of Common Stock awarded to a Participant pursuant to Section 7 of the Plan.

2.20 "Stock Option" means the right to purchase Common Stock at a stated price for a specified period of time. For purposes of the Plan, a Stock Option may be either an incentive stock option within the meaning of Section 422(b) of the Code or a nonqualified stock option.

2.21 "Subsidiary" means any corporation or other entity of which 50% or more of the outstanding voting stock or voting ownership interest is directly or indirectly owned or controlled by the Company or by one or more Subsidiaries of the Company.

2.22 "Tax Benefit Right" means any right granted to a Participant pursuant to Section 8 of the Plan.

SECTION 3

Administration

3.1 *Power and Authority.* The Committee shall administer the Plan. The Committee may delegate record keeping, calculation, payment and other ministerial administrative functions to individuals designated by the Committee, who may be officers or employees of the Company or its Subsidiaries. Except as limited in this Plan or as may be necessary to ensure that this Plan provides performance-based compensation under Section 162(m) of the Code, the Committee shall have all of the express and implied powers and duties set forth in the Bylaws of the Company and this Plan, shall have full power and authority to interpret the provisions of the Plan and Incentive Awards granted under the Plan and shall have full power and authority to supervise the administration of the Plan and Incentive Awards granted under the Plan and to make all other determinations considered necessary or advisable for the administration of the Plan. All determinations, interpretations and selections made by the Committee regarding the Plan shall be final and conclusive. The Committee shall hold its meetings at such times and places as it considers advisable. Action may be taken by a written instrument signed by a majority of the members of the Committee and any action so taken shall be fully as effective as if it had been taken at a meeting duly called and held. The Committee shall make such rules and regulations for the conduct of its business as it considers advisable.

3.2 *Grants or Awards to Participants.* In accordance with and subject to the provisions of the Plan, the Committee shall have the authority to determine all provisions of Incentive Awards as the Committee may consider necessary or desirable and as are consistent with the terms of the Plan, including, without limitation, the following: (a) the persons who shall be selected as Participants; (b) the nature and, subject to the limitations set forth in Sections 4.1 and 4.2 of the Plan, extent of the Incentive Awards to be made to each Participant (including the number of shares of Common Stock to be subject to each Incentive Award, any exercise price, the manner in which an Incentive Award will vest or become exercisable and the form of payment for the Incentive Award); (c) the time or times when Incentive Awards will be granted; (d) the duration of each Incentive Award; and (e) the restrictions and other conditions to which payment or vesting of Incentive Awards may be subject.

3.3 *Amendments or Modifications of Awards.* The Committee shall have the authority to amend or modify the terms of any outstanding Incentive Award in any manner, provided that the amended or modified terms are not prohibited by the Plan as then in effect, including, without limitation, the authority to: (a) modify the number of shares or other terms and conditions of an Incentive Award; (b) extend the term of an Incentive Award; (c) accelerate the exercisability or vesting or otherwise terminate, waive or modify any restrictions relating to an Incentive Award; (d) accept the surrender of any outstanding Incentive Award; and (e) to the extent not previously exercised or vested, authorize the grant of new Incentive Awards in substitution for surrendered Incentive Awards; provided, that Incentive Awards issued under the Plan may not be repriced, replaced, regranted through cancellation or modified without stockholder approval if the effect of such repricing, replacement, regrant or modification would be to reduce the exercise price of then outstanding Incentive Awards to the same Participants.

3.4 *Indemnification of Committee Members.* Neither any member or former member of the Committee nor any individual to whom authority is or has been delegated shall be personally responsible or liable for any act or omission in connection with the performance of powers or duties or the exercise of discretion or judgment in the administration and implementation of the Plan. Each person who is or shall have been a member of the Committee

shall be indemnified and held harmless by the Company from and against any cost, liability or expense imposed or incurred in connection with such person's or the Committee's taking or failing to take any action under the Plan. Each such person shall be justified in relying on information furnished in connection with the Plan's administration by any appropriate person or persons.

SECTION 4

Shares Subject to the Plan

4.1 *Number of Shares.* Subject to adjustment as provided in Section 4.3 of the Plan, the total number of shares of Common Stock available for Incentive Awards under the Plan shall be 2,000,000 shares of Common Stock; plus shares subject to Incentive Awards that are canceled, surrendered, modified, exchanged for substitute Incentive Awards or expire or terminate prior to the exercise or vesting of the Incentive Award in full and shares that are surrendered to the Company in connection with the exercise or vesting of an Incentive Award, whether previously owned or otherwise subject to such Incentive Award; provided, that not more than 40% of the shares authorized for issuance under the Plan pursuant to this Section 4.1 may be issued as Restricted Stock or Stock Awards, combined. Such shares shall be authorized and may be either unissued or treasury shares or shares repurchased by the Company, including shares purchased on the open market.

4.2 *Limitation Upon Incentive Awards.* No Participant shall be granted, during any calendar year, Incentive Awards with respect to more than 25% of the total number of shares of Common Stock available for Incentive Awards under the Plan set forth in Section 4.1 of the Plan for the Plan Year that includes the greatest number of days contained in such calendar year, subject to adjustment as provided in Section 4.3 of the Plan. The purpose of this Section 4.2 is to ensure that the Plan may provide performance-based compensation under Section 162(m) of the Code and this Section 4.2 shall be interpreted, administered and amended if necessary to achieve that purpose.

4.3 *Adjustments.*

(a) *Stock Dividends and Distributions.* If the number of shares of Common Stock outstanding changes by reason of a stock dividend, stock split, recapitalization or other general distribution of Common Stock or other securities to holders of Common Stock, the number and kind of securities subject to Incentive Awards and reserved for issuance under the Plan, together with applicable exercise prices, as well as the number of shares available for issuance under the Plan, shall be adjusted appropriately. No fractional shares shall be issued pursuant to the Plan and any fractional shares resulting from such adjustments shall be eliminated from the respective Incentive Awards.

(b) *Other Actions Affecting Common Stock.* If there occurs, other than as described in the preceding subsection, any merger, business combination, recapitalization, reclassification, subdivision or combination approved by the Board that would result in the Persons who were stockholders of the Company immediately prior to the effective time of any such transaction owning or holding, in lieu of or in addition to shares of Common Stock, other securities, money and/ or property (or the right to receive other securities, money and/ or property) immediately after the effective time of such transaction, then the outstanding Incentive Awards (including exercise prices) and reserves for Incentive Awards under this Plan shall be adjusted in such manner and at such time as shall be equitable under the circumstances. It is intended that in the event of any such transaction, Incentive Awards under this Plan shall entitle the holder of each Incentive Award to receive (upon exercise in the case of Stock Options), in lieu of or in addition to shares of Common Stock, any other securities, money and/ or property receivable upon consummation of any such transaction by holders of Common Stock with respect to each share of Common Stock outstanding immediately prior to the effective time of such transaction; upon any such adjustment, holders of Incentive Awards under this Plan shall have only the right to receive in lieu of or in addition to shares of Common Stock such other securities, money and/ or other property as provided by the adjustment. If the agreement, resolution or other document approved by the Board to effect any such transaction provides for the adjustment of Incentive Awards under the Plan in connection with such transaction, then the adjustment provisions contained in such agreement, resolution or other document shall be final and conclusive.

SECTION 5

Stock Options

5.1 *Grant.* A Participant may be granted one or more Stock Options under the Plan. The Committee, in its discretion, may provide in the initial grant of a Stock Option or other Incentive Award for the subsequent automatic grant of additional Stock Options for the number of shares, if any, that are surrendered to the Company in connection with the exercise or vesting of the initial or any subsequently granted Stock Option or other Incentive Award. Stock Options shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion. In addition, the Committee may vary, among Participants and among Stock Options granted to the same Participant, any and all of the terms and conditions of the Stock Options granted under the Plan. Subject to the limitation imposed by Section 4.2 of the Plan, the Committee shall have complete discretion in determining the number of Stock Options granted to each Participant. The Committee may designate whether or not a Stock Option is to be considered an incentive stock option as defined in Section 422(b) of the Code; provided, that the number of shares of Common Stock that may be designated as subject to incentive stock options for any given Participant shall be limited to that number of shares that become exercisable for the first time by the Participant during any calendar year (under all plans of the Company and its Subsidiaries) and have an aggregate Market Value less than or equal to \$100,000 (or such other amount as may be set forth in the Code) and all shares subject to an Incentive Award that have a Market Value in excess of such aggregate amount shall automatically be subject to Stock Options that are not incentive stock options.

5.2 *Stock Option Agreements.* Stock Options shall be evidenced by stock option agreements and/ or certificates of award containing the terms and conditions applicable to such Stock Options. To the extent not covered by the stock option agreement, the terms and conditions of this Section 5 shall govern.

5.3 *Stock Option Price.* The per share Stock Option price shall be determined by the Committee, but shall be a price that is equal to or greater than 100% of the Market Value of the Company's Common Stock on the date of grant.

5.4 *Medium and Time of Payment.* The exercise price for each share purchased pursuant to a Stock Option granted under the Plan shall be payable in cash or, if the Committee consents or provides in the applicable stock option agreement or grant, in shares of Common Stock (including Common Stock to be received upon a simultaneous exercise of that or any other Incentive Award) or other consideration substantially equivalent to cash. The time and terms of payment may be amended with the consent of a Participant before or after exercise of a Stock Option. The Committee may from time to time authorize payment of all or a portion of the Stock Option price in the form of a promissory note or other deferred payment installments according to such terms as the Committee may approve. The Board may restrict or suspend the power of the Committee to permit such loans and may require that adequate security be provided.

5.5 *Stock Options Granted to 10% Stockholders.* No Stock Option granted to any Participant who at the time of such grant owns, together with stock attributed to such Participant under Section 424(d) of the Code, more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries may be designated as an incentive stock option, unless such Stock Option provides an exercise price equal to at least 110% of the Market Value of the Common Stock on the date of grant and the exercise of the Stock Option after the expiration of 5 years from the date of grant of the Stock Option is prohibited by its terms.

5.6 *Limits on Exercisability.* Except as set forth in Section 5.5, Stock Options shall be exercisable for such periods, not to exceed 10 years from the date of grant, as may be fixed by the Committee. At the time of exercise of a Stock Option, the holder of the Stock Option, if requested by the Committee, must represent to the Company that the shares are being acquired for investment and not with a view to the distribution thereof. The Committee may in its discretion require a Participant to continue the Participant's service with the Company and its Subsidiaries for a certain length of time prior to a Stock Option becoming exercisable and may eliminate such delayed vesting provisions.

5.7 Restrictions on Transferability.

(a) *General.* Unless the Committee otherwise consents or permits (before or after the option grant) or unless the stock option agreement or grant provides otherwise, Stock Options granted under the Plan may not be sold, exchanged, transferred, pledged, assigned or otherwise alienated or hypothecated except by will or the laws of descent and distribution, and, as a condition to any transfer permitted by the Committee or the terms of the stock option agreement or grant, the transferee must execute a written agreement permitting the Company to withhold from the shares subject to the Stock Option a number of shares having a Market Value at least equal to the amount of any federal, state or local withholding or other taxes associated with or resulting from the exercise of a Stock Option. All provisions of a Stock Option that are determined with reference to the Participant, including without limitation those that refer to the Participant's employment with the Company or its Subsidiaries, shall continue to be determined with reference to the Participant after any transfer of a Stock Option.

(b) *Other Restrictions.* The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to the exercise of a Stock Option under the Plan as the Committee deems advisable, including, without limitation, restrictions under applicable federal or state securities laws.

5.8 *Termination of Employment or Officer Status.* Unless the Committee otherwise consents or permits (before or after the option grant) or unless the stock option agreement or grant provides otherwise:

(a) *General.* If a Participant ceases to be employed by or an officer of the Company or one of its Subsidiaries for any reason other than the Participant's death, disability, Retirement or termination for cause, the Participant may exercise his or her Stock Options in accordance with their terms for a period of 3 months after such termination of employment or officer status, but only to the extent the Participant was entitled to exercise the Stock Options on the date of termination. For purposes of the Plan, the following shall not be considered a termination of employment or officer status: (i) a transfer of an employee from the Company to any Subsidiary; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days, duly authorized in writing by the Company, provided that the employee's right to re-employment is guaranteed by statute, contract or written policy of the Company; or (iv) a termination of employment with continued service as an officer. For purposes of the Plan, termination of employment shall be considered to occur on the date on which the employee is no longer obligated to perform services for the Company or any of its Subsidiaries and the employee's right to re-employment is not guaranteed by statute, contract or written policy of the Company, regardless of whether the employee continues to receive compensation from the Company or any of its Subsidiaries after such date.

(b) *Death.* If a Participant dies either while an employee or officer of the Company or one of its Subsidiaries or after the termination of employment other than for cause but during the time when the Participant could have exercised a Stock Option, the Stock Options issued to such Participant shall be exercisable in accordance with their terms by the personal representative of such Participant or other successor to the interest of the Participant for one year after the Participant's death, but only to the extent that the Participant was entitled to exercise the Stock Options on the date of death or termination of employment, whichever first occurred, and not beyond the original terms of the Stock Options.

(c) *Disability.* If a Participant ceases to be an employee or officer of the Company or one of its Subsidiaries due to the Participant's disability, the Participant may exercise his or her Stock Options in accordance with their terms for one year following such termination of employment, but only to the extent that the Participant was entitled to exercise the Stock Options on the date of such event and not beyond the original terms of the Stock Options.

(d) *Participant Retirement.* If a Participant Retires as an employee or officer of the Company or one of its Subsidiaries, Stock Options granted under the Plan may be exercised in accordance with their terms during the remaining terms of the Stock Options.

(e) *Termination for Cause*. If a Participant is terminated for cause, the Participant shall have no further right to exercise any Stock Options previously granted. The Committee or officers designated by the Committee shall have absolute discretion to determine whether a termination is for cause.

SECTION 6

Restricted Stock

6.1 *Grant*. Subject to the limitations set forth in Sections 4.1 and 4.2 of the Plan, a Participant may be granted Restricted Stock under the Plan. Restricted Stock shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as shall be determined by the Committee in its sole discretion. The Committee may impose such restrictions or conditions, consistent with the provisions of the Plan, to the vesting of Restricted Stock as it considers appropriate. The Committee may also require that certificates representing shares of Restricted Stock be retained and held in escrow by a designated employee or agent of the Company or any Subsidiary until any restrictions applicable to shares of Restricted Stock so retained have been satisfied or lapsed.

6.2 *Restricted Stock Agreements*. Awards of Restricted Stock shall be evidenced by restricted stock agreements or certificates of award containing such terms and conditions, consistent with the provisions of the Plan, as the Committee shall from time to time determine. Unless a restricted stock agreement or certificate provides otherwise, Restricted Stock awards shall be subject to the terms and conditions set forth in this Section 6.

6.3 *Termination of Employment or Officer Status*. Unless the Committee otherwise consents or permits (before or after the grant of Restricted Stock) or unless the restricted stock agreement or grant provides otherwise:

(a) *General*. In the event of termination of employment or officer status during the Restricted Period for any reason other than death, disability, Retirement or termination for cause, any shares of Restricted Stock still subject to restrictions at the date of such termination shall automatically be forfeited and returned to the Company. For purposes of the Plan, the following shall not be considered a termination of employment or officer status: (i) a transfer of an employee from the Company to any Subsidiary; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days duly authorized in writing by the Company, provided that the employee's right to re-employment is guaranteed by statute, contract or written policy of the Company; and (iv) a termination of employment with continued service as an officer. For purposes of the Plan, termination of employment shall be considered to occur on the date on which the employee is no longer obligated to perform services for the Company or any of its Subsidiaries and the employee's right to re-employment is not guaranteed by statute, contract or written policy of the Company, regardless of whether the employee continues to receive compensation from the Company or any of its Subsidiaries after such date.

(b) *Death, Retirement or Disability*. In the event a Participant terminates his or her employment with the Company because of death, disability or Retirement during the Restricted Period, the restrictions applicable to the shares of Restricted Stock shall terminate automatically with respect to that number of shares (rounded to the nearest whole number) equal to the total number of shares of Restricted Stock granted to such Participant multiplied by the number of full months that have elapsed since the date of grant divided by the total number of full months in the Restricted Period. All remaining shares shall be forfeited and returned to the Company; provided, that the Committee may, in its sole discretion, waive the restrictions remaining on any or all such remaining shares of Restricted Stock either before or after the death, disability or Retirement of the Participant.

(c) *Termination for Cause*. If a Participant's employment is terminated for cause, the Participant shall have no further right to exercise or receive any Restricted Stock and all Restricted Stock still subject to restrictions at the date of such termination shall automatically be forfeited and returned to the Company. The Committee or officers designated by the Committee shall have absolute discretion to determine whether a termination is for cause.

6.4 *Restrictions on Transferability*.

(a) *General*. Unless the Committee otherwise consents or permits or unless the terms of the restricted stock agreement or grant provide otherwise: (i) shares of Restricted Stock shall not be sold, exchanged, transferred,

pledged, assigned or otherwise alienated or hypothecated during the Restricted Period except by will or the laws of descent and distribution; and (ii) all rights with respect to Restricted Stock granted to a Participant under the Plan shall be exercisable during the Participant's lifetime only by such Participant, his or her guardian or legal representative.

(b) *Other Restrictions.* The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to an award of Restricted Stock under the Plan as the Committee considers advisable, including, without limitation, restrictions under applicable federal or state securities laws.

6.5 *Legending of Restricted Stock.* Any certificates evidencing shares of Restricted Stock awarded pursuant to the Plan shall bear the following legend:

The shares represented by this certificate were issued subject to certain restrictions under the Wolverine World Wide, Inc. Stock Incentive Plan of 2001 (the "Plan"). This certificate is held subject to the terms and conditions contained in a restricted stock agreement that includes a prohibition against the sale or transfer of the stock represented by this certificate except in compliance with that agreement and that provides for forfeiture upon certain events. Copies of the Plan and the restricted stock agreement are on file in the office of the Secretary of the Company.

6.6 *Rights as a Stockholder.* A Participant shall have all voting, dividend, liquidation and other rights with respect to Restricted Stock held of record by such Participant as if the Participant held unrestricted Common Stock; provided, that the unvested portion of any award of Restricted Stock shall be subject to any restrictions on transferability or risks of forfeiture imposed pursuant to Sections 6.1, 6.3 and 6.4 of the Plan. Unless the Committee otherwise determines or unless the terms of the restricted stock agreement or grant provide otherwise, any noncash dividends or distributions paid with respect to shares of unvested Restricted Stock shall be subject to the same restrictions as the shares to which such dividends or distributions relate.

SECTION 7

Stock Awards

7.1 *Grant.* Subject to the limitations set forth in Sections 4.1 and 4.2 of the Plan, a Participant may be granted one or more Stock Awards under the Plan. Stock Awards shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion.

7.2 *Rights as a Stockholder.* A Participant shall have all voting, dividend, liquidation and other rights with respect to shares of Common Stock issued to the Participant as a Stock Award under this Section 7 upon the Participant becoming the holder of record of the Common Stock granted pursuant to such Stock Award; provided, that the Committee may impose such restrictions on the assignment or transfer of Common Stock awarded pursuant to a Stock Award as it considers appropriate.

SECTION 8

Tax Benefit Rights

8.1 *Grant.* Subject to the limitation set forth in Section 4.2 of the Plan, a Participant may be granted Tax Benefit Rights under the Plan to encourage a Participant to exercise Stock Options and provide certain tax benefits to the Company. A Tax Benefit Right entitles a Participant to receive from the Company or a Subsidiary a cash payment not to exceed the amount calculated by multiplying the ordinary income, if any, realized by the Participant for federal tax purposes as a result of the exercise of a nonqualified stock option, or the disqualifying disposition of shares acquired under an incentive stock option, by the maximum federal income tax rate (including any surtax or similar charge or assessment) for corporations, plus the applicable state and local tax imposed on the exercise of the Stock Option or the disqualifying disposition.

8.2 *Restrictions.* A Tax Benefit Right may be granted only with respect to a Stock Option issued and outstanding or to be issued under the Plan or any other plan of the Company or its Subsidiaries that has been

approved by the stockholders as of the date of the Plan and may be granted concurrently with or after the grant of the Stock Option. Such rights with respect to outstanding Stock Options shall be issued only with the consent of the Participant if the effect would be to disqualify an incentive stock option, change the date of grant or the exercise price or otherwise impair the Participant's existing Stock Options.

8.3 *Terms and Conditions.* The Committee shall determine the terms and conditions of any Tax Benefit Rights granted and the Participants to whom such rights will be granted with respect to Stock Options under the Plan or any other plan of the Company. The Committee may amend, cancel, limit the term of or limit the amount payable under a Tax Benefit Right at any time prior to the exercise of the related Stock Option, unless otherwise provided under the terms of the Tax Benefit Right. The net amount of a Tax Benefit Right, subject to withholding, may be used to pay a portion of the Stock Option price, unless otherwise provided by the Committee.

SECTION 9

Change in Control

9.1 *Acceleration of Vesting.* If a Change in Control of the Company shall occur, then, unless the Committee or the Board otherwise determines with respect to one or more Incentive Awards, without action by the Committee or the Board: (a) all outstanding Stock Options shall become immediately exercisable in full and shall remain exercisable during the remaining terms thereof, regardless of whether the Participants to whom such Stock Options have been granted remain in the employ or service of the Company or any Subsidiary; and (b) all other outstanding Incentive Awards shall become immediately fully vested and exercisable and nonforfeitable.

9.2 *Cash Payment for Stock Options.* If a Change in Control of the Company shall occur, then the Committee, in its sole discretion, and without the consent of any Participant affected thereby, may determine that some or all Participants holding outstanding Stock Options shall receive, with respect to some or all of the shares of Common Stock subject to such Stock Options, as of the effective date of any such Change in Control of the Company, cash in an amount equal to the greater of the excess of (a) the highest sales price of the shares on the New York Stock Exchange on the date immediately prior to the effective date of such Change in Control of the Company or (b) the highest price per share actually paid in connection with any Change in Control of the Company over the exercise price per share of such Stock Options.

SECTION 10

General Provisions

10.1 *No Rights to Awards.* No Participant or other person shall have any claim to be granted any Incentive Award under the Plan and there is no obligation of uniformity of treatment of Participants or holders or beneficiaries of Incentive Awards under the Plan. The terms and conditions of Incentive Awards of the same type and the determination of the Committee to grant a waiver or modification of any Incentive Award and the terms and conditions thereof need not be the same with respect to each Participant or the same Participant.

10.2 *Withholding.* The Company or a Subsidiary shall be entitled to: (a) withhold and deduct from future wages of a Participant (or from other amounts that may be due and owing to a Participant from the Company or a Subsidiary), or make other arrangements for the collection of, all legally required amounts necessary to satisfy any and all federal, state, local and foreign withholding and employment-related tax requirements attributable to an Incentive Award, including, without limitation, the grant, exercise or vesting of, or payment of dividends with respect to, an Incentive Award or a disqualifying disposition of Common Stock received upon exercise of an incentive stock option; or (b) require a Participant promptly to remit the amount of such withholding to the Company before taking any action with respect to an Incentive Award. Unless the Committee determines otherwise, withholding may be satisfied by withholding Common Stock to be received upon exercise or vesting of an Incentive Award or by delivery to the Company of previously owned Common Stock.

10.3 *Compliance With Laws; Listing and Registration of Shares.* All Incentive Awards granted under the Plan (and all issuances of Common Stock or other securities under the Plan) shall be subject to all applicable laws, rules and regulations, and to the requirement that if at any time the Committee shall determine, in its discretion, that

the listing, registration or qualification of the shares covered thereby upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the grant of such Incentive Award or the issue or purchase of shares thereunder, such Incentive Award may not be exercised in whole or in part, or the restrictions on such Incentive Award shall not lapse, unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

10.4 *No Limit on Other Compensation Arrangements*. Nothing contained in the Plan shall prevent the Company or any Subsidiary from adopting or continuing in effect other or additional compensation arrangements, including the grant of stock options and other stock-based awards, and such arrangements may be either generally applicable or applicable only in specific cases.

10.5 *No Right to Employment*. The grant of an Incentive Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Subsidiary. The Company or any Subsidiary may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any written agreement with a Participant.

10.6 *Suspension of Rights under Incentive Awards*. The Company, by written notice to a Participant, may suspend a Participant's and any transferee's rights under any Incentive Award for a period not to exceed 30 days while the termination for cause of that Participant's employment with the Company and its Subsidiaries is under consideration.

10.7 *Governing Law*. The validity, construction and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware and applicable federal law.

10.8 *Severability*. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of the Plan and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included, unless such construction would cause the Plan to fail in its essential purposes.

SECTION 11

Termination and Amendment

The Board may terminate the Plan at any time or may from time to time amend the Plan as it considers proper and in the best interests of the Company, provided that no such amendment may impair any outstanding Incentive Award without the consent of the Participant, except according to the terms of the Plan or the Incentive Award. No termination, amendment or modification of the Plan shall become effective with respect to any Incentive Award previously granted under the Plan without the prior written consent of the Participant holding such Incentive Award unless such amendment or modification operates solely to the benefit of the Participant.

SECTION 12

Effective Date and Duration of the Plan

This Plan shall take effect March 6, 2001, subject to approval by the stockholders at the 2001 Annual Meeting of Stockholders or any adjournment thereof or at a Special Meeting of Stockholders. Unless earlier terminated by the Board of Directors, no Incentive Award shall be granted under the Plan after March 5, 2011.

EXHIBIT 10.6

AMENDED AND RESTATED WOLVERINE WORLD WIDE, INC. STOCK INCENTIVE PLAN OF 2003

SECTION 1

Establishment of Plan; Purpose of Plan

1.1 *Establishment of Plan.* The Company hereby establishes the STOCK INCENTIVE PLAN OF 2003 (the "Plan") for its corporate, divisional and Subsidiary officers and key employees. The Plan permits the grant and award of Stock Options, Restricted Stock, and Stock Awards.

1.2 *Purpose of Plan.* The purpose of the Plan is to provide officers and key management employees of the Company, its divisions and its Subsidiaries with an increased incentive to contribute to the long-term performance and growth of the Company and its Subsidiaries, to join the interests of officers and key employees with the interests of the Company's stockholders through the opportunity for increased stock ownership and to attract and retain officers and key employees. The Plan is further intended to provide flexibility to the Company in structuring long-term incentive compensation to best promote the foregoing objectives. Within that context, it is intended that most awards of Stock Options under the Plan are to provide performance-based compensation under Section 162(m) of the Code and the Plan shall be interpreted, administered and amended if necessary to achieve that purpose.

SECTION 2

Definitions

The following words have the following meanings unless a different meaning plainly is required by the context:

2.1 "Act" means the Securities Exchange Act of 1934, as amended.

2.2 "Board" means the Board of Directors of the Company.

2.3 "Change in Control," unless otherwise defined in an Incentive Award, means (a) the failure of the Continuing Directors at any time to constitute at least a majority of the members of the Board; (b) the acquisition by any Person other than an Excluded Holder of beneficial ownership (within the meaning of Rule 13d-3 issued under the Act) of 20% or more of the outstanding Common Stock or the combined voting power of the Company's outstanding securities entitled to vote generally in the election of directors; (c) the approval by the stockholders of the Company of a reorganization, merger or consolidation, unless with or into a

Permitted Successor; or (d) the approval by the stockholders of the Company of a complete liquidation or dissolution of the Company or the sale or disposition of all or substantially all of the assets of the Company other than to a Permitted Successor.

2.4 "Code" means the Internal Revenue Code of 1986, as amended.

2.5 "Committee" means the Compensation Committee of the Board. The Committee shall consist of at least 2 members of the Board and all of its members shall be "non-employee directors" as defined in Rule 16b-3 issued under the Act and "outside directors" as defined in the regulations issued under Section 162(m) of the Code.

2.6 "Common Stock" means the Common Stock, \$1 par value, of the Company.

2.7 "Company" means Wolverine World Wide, Inc., a Delaware corporation, and its successors and assigns.

2.8 "Continuing Directors" mean the individuals constituting the Board as of the date this Plan was adopted and any subsequent directors whose election or nomination for election by the Company's stockholders was approved by a vote of three-quarters (3/4) of the individuals who are then Continuing Directors, but specifically excluding any individual whose initial assumption of office occurs as a result of either an actual or threatened solicitation subject to Rule 14a-12(c) of Regulation 14A issued under the Act or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

2.9 "Employee Benefit Plan" means any plan or program established by the Company or a Subsidiary for the compensation or benefit of employees of the Company or any of its Subsidiaries.

2.10 "Excluded Holder" means (a) any Person who at the time this Plan was adopted was the beneficial owner of 20% or more of the outstanding Common Stock; or (b) the Company, a Subsidiary or any Employee Benefit Plan of the Company or a Subsidiary or any trust holding Common Stock or other securities pursuant to the terms of an Employee Benefit Plan.

2.11 "Incentive Award" means the award or grant of a Stock Option, Restricted Stock, or Stock Award to a Participant pursuant to the Plan.

2.12 "Market Value" shall equal the closing market price of shares of Common Stock reported on the New York Stock Exchange (or any successor exchange that is the primary stock exchange for trading of Common Stock) on the date of grant, exercise or vesting, as applicable, or if the New York Stock Exchange (or any such successor) is closed on that date, the last preceding date on which the New York Stock Exchange (or any such successor) was open for trading and on which shares of Common Stock were traded.

2.13 "Participant" means a corporate officer, divisional officer or any key employee of the Company, its divisions or its Subsidiaries who is granted an Incentive Award under the Plan.

2.14 "Permitted Successor" means a company that, immediately following the consummation of a transaction specified in clauses (c) and (d) of the definition of "Change in Control" above, satisfies each of the following criteria: (a) 50% or more of the outstanding common stock of the company and the combined voting power of the outstanding securities of the company entitled to vote generally in the election of directors (in each case determined immediately following the consummation of the applicable transaction) is beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners of the Company's outstanding Common Stock and outstanding securities entitled to vote generally in the election of directors (respectively) immediately prior to the applicable transaction; (b) no Person other than an Excluded Holder beneficially owns, directly or indirectly, 20% or more of the outstanding common stock of the company or the combined voting power of the outstanding securities of the company entitled to vote generally in the election of directors (for these purposes the term Excluded Holder shall include the company, any subsidiary of the company and any employee benefit plan of the company or any such subsidiary or any trust holding common stock or other securities of the company pursuant to the terms of any such employee benefit plan); and (c) at least a majority of the board of directors of the company is comprised of Continuing Directors.

2.15 "Person" has the same meaning as set forth in Sections 13(d) and 14(d)(2) of the Act.

2.16 "Restricted Period" means the period of time during which Restricted Stock awarded under the Plan is subject to restrictions. The Restricted Period may differ among Participants and may have different expiration dates with respect to shares of Common Stock covered by the same Incentive Award.

2.17 "Restricted Stock" means Common Stock awarded to a Participant pursuant to Section 6 of the Plan.

2.18 "Retirement" means the voluntary termination of all employment by a Participant after the Participant has attained (i) 50 years of age and seven years of service (as an employee and/or officer of the Company or a Subsidiary), (ii) 62 years of age, or (iii) such other age or years of service as shall be determined by the Committee in its sole discretion or as otherwise may be set forth in the Incentive Award agreement or other grant document with respect to a Participant and a particular Incentive Award.

2.19 "Stock Award" means an award of Common Stock awarded to a Participant pursuant to Section 7 of the Plan.

2.20 "Stock Option" means the right to purchase Common Stock at a stated price for a specified period of time. For purposes of the Plan, a Stock Option may be either an incentive stock option within the meaning of Section 422(b) of the Code or a nonqualified stock option.

2.21 "Subsidiary" means any corporation or other entity of which 50% or more of the outstanding voting stock or voting ownership interest is directly or indirectly owned or controlled by the Company or by one or more Subsidiaries of the Company.

SECTION 3

Administration

3.1 *Power and Authority.* The Committee shall administer the Plan. The Committee may delegate record keeping, calculation, payment and other ministerial administrative functions to individuals designated by the Committee, who may be officers or employees of the Company or its Subsidiaries. Except as limited in this Plan or as may be necessary to ensure that this Plan provides performance-based compensation under Section 162(m) of the Code, the Committee shall have all of the express and implied powers and duties set forth in the Bylaws of the Company and this Plan, shall have full power and authority to interpret the provisions of the Plan and Incentive Awards granted under the Plan and shall have full power and authority to supervise the administration of the Plan and Incentive Awards granted under the Plan and to make all other determinations considered necessary or advisable for the administration of the Plan. All determinations, interpretations and selections made by the Committee regarding the Plan shall be final and conclusive. The Committee shall hold its meetings at such times and places as it considers advisable. Action may be taken by a written instrument signed by a majority of the members of the Committee and any action so taken shall be fully as effective as if it had been taken at a meeting duly called and held. The Committee shall make such rules and regulations for the conduct of its business as it considers advisable.

3.2 *Grants or Awards to Participants.* In accordance with and subject to the provisions of the Plan, the Committee shall have the authority to determine all provisions of Incentive Awards as the Committee may consider necessary or desirable and as are consistent with the terms of the Plan, including, without limitation, the following: (a) the persons who shall be selected as Participants; (b) the nature and, subject to the limitations set forth in Sections 4.1 and 4.2 of the Plan, extent of the Incentive Awards to be made to each Participant (including the number of shares of Common Stock to be subject to each Incentive Award, any exercise price, the manner in which an Incentive Award will vest or become exercisable and the form of payment for the Incentive Award); (c) the time or times when Incentive Awards will be granted; (d) the duration of each Incentive Award; and (e) the restrictions and other conditions to which payment or vesting of Incentive Awards may be subject.

3.3 *Amendments or Modifications of Awards.* The Committee shall have the authority to amend or modify the terms of any outstanding Incentive Award in any manner, provided that the amended or modified terms are not prohibited by the Plan as then in effect, including, without limitation, the authority to: (a) modify the number of shares or other terms and conditions of an Incentive Award; (b) extend the term of an Incentive Award; (c) accelerate the exercisability or vesting or otherwise terminate, waive or modify any restrictions relating to an Incentive Award; (d) accept the surrender of any outstanding Incentive Award; and (e) to the extent not previously exercised or vested, authorize the grant of new Incentive Awards in substitution for surrendered Incentive Awards; *provided*, that Incentive Awards issued under the Plan may not be repriced, replaced, regranted through cancellation or modified without stockholder approval if the effect of such repricing, replacement, regrant or modification would be to reduce the exercise price of then outstanding Incentive Awards to the same Participants.

3.4 *Indemnification of Committee Members.* Neither any member nor former member of the Committee nor any individual to whom authority is or has been delegated shall be

personally responsible or liable for any act or omission in connection with the performance of powers or duties or the exercise of discretion or judgment in the administration and implementation of the Plan. Each person who is or shall have been a member of the Committee shall be indemnified and held harmless by the Company from and against any cost, liability or expense imposed or incurred in connection with such person's or the Committee's taking or failing to take any action under the Plan. Each such person shall be justified in relying on information furnished in connection with the Plan's administration by any appropriate person or persons.

SECTION 4

Shares Subject to the Plan

4.1 *Number of Shares.* Subject to adjustment as provided in Section 4.3 of the Plan, the total number of shares of Common Stock available for Incentive Awards under the Plan shall be 1,300,000 shares of Common Stock. The following shares shall replace shares previously awarded as Incentive Awards under the Plan and be available for future Incentive Awards under the Plan: (i) shares subject to Incentive Awards that are canceled, surrendered, modified, exchanged for substitute Incentive Awards, or expire or terminate prior to the exercise or vesting of the Incentive Award in full; (ii) shares that are surrendered to the Company in connection with the exercise or vesting of an Incentive Award or surrendered to satisfy withholding requirements, whether previously owned or otherwise subject to such Incentive Award; and (iii) shares of Common Stock repurchased by the Company with the cash paid by Participants for the exercise price of Incentive Awards. No more than 15% of the shares authorized for issuance under the Plan pursuant to this Section 4.1 may be issued as Restricted Stock or Stock Awards, combined. Shares of Common Stock subject to this Section 4.1 shall be authorized and may be either unissued or treasury shares or shares repurchased by the Company, including shares purchased on the open market.

4.2 *Limitation Upon Incentive Awards.* No Participant shall be granted, during any calendar year, Incentive Awards with respect to more than 300,000 shares of Common Stock, subject to adjustment as provided in Section 4.3 of the Plan. The purpose of this Section 4.2 is to ensure that the Plan may provide performance-based compensation under Section 162(m) of the Code and this Section 4.2 shall be interpreted, administered and amended if necessary to achieve that purpose.

4.3 *Adjustments.*

(a) *Stock Dividends and Distributions.* If the number of shares of Common Stock outstanding changes by reason of a stock dividend, stock split, recapitalization or other general distribution of Common Stock or other securities to holders of Common Stock, the number and kind of securities subject to Incentive Awards and reserved for issuance under the Plan and the limitation provided in Section 4.2, together with applicable exercise prices, as well as the number of shares available for issuance under the Plan, shall be adjusted appropriately. No fractional shares shall be issued pursuant to the Plan and any fractional shares resulting from such adjustments shall be eliminated from the respective Incentive Awards.

(b) *Other Actions Affecting Common Stock.* If there occurs, other than as described in the preceding subsection, any merger, business combination, recapitalization, reclassification, subdivision or combination approved by the Board that would result in the Persons who were stockholders of the Company immediately prior to the effective time of any such transaction owning or holding, in lieu of or in addition to shares of Common Stock, other securities, money and/or property (or the right to receive other securities, money and/or property) immediately after the effective time of such transaction, then the outstanding Incentive Awards (including exercise prices) and reserves for Incentive Awards under this Plan shall be adjusted in such manner and at such time as shall be equitable under the circumstances. It is intended that in the event of any such transaction, Incentive Awards under this Plan shall entitle the holder of each Incentive Award to receive (upon exercise in the case of Stock Options), in lieu of or in addition to shares of Common Stock, any other securities, money and/or property receivable upon consummation of any such transaction by holders of Common Stock with respect to each share of Common Stock outstanding immediately prior to the effective time of such transaction; upon any such adjustment, holders of Incentive Awards under this Plan shall have only the right to receive in lieu of or in addition to shares of Common Stock such other securities, money and/or other property as provided by the adjustment. If the agreement, resolution or other document approved by the Board to effect any such transaction provides for the adjustment of Incentive Awards under the Plan in connection with such transaction, then the adjustment provisions contained in such agreement, resolution or other document shall be final and conclusive.

SECTION 5

Stock Options

5.1 *Grant.* A Participant may be granted one or more Stock Options under the Plan. The Committee, in its discretion, may provide in the initial grant of a Stock Option or other Incentive Award for the subsequent automatic grant of additional Stock Options for the number of shares, if any, that are surrendered to the Company in connection with the exercise or vesting of the initial or any subsequently granted Stock Option or other Incentive Award. Stock Options shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion. The Committee may impose such restrictions or conditions, consistent with the provisions of the Plan, to the vesting, or the acceleration of vesting based on any of the performance goals provided in Section 6.2, of Stock Options as it considers appropriate. The Committee, in its sole discretion, may establish vesting schedules (i) based upon Company performance, or (ii) that extend over a period of time selected by the Committee, *provided*, that such period of time shall not provide for full vesting in a period of less than 3 years. In addition, the Committee may vary, among Participants and among Stock Options granted to the same Participant, any and all of the terms and conditions of the Stock Options granted under the Plan. Subject to the limitation imposed by Section 4.2 of the Plan, the Committee shall have complete discretion in determining the number of Stock Options granted to each Participant. The Committee may designate whether or not a Stock Option is to be considered an incentive stock option as defined in Section 422(b) of the Code; *provided*, that the number of shares of Common Stock that may be designated as subject to incentive stock options

for any given Participant shall be limited to that number of shares that become exercisable for the first time by the Participant during any calendar year (under all plans of the Company and its Subsidiaries) and have an aggregate Market Value less than or equal to \$100,000 (or such other amount as may be set forth in the Code) and all shares subject to an Incentive Award that have a Market Value in excess of such aggregate amount shall automatically be subject to Stock Options that are not incentive stock options.

5.2 *Stock Option Agreements.* Stock Options shall be evidenced by stock option agreements and/or certificates of award containing the terms and conditions applicable to such Stock Options. To the extent not covered by the stock option agreement, the terms and conditions of this Section 5 shall govern.

5.3 *Stock Option Price.* The per share Stock Option price shall be determined by the Committee, but shall be a price that is equal to or greater than 100% of the Market Value of the Company's Common Stock on the date of grant.

5.4 *Medium and Time of Payment.* The exercise price for each share purchased pursuant to a Stock Option granted under the Plan shall be payable in cash or, if the Committee consents or provides in the applicable stock option agreement or grant, in actual or attested shares of Common Stock owned by the Participant or other consideration substantially equivalent to cash. The time and terms of payment may be amended with the consent of a Participant before or after exercise of a Stock Option. The Committee may from time to time authorize payment of all or a portion of the Stock Option price in the form of a full recourse promissory note or other deferred payment installments according to such terms as the Committee may approve. The Board may restrict or suspend the power of the Committee to permit such loans and may require that adequate security be provided. The Committee may implement a program for the broker-assisted cashless exercise of Stock Options. The Company or any of its Subsidiaries shall not extend credit, directly or indirectly, to an executive officer in violation of Section 13 of the Act.

5.5 *Stock Options Granted to 10% Stockholders.* Unless otherwise permitted by applicable laws and regulations, no Stock Option granted to any Participant who at the time of such grant owns, together with stock attributed to such Participant under Section 424(d) of the Code, more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries may be designated as an incentive stock option, unless such Stock Option provides an exercise price equal to at least 110% of the Market Value of the Common Stock on the date of grant and the exercise of the Stock Option after the expiration of 5 years from the date of grant of the Stock Option is prohibited by its terms.

5.6 *Limits on Exercisability.* Except as set forth in Section 5.5, Stock Options shall be exercisable for such periods, not to exceed 10 years from the date of grant, as may be fixed by the Committee. At the time of exercise of a Stock Option, the holder of the Stock Option, if requested by the Committee, must represent to the Company that the shares are being acquired for investment and not with a view to the distribution thereof. The Committee may in its discretion require a Participant to continue the Participant's service with the Company and its Subsidiaries for a certain length of time prior to a Stock Option becoming exercisable and may eliminate such delayed vesting provisions.

5.7 *Restrictions on Transferability.*

(a) *General.* Unless the Committee otherwise consents or permits (before or after the option grant) or unless the stock option agreement or grant provides otherwise, Stock Options granted under the Plan may not be sold, exchanged, transferred, pledged, assigned or otherwise alienated or hypothecated except by will or the laws of descent and distribution, and, as a condition to any transfer permitted by the Committee or the terms of the stock option agreement or grant, the transferee must execute a written agreement permitting the Company to withhold from the shares subject to the Stock Option a number of shares having a Market Value at least equal to the amount of any federal, state, local and foreign withholding or other taxes associated with or resulting from the exercise of a Stock Option. All provisions of a Stock Option that are determined with reference to the Participant, including without limitation those that refer to the Participant's employment with the Company or its Subsidiaries, shall continue to be determined with reference to the Participant after any transfer of a Stock Option.

(b) *Other Restrictions.* The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to the exercise of a Stock Option under the Plan as the Committee deems advisable, including, without limitation, restrictions under applicable federal or state securities laws.

5.8 *Termination of Employment or Officer Status.* Unless the Committee otherwise consents or permits (before or after the option grant) or unless the stock option agreement or grant provides otherwise:

(a) *General.* If a Participant ceases to be employed by or an officer of the Company or a Subsidiary for any reason other than the Participant's death, disability, Retirement, consensual severance or termination for cause, the Participant may exercise his or her Stock Options in accordance with their terms for a period of 3 months after such termination of employment or officer status, but only to the extent the Participant was entitled to exercise the Stock Options on the date of termination. For purposes of the Plan, the following shall not be considered a termination of employment or officer status: (i) a transfer of an employee from the Company to any Subsidiary; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days, duly authorized in writing by the Company, provided that the employee's right to re-employment is guaranteed by statute, contract or written policy of the Company; or (iv) a termination of employment with continued service as an officer. For purposes of the Plan, termination of employment shall be considered to occur on the date on which the employee is no longer obligated to perform services for the Company or any of its Subsidiaries and the employee's right to re-employment is not guaranteed by statute, contract or written policy of the Company, regardless of whether the employee continues to receive compensation from the Company or any of its Subsidiaries after such date.

(b) *Death.* If a Participant dies either while an employee or officer of the Company or a Subsidiary or after the termination of employment other than for cause but during the time when the Participant could have exercised a Stock Option, the Stock

Options issued to such Participant shall become fully vested and exercisable in accordance with their terms by the personal representative of such Participant or other successor to the interest of the Participant for one year after the Participant's death, but not beyond the original terms of the Stock Options.

(c) *Disability.* If a Participant ceases to be an employee or officer of the Company or a Subsidiary due to the Participant's disability (as defined in the Company's long-term disability plan), the Participant shall become fully vested in any Stock Options that had not been fully vested prior to the disability and the Participant or the personal representative of the Participant may exercise his or her Stock Options in accordance with their terms for one year following such termination of employment, but not beyond the original terms of the Stock Options.

(d) *Participant Retirement.* Upon a Participant's Retirement from the Company as an employee or officer of the Company or a Subsidiary, the Participant shall be fully vested in his or her Stock Options granted under the Plan and the Participant or the personal representative of the Participant, in the event Participant dies or is disabled subsequent to his or her Retirement, may exercise the Stock Options in accordance with their terms during the remaining term of the Stock Options.

(e) *Consensual Severance.* If a Participant terminates employment with the Company or a Subsidiary under circumstances (other than death, disability or Retirement) in which the Committee determines that partial or full vesting of his or her Stock Options is in the best interests of the Company, the Committee may, in its sole discretion either before or after such termination, partially or fully vest any or all of the Participant's Stock Options that have not been fully vested prior to such termination and permit the Participant to exercise his or her Stock Options in accordance with their terms for a period of time as may be determined by the Committee, but not beyond the original term of the Stock Options.

(f) *Termination for Cause.* If a Participant is terminated for cause, the Participant shall have no further right to exercise any Stock Options previously granted. The Committee or officers designated by the Committee shall have absolute discretion to determine whether a termination is for cause.

SECTION 6

Restricted Stock

6.1 *Grant.* Subject to the limitations set forth in Sections 4.1 and 4.2 of the Plan, a Participant may be granted Restricted Stock under the Plan. Restricted Stock shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as shall be determined by the Committee in its sole discretion. The Committee may impose such restrictions or conditions, consistent with the provisions of the Plan, to the vesting of Restricted Stock as it considers appropriate. The Committee in its sole discretion may establish vesting schedules (i) based upon Company performance, or (ii) that extend over a period of time selected by the Committee, *provided*, that such period of time shall not provide for full vesting in a period of

less than 3 years. The Committee may also require that certificates representing shares of Restricted Stock be retained and held in escrow by a designated employee or agent of the Company or any Subsidiary until any restrictions applicable to shares of Restricted Stock so retained have been satisfied or lapsed.

6.2 *Measurement of Performance.* If the Committee imposes performance conditions to the vesting or acceleration of the vesting of Restricted Stock, the Committee shall select one or more of the following measurements of the performance of the Company and/or its Subsidiaries, operating divisions or profit centers: net earnings, net earnings before taxes, operating income, revenues, net sales, net sales and other operating income, return on sales, return on equity, earnings per share, total stockholder return, economic value added measurements, return on invested capital or any of the foregoing before or after the effect of acquisitions, divestitures, accounting changes, restructuring, or other extraordinary items. These factors could be measured against pre-determined levels or the Company's relative performance when compared to a pre-established peer group.

6.3 *Restricted Stock Agreements.* Awards of Restricted Stock shall be evidenced by restricted stock agreements or certificates of award containing such terms and conditions, consistent with the provisions of the Plan, as the Committee shall from time to time determine. Unless a restricted stock agreement or certificate provides otherwise, Restricted Stock awards shall be subject to the terms and conditions set forth in this Section 6.

6.4 *Termination of Employment or Officer Status.* Unless the Committee otherwise consents or permits (before or after the grant of Restricted Stock) or unless the restricted stock agreement or grant provides otherwise:

(a) *General.* In the event of termination of employment or officer status during the Restricted Period for any reason other than death, disability, Retirement or consensual severance, any shares of Restricted Stock still subject to restrictions at the date of such termination shall automatically be forfeited and returned to the Company. For purposes of the Plan, the following shall not be considered a termination of employment or officer status: (i) a transfer of an employee from the Company to any Subsidiary; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days duly authorized in writing by the Company, provided that the employee's right to re-employment is guaranteed by statute, contract or written policy of the Company; and (iv) a termination of employment with continued service as an officer. For purposes of the Plan, termination of employment shall be considered to occur on the date on which the employee is no longer obligated to perform services for the Company or any of its Subsidiaries and the employee's right to re-employment is not guaranteed by statute, contract or written policy of the Company, regardless of whether the employee continues to receive compensation from the Company or any of its Subsidiaries after such date.

(b) *Death, Retirement or Disability.* In the event a Participant terminates his or her employment with the Company or a Subsidiary because of death, disability (as defined in the Company's long-term disability plan) or Retirement during the Restricted

Period, the restrictions applicable to the shares of Restricted Stock shall terminate automatically.

(c) *Consensual Severance.* If a Participant terminates employment with the Company or a Subsidiary during the Restricted Period under circumstances (other than death, disability or Retirement) in which the Committee determines that partial or full waiver of the restrictions is in the best interests of the Company, the Committee may, in its sole discretion either before or after such termination, waive the restrictions remaining on any or all remaining shares of Restricted Stock.

6.5 *Restrictions on Transferability.*

(a) *General.* Unless the Committee otherwise consents or permits or unless the terms of the restricted stock agreement or grant provide otherwise: (i) shares of Restricted Stock shall not be sold, exchanged, transferred, pledged, assigned or otherwise alienated or hypothecated during the Restricted Period except by will or the laws of descent and distribution; and (ii) all rights with respect to Restricted Stock granted to a Participant under the Plan shall be exercisable during the Participant's lifetime only by such Participant, his or her guardian or legal representative.

(b) *Other Restrictions.* The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to an award of Restricted Stock under the Plan as the Committee considers advisable, including, without limitation, restrictions under applicable federal or state securities laws.

6.6 *Legending of Restricted Stock.* Any certificates evidencing shares of Restricted Stock awarded pursuant to the Plan shall bear the following legend:

The shares represented by this certificate were issued subject to certain restrictions under the Wolverine World Wide, Inc. Stock Incentive Plan of 2003 (the "Plan"). This certificate is held subject to the terms and conditions contained in a restricted stock agreement that includes a prohibition against the sale or transfer of the stock represented by this certificate except in compliance with that agreement and that provides for forfeiture upon certain events. Copies of the Plan and the restricted stock agreement are on file in the office of the Secretary of the Company.

6.7 *Rights as a Stockholder.* A Participant shall have all voting, dividend, liquidation and other rights with respect to Restricted Stock held of record by such Participant as if the Participant held unrestricted Common Stock; *provided*, that the unvested portion of any award of Restricted Stock shall be subject to any restrictions on transferability or risks of forfeiture imposed pursuant to Sections 6.1, 6.4 and 6.5 of the Plan. Unless the Committee otherwise determines or unless the terms of the restricted stock agreement or grant provide otherwise, any noncash dividends or distributions paid with respect to shares of unvested Restricted Stock shall be subject to the same restrictions as the shares to which such dividends or distributions relate.

SECTION 7

Stock Awards

7.1 *Grant.* Subject to the limitations set forth in Sections 4.1 and 4.2 of the Plan, a Participant may be granted one or more Stock Awards under the Plan. Stock Awards shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion.

7.2 *Rights as a Stockholder.* A Participant shall have all voting, dividend, liquidation and other rights with respect to shares of Common Stock issued to the Participant as a Stock Award under this Section 7 upon the Participant becoming the holder of record of the Common Stock granted pursuant to such Stock Award; *provided*, that the Committee may impose such restrictions on the assignment or transfer of Common Stock awarded pursuant to a Stock Award as it considers appropriate.

SECTION 8

Change in Control

8.1 *Acceleration of Vesting.* If a Change in Control of the Company shall occur, then, unless the Committee or the Board otherwise determines with respect to one or more Incentive Awards, without action by the Committee or the Board: (a) all outstanding Stock Options shall become immediately exercisable in full and shall remain exercisable during the remaining terms thereof, regardless of whether the Participants to whom such Stock Options have been granted remain in the employ or service of the Company or any Subsidiary; and (b) all other outstanding Incentive Awards shall become immediately fully vested and exercisable and nonforfeitable.

8.2 *Cash Payment for Stock Options.* If a Change in Control of the Company shall occur, then the Committee, in its sole discretion, and without the consent of any Participant affected thereby, may determine that some or all Participants holding outstanding Stock Options shall receive, with respect to some or all of the shares of Common Stock subject to such Stock Options, as of the effective date of any such Change in Control of the Company, cash in an amount equal to the greater of the excess of (a) the highest sales price of the shares on the New York Stock Exchange on the date immediately prior to the effective date of such Change in Control of the Company or (b) the highest price per share actually paid in connection with any Change in Control of the Company over the exercise price per share of such Stock Options.

SECTION 9

General Provisions

9.1 *No Rights to Awards.* No Participant or other person shall have any claim to be granted any Incentive Award under the Plan and there is no obligation of uniformity of treatment of Participants or holders or beneficiaries of Incentive Awards under the Plan. The terms and conditions of Incentive Awards of the same type and the determination of the Committee to grant

a waiver or modification of any Incentive Award and the terms and conditions thereof need not be the same with respect to each Participant or the same Participant.

9.2 *Withholding.* The Company or a Subsidiary shall be entitled to: (a) withhold and deduct from future wages of a Participant (or from other amounts that may be due and owing to a Participant from the Company or a Subsidiary), or make other arrangements for the collection of, all legally required amounts necessary to satisfy any and all federal, state, local and foreign withholding and employment-related tax requirements attributable to an Incentive Award, including, without limitation, the grant, exercise or vesting of, or payment of dividends with respect to, an Incentive Award or a disqualifying disposition of Common Stock received upon exercise of an incentive stock option; or (b) require a Participant promptly to remit the amount of such withholding to the Company before taking any action with respect to an Incentive Award. Unless the Committee determines otherwise, withholding may be satisfied (but only to the extent necessary to satisfy mandatory statutory withholding amounts) by withholding Common Stock to be received upon exercise or vesting of an Incentive Award or by delivery to the Company of previously owned Common Stock.

9.3 *Compliance With Laws; Listing and Registration of Shares.* All Incentive Awards granted under the Plan (and all issuances of Common Stock or other securities under the Plan) shall be subject to all applicable laws, rules and regulations, and to the requirement that if at any time the Committee shall determine, in its discretion, that the listing, registration or qualification of the shares covered thereby upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the grant of such Incentive Award or the issue or purchase of shares thereunder, such Incentive Award may not be exercised in whole or in part, or the restrictions on such Incentive Award shall not lapse, unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

9.4 *No Limit on Other Compensation Arrangements.* Nothing contained in the Plan shall prevent the Company or any Subsidiary from adopting or continuing in effect other or additional compensation arrangements, including the grant of stock options and other stock-based awards, and such arrangements may be either generally applicable or applicable only in specific cases.

9.5 *No Right to Employment.* The grant of an Incentive Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Subsidiary. The Company or any Subsidiary may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any written agreement with a Participant.

9.6 *Suspension of Rights under Incentive Awards.* The Company, by written notice to a Participant, may suspend a Participant's and any transferee's rights under any Incentive Award for a period not to exceed 30 days while the termination for cause of that Participant's employment with the Company and its Subsidiaries is under consideration.

9.7 *Governing Law.* The validity, construction and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware and applicable federal law.

9.8 *Severability.* In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of the Plan and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included, unless such construction would cause the Plan to fail in its essential purposes.

SECTION 10

Termination and Amendment

The Board may terminate the Plan at any time or may from time to time amend the Plan as it considers proper and in the best interests of the Company, provided that no such amendment may impair any outstanding Incentive Award without the consent of the Participant, except according to the terms of the Plan or the Incentive Award. No termination, amendment or modification of the Plan shall become effective with respect to any Incentive Award previously granted under the Plan without the prior written consent of the Participant holding such Incentive Award unless such amendment or modification operates solely to the benefit of the Participant.

SECTION 11

Effective Date and Duration of the Plan

This Plan shall take effect February 13, 2003, subject to approval by the stockholders at the 2003 Annual Meeting of Stockholders or any adjournment thereof or at a Special Meeting of Stockholders. Unless earlier terminated by the Board of Directors, no Incentive Award shall be granted under the Plan after February 12, 2013.

EXHIBIT 10.7

**WOLVERINE WORLD WIDE, INC.
AMENDED AND RESTATED
STOCK INCENTIVE PLAN OF 2005**

SECTION 1

Establishment of Plan; Purpose of Plan

1.1 *Establishment of Plan.* The Company hereby establishes the STOCK INCENTIVE PLAN OF 2005 (the "Plan") for its non-employee directors and corporate, divisional and Subsidiary officers and key employees. The Plan permits the grant and award of Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units and Stock Awards.

1.2 *Purpose of Plan.* The purpose of the Plan is to provide non-employee directors, officers and key management employees of the Company, its divisions and its Subsidiaries with an increased incentive to contribute to the long-term performance and growth of the Company and its Subsidiaries, to join the interests of non-employee directors, officers and key employees with the interests of the Company's stockholders through the opportunity for increased stock ownership and to attract and retain non-employee directors, officers and key employees. The Plan is further intended to provide flexibility to the Company in structuring long-term incentive compensation to best promote the foregoing objectives.

SECTION 2

Definitions

The following words have the following meanings unless a different meaning plainly is required by the context:

2.1 "Act" means the Securities Exchange Act of 1934, as amended.

2.2 "Award Agreement" means one or more written agreements or other instruments as may be approved from time to time by the Committee implementing the grant of an Incentive Award. An Award Agreement may but need not be in the form of an agreement to be executed by both the Participant and the Company (or an authorized representative of the Company), and may consist of certificates, notices, terms and conditions or similar instruments as approved by the Committee.

2.3 "Board" means the Board of Directors of the Company.

2.4 "Change in Control," unless otherwise defined in an Incentive Award, means (a) the failure of the Continuing Directors at any time to constitute at least a majority of the members of the Board; (b) the acquisition by any Person other than an Excluded Holder of beneficial ownership (within the meaning of Rule 13d-3 issued under the Act) of 20% or more of

the outstanding Common Stock or the combined voting power of the Company's outstanding securities entitled to vote generally in the election of directors; (c) the approval by the stockholders of the Company of a reorganization, merger or consolidation, unless with or into a Permitted Successor; or (d) the approval by the stockholders of the Company of a complete liquidation or dissolution of the Company or the sale or disposition of all or substantially all of the assets of the Company other than to a Permitted Successor.

2.5 "Code" means the Internal Revenue Code of 1986, as amended.

2.6 "Committee" has the meaning set forth in Section 3.1.

2.7 "Common Stock" means the Common Stock, \$1 par value, of the Company.

2.8 "Company" means Wolverine World Wide, Inc., a Delaware corporation, and its successors and assigns.

2.9 "Continuing Directors" mean the individuals constituting the Board as of the date this Plan was adopted and any subsequent directors whose election or nomination for election by the Company's stockholders was approved by a vote of three-quarters (3/4) of the individuals who are then Continuing Directors, but specifically excluding any individual whose initial assumption of office occurs as a result of either an actual or threatened solicitation subject to Rule 14a-12(c) of Regulation 14A issued under the Act or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board.

2.10 "Director" means each member of the Board who is not an officer or employee of the Company or any Subsidiary of the Company. The status of the Chairman of the Board as a Director or officer shall be determined by the Committee.

2.11 "Employee Benefit Plan" means any plan or program established by the Company or a Subsidiary for the compensation or benefit of employees of the Company or any of its Subsidiaries.

2.12 "Excluded Holder" means (a) any Person who at the time this Plan was adopted was the beneficial owner of 20% or more of the outstanding Common Stock; or (b) the Company, a Subsidiary or any Employee Benefit Plan of the Company or a Subsidiary or any trust holding Common Stock or other securities pursuant to the terms of an Employee Benefit Plan.

2.13 "Incentive Award" means the award or grant of a Stock Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit or Stock Award to a Participant pursuant to the Plan.

2.14 "Market Value" shall equal, unless a different calculation measure is specified by the Committee, the closing market price of shares of Common Stock reported on the New York Stock Exchange (or any successor exchange that is the primary stock exchange for trading of Common Stock) on the date of grant, exercise or vesting, as applicable, or if the New York Stock Exchange (or any such successor) is closed on that date, the last preceding date on which the

New York Stock Exchange (or any such successor) was open for trading and on which shares of Common Stock were traded.

2.15 "Participant" means a Director, corporate officer, divisional officer or any key employee of the Company, its divisions or its Subsidiaries who is granted an Incentive Award under the Plan.

2.16 "Permitted Successor" means a company that, immediately following the consummation of a transaction specified in clauses (c) and (d) of the definition of "Change in Control" above, satisfies each of the following criteria: (a) 50% or more of the outstanding common stock of the company and the combined voting power of the outstanding securities of the company entitled to vote generally in the election of directors (in each case determined immediately following the consummation of the applicable transaction) is beneficially owned, directly or indirectly, by all or substantially all of the Persons who were the beneficial owners of the Company's outstanding Common Stock and outstanding securities entitled to vote generally in the election of directors (respectively) immediately prior to the applicable transaction; (b) no Person other than an Excluded Holder beneficially owns, directly or indirectly, 20% or more of the outstanding common stock of the company or the combined voting power of the outstanding securities of the company entitled to vote generally in the election of directors (for these purposes the term Excluded Holder shall include the company, any subsidiary of the company and any employee benefit plan of the company or any such subsidiary or any trust holding common stock or other securities of the company pursuant to the terms of any such employee benefit plan); and (c) at least a majority of the board of directors of the company is comprised of Continuing Directors.

2.17 "Person" has the same meaning as set forth in Sections 13(d) and 14(d)(2) of the Act.

2.18 "Qualifying Performance Criteria" shall have the meaning provided in Section 11.2.

2.19 "Restricted Period" means the period of time during which Restricted Stock or Restricted Stock Units awarded under the Plan are subject to the risk of forfeiture and restrictions on transfer pursuant to Section 7. The Restricted Period may differ among Participants and may have different expiration dates with respect to shares of Common Stock covered by the same Incentive Award.

2.20 "Restricted Stock" means Common Stock awarded to a Participant pursuant to Section 7 of the Plan.

2.21 "Restricted Stock Unit" means an award to a Participant pursuant to Section 7 of the Plan.

2.22 "Retirement" means the voluntary termination of all employment or service as a member of the Board by a Participant after the Participant has attained (i) 50 years of age and seven years of service (as a Director and/or an employee and/or officer of the Company or a Subsidiary), (ii) 62 years of age, or (iii) such other age or years of service as shall be determined

by the Committee or as otherwise may be set forth in the Incentive Award agreement or other grant document with respect to a Participant and a particular Incentive Award.

2.23 "Stock Appreciation Right" or "SAR" means a right awarded to a Participant pursuant to Section 6 of the Plan that entitles the Participant to receive, in cash or shares of Common Stock or a combination thereof, as determined by the Committee, an amount equal to or otherwise based on the excess of (a) the Market Value of a share of Common Stock at the time of exercise over (b) the exercise price of the right, as established by the Committee on the date the award is granted.

2.24 "Stock Award" means an award of Common Stock awarded to a Participant pursuant to Section 8 of the Plan.

2.25 "Stock Option" means the right to purchase Common Stock at a stated price for a specified period of time. For purposes of the Plan, a Stock Option may be either an incentive stock option within the meaning of Section 422(b) of the Code or a nonqualified stock option.

2.26 "Subsidiary" means any corporation or other entity of which 50% or more of the outstanding voting stock or voting ownership interest is directly or indirectly owned or controlled by the Company or by one or more Subsidiaries of the Company.

SECTION 3

Administration

3.1 The Plan shall be administered by the Compensation Committee of the Board (the "Committee"). Any power of the Committee may also be exercised by the Board, except to the extent that the grant or exercise of such authority would cause any Incentive Award or transaction to become subject to (or lose an exemption under) the short-swing profit recovery provisions of Section 16 of the Securities Exchange Act of 1934 or cause an Incentive Award intended to qualify for treatment as performance-based compensation under Section 162(m) of the Code not to qualify for such treatment. To the extent that any permitted action taken by the Board conflicts with action taken by the Committee, the Board action shall control. The Committee may by resolution authorize one or more officers of the Company to perform any or all things that the Committee is authorized and empowered to do or perform under the Plan, and for all purposes under this Plan, such officer or officers shall be treated as the Committee; provided, however, that the resolution so authorizing such officer or officers shall specify the total number of Incentive Awards (if any) such officer or officers may award pursuant to such delegated authority, and any such Incentive Award shall be subject to the form of Incentive Award agreement theretofore approved by the Committee. No such officer shall designate himself or herself as a recipient of any Incentive Awards granted under authority delegated to such officer. In addition, the Committee may delegate any or all aspects of the day-to-day administration of the Plan to one or more officers or employees of the Company or any Subsidiary, and/or to one or more agents.

3.2 *Power and Authority.* Subject to the express provisions of this Plan, the Committee shall be authorized and empowered to do all things that it determines to be necessary or appropriate in connection with the administration of this Plan, including, without limitation:

(i) to prescribe, amend and rescind rules and regulations relating to this Plan and to define terms not otherwise defined herein; (ii) to determine which persons are Participants, to which of such Participants, if any, Incentive Awards shall be granted hereunder and the timing of any such Incentive Awards; (iii) to grant Incentive Awards to Participants and determine the terms and conditions thereof, including the number of shares subject to Incentive Awards, the exercise or purchase price of such shares and the circumstances under which Incentive Awards become exercisable or vested or are forfeited or expire, which terms may but need not be conditioned upon the passage of time, continued employment, the satisfaction of performance criteria, the occurrence of certain events (including events which the Board or the Committee determine constitute a Change of Control), or other factors, and the period of time following termination of employment or service as a member of the Board during which Incentive Awards may be exercised; (iv) to establish and verify the extent of satisfaction of any performance goals or other conditions applicable to the grant, issuance, exercisability, vesting and/or ability to retain any Incentive Award; (v) to prescribe and amend the terms of the agreements or other documents evidencing Incentive Awards made under this Plan (which need not be identical) and the terms of or form of any document or notice required to be delivered to the Company by Participants under this Plan; (vi) to determine whether, and the extent to which, adjustments are required pursuant to Section 4.4; (vii) to interpret and construe this Plan, any rules and regulations under this Plan and the terms and conditions of any Incentive Award granted hereunder, and to make exceptions to any such provisions in good faith and for the benefit of the Company; and (viii) to make all other determinations deemed necessary or advisable for the administration of this Plan.

3.3 *Determinations by the Committee.* All decisions, determinations and interpretations by the Committee regarding the Plan, any rules and regulations under the Plan and the terms and conditions of or operation of any Incentive Award granted hereunder, shall be final and binding on all Participants, beneficiaries, heirs, assigns or other persons holding or claiming rights under the Plan or any Incentive Award. The Committee shall consider such factors as it deems relevant, in its sole and absolute discretion, to making such decisions, determinations and interpretations including, without limitation, the recommendations or advice of any officer or other employee of the Company and such attorneys, consultants and accountants as it may select.

3.4 *Amendments or Modifications of Incentive Awards; No Stock Option Repricing.* Subject to Section 14, the Committee shall have the authority to amend or modify the terms of any outstanding Incentive Award in any manner, provided that the amended or modified terms are not prohibited by the Plan as then in effect, including, without limitation, the authority to: (a) modify the number of shares or other terms and conditions of an Incentive Award; (b) extend the term of an Incentive Award; and (c) accelerate the exercisability or vesting or otherwise terminate, waive or modify any restrictions relating to an Incentive Award; *provided*, that Stock Options and SARs issued under the Plan may not be repriced or modified without stockholder approval if the effect of such repricing or modification would be to reduce the exercise price of such Incentive Awards to the same Participants.

3.5 *Indemnification of Committee Members.* Neither any member nor former member of the Committee nor any individual to whom authority is or has been delegated shall be personally responsible or liable for any act or omission in connection with the performance of powers or duties or the exercise of discretion or judgment in the administration and

implementation of the Plan. Each person who is or shall have been a member of the Committee shall be indemnified and held harmless by the Company from and against any cost, liability or expense imposed or incurred in connection with such person's or the Committee's taking or failing to take any action under the Plan. Each such person shall be justified in relying on information furnished in connection with the Plan's administration by any employee, officer, agent or expert employed or retained by the Committee or the Company.

SECTION 4

Shares Subject to the Plan

4.1 *Number of Shares.* Subject to adjustment as provided in Section 4.4 of the Plan, the total number of shares of Common Stock issued under Incentive Awards pursuant to the Plan shall not exceed 4,250,000 shares of Common Stock, provided that each share of Common Stock issued pursuant to awards of Restricted Stock, Restricted Stock Units, Stock Appreciation Rights or Stock Awards shall be counted against this limit as two (2) shares. For purposes of the first sentence of this Section 4.1, the number of shares issued pursuant to Incentive Awards under this Plan at any time shall not be reduced by shares subject to Incentive Awards that have been terminated, expired unexercised, forfeited or settled in cash. Shares of Common Stock subject to this Section 4.1 shall be authorized and may be either unissued or treasury shares or shares repurchased by the Company, including shares purchased on the open market.

4.2 *Limitations Upon Incentive Awards.* No Participant shall be granted, during any calendar year, Incentive Awards with respect to more than 450,000 shares of Common Stock, which number shall be calculated and adjusted pursuant to Section 4.4 only to the extent that such calculation or adjustment will not affect the status of any Incentive Award theretofore issued or that may thereafter be issued as "performance based compensation" under Section 162(m) of the Code. The aggregate number of shares of Common Stock that may be issued pursuant to the exercise of incentive stock options (within the meaning of Section 422(b) of the Code) granted under the Plan shall not exceed 4,250,000, subject to adjustment as provided in Section 4.4, but only to the extent that such adjustment will not affect the status of any Stock Option intended to qualify as an incentive stock option under Section 422(b) of the Code.

4.3 *Limitations on Incentive Awards to Directors.* The maximum number of shares subject to Incentive Awards granted during any calendar year to a Participant who is a Director shall equal a number of shares of Common Stock having a deemed value on the date of grant equal to one hundred fifty percent (150%) of the aggregate value of the retainer and full Board meeting fees that the Committee determines that such Director is eligible to earn in respect of such calendar year, with the "deemed value" of Stock Awards, Restricted Stock or Restricted Stock Units for purposes only of this Section 4.3 being calculated as the Market Value of the shares subject to such award, and the "deemed value" of Stock Options and SARs being calculated as the Market Value of the shares subject to such award divided by two (2); provided, however, that in the first calendar year in which such Participant becomes a Director, the maximum number of shares subject to Incentive Awards granted to the Participant shall equal a number of shares of Common Stock having a deemed value as calculated under this Section 4.3 on the date of grant equal to three hundred percent (300%) of the aggregate value of the retainer

and full Board meeting fees that the Committee determines that such Director is eligible to earn in respect of a year of service as a Director.

4.4 *Adjustments.*

(a) *Stock Dividends and Distributions.* If the number of shares of Common Stock outstanding changes by reason of a stock dividend, stock split, recapitalization or other general distribution of Common Stock or other securities to holders of Common Stock, the Committee shall provide that the number and kind of securities subject to Incentive Awards and reserved for issuance under the Plan and the limitation provided in Section 4.2, together with applicable exercise prices, as well as the number and kind of securities available for issuance under the Plan, shall be adjusted in such manner and at such time as it determines shall be appropriate under the circumstances. No fractional shares shall be issued pursuant to the Plan and any fractional shares resulting from such adjustments shall be eliminated from the respective Incentive Awards.

(b) *Other Actions Affecting Common Stock.* If there occurs, other than as described in the preceding subsection, any merger, business combination, recapitalization, reclassification, subdivision or combination approved by the Board that would result in the Persons who were stockholders of the Company immediately prior to the effective time of any such transaction owning or holding, in lieu of or in addition to shares of Common Stock, other securities, money and/or property (or the right to receive other securities, money and/or property) immediately after the effective time of such transaction, then the Committee shall provide that the outstanding Incentive Awards (including exercise prices) and reserves for Incentive Awards under this Plan shall be adjusted in such manner and at such time as it determines shall be appropriate under the circumstances. It is intended that in the event of any such transaction, Incentive Awards under this Plan shall entitle the holder of each Incentive Award to receive (upon exercise in the case of Stock Options and SARs), in lieu of or in addition to shares of Common Stock, any other securities, money and/or property receivable upon consummation of any such transaction by holders of Common Stock with respect to each share of Common Stock outstanding immediately prior to the effective time of such transaction; upon any such adjustment, holders of Incentive Awards under this Plan shall have only the right to receive in lieu of or in addition to shares of Common Stock such other securities, money and/or other property as provided by the adjustment. If the agreement, resolution or other document approved by the Board to effect any such transaction provides for the adjustment of Incentive Awards under the Plan in connection with such transaction, then the adjustment provisions contained in such agreement, resolution or other document shall be final and conclusive.

SECTION 5

Stock Options

5.1 *Grants.* Stock Options may be granted at any time and from time to time prior to the termination of the Plan to Participants selected by the Committee. The Committee may grant a Stock Option or provide for the grant of a Stock Option, either from time-to-time in the

discretion of the Committee or automatically upon the occurrence of specified events, including, without limitation, the achievement of performance goals (including any Qualifying Performance Criteria), or the satisfaction of an event or condition within the control of the recipient of the Award. No Participant shall have any rights as a stockholder with respect to any shares of stock subject to Stock Options granted hereunder until said shares have been issued. Each Stock Option shall be evidenced by an Award Agreement. Stock Options granted pursuant to the Plan need not be identical but shall be consistent with the terms of the Plan. Stock Options shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee. The Committee shall have the right to make the timing of the ability to exercise any Stock Option subject to continued employment, the passage of time and/or such performance requirements as deemed appropriate by the Committee, provided that in no event shall any Stock Option awarded to a Participant who is not a Director provide for full vesting in a period of less than 3 years, except in the event of the Participant's death, disability or Retirement or upon a Change in Control. Unless provided otherwise in the applicable Award Agreement, the vesting period and/or exercisability of a Stock Option shall be adjusted by the Committee during or to reflect the effects of any period during which the Participant is on an approved leave of absence or is employed on a less than full-time basis. The Committee may designate whether or not a Stock Option is to be considered an incentive stock option as defined in Section 422(b) of the Code, subject to Section 5.4 of the Plan.

5.2 *Stock Option Price.* The per share Stock Option price shall be determined by the Committee, but shall be a price that is equal to or greater than 100% of the Market Value of the Company's Common Stock on the date of grant.

5.3 *Medium and Time of Payment.* The exercise price for each share purchased pursuant to a Stock Option granted under the Plan shall be payable in cash or, if the Committee consents or so provides, in actual or attested shares of Common Stock owned by the Participant and meeting holding requirements established by the Committee or other consideration substantially equivalent to cash. The Committee may from time to time authorize payment of all or a portion of the Stock Option price in the form of a full recourse promissory note or other deferred payment installments according to such terms as the Committee may approve. The Board may restrict or suspend the power of the Committee to permit such loans and may require that adequate security be provided. The Committee may implement a program for the broker-assisted cashless exercise of Stock Options. The Company or any of its Subsidiaries shall not extend credit, directly or indirectly, to an executive officer or director in violation of Section 13 of the Act.

5.4 *Incentive Stock Options.* Notwithstanding anything to the contrary in this Section 5, in the case of the grant of a Stock Option that the Committee designates as intended to qualify as an "incentive stock option" (within the meaning of Section 422(b) of the Code): (a) if the Participant owns stock possessing more than 10 percent of the combined voting power of all classes of stock of the Company (a "10% Stockholder"), the purchase price of such Stock Option must be at least 110 percent of the fair market value of the Common Stock on the date of grant and the Stock Option must expire within a period of not more than five (5) years from the date of grant, and (b) termination of employment will be deemed to occur when the person to whom an Incentive Award was granted ceases to be an employee (as determined in accordance with Section 3401(c) of the Code and the regulations promulgated thereunder) of the Company and its

Subsidiaries. Notwithstanding anything in this Section 5 to the contrary, options designated as incentive stock options shall not be eligible for treatment under the Code as incentive stock options to the extent that either (i) the aggregate fair market value of shares of Common Stock (determined as of the time of grant) with respect to which such Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Subsidiary) exceeds \$100,000, taking Stock Options into account in the order in which they were granted, and (ii) such Stock Options otherwise remain exercisable but are not exercised within three (3) months of termination of employment (or such other period of time provided in Section 422 of the Code).

5.5 *Limits on Exercisability.* Except as set forth in Section 5.7, Stock Options shall be exercisable for such periods, not to exceed 10 years from the date of grant, as may be fixed by the Committee.

5.6 *Restrictions on Stock Options.*

(a) *General.* Unless the Committee provides otherwise, Stock Options granted under the Plan may not be sold, exchanged, transferred, pledged, assigned or otherwise alienated or hypothecated except by will or the laws of descent and distribution. To the extent that the Committee otherwise determines to permit the transfer of a Stock Option, as a condition thereof, the transferor and the transferee must execute a written agreement containing such terms specified by the Committee. Except to the extent the Committee provides otherwise, all provisions of a Stock Option that are determined with reference to the Participant, including without limitation those that refer to the Participant's obligation to satisfy tax withholding requirements and to vesting or forfeiture being related to the Participant's employment with the Company or its Subsidiaries, shall continue to be determined with reference to the Participant after any transfer of a Stock Option.

(b) *Other Restrictions.* The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to the exercise of a Stock Option under the Plan as the Committee deems advisable, including, without limitation, holding periods or further transfer restrictions, forfeiture or "claw-back" provisions, and restrictions under applicable federal or state securities laws.

5.7 *Termination of Employment or Officer or Director Status.* Unless the Committee provides otherwise, Stock Options shall expire upon the earlier of the expiration of the term established pursuant to Section 5.5 and the date determined as set forth herein:

(a) *General.* If a Participant's employment with the Company or a Subsidiary or service as a member of the Board terminates for any reason other than the Participant's death, disability, Retirement or termination for cause, Stock Options granted to the Participant may continue to be exercised in accordance with their terms for a period of three (3) months after such termination of employment or of service as a director, but only to the extent the Participant was entitled to exercise the Stock Options on the date of such termination. For purposes of the Plan, the following shall not be considered a termination of employment or service: (i) a transfer of an employee from the Company to

any Subsidiary; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days, duly authorized in writing by the Company, provided that the employee's right to re-employment is guaranteed by statute, contract or written policy of the Company; or (iv) a termination of employment with continued service as a Director or termination of service as a Director when the Participant thereafter serves as an employee. For purposes of the Plan, termination of employment shall be considered to occur on the date on which the employee is no longer obligated to perform services for the Company or any of its Subsidiaries and the employee's right to re-employment is not guaranteed by statute, contract or written policy of the Company, regardless of whether the employee continues to receive compensation from the Company or any of its Subsidiaries after such date.

(b) *Death.* If a Participant dies either while an employee or officer of the Company or a Subsidiary or member of the Board, or after the termination of employment or service as a member of the Board other than for cause but during the time when the Participant could have exercised a Stock Option, the Stock Options issued to such Participant shall become fully vested and exercisable by the personal representative of such Participant or other successor to the interest of the Participant for one year after the Participant's death.

(c) *Disability.* If a Participant ceases to be employed by the Company and its Subsidiaries or a member of the Board due to the Participant's disability (as defined in the Company's long-term disability plan), then all of the Participant's Stock Options shall immediately fully vest, and the Stock Options held by the Participant at the time of such termination of employment or service shall be exercisable by the Participant or the personal representative of such Participant for one year following such termination of employment or service.

(d) *Participant Retirement.* Upon a Participant's Retirement as an employee or officer of the Company and its Subsidiaries or Retirement from service as a member of the Board, then all of the Participant's Stock Options shall immediately fully vest, and the Stock Options held by the Participant at the time of such Retirement shall be exercisable by the Participant or the personal representative of such Participant during the remaining term of the Stock Options.

(e) *Termination for Cause.* If a Participant is terminated for cause, the Participant shall have no further right to exercise any Stock Options previously granted. The Committee or officers designated by the Committee shall determine whether a termination is for cause.

SECTION 6

Stock Appreciation Rights

6.1 *Grants.* Stock Appreciation Rights may be granted to Participants from time to time either in tandem with or as a component of a Stock Option granted under Section 5, other

Incentive Awards granted under the Plan or stock options granted under any other Company equity compensation plan ("tandem SARs") or without reference to other Incentive Awards or stock options ("freestanding SARs"). The provisions of Stock Appreciation Rights need not be the same with respect to each grant or each Participant. Any Stock Appreciation Right granted in tandem with a stock option or Incentive Award may be granted at the same time such option or Incentive Award is granted or at any time thereafter before exercise or expiration of such stock option or Incentive Award. Unless settled in cash, the exercise of a tandem SAR will be in lieu of the exercise of the stock option or Incentive Award in connection with which the tandem SAR was granted. All freestanding SARs shall be granted subject to the same terms and conditions applicable to Stock Options as set forth in Section 5 and all tandem SARs shall have the same vesting, exercisability, forfeiture and termination provisions as such Incentive Award or stock option to which they relate. Subject to the foregoing sentence and the terms of the Plan, the Committee may impose such other conditions or restrictions on any Stock Appreciation Right as it shall deem appropriate.

6.2 *Exercise or Settlement Price.* The per share price for exercise or settlement of Stock Appreciation Rights shall be determined by the Committee, but shall be a price that is equal to or greater than 100% of the Market Value of the Company's Common Stock on the date of grant. Other than in connection with a change in the Company's capitalization (as described in Section 4.4) the exercise price of Stock Appreciation Rights may not be reduced without stockholder approval (including canceling previously awarded Stock Appreciation Rights and regranting them with a lower exercise price).

6.3 *Medium and Time of Payment.* Stock Appreciation Rights may be settled in shares of Common Stock, cash or a combination thereof, as determined by the Committee.

6.4 *Limits on Exercisability.* Except as set forth in Section 6.6, Stock Appreciation Rights shall be exercisable for such periods, not to exceed 10 years from the date of grant, as may be fixed by the Committee.

6.5 *Restrictions on Stock Appreciation Rights.*

(a) *General.* Unless the Committee provides otherwise, Stock Appreciation Rights granted under the Plan may not be sold, exchanged, transferred, pledged, assigned or otherwise alienated or hypothecated except by will or the laws of descent and distribution. To the extent that the Committee otherwise determines to permit the transfer of a Stock Appreciation Right, as a condition thereof, the transferor and the transferee must execute a written agreement containing such terms specified by the Committee. Except to the extent the Committee provides otherwise, all provisions of a Stock Appreciation Right that are determined with reference to the Participant, including without limitation those that refer to the Participant's obligation to satisfy tax withholding requirements and to vesting or forfeiture being related to the Participant's employment with the Company or its Subsidiaries, shall continue to be determined with reference to the Participant after any transfer of a Stock Appreciation Right.

(b) *Other Restrictions.* The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to the exercise of a Stock Appreciation Right

under the Plan as the Committee deems advisable, including, without limitation, holding periods or further transfer restrictions, forfeiture or "claw-back" provisions, and restrictions under applicable federal or state securities laws.

6.6 *Termination of Employment or Officer or Director Status.* Unless the Committee provides otherwise, Stock Appreciation Rights shall expire upon the earlier of the expiration of the term established pursuant to Section 6.4 and the date determined as set forth herein:

(a) *General.* If a Participant's employment with the Company or a Subsidiary or service as a member of the Board terminates for any reason other than the Participant's death, disability, Retirement or termination for cause, Stock Appreciation Rights granted to the Participant may continue to be exercised in accordance with their terms for a period of three (3) months after such termination of employment or of service as a director, but only to the extent the Participant was entitled to exercise the Stock Appreciation Rights on the date of such termination. For purposes of the Plan, the following shall not be considered a termination of employment or service: (i) a transfer of an employee from the Company to any Subsidiary; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days, duly authorized in writing by the Company, provided that the employee's right to re-employment is guaranteed by statute, contract or written policy of the Company; or (iv) a termination of employment with continued service as a Director or termination of service as a Director when the Participant thereafter serves as an employee. For purposes of the Plan, termination of employment shall be considered to occur on the date on which the employee is no longer obligated to perform services for the Company or any of its Subsidiaries and the employee's right to re-employment is not guaranteed by statute, contract or written policy of the Company, regardless of whether the employee continues to receive compensation from the Company or any of its Subsidiaries after such date.

(b) *Death.* If a Participant dies either while an employee or officer of the Company or a Subsidiary or member of the Board, or after the termination of employment or service as a member of the Board other than for cause but during the time when the Participant could have exercised a Stock Appreciation Right, the Stock Appreciation Rights issued to such Participant shall become fully vested and exercisable by the personal representative of such Participant or other successor to the interest of the Participant for one year after the Participant's death.

(c) *Disability.* If a Participant ceases to be employed by the Company and its Subsidiaries or a member of the Board due to the Participant's disability (as defined in the Company's long-term disability plan), then all of the Participant's Stock Appreciation Rights shall immediately fully vest, and the Stock Appreciation Rights held by the Participant at the time of such termination of employment or service shall be exercisable by the Participant or the personal representative of such Participant for one year following such termination of employment or service.

(d) *Participant Retirement.* Upon a Participant's Retirement as an employee or officer of the Company and its Subsidiaries or Retirement from service as a member of the Board, then all of the Participant's Stock Appreciation Rights shall immediately fully vest, and the Stock Appreciation Rights held by the Participant at the time of such Retirement shall be exercisable by the Participant or the personal representative of such Participant during the remaining term of the Stock Appreciation Rights.

(e) *Termination for Cause.* If a Participant is terminated for cause, the Participant shall have no further right to exercise any Stock Appreciation Rights previously granted. The Committee or officers designated by the Committee shall determine whether a termination is for cause.

SECTION 7

Restricted Stock and Restricted Stock Units

7.1 *Grant.* Restricted Stock and Restricted Stock Units may be granted at any time and from time to time prior to the termination of the Plan to Participants selected by the Committee. Restricted Stock is an award or issuance of shares of Common Stock the grant, issuance, retention, vesting and/or transferability of which is subject during specified periods of time to such conditions (including continued employment or performance conditions) and terms as the Committee deems appropriate. Restricted Stock Units are Incentive Awards denominated in units of Common Stock under which the issuance of shares of Common Stock is subject to such conditions (including continued employment or performance conditions) and terms as the Committee deems appropriate. Unless determined otherwise by the Committee, each Restricted Stock Unit will be equal to one share of Common Stock and will entitle a Participant to either shares of Common Stock or an amount of cash determined with reference to the value of shares of Common Stock. To the extent determined by the Committee, Restricted Stock and Restricted Stock Units may be satisfied or settled in Common Stock, cash or a combination thereof. Restricted Stock and Restricted Stock Units granted pursuant to the Plan need not be identical but shall be consistent with the terms of the Plan. Subject to the requirements of applicable law, the Committee shall determine the price, if any, at which awards of Restricted Stock or Restricted Stock Units, or shares of Common Stock issuable under Restricted Stock Unit awards, shall be sold or awarded to a Participant, which may vary from time to time and among Participants and which may be below the market price of such shares at the date of grant.

7.2 *Restricted Stock Agreements.* Each grant of Restricted Stock and Restricted Stock Units shall be evidenced by an Award Agreement. Unless an Award Agreement provides otherwise, Restricted Stock and Restricted Stock Unit awards shall be subject to the terms and conditions set forth in this Section 7.

7.3 *Vesting.* The grant, issuance, retention, vesting and/or settlement of shares of Restricted Stock and Restricted Stock Units shall occur at such time and in such installments as determined by the Committee or under criteria established by the Committee. The Committee shall have the right to make the timing of the grant and/or the issuance, ability to retain, vesting and/or settlement of shares of Restricted Stock and under Restricted Stock Units subject to continued employment, passage of time and/or such performance criteria as deemed appropriate

by the Committee; provided that in no event shall the grant, issuance, retention, vesting and/or settlement of shares under Restricted Stock or Restricted Stock Unit Awards that is based on performance criteria and the level of achievement versus such criteria be subject to a performance period of less than one year and no condition that is based upon continued employment or the passage of time shall provide for vesting or settlement in full of a Restricted Stock or Stock Unit Award over a period of less than three years from the date the Award is made, in each case other than as a result of or upon the death, disability or Retirement of the Participant or a Change in Control. Notwithstanding anything to the contrary herein, the performance criteria for any Restricted Stock or Restricted Stock Unit that is intended to satisfy the requirements for "performance-based compensation" under Section 162(m) of the Code shall be a measure based on one or more Qualifying Performance Criteria selected by the Committee and specified at the time the Restricted Stock or Restricted Stock Unit is granted.

7.4 *Termination of Employment or Officer or Director Status.* Unless the Committee provides otherwise:

(a) *General.* In the event of termination of employment or officer or director status during the Restricted Period for any reason other than death, disability or Retirement, any Restricted Stock or Restricted Stock Unit award still subject in full or in part to restrictions at the date of such termination shall automatically be forfeited and returned to the Company. For purposes of the Plan, the following shall not be considered a termination of employment or service: (i) a transfer of an employee from the Company to any Subsidiary; (ii) a leave of absence, duly authorized in writing by the Company, for military service or for any other purpose approved by the Company if the period of such leave does not exceed 90 days; (iii) a leave of absence in excess of 90 days, duly authorized in writing by the Company, provided that the employee's right to re-employment is guaranteed by statute, contract or written policy of the Company; or (iv) a termination of employment with continued service as a Director or termination of service as a Director when the Participant thereafter serves as an employee. For purposes of the Plan, termination of employment shall be considered to occur on the date on which the employee is no longer obligated to perform services for the Company or any of its Subsidiaries and the employee's right to re-employment is not guaranteed by statute, contract or written policy of the Company, regardless of whether the employee continues to receive compensation from the Company or any of its Subsidiaries after such date.

(b) *Death, Retirement or Disability.* In the event a Participant terminates his or her employment with the Company and its Subsidiaries or service as a member of the Board because of death, disability (as defined in the Company's long-term disability plan) or Retirement during the Restricted Period, the restrictions remaining on any or all shares remaining subject to a Restricted Stock or Restricted Stock Unit award shall lapse.

7.5 *Restrictions on Transferability.*

(a) *General.* Unless the Committee provides otherwise: (i) shares of Restricted Stock and interests in Restricted Stock Units shall not be sold, exchanged, transferred, pledged, assigned or otherwise alienated or hypothecated during the Restricted Period except by will or the laws of descent and distribution; and (ii) all rights with respect to Restricted Stock and Restricted Stock Units granted to a Participant under the Plan shall be exercisable during the Participant's lifetime only by such Participant, his or her guardian or legal representative.

(b) *Other Restrictions.* The Committee may impose other restrictions on any shares of Common Stock subject to Restricted Stock and Restricted Stock Unit awards as the Committee deems advisable, including, without limitation, holding periods or further transfer restrictions, forfeiture or "claw-back" provisions, and restrictions under applicable federal or state securities laws.

7.6 *Legending of Restricted Stock.* The Committee may also require that certificates representing shares of Restricted Stock be retained and held in escrow by a designated employee or agent of the Company or any Subsidiary until any restrictions applicable to shares of Restricted Stock so retained have been satisfied or lapsed. Any certificates evidencing shares of Restricted Stock awarded pursuant to the Plan shall bear the following legend:

The shares represented by this certificate were issued subject to certain restrictions under the Wolverine World Wide, Inc. Stock Incentive Plan of 2005 (the "Plan"). This certificate is held subject to the terms and conditions contained in a restricted stock agreement that includes a prohibition against the sale or transfer of the stock represented by this certificate except in compliance with that agreement and that provides for forfeiture upon certain events. Copies of the Plan and the restricted stock agreement are on file in the office of the Secretary of the Company.

7.7 *Rights as a Stockholder.* A Participant shall have all dividend, liquidation and other rights with respect to Restricted Stock held by such Participant as if the Participant held unrestricted Common Stock; *provided*, that the unvested portion of any award of Restricted Stock shall be subject to any restrictions on transferability or risks of forfeiture imposed pursuant to Sections 7.1, 7.4 and 7.5 of the Plan. Unless the Committee otherwise determines or unless the terms of the applicable Award Agreement or grant provide otherwise, a Participant shall have all dividend and liquidation rights with respect to shares of Common Stock subject to awards of Restricted Stock Units held by such Participant as if the Participant held unrestricted Common Stock. Unless the Committee otherwise determines or unless the terms of the applicable Award Agreement or grant provide otherwise, any noncash dividends or distributions paid with respect to shares of unvested Restricted Stock and shares of Common Stock subject to unvested Restricted Stock Units shall be subject to the same restrictions and vesting schedule as the shares to which such dividends or distributions relate.

7.8 *Voting Rights.* Unless otherwise determined by the Committee, Participants holding shares of Restricted Stock granted hereunder may exercise full voting rights with respect

to those shares during the period of restriction. Participants shall have no voting rights with respect to shares of Common Stock underlying Restricted Stock Units unless and until such shares are reflected as issued and outstanding shares on the Company's stock ledger.

SECTION 8

Stock Awards

8.1 *Grant.* Subject to the limitations set forth in Section 4.2 of the Plan, a Participant may be granted one or more Stock Awards under the Plan. Stock Awards shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee.

8.2 *Rights as a Stockholder.* A Participant shall have all voting, dividend, liquidation and other rights with respect to shares of Common Stock issued to the Participant as a Stock Award under this Section 8 upon the Participant becoming the holder of record of the Common Stock granted pursuant to such Stock Award; *provided*, that the Committee may impose such restrictions on the assignment or transfer of Common Stock awarded pursuant to a Stock Award as it considers appropriate.

SECTION 9

Deferred Stock Units

9.1 The Committee may establish rules for the deferred delivery of Common Stock following exercise of a Stock Option or Stock Appreciation Right or following settlement, vesting or other events with respect to Restricted Stock or Restricted Stock Units, in each case with the deferral evidenced by use of "Stock Units" equal in number to the number of shares of Common Stock whose delivery is so deferred or to the value of the amount being so deferred. A "Stock Unit" is a bookkeeping entry representing an amount equivalent to the fair market value of one share of Common Stock. Unless the Committee specifies otherwise, Stock Units represent an unfunded and unsecured obligation of the Company. Settlement of Stock Units upon expiration of the deferral period shall be made in Common Stock, cash or a combination thereof, as determined by the Committee. The amount of Common Stock, or other settlement medium, to be so distributed may be increased by dividend equivalents. Unless determined otherwise by the Committee, during the deferral period a Participant will not have any rights as a stockholder of the Company, including, without limitation, voting rights and the right to receive dividends or distributions. Until a Stock Unit is so settled, the number of shares of Common Stock represented by a Stock Unit shall be subject to adjustment pursuant to Section 4.4. Any Stock Units that are settled after the holder's death shall be distributed to the holder's designated beneficiary(ies) or, if none was designated, the holder's estate. Notwithstanding anything herein to the contrary, in no event will any deferral of the delivery of Common Stock or any other payment with respect to any Incentive Award be allowed if the Committee determines, in its sole discretion, that the deferral would result in the imposition of additional tax under Section 409A(1)(B) of the Code.

SECTION 10

Change in Control

10.1 *Acceleration of Vesting.* If a Change in Control of the Company shall occur, then, unless the Committee or the Board otherwise determines with respect to one or more Incentive Awards, without action by the Committee or the Board: (a) all outstanding Stock Options and Stock Appreciation Rights shall become immediately exercisable in full and shall remain exercisable during the remaining terms thereof as set forth in Sections 5.5 and 6.4, regardless of whether the Participants to whom such Stock Options and Stock Appreciation Rights have been granted remain in the employ or service of the Company or any Subsidiary; and (b) all other outstanding Incentive Awards shall become immediately fully vested and exercisable and nonforfeitable.

10.2 *Cash Payment for Stock Options/Stock Appreciation Rights.* If a Change in Control of the Company shall occur, then the Committee without the consent of any Participant affected thereby, may determine that some or all Participants holding outstanding Stock Options and/or Stock Appreciation Rights shall receive, with respect to some or all of the shares of Common Stock subject to such Stock Options and/or Stock Appreciation Rights, as of the effective date of any such Change in Control of the Company, cash in an amount equal to the greater of (a) the highest sales price of the shares on the New York Stock Exchange on the date immediately prior to the effective date of such Change in Control of the Company or (b) the highest price per share actually paid in connection with any Change in Control of the Company over the exercise price per share of such Stock Options and/or Stock Appreciation Rights.

SECTION 11

Qualifying Performance-Based Compensation

11.1 *General.* The Committee may specify that the grant, retention, vesting or issuance of any Incentive Award, or the amount to be paid out under any Incentive Award, be subject to or based on Qualifying Performance Criteria or other standards of financial performance and/or personal performance evaluations. Notwithstanding satisfaction of any performance goals, the number of shares of Common Stock issued or the amount paid under an Incentive Award may, to the extent specified in the applicable agreement evidencing the award, be reduced by the Committee on the basis of such further considerations as the Committee shall determine.

11.2 *Qualifying Performance Criteria.* For purposes of this Plan, the term "Qualifying Performance Criteria" shall mean any one or more of the following performance criteria, either individually, alternatively or in any combination, applied to either the Company 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 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) of the Code, the 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, claims, judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) the effect of acquisitions or divestitures (v) accruals for reorganization and restructuring programs and (vi) any extraordinary, unusual or 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 the Company's Forms 10-K or any Form 10-Q for the performance period.

SECTION 12

General Provisions

12.1 *No Rights to Awards.* No Participant or other person shall have any claim to be granted any Incentive Award under the Plan and there is no obligation of uniformity of treatment of Participants or holders or beneficiaries of Incentive Awards under the Plan. The terms and conditions of Incentive Awards of the same type and the determination of the Committee to grant a waiver or modification of any Incentive Award and the terms and conditions thereof need not be the same with respect to each Participant or the same Participant.

12.2 *Withholding.* The Company or a Subsidiary shall be entitled to: (a) withhold and deduct from future wages of a Participant (or from other amounts that may be due and owing to a Participant from the Company or a Subsidiary), or make other arrangements for the collection of (including through the sale of shares of Common Stock otherwise issuable pursuant to the applicable Incentive Award), all legally required amounts necessary to satisfy any and all federal, state, local and foreign withholding and employment-related tax requirements attributable to an Incentive Award, including, without limitation, the grant, exercise or vesting of, or payment of dividends with respect to, an Incentive Award or a disqualifying disposition of Common Stock received upon exercise of an incentive stock option; or (b) require a Participant promptly to remit the amount of such withholding to the Company before taking any action with respect to an Incentive Award. To the extent specified by the Committee, withholding may be satisfied by withholding Common Stock to be received upon exercise or vesting of an Incentive Award or by delivery to the Company of previously owned Common Stock. In addition, the Company may reasonably delay the issuance or delivery of shares of Common Stock pursuant to an Incentive Award as it determines appropriate to address tax withholding and other administrative matters.

12.3 *Compliance With Laws; Listing and Registration of Shares.* All Incentive Awards granted under the Plan (and all issuances of Common Stock or other securities under the Plan) shall be subject to all applicable laws, rules and regulations, and to the requirement that if at any

time the Committee shall determine that the listing, registration or qualification of the shares covered thereby upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the grant of such Incentive Award or the issue or purchase of shares thereunder, such Incentive Award may not be exercised in whole or in part, or the restrictions on such Incentive Award shall not lapse, unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

12.4 *Additional Restrictions on Shares.* The Committee may provide that the shares of Common Stock issued upon exercise of a Stock Option or Stock Appreciation Right or otherwise subject to or issued under an Incentive Award shall be subject to such further agreements, restrictions, conditions or limitations as the Committee in its discretion may specify prior to the exercise of such Stock Option or Stock Appreciation Right or the grant, vesting or settlement of such Incentive Award, including without limitation, conditions on vesting or transferability, forfeiture or repurchase provisions and method of payment for the shares issued upon exercise, vesting or settlement of such Incentive Award (including the actual or constructive surrender of Common Stock already owned by the Participant) or payment of taxes arising in connection with an Incentive Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any shares of Common Stock issued under an Incentive Award, including without limitation restrictions under an insider trading policy, blackout period or pursuant to applicable law, and restrictions as to the use of a specified brokerage firm or equity plan administrator for such resales or other transfers.

12.5 *No Limit on Other Compensation Arrangements.* Nothing contained in the Plan shall prevent the Company or any Subsidiary from adopting or continuing in effect other or additional compensation arrangements, including the grant of stock options and other stock-based awards, and such arrangements may be either generally available or available only in specific cases.

12.6 *No Right to Employment.* The grant of an Incentive Award shall not be construed as giving a Participant the right to be retained in the employ of the Company or any Subsidiary. The Company or any Subsidiary may at any time dismiss a Participant from employment, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any written agreement authorized by the Committee.

12.7 *No Liability of Company.* The Company and any Subsidiary or affiliate which is in existence or hereafter comes into existence shall not be liable to a Participant or any other person as to: (a) the non-issuance or sale of Common Stock as to which the Company has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Company's counsel to be necessary to the lawful issuance and sale of any shares hereunder; (b) any tax consequence to any Participant or other person due to the receipt, exercise or settlement of any Incentive Award granted hereunder; and (c) any provision of law or legal restriction that prohibits or restricts the transfer of shares of Common Stock issued pursuant to any Incentive Award.

12.8 *Suspension of Rights under Incentive Awards.* The Company, by written notice to a Participant, may suspend a Participant's and any transferee's rights under any Incentive Award for a period not to exceed 60 days while the termination for cause of that Participant's employment with the Company and its Subsidiaries is under consideration.

12.9 *Governing Law.* The validity, construction and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Delaware and applicable federal law.

12.10 *Severability.* In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of the Plan and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included, unless such construction would cause the Plan to fail in its essential purposes.

SECTION 13

Suspension or Termination of Awards

13.1 Except as otherwise provided by the Committee, if at any time (including after a notice of exercise has been delivered or an award has vested) the Chief Executive Officer or any other person designated by the Committee (each such person, an "Authorized Officer") reasonably believes that a Participant may have committed an Act of Misconduct as described in this Section 13, the Authorized Officer, Committee or Board may suspend the Participant's rights to exercise any Stock Option or Stock Appreciation Right, to vest in an Incentive Award, and/or to receive payment for or receive shares of Common Stock in settlement of an Incentive Award pending a determination of whether an Act of Misconduct has been committed.

13.2 If the Committee or an Authorized Officer determines a Participant has committed an act of embezzlement, fraud, dishonesty, nonpayment of any obligation owed to the Company or any Subsidiary, breach of fiduciary duty or deliberate disregard of Company or Subsidiary rules resulting in loss, damage or injury to the Company or any Subsidiary, or if a Participant makes an unauthorized disclosure of any Company or Subsidiary trade secret or confidential information, engages in any conduct constituting unfair competition, breaches any non-competition agreement, induces any Company or Subsidiary customer to breach a contract with the Company or any Subsidiary, or induces any principal for whom the Company or any Subsidiary acts as agent to terminate such agency relationship (any of the foregoing acts, an "Act of Misconduct"), then except as otherwise provided by the Committee, (i) neither the Participant nor his or her estate nor transferee shall be entitled to exercise any Stock Option or Stock Appreciation Right whatsoever, vest in or have the restrictions on an Incentive Award lapse, or otherwise receive payment or shares of Common Stock under any Incentive Award, (ii) the Participant will forfeit all outstanding Incentive Awards and (iii) the Participant may be required, at the Committee's sole discretion, to return and/or repay to the Company any then unvested shares of Common Stock previously issued under the Plan. In making such determination, the Committee or an Authorized Officer shall give the Participant an opportunity to appear and present evidence on his or her behalf at a hearing before the Committee or an opportunity to submit written comments, documents, information and arguments to be considered by the Committee.

SECTION 14

Termination and Amendment

14.1 The Board may terminate the Plan at any time or 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 the Company, provided that no such amendment may be made, without the approval of stockholders of the Company, that would (i) reduce the exercise price at which Stock Options or Stock Appreciation Rights may be granted below the price provided for in Section 5.2 and 6.2, (ii) reduce the exercise price of outstanding Stock Options, (iii) increase the individual maximum limits in Section 4.2 or (iv) otherwise amend the Plan in any manner requiring stockholder approval by law or under the New York Stock Exchange listing requirements. The 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.

14.2 Notwithstanding anything to the contrary in Section 14.1, no such amendment or alteration to the Plan or to any previously granted Award Agreement or Incentive Award shall be made which would impair the rights of the holder of the Award, without such holder's consent, provided that no such consent shall be required if the 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 either is required or advisable in order for the Company, 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.

SECTION 5

Effective Date and Duration of the Plan

15.1 This Plan shall take effect April 21, 2005, subject to approval by the stockholders at the 2005 Annual Meeting of Stockholders or any adjournment thereof or at a Special Meeting of Stockholders, but in no event will such approval be obtained more than twelve (12) months from the adoption of this Plan by the Board. Unless earlier terminated by the Board, no Incentive Award shall be granted under the Plan after April 20, 2015.

EXHIBIT 10.8

WOLVERINE WORLD WIDE, INC.

AMENDED AND RESTATED DIRECTORS' STOCK OPTION PLAN

SECTION 1

Establishment of Plan; Purpose of Plan

1.1 *Establishment of Plan.* The Company hereby establishes the AMENDED AND RESTATED DIRECTORS' STOCK OPTION PLAN (the "Plan") for its Non-Employee Directors. The Plan amends and restates the 1994 Directors' Stock Option Plan previously approved by the stockholders at the 1994 Annual Meeting of Stockholders. The Plan permits the grant of Stock Options that are nonqualified stock options.

1.2 *Purpose of Plan.* The purpose of the Plan is to advance the interests of the Company and its stockholders by attracting and retaining the services of experienced and knowledgeable Non-Employee Directors and to provide additional incentive for such Non-Employee Directors to continue to promote and work for the best interests of the Company and its stockholders through continuing ownership of the Company's Common Stock.

SECTION 2

Definitions

The following words have the following meanings unless a different meaning is plainly required by the context:

- 2.1 "Act" means the Securities Exchange Act of 1934, as amended.
 - 2.2 "Board" means the Board of Directors of the Company.
 - 2.3 "Code" means the Internal Revenue Code of 1986, as amended.
 - 2.4 "Committee" means the Compensation Committee of the Board or such other committee as the Board shall designate to administer the Plan.
 - 2.5 "Common Stock" means the Common Stock of the Company, par value \$1 per share.
 - 2.6 "Company" means Wolverine World Wide, Inc., a Delaware corporation, and its successors and assigns.
 - 2.7 "Market Value" shall equal the closing market price of shares of Common Stock reported on the New York Stock Exchange (or any successor exchange that is the primary stock exchange for trading of Common Stock) on the date of grant, exercise or vesting, as applicable, or if the New York Stock Exchange (or any such successor) is closed on that date, the last preceding date on which the New York Stock Exchange (or any such successor) was open for trading and on which shares of Common Stock were traded.
 - 2.8 "Non-Employee Directors" means directors of the Company who are not also employees of the Company or any of its subsidiaries; provided, that the Committee may exclude any Non-Employee Director from participating in the Plan at any time or from time to time pursuant to an individual agreement or arrangement with such Non-Employee Director.
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2.9 "Retirement" means the reaching of (i) mandatory retirement age for a director as established by the Board, which is currently 72 years of age; or (ii) such other age or years of service as shall be determined by the Committee in its sole discretion or as otherwise may be set forth in the Stock Option agreement or other grant document with respect to a Non-Employee Director and a particular Stock Option.

2.10 "Stock Option" means the right to purchase Common Stock at a stated price for a specified period of time. For purposes of the Plan, all Stock Options shall be nonqualified stock options.

SECTION 3

Administration

3.1 *Power and Authority.* The Committee shall administer the Plan, shall have full power and authority to interpret the provisions of the Plan and to supervise the administration of the Plan. The Committee may delegate record keeping, calculation, payment and other ministerial administrative functions to individuals designated by the Committee, who may be officers or employees of the Company or its Subsidiaries. All determinations, interpretations, and selections made by the Committee regarding the Plan shall be final and conclusive. The Committee shall make such rules and regulations for the conduct of its business as it deems advisable. The members of the Committee shall not be paid any additional fees for their services.

3.2 *Grants or Awards; Amendments or Modifications.* In accordance with and subject to the provisions of the Plan, the Committee shall have the authority to determine the provisions of Stock Options as the Committee may consider necessary or desirable and as are consistent with the terms of the Plan. The Committee shall have the authority to amend or modify the terms of any outstanding Stock Option in any manner, provided that the amended or modified terms are not prohibited by the Plan as then in effect, including, without limitation, the authority to: (a) modify the terms and conditions of a Stock Option; (b) extend the term of a Stock Option; (c) terminate, waive or modify any restrictions relating to a Stock Option; and (d) accept the surrender of any outstanding Stock Option; *provided*, that Stock Options issued under the Plan may not be repriced, replaced, regranted through cancellation or modified without stockholder approval if the effect of such repricing, replacement, regrant or modification would be to reduce the exercise price of then outstanding Stock Options to the same Non-Employee Directors.

3.3 *Indemnification of Committee Members.* Neither any member or former member of the Committee nor any individual to whom authority is or has been delegated shall be personally responsible or liable for any act or omission in connection with the performance of powers or duties or the exercise of discretion or judgment in the administration and implementation of the Plan. Each person who is or has been a member of the Committee, and each person to whom authority is or has been delegated, shall be indemnified and held harmless by the Company from and against any cost, liability, or expense imposed or incurred in connection with such person's or the Committee's taking or failing to take any action under the Plan. Each such person shall be justified in relying on information furnished in connection with the Plan's administration by any appropriate person or persons.

SECTION 4

Shares Subject to the Plan

4.1 *Number of Shares.* Subject to adjustment as provided in subsection 4.2, a maximum of 400,000 shares of Common Stock shall be available for Stock Options under the Plan in addition to any shares previously authorized for issuance under the Plan, as adopted in 1994, plus shares subject to Stock Options that are canceled, surrendered, modified, exchanged for substitute Stock Options or expire or terminate prior to the exercise or vesting of the Stock Options in full and shares that are surrendered to the Company in connection with the exercise or vesting of a Stock Option, whether previously owned or otherwise subject to such Stock Options. Such shares shall

be authorized and may be either unissued or treasury shares.

4.2 *Adjustments.*

(a) *Stock Dividends and Distributions.* If the number of shares of Common Stock outstanding changes by reason of a stock dividend, stock split, recapitalization or other general distribution of Common Stock or other securities to holders of Common Stock, the number and kind of securities subject to Stock Options and reserved for issuance under the Plan, including, without limitation, the number of shares to be granted pursuant to subsection 5.1, together with applicable exercise prices, as well as the number of shares available for issuance under the Plan, shall be adjusted appropriately. No fractional shares shall be issued pursuant to the Plan and any fractional shares resulting from such adjustments shall be eliminated from the respective Stock Options.

(b) *Other Actions Affecting Common Stock.* If there occurs, other than as described in the preceding subsection, any merger, business combination, recapitalization, reclassification, subdivision or combination approved by the Board that would result in the persons who were stockholders of the Company immediately prior to the effective time of any such transaction owning or holding, in lieu of or in addition to shares of Common Stock, other securities, money and/or property (or the right to receive other securities, money and/or property) immediately after the effective time of such transaction, then the outstanding Stock Options (including exercise prices) and reserves for Stock Options under this Plan shall be adjusted in such manner and at such time as shall be equitable under the circumstances. It is intended that in the event of any such transaction, Stock Options under this Plan shall entitle the holder of each Stock Option to receive upon exercise, in lieu of or in addition to shares of Common Stock, any other securities, money and/or property receivable upon consummation of any such transaction by holders of Common Stock with respect to each share of Common Stock outstanding immediately prior to the effective time of such transaction; upon any such adjustment, holders of Stock Options under this Plan shall have only the right to receive in lieu of or in addition to shares of Common Stock such other securities, money and/or other property as provided by the adjustment. If the agreement, resolution or other document approved by the Board to effect any such transaction provides for the adjustment of Stock Options under the Plan in connection with such transaction, then the adjustment provisions contained in such agreement, resolution or other document shall be final and conclusive.

SECTION 5

Stock Options

5.1 *Grant.* Subject to adjustment as provided in subsection 4.2, a Stock Option to purchase a number of shares of Common Stock that have a Market Value equal to three times the annual director retainer fee then in effect shall be granted automatically on the date of the 2002 Annual Meeting of Stockholders and the date of each annual meeting thereafter to each director of the Company who is, at the close of each such annual meeting, a Non-Employee Director. In addition, each Non-Employee Director shall at the time of his or her initial election or appointment to the Board be granted a Stock Option to purchase a number of shares of Common Stock that have a Market Value equal to six times the annual director retainer fee then in effect; provided, that any person that is or at any time has been an employee of the Company or any of its subsidiaries shall not be entitled to the award provided in this sentence. Stock Options shall be subject to such terms and conditions, consistent with the other provisions of the Plan, as may be determined by the Committee in its sole discretion.

5.2 *Stock Option Agreements.* Stock Options shall be evidenced by Stock Option agreements containing such terms and conditions, consistent with the provisions of the Plan, as the Committee shall from time to time determine. Each Stock Option agreement shall conclusively evidence, by the Non-Employee Director's signature thereon, that it is the intent of the Non-Employee Director to continue to serve as a director of the Company for the remainder of his or her term during which the Stock Option was granted.

5.3 *Stock Option Price.* The per share Stock Option price shall be one hundred percent (100%) of the Market Value of Common Stock on the date of grant.

5.4 *Medium and Time of Payment.* The exercise price for each share purchased pursuant to a Stock Option granted under the Plan shall be payable in cash or in shares of Common Stock (including Common Stock to be received upon a simultaneous exercise) or other consideration substantially equivalent to cash. When appropriate arrangements are made with a broker or other institution, payment may be made by a properly executed exercise notice directing delivery of shares to a broker, together with irrevocable instructions to the broker to deliver promptly to the Company the amount of sale or loan proceeds to pay the exercise price.

5.5 *Limits on Exercisability.* Stock Options shall be exercisable for a period not to exceed 10 years from the date of grant. At the time of the exercise of a Stock Option, the holder of the Stock Option, if requested by the Committee, must represent to the Company that the shares are being acquired for investment and not with a view to the distribution thereof.

5.6 *Restrictions on Transferability.*

(a) *General.* Unless the Committee otherwise consents or permits (before or after the Stock Option grant) or unless the Stock Option agreement or grant provides otherwise, Stock Options granted under the Plan may not be sold, exchanged, transferred, pledged, assigned or otherwise alienated or hypothecated except by will or the laws of descent and distribution, and, as a condition to any transfer permitted by the Committee or the terms of the Stock Option agreement or grant, the transferee must execute a written agreement permitting the Company to withhold from the shares subject to the Stock Option a number of shares having a Market Value at least equal to the amount of any federal, state, local and foreign withholding or other taxes associated with or resulting from the exercise of a Stock Option. All provisions of a Stock Option that are determined with reference to the Non-Employee Director shall continue to be determined with reference to the Non-Employee Director after any transfer of a Stock Option. All Stock Options granted to a Non-Employee Director shall be exercisable during the Non-Employee Director's lifetime only by such Non-Employee Director or the legal representative acting in the name of the Non-Employee Director.

(b) *Other Restrictions.* The Committee may impose other restrictions on any shares of Common Stock acquired pursuant to the exercise of a Stock Option under the Plan as the Committee deems advisable, including, without limitation, restrictions under applicable federal or state securities laws.

5.7 *Termination of Directorship.* Unless the Committee otherwise consents or permits (before or after the Stock Option grant) or unless the Stock Option agreement or grant provides otherwise:

(a) *General.* If a Non-Employee Director ceases to be a director of the Company for any reason other than the Non-Employee Director's death, disability, or Retirement, the Non-Employee Director may exercise his or her Stock Options only for a period of three months after such termination of director status.

(b) *Death.* If a Non-Employee Director dies either while a director of the Company or after the termination of his or her directorship, Stock Options issued to such Non-Employee Director shall be exercisable by the personal representative of such Non-Employee Director or other successor to the interest of the Non-Employee Director for one year after the Non-Employee Director's death.

(c) *Disability.* If a Non-Employee Director ceases to be a director of the Company due to the Non-Employee Director's disability, the Non-Employee Director may exercise a Stock Option for a period of one year following such termination of directorship.

(d) *Non-Employee Director Retirement*. If a Non-Employee Director ceases to be a director due to Retirement, any Stock Option granted under the Plan may be exercised during the remaining term of the Stock Option.

SECTION 6

General Provisions

6.1 *No Rights to Awards*. Except as otherwise provided in subsection 5.1, no Non-Employee Director or other person shall have any claim to be granted any Stock Option under the Plan, and there is no obligation of uniformity of treatment of Non-Employee Directors or holders or beneficiaries of Stock Options under the Plan. To the extent consistent with the Plan, the terms and conditions of Stock Options and the determination of the Committee to grant a waiver or modification of any Stock Option and the terms and conditions thereof need not be the same with respect to each Non-Employee Director.

6.2 *Compliance With Laws; Listing and Registration of Shares*. All Stock Options granted under the Plan (and all issuances of Common Stock or other securities under the Plan) shall be subject to all applicable laws, rules, and regulations, and to the requirement that if at any time the Committee shall determine, in its discretion, that the listing, registration, or qualification of the shares covered thereby upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the grant of such Stock Option or the issue or purchase of shares thereunder, such Stock Option may not be exercised in whole or in part, or the restrictions on such Stock Option shall not lapse, unless and until such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Committee.

6.3 *No Limit on Other Compensation Arrangements*. Nothing contained in the Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, including the grant of stock options and other stock-based awards, and such arrangements may be either generally applicable or applicable only in specific cases.

6.4 *No Right to Directorship*. The grant of a Stock Option shall not be construed as giving a Non-Employee Director the right to be retained as a director of the Company. A Non-Employee Director may be removed from his or her directorship in accordance with the Company's Amended and Restated Bylaws, Certificate of Incorporation, as amended, or applicable law, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any written agreement with a Non-Employee Director.

6.5 *Governing Law*. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the State of Michigan and applicable federal law.

6.6 *Severability*. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

SECTION 7

Amendment

The Board may from time to time amend the Plan as it considers proper and in the best interests of the Company; *provided, however*, that the Plan may not be amended more than once every six months, other than to comport with changes in the Code, the Employee Retirement Income Security Act, or the rules thereunder; *and provided further*, that without stockholder approval no such amendment shall be effective that would require

stockholder approval pursuant to the rules of the New York Stock Exchange or any other exchange upon which the Company's Common Stock is traded. In addition, no termination, amendment, or modification of the Plan shall become effective with respect to any Stock Option previously granted under the Plan without the prior written consent of the Non-Employee Director holding such Stock Option, unless such termination, amendment, or modification operates solely to the benefit of the Non-Employee Director, except according to the terms of the Plan or the Stock Option agreement.

SECTION 8

Effective Date and Duration of the Plan

This Plan as amended and restated shall take effect April 25, 2002, subject to approval by the stockholders at the 2002 Annual Meeting of Stockholders or any adjournment thereof or at a Special Meeting of Stockholders. The Board may terminate the Plan at any time and, unless earlier terminated by the Board, the Plan shall terminate on April 24, 2012. No Stock Option shall be granted under the Plan after such date.

EXHIBIT 10.13

The executive officers listed below have entered into Executive Severance Agreements with the Company in the form filed herewith. The information listed below is inserted into the blanks for the respective executive officer's Executive Severance Agreement.

	<u>Salary Multiplier</u> <u>Rate</u> <u>(Section 4(a)(4))</u>	<u>Termination Period</u> <u>(Section 1(n))</u>	<u>Change of Control</u> <u>Continuation Period</u> <u>(Section 2)</u>
Timothy J. O'Donovan	3	3 years	36 months
Stephen L. Gulis, Jr.	3	3 years	36 months
Blake W. Krueger	3	3 years	36 months
Kenneth A. Grady	2	2 years	24 months
Cheryl L. Johnson	2	2 years	24 months
Nicholas P. Ottenwess	2	2 years	24 months

EXHIBIT 10.14

INDEMNIFICATION AGREEMENT

This Indemnification Agreement is made as of the ____ day of _____, ____, by and between Wolverine World Wide, Inc., a Delaware Corporation (the "Corporation"), and _____ ("Indemnitee"), a director and/or officer of the Corporation.

RECITAL

It is essential that the Corporation retain and attract the most capable persons available as directors and officers. There has been a substantial increase in corporate litigation that subjects directors and officers to great personal financial risks. Directors' and officers' liability insurance, if available at all, is becoming increasingly expensive and contains many limitations, deductibles, and exclusions. It is now and has always been the express policy of the Corporation to indemnify its directors and officers so as to provide them with the maximum possible protection permitted by law. In order to provide directors and officers with the maximum lawful indemnification, the Corporation has determined and agreed to enter into this Indemnification Agreement with Indemnitee.

ACCORDINGLY, THE PARTIES AGREE AS FOLLOWS:

Section 1. Definitions. As used in this Agreement:

- (a) "Expenses" shall mean all costs, expenses and obligations paid or incurred in connection with investigating, being a witness in, defending or participating in, or preparing to litigate, defend, be a witness in or participate in any matter that is the subject of a Proceeding (as defined below), including attorneys' and accountants' fees and court costs.
 - (b) "Proceeding" shall mean any threatened, pending or completed action, suit or proceeding, or any inquiry or investigation, whether brought by or in the right of the Corporation or otherwise and whether of a civil, criminal, administrative or investigative nature, in which Indemnitee may be or may have been involved as a party or otherwise by reason of the fact that Indemnitee is or was a director, officer, employee, agent or fiduciary of the Corporation, or by reason of any action taken by Indemnitee or any inaction on Indemnitee's part while acting as a director, officer, employee, agent or fiduciary of the Corporation, or by reason of the fact that Indemnitee is or was serving at the request of the Corporation as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise.
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(c) "Resolution Costs" shall include any amount paid in connection with a Proceeding and in satisfaction of a judgment, fine, penalty or any amount paid in settlement.

Section 2. Agreement to Serve. Indemnitee agrees to serve as a director and/or officer of the Corporation for so long as Indemnitee is duly elected or appointed or until the tender of Indemnitee's written resignation.

Section 3. Indemnification. The indemnification provided under this Agreement shall be as follows:

(a) The Corporation shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee in connection with any Proceeding. Additionally, in any Proceeding other than a Proceeding by or in the right of the Corporation, the Corporation shall indemnify Indemnitee against all Resolution Costs actually and reasonably incurred by Indemnitee in connection with such Proceeding. No indemnification shall be made under this subsection:

(i) With respect to remuneration paid to Indemnitee if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(ii) On account of any suit in which judgment is rendered against Indemnitee for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Corporation pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state, or local law;

(iii) On account of Indemnitee's conduct which is determined by a final judgment or other final adjudication to have been knowingly fraudulent, deliberately dishonest or willful misconduct;

(iv) On account of Indemnitee's conduct which by a final judgment or other final adjudication is determined to have been in bad faith, in opposition to best interests of the Corporation or produced an unlawful personal benefit;

(v) With respect to a criminal proceeding if the Indemnitee knew or reasonably should have known that Indemnitee's conduct was unlawful; or

(vi) If a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

(b) In addition to any indemnification provided under Subsection 3(a) above, the Corporation shall indemnify Indemnitee against any Expenses or Resolution Costs incurred by Indemnitee, regardless of the nature of the Proceeding in which Expenses and/or Resolution Costs were incurred, if such Expenses or Resolution Costs would have been covered under the directors' and officers' liability insurance policies in effect on the effective date of this Agreement or any such insurance policies which become effective on any subsequent date.

(c) In addition to any indemnification provided under Subsections 3(a) and 3(b) above, the Corporation hereby provides Indemnitee, to the fullest extent allowed by law as presently or hereafter enacted or interpreted, with indemnification against any Expenses and/or Resolution Costs incurred by Indemnitee in connection with any Proceeding. To the extent a change in the Delaware General Corporation Law (whether by statute or judicial decision) permits greater indemnification, either by agreement or otherwise, than presently provided by law or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change.

(d) Without limiting Indemnitee's right to indemnification under any other provision of this Agreement, the Corporation shall indemnify Indemnitee in accordance with the provisions of this subsection if Indemnitee is a party to or threatened to be made a party to or otherwise involved in any Proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that Indemnitee was or is a director and/or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against all Expenses actually and reasonably incurred by Indemnitee and any amounts paid by Indemnitee in settlement of such Proceeding, but only if Indemnitee acted in good faith in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made under this subsection in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged to be liable to the Corporation in the performance of his duty to the Corporation, unless and only to the extent that any court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such amounts as such court shall deem proper.

(e) Notwithstanding anything in this Agreement to the contrary, prior to a Change in Control (as hereafter defined), Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with any Proceeding initiated by Indemnitee against the Corporation or any director, officer, employee,

agent or fiduciary of the Corporation (in such capacity) unless the Corporation has joined in or consented to the initiation of such Proceeding.

Section 4. Payment of Indemnification.

(a) Expenses incurred by the Indemnitee and subject to indemnification under Section 3 above shall be paid directly by the Corporation or reimbursed to the Indemnitee within two (2) days after the receipt of a written request of the Indemnitee providing that Indemnitee undertakes to repay any amount paid or advanced under this section to the extent that it is ultimately determined that Indemnitee is not entitled to such indemnification.

(b) Except as otherwise provided in Section 4(a) above, any indemnification under Section 3 above shall be made no later than thirty (30) days after receipt by the Corporation of the written request of Indemnitee, unless within said 30-day period the board of directors, by a majority vote of a quorum consisting of directors who are not parties to such Proceeding, determines that the Indemnitee is not entitled to the indemnification set forth in Section 3 or unless the board of directors refers the Indemnitee's indemnification request to independent legal counsel. In cases where there are no directors who are not parties to the Proceeding, the indemnification request shall be referred to independent legal counsel. If the indemnification request is referred to independent legal counsel, then Indemnitee shall be paid no later than forty-five (45) days after Indemnitee's initial notice to the Corporation unless within that time independent legal counsel presents to the board of directors a written opinion stating in unconditional terms that indemnification is not allowed under Section 3 of this Agreement. If a Change in Control (as defined in Section 5) occurs and results in individuals who were directors prior to the circumstances giving rise to the Change in Control ceasing for any reason to constitute a majority of the board of directors, the above determination, if any, shall be made by independent legal counsel and not the board of directors. The Corporation agrees to pay the reasonable fees of the independent legal counsel and to fully indemnify such counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant thereto. If there has not been a Change in Control as defined in Section 5, independent legal counsel shall be selected by the board of directors or the executive committee of the board, and if there has been a Change in Control, the independent legal counsel shall be selected by Indemnitee.

(c) The right to indemnification payments as provided by this Agreement shall be enforceable by Indemnitee in any court of competent jurisdiction. The burden of proving that indemnification is not permitted by this Agreement shall be on the Corporation or on the person challenging the

indemnification. Neither the failure of the Corporation, including its board of directors, to have made a determination prior to the commencement of any Proceeding that indemnification is proper, nor an actual determination by the Corporation, including its board of directors or independent legal counsel, that indemnification is not proper, shall bar the action or create a presumption that Indemnitee is not entitled to indemnification under this Agreement. If the board of directors or independent legal counsel determines in accordance with Section 4(b) above that Indemnitee would not be permitted to be indemnified in whole or in part, Indemnitee shall have the right to commence litigation in any court in the states of Michigan or Delaware having subject matter jurisdiction thereof and in which venue is proper seeking an initial determination by the court or challenging any such determination by the board of directors or independent legal counsel, and the Corporation hereby consents to service of process and to appear in any such proceeding. Expenses incurred by Indemnitee in connection with successfully establishing Indemnitee's right to indemnification, in whole or in part, shall also be reimbursed by the Corporation.

Section 5. Establishment of Trust. In the event of a Potential Change in Control of the Corporation, as hereafter defined, the Corporation shall, upon written request by Indemnitee, create a trust for the benefit of the Indemnitee and from time to time upon written request of Indemnitee shall fund such trust in an amount sufficient to satisfy any and all Expenses or Resolution Costs that may properly be subject to indemnification under Section 3 above anticipated at the time of each such request. The amount or amounts to be deposited in the trust pursuant to this funding obligation shall be determined by a majority vote of a quorum consisting of directors who are not parties to such Proceeding, the executive committee of the board of directors or the President of the Corporation. If all such individuals are parties to the Proceeding, the amount or amounts to be deposited in the trust shall be determined by independent legal counsel. The terms of the trust shall provide that upon a Change in Control (i) the trust shall not be revoked or the principal thereof invaded, without the written consent of the Indemnitee, (ii) the trustee shall advance, within two (2) business days of a request by the Indemnitee, any amount properly payable to Indemnitee under Subsection 4(a) of this Agreement, (iii) the trust shall continue to be funded by the Corporation in accordance with the funding obligation set forth above, (iv) the trustee shall promptly pay to the Indemnitee all amounts for which the Indemnitee shall be entitled to indemnification pursuant to this Agreement or otherwise, and (v) all unexpended funds in such trust shall revert to the Corporation upon a final determination by a court of competent jurisdiction that the Indemnitee has been fully indemnified under the terms of this Agreement. The trustee shall be chosen by the Indemnitee and shall be a national or state bank having a combined capital and surplus of not less than \$50,000,000. Nothing in this section shall relieve the Corporation of any of its obligations under this Agreement. At the time of each draw from the trust fund, the Indemnitee shall provide the trustee with a written request providing that Indemnitee undertakes to repay such amount to the extent that it is ultimately determined that Indemnitee is not entitled to such indemnification. Any funds, including interest or investment earnings thereon, remaining in the trust fund shall revert and be paid to the Corporation if (i) a Change in Control has not occurred, and (ii) if the executive committee of the board of directors or the Chairman or Chief Executive Officer of the

Corporation determines that the circumstances giving rise to that particular funding of the trust no longer exists.

For purposes of this section, a "Change in Control" shall be deemed to have occurred if (i) any "person" (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Corporation or a corporation owned directly or indirectly by the stockholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Corporation representing 20% or more of the total voting power represented by the Corporation's then outstanding voting securities, or (ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the board of directors of the Corporation and any new director whose election by the board of directors or nomination for election by the Corporation's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, or (iii) the stockholders of the Corporation approve a merger or consolidation of the Corporation with any other corporation, other than a merger or consolidation which would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 80% of the total voting power represented by the voting securities of the Corporation or such surviving entity outstanding immediately after such merger or consolidation, or (iv) the stockholders of the Corporation approve a plan of complete liquidation of the Corporation or an agreement for the sale or disposition by the Corporation of all or substantially all of the Corporation's assets.

For purpose of this section, a "Potential Change in Control" shall be deemed to have occurred if (i) the Corporation enters into an agreement, the consummation of which would result in the occurrence of a Change in Control, or (ii) any person (including the Corporation) publicly announces an intention to take or to consider taking actions which once consummated would constitute a Change in Control, or (iii) any person, other than a trustee or other fiduciary holding securities under an employee benefit plan of the Corporation or a corporation owned, directly or indirectly, by the stockholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation, who is or becomes the beneficial owner, directly or indirectly, of securities of the Corporation representing 9.5% or more of the combined voting power of the Corporation's then outstanding voting securities, increases such person's beneficial ownership of such securities by 5% or more over the percentage so owned by such person on the date hereof, or (iv) the board of directors adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

Section 6. Partial Indemnification; Successful Defense. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Corporation for some or a portion of the Expenses or Resolution Costs actually and reasonably incurred by Indemnitee but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify Indemnitee for the portion of such Expenses or Resolution Costs to which Indemnitee is entitled.

Moreover, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all claims relating in whole or in part to a Proceeding or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee shall be indemnified against all Expenses incurred in connection therewith.

Section 7. Consent. Unless and until a Change in Control (as defined in Section 5) has occurred, the Corporation shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without the Corporation's written consent. The Corporation shall not settle any Proceeding in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the Corporation nor the Indemnitee will unreasonably withhold their consent to any proposed settlement.

Section 8. Severability. If this Agreement or any portion thereof (including any provision within a single section, subsection or sentence) shall be held to be invalid, void or otherwise unenforceable on any ground by any court of competent jurisdiction, the Corporation shall nevertheless indemnify Indemnitee as to any Expenses or Resolution Costs with respect to any Proceeding to the full extent permitted by law or any applicable portion of this Agreement that shall not have been invalidated, declared void or otherwise held to be unenforceable.

Section 9. Indemnification Hereunder Not Exclusive. The indemnification provided by this Agreement shall be in addition to any other rights to which Indemnitee may be entitled under the Certificate of Incorporation, the Bylaws, any agreement, any vote of stockholders or disinterested directors, the General Corporation Law of the State of Delaware, or otherwise, both as to actions in Indemnitee's official capacity and as to actions in another capacity while holding such office.

Section 10. No Presumption. For purposes of this Agreement, the termination of any claim, action, suit or proceeding, by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

Section 11. Subrogation. In the event of payment under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all documents required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Corporation to effectively bring suit to enforce such rights.

Section 12. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment to the extent Indemnitee has otherwise actually received payment (under any insurance policy, Bylaw or otherwise) of the amounts otherwise indemnifiable hereunder.

Section 13. Notice. Indemnitee shall, as a condition precedent to his right to be indemnified under this Agreement, give to the Corporation notice in writing as soon as practicable of any claim for which indemnity will or could be sought under this Agreement. Notice to the Corporation shall be directed to Wolverine World Wide, Inc., 9341 Courtland Drive, Rockford, Michigan 49653, Attention: General Counsel. Notice shall be deemed received three (3) days after the date postmarked if sent by prepaid mail properly addressed. In addition, Indemnitee shall give the Corporation such information and cooperation as it may reasonably require and shall be within Indemnitee's power to give.

Section 14. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute the original.

Section 15. Continuation of Indemnification. The indemnification rights provided to Indemnitee under this Agreement, including the right provided under Subsection 4(a) above, shall continue after Indemnitee has ceased to be a director, officer, employee, agent or fiduciary of the Corporation or any other corporation, partnership, joint venture, trust or other enterprise in which Indemnitee served in any such capacity at the request of the Corporation.

Section 16. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Corporation, spouses, heirs, and personal and legal representatives.

Section 17. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to contracts made and to be performed in such state without giving effects to the principles of conflicts of laws.

Section 18. Liability Insurance. To the extent the Corporation maintains an insurance policy or policies providing directors' and officers' liability insurance, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any officer, employee, agent or fiduciary of the Corporation.

Section 19. Period of Limitations. No legal action shall be brought and no cause of action shall be asserted by or on behalf of the Corporation or any affiliate of the Corporation against Indemnitee, Indemnitee's spouse, heirs, executors or personal or legal representatives after the expiration of two (2) years from the date of accrual of such cause of action, and any claim or cause of action of the Corporation or its affiliate shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two year period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action such shorter period shall govern.

Section 20. Amendments, Etc. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver

of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

WOLVERINE WORLD WIDE

By _____

Its _____

INDEMNITEE

The following current executive officers and directors have entered into an Indemnification Agreement with the Corporation:

Executive Officers

Kenneth A. Grady
Stephen L. Gulis, Jr.
Cheryl L. Johnson
Blake W. Krueger
Timothy J. O'Donovan
Nicholas P. Ottenwess

Directors

Alberto L. Grimoldi
David T. Kollat
Brenda J. Lauderback
Phillip D. Matthews
David P. Mehney
Paul D. Schrage

EXHIBIT 10.15

**WOLVERINE WORLD WIDE, INC.
BENEFIT TRUST AGREEMENT**

This Agreement made as of this 19th day of May, 1987, by and between WOLVERINE WORLD WIDE, INC., a corporation organized under the laws of the State of Delaware or any successor (hereinafter collectively referred to as the "Company") and Michigan National Bank (the "Trustee").

WITNESSETH:

WHEREAS, the Company is obligated to certain of the Company's executives (the "Executives" listed on Exhibit A hereto) under the employment agreements, severance agreements and deferred compensation agreements listed on Exhibit B hereto (such agreements being hereinafter called the "Plans"); and

WHEREAS, the aforesaid obligations of the Company are not funded or otherwise secured and the Company has agreed to assure that the payment of certain amounts becoming due under the Plans to the Executives will not be improperly withheld in the event that a Change in Control (as defined herein) should occur; and

WHEREAS, for purposes of assuring that such payments will not be improperly withheld, the Company desires to deposit with the Trustee, subject only to the claims of the Company's existing or future general creditors, amounts of cash or marketable securities and/or certain insurance policies sufficient to fund such payments as they may become due and payable;

NOW, THEREFORE, in consideration of the mutual agreements contained herein and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

- 1.01 "Actuary" means: (a) an individual who is an enrolled actuary under the provisions of ERISA § 3042, or (b) a firm of actuaries, at least one of whose members is (or will be) an enrolled actuary under the provisions of ERISA § 3042; provided, however, that with respect to such individual or firm, such individual or firm is independent of the Company and is selected pursuant to the provisions of this Agreement.
- 1.02 "Additional Transfer" has the meaning set forth in Section 3.01(b) hereof.
- 1.03 "Agreement" means this trust agreement, as it may be amended.
- 1.04 "Benefits" means all payments required to be made to, or with respect to, an Executive under the Plans.
- 1.05 "Board" means the board of directors of the Company.
- 1.06 "Change in Control" means a change in control of the Company as set forth in Section 4.01 hereof.
- 1.07 "Code" means the Internal Revenue Code of 1986, as amended from time to time.
- 1.08 "Company" means Wolverine World Wide, Inc., or any successor.
- 1.09 "ERISA" means the Employee Retirement Income Security Act of 1974, as it may be amended from time to time, and any regulation issued pursuant thereto.
- 1.10 "Exchange Act" means the Securities Exchange Act of 1934, as amended.
- 1.11 "Executive" means each individual listed on Exhibit A hereto.
- 1.12 "Insurance Transfer" has the meaning set forth in Section 3.01(b) hereof.

- 1.13 "Life Insurance" has the meaning set forth in Section 3.01(b) hereof.
- 1.14 "Minimum Premiums" has the meaning set forth in Section 3.01(b) hereof.
- 1.15 "Plans" means the agreements listed on Exhibit B hereto.
- 1.16 "Potential Change in Control" means a potential change in control of the Company as set forth in Section 4.02 hereof.
- 1.17 "Trust Corpus" has the meaning set forth in Section 3.02(a) hereof.
- 1.18 "Trustee" means the entity designated as trustee in the first paragraph of this Trust and any other entity appointed to succeed as Trustee pursuant to Section 6.02 hereof.

ARTICLE II

BENEFITS SUBJECT TO THIS TRUST

2.01 Plans. The benefits subject to this Trust consist of the payments becoming due to, or with respect to, the Executives under the Plans. The Company shall continue to be liable to the Executives to make all payments required under the terms of the Plans to the extent such payments have not been made pursuant to this Agreement.

ARTICLE III

TRUST AND THE TRUST CORPUS

3.01 Trust.

(a) Concurrently with the execution of this Agreement, the Company is delivering to the Trustee the sum of One Thousand Dollars to be held in trust hereunder.

(b) Upon the occurrence of a Potential Change in Control, the Company shall deliver to the Trustee to be held in trust hereunder an additional amount of cash (or marketable securities having a fair market value equal to such amount, or some combination

thereof) (the "Additional Transfer") which shall have been determined by the Company to have a fair market value (together with existing Trust Corpus, at fair market value) equal to the value of the Benefits due to the Executives under the Plans, assuming the following:

(i) the immediate occurrence of Change in Control, and

(ii) the immediately following termination of the employment of the Executives with the Company in such a manner as to produce the maximum Benefits under the Plans; provided, however, that the Company, in its discretion, may concurrently transfer to the Trustee, to be held in trust, the ownership of certain "Life Insurance" (the policies described in Exhibit C hereto, their successor policies or additional policies on the lives of the Executives), plus cash (together called the "Insurance Transfer") sufficient to pay at least four of the first seven annual premiums on each transferred policy, to the extent then unpaid (the "Minimum Premiums"), and the amount of the Company's Additional Transfer shall be reduced by the estimated amounts becoming available from the transferred insurance policies (whether as loans or net policy proceeds).

(c) At six-month intervals commencing six (6) months after the initial transfer pursuant to Section 3.01(b) hereof, unless the Trust Corpus shall theretofore have been released pursuant to Article V hereof, the Company shall redetermine the value of Benefits under the assumptions of Section 3.01(b), as of the end of the month immediately preceding such six-month interval date. If the value of Benefits so determined exceeds the current fair market value of the then Trust Corpus, the Company shall promptly (and in no event later than fourteen (14) days from the date of such six-month interval date) transfer to the Trustee an amount (i) in cash, (ii) in marketable securities which meet the requirements of Section 3.02(a)(i) or (ii) and are

valued at current fair market value, (iii) if the transfer occurs prior to the occurrence of a Change in Control, in Life Insurance and Minimum Premiums valued at the estimated amounts becoming available from the Life Insurance being transferred, or (iv) in any combination thereof, which amount shall be equal to such excess.

(d) Each transfer by the Company pursuant to Sections 3.01(b) and 3.01(c) hereof shall be accompanied by a Payment Schedule (as described in Section 5.02(a) hereof) which sets forth, among other things, the amounts transferred in respect of each Executive in respect of the Plans.

(e) For the purposes of determining the amount of the Company's contributions under Sections 3.01(b) and 3.01(c) hereof, the present value of Benefits under the Plans must be determined by applying assumptions and formulas which are at least as favorable to each Executive as the actuarial assumptions (or formulas for determining such actuarial assumptions) that were applied by the Company under such Plans in determining Benefits under the Plans for the Company's initial transfer pursuant to Section 3.01(b) hereof.

(f) As of each six (6) month interval date described in Section 3.01(c), the Company shall employ an Actuary in determining the amount to be contributed and the Company must, not later than the time prescribed by Section 3.01(c) for the payment of contributions, furnish to the Trustee the written certification of the Actuary employed by the Company setting forth the amount required to be contributed by the Company as of such date and stating that the contribution amount set forth and any information furnished pursuant to Section 3.01(d) has been computed in accordance with the requirements of this Trust and the provisions of the Plans, to the extent the Plans are consistent with the requirements of this Section 3.01. The Company shall furnish with such Actuary's certification a certification of the

Chief Executive Officer of the Company naming the Actuary designated by the Company pursuant to this Section and stating that the information furnished to the Actuary in connection with the preparation of the Actuary's certification was true and correct to the best of his or her knowledge.

(g) Except for transfers prior to a Change in Control, contributions to the Trust Corpus must be in cash or other marketable securities acceptable to the Trustee and meeting the requirements of Section 3.02(a)(i) or (ii).

(h) Notwithstanding the foregoing, the Trustee shall not be required or obligated to inquire into or enforce the obligations of the Company under this Section 3.01 (including but not limited to the Company's obligations to contribute to this Trust), but shall be accountable only for amounts or information actually received by the Trustee.

3.02 Trust Corpus and Income.

(a) As used herein, the term "Trust Corpus" shall mean the amount delivered to the Trustee as described in Section 3.01(a) hereof plus all amounts delivered thereafter pursuant to Section 3.01(b) or (c) hereof, in whatever form held or invested as provided herein. Except as provided in Section 3.02(b) hereof, the Trust Corpus shall be invested and reinvested by the Trustee in cash or marketable securities only in accordance with this Section 3.02(a). The Trustee shall use its good faith efforts to invest or reinvest from time to time all or such part of the Trust Corpus as it believes prudent under the circumstances (taking into account, among other things, anticipated cash requirements for the payment of Benefits) in either one or a combination of the following investments:

(i) investments in direct obligations of the United States of America or obligations unconditionally and fully guaranteed as to

principal and interest by the United States of America, in each case maturing within one year or less from the date of acquisition; or

(ii) investments in negotiable certificates of deposit (in each case maturing within one (1) year or less from the date of acquisition) issued by a commercial bank organized and existing under the laws of the United States of America or any state thereof having a combined capital and surplus of at least One Billion Dollars (\$1,000,000,000.00), including the Trustee if the Trustee meets such requirements); and

(iii) in order to facilitate the making of payments required or authorized by this Agreement, investment of a reasonable portion of the Trust Corpus in a short-term investment fund managed by the bank which is then serving as Trustee or in any money market fund which such bank selects;

provided, however, that the Trustee shall not be liable for any failure to maximize the income earned on that portion of the Trust Corpus as is from time to time invested or reinvested as set forth above, nor for any loss of income due to liquidation of any investment which the Trustee, in its sole discretion, believes necessary to make payments or to reimburse expenses under the terms of this Trust.

(b) Notwithstanding Section 3.02(a) hereof, the Trustee, in its discretion, may continue to hold as a trust investment the life insurance policies (or successor or additional policies) on the lives of certain Executives transferred to the Trustee pursuant to Section 3.01(b) hereof ("Life Insurance"). The Trustee may, at any time or times, borrow from the issuer of any Life Insurance to the extent the Trustee determines such borrowing is necessary

(i) to pay the interest expense on any outstanding borrowings, (ii) to maintain any such Life Insurance in effect, or (iii) to make any payment pursuant to the Payment Schedule.

(c) Except as hereinafter provided, all interest and other income earned on the investment of the Trust Corpus shall be the property of the Company and shall not constitute a part of the Trust Corpus. The interest and other income earned in any calendar year shall be paid over to the Company by the Trustee as promptly as practicable after the end of each calendar year. The amount of such interest or other income so payable to the Company shall be reduced by the amount of any interest accruing under the Plans (as set forth in the Payment Schedules referred to in Section 5.02(a) hereof, as revised from time to time), which accruing amounts, if not immediately payable, shall be added to the Trust Corpus, and further reduced by any amounts required to be delivered by the Company to the Trustee pursuant to Sections 3.01(b) or (c), 6.01(f) or 6.01(g) hereof which have not been so delivered, and only the excess, if any, shall be paid to the Company.

ARTICLE IV

CHANGE IN CONTROL

4.01 Definition of Change in Control. For purposes of this Agreement, a "Change in Control" shall mean a Change in Control of the Company of a nature that would be required to be reported in response to Item 5(f) of Schedule 14A of Regulation 14A promulgated under the Exchange Act; provided that, without limitation, such a Change in Control shall be deemed to have occurred if (i) any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act) is or becomes the beneficial owner (as defined in Rule 13(d)-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 25% or more of the combined voting power of the Company's then outstanding securities; or (ii) during any

period of two consecutive years, individuals who at the beginning of such period constitute the Board cease for any reason to constitute at least a majority thereof unless the election, or the nomination for election by the Company's shareholders, of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period.

4.02 Definition of a Potential Change in Control. For purposes of this Agreement, a "Potential Change in Control" shall be deemed to have occurred if (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control, (ii) any Person (including the Company) publicly announced an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control, (iii) any Person, other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company or a Company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, increases such Person's beneficial ownership of the combined voting power of the Company's then outstanding securities by 5% or more over the percentage so owned by such Person on the date hereof and after such increase, is the Beneficial Owner, directly or indirectly, of securities of the Company representing 9.5% or more of such securities; or (iv) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

ARTICLE V

RELEASE OF THE TRUST PROPERTY

5.01 Delivery to the Company. All of the remaining property then held by the Trustee shall be returned to the Company upon written request made prior to a Change in Control. Furthermore, if no Change of Control has occurred within the [six-month] period

immediately following the first transfer pursuant to Section 3.01(b) hereof, the remaining trust property shall be automatically returned to the Company, unless the Company shall have made a written request during such [six-month] period to the Trustee to retain the Trust Corpus for an additional [six month] period. The requirements of the foregoing sentence with respect to a return of the remaining trust property shall also apply to any additional [six-month] period. If a Change in Control has occurred, the Trust Corpus shall not be returned to the Company until the Trust is terminated pursuant to Section 7.01 and then only as provided in Section 7.01. The Company shall notify the Trustee of the occurrence of a Change in Control, and the Trustee may rely on such notice or on any other actual notice, satisfactory to the Trustee, of such a Change in Control which the Trustee may receive.

5.02 Deliveries to Participants. The Trustee shall hold the Trust Corpus in its possession under the provisions of this Agreement until authorized to deliver the Trust Corpus or any specified portion thereof as follows:

(a) The Company shall deliver to the Trustee, contemporaneously with the initial transfer pursuant to Section 3.01(b) hereof, a schedule (the "Payment Schedule") indicating the amounts being transferred in respect of each Executive (if any), the amounts payable in respect of each Executive, or providing a formula or instructions (which may incorporate the Plans by reference) acceptable to the Trustee for determining the amounts so payable, and the time of commencement for payment of such amounts. The Payment Schedule shall include instructions as to the amount of interest accruing (and other actuarial assumptions) with respect to Benefits under the Plans and such instructions may be revised from time to time to the extent so provided under the Plans and this Agreement. The Payment Schedule also shall be delivered by the Company to each Executive. A modified Payment Schedule shall be

delivered by the Company to the Trustee and to each Executive at each time specified by Section 3.01(c) for the determination of whether additional amounts must be contributed to the Trust and upon the occurrence of any event, such as termination of an Executive, requiring a modification of the Payment Schedule. Except as otherwise provided herein, the Trustee shall make payments to the Executives in accordance with such Payment Schedule, including, if applicable, transfers of Life Insurance, valued at cash surrender value, in partial or full satisfaction of obligations under a deferred compensation agreement.

(b) In the event that an Executive reasonably and in good faith believes that the Payment Schedule, as modified, does not properly reflect the amount payable to such Executive or the time or form of payment from the Trust Corpus in respect of the Plans, such Executive shall be entitled to deliver to the Trustee written notice (the "Executive's Notice") setting forth payment instructions for the amount the Executive believes in good faith to be due under the relevant terms of the Plans. The Executive shall also deliver a copy of the Executive's Notice to the Company within three (3) business days following the date the Executive's Notice was delivered to the Trustee. The Trustee shall make the payment in accordance with the payment instructions set forth in the Executive's Notice. If it shall subsequently be determined pursuant to Section 8.03 hereof that the amount paid in accordance with an Executive's Notice exceeded the amount properly payable pursuant to the Plans, the excess paid shall constitute a loan to such Executive from the Trustee payable on the thirtieth day after such determination, together with interest at the prime rate of the bank then serving as Trustee plus two percent (2%).

(c) The Trustee shall be permitted to withhold from any payment due to an Executive hereunder the amount required by law to be so withheld under federal, state and

local wage withholding requirements or otherwise, and shall pay over to the appropriate government authority the amounts so withheld. The Trustee may rely on instructions from the Company as to any required withholding and shall be fully protected under Section 6.01(g) hereof in relying on such instructions and in making payments to Executives pursuant to this Section 5.02.

(d) Except as otherwise provided herein, in the event of any final determination by the Internal Revenue Service or a court of competent jurisdiction which determination is not appealable or the time for appeal or protest of which has expired, or the receipt by the Trustee of a substantially unqualified opinion of tax counsel selected by the Trustee, which determination determines, or which opinion opines, that either Executive is subject to federal income taxation on amounts held in Trust hereunder prior to the distribution to the Executive of such amounts, the Trustee shall, on receipt by the Trustee of such opinion or notice of such determination, pay to such Executive the portion of the Trust Corpus includible in such Executive's federal gross income.

5.03 Deliveries to Creditors of the Company. It is the intent of the parties hereto that the Trust Corpus is and shall remain at all times subject to the claims of the general creditors of the Company. Accordingly, the Company shall not create a security interest in the Trust Corpus in favor of the Executives or any creditor. If the Trustee receives the notice provided for in Section 5.04 hereof, or otherwise receives actual notice that the Company is insolvent or bankrupt as defined in Section 5.04 hereof, the Trustee will make no further distributions of the Trust Corpus to any of the Executives but will deliver the entire amount of the Trust Corpus only as a court of competent jurisdiction, or duly appointed receiver or other person authorized to act by such a court, may direct, to make the Trust Corpus available to

satisfy the claims of the Company's general creditors. The Trustee shall resume distribution of Trust Corpus to the Executives under the terms hereof, upon no less than thirty (30) days advance notice to the Company, if it determines that the Company was not, or is no longer, bankrupt or insolvent.

5.04 Notification of Bankruptcy or Insolvency. The Company, through its Board and Chief Executive Officer, shall advise the Trustee promptly in writing of the Company's bankruptcy or insolvency. The Company shall be deemed to be bankrupt or insolvent upon the occurrence of any of the following:

(a) The Company shall make an assignment for the benefit of creditors, file a petition in bankruptcy, petition or apply to any tribunal for the appointment of a custodian, receiver, liquidator, sequestrator, or any trustee for it or a substantial part of its assets, or shall commence any case under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction (federal or state), whether now or hereafter in effect; or if there shall have been filed any such petition or application, or any such case shall have been commenced against it, in which an order for relief is entered or which remains undismissed; or the Company by any act or omission shall indicate its consent to, approval of or acquiescence in any such petition, application or case or order for relief or to the appointment of a custodian, receiver or any trustee for it or any substantial part of any of its property, or shall suffer any such custodianship, receivership, or trusteeship to continue undischarged; or

(b) The Company shall generally not pay its debts as such debts become due or shall cease to pay its debts in the ordinary course of business; or

(c) The sum of the Company's debts is greater than all its property at a fair valuation; or

(d) The present saleable value of the Company's assets is less than the amount that would be required to pay the probable liability on its existing debts as they become absolute and matured.

ARTICLE VI

TRUSTEE

6.01 Trustee.

(a) The duties and responsibilities of the Trustee shall be limited to those expressly set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Trustee.

(b) If, pursuant to Section 5.04 hereof or otherwise, all or any part of the Trust Corpus is at any time attached, garnished, or levied upon by any court order, or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by a court affecting such property or any part thereof, then and in any of such events the Trustee is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree, and it shall not be liable to the Company (or any of its subsidiaries) or any Executive by reason of such compliance even though such order, writ, judgment or decree subsequently may be reversed, modified, annulled, set aside or vacated.

(c) The Trustee shall maintain such books, records and accounts as may be necessary for the proper administration of the Trust Corpus, and shall render to the Company, on or prior to each February 15 following the date of this Agreement until the

termination of the trust established hereunder (and on the date of such termination), an accounting with respect to the Trust Corpus as of the end of the then most recent calendar year (and as of the date of such termination). The Trustee will at all times maintain a separate bookkeeping account for each Executive in which it will record each amount delivered by the Company to the Trustee with respect to such Executive and each amount paid by the Trustee to such Executive in accordance with a Payment Schedule. Upon the written request of an Executive or the Company, the Trustee shall deliver to such Executive, or the Company, as the case may be, a current written report setting forth (a) the aggregate present value of each such Executive's unpaid Benefits; (b) the aggregate present value of all unpaid Benefits; (c) the aggregate fair market value of the Trust Corpus; (d) the amount deemed allocable to such Executive's account for bookkeeping purposes, computed by multiplying item (c) by the quotient of item (a) divided by item (b); (e) a record of the contributions made by the Company with respect to such Executive; and (f) a record of any amounts paid by the Trustee to such Executive in accordance with a Payment Schedule.

(d) The Trustee shall not be liable for any act taken or omitted to be taken hereunder if taken or omitted to be taken by it in good faith. The Trustee shall also be fully protected in relying upon any notice given hereunder which it in good faith believes to be genuine and executed and delivered in accordance with this Trust.

(e) The Trustee may consult with legal counsel to be selected by it, and the Trustee shall not be liable for any action taken or suffered by it in accordance with the advice of such counsel.

(f) The Trustee shall be entitled to receive such reasonable compensation for its services as shall be agreed upon by the Company and the Trustee; provided

that, after the occurrence of a Change in Control, the Company shall not withhold its consent and agreement to any reasonable fee arrangement requested by the Trustee. The Trustee shall also be entitled to receive its reasonable expenses incurred with respect to the administration of the trust, including fees of counsel, any actuary and other firm or person engaged by the Trustee to aid it in the performance of its duties and obligations hereunder. Such compensation and expenses shall be paid by the Company within thirty (30) days after such compensation and expenses are presented to the Company. However, in the event such compensation and expenses are not paid by the Company within the above described period, the Trustee may apply the income of the Trust Corpus, and, if insufficient, the Trust Corpus, to pay such compensation and expenses.

(g) Except for any damages, losses, claims or expenses resulting from the Trustee's gross negligence or willful misconduct, the Company agrees to indemnify and hold harmless the Trustee from and against any and all damages, losses, claims or expenses as incurred (including expenses of investigation and fees and disbursements of counsel to the Trustee and any taxes imposed on the Trust Corpus or income of the trust) arising out of or in connection with the performance by the Trustee of its duties hereunder. Any amount payable to the Trustee under paragraph (f) of this Section 6.01 or this paragraph (g) shall be paid by the Company promptly upon demand therefor by the Trustee or, if the Trustee so chooses in its sole discretion, from the Trust Corpus. In the event that payment is made hereunder to the Trustee from the Trust Corpus, the Trustee shall promptly notify the Company in writing of the amount of such payment. The Company agrees that, upon receipt of such notice, it will deliver to the Trustee to be held in the trust an amount in cash (or in marketable securities meeting the requirements of Section 3.02(a)(i) or (ii) hereof and valued at fair market value, or in some combination thereof) equal to any payments made from the Trust Corpus to the Trustee pursuant

to paragraph (f) of this Section 6.01 or this paragraph (g). The failure of the Company to transfer any such amount shall not in any way impair the Trustee's right to indemnification, reimbursement and payment pursuant to paragraph (f) of this Section 6.01 or this paragraph (g).

6.02 Successor Trustee. The Trustee may resign and be discharged from its duties hereunder at any time by giving notice in writing of such resignation to the Company and each Executive specifying a date (not less than thirty (30) days after the giving of such notice) when such resignation shall take effect. Promptly after such notice, the Company (or, if a Change in Control shall have occurred prior to the effective appointment of a successor trustee, the Company and all Executives then having unpaid Benefits equal to at least sixty-five percent (65%) of all amounts then held in the Trust hereunder) shall appoint a successor trustee, such trustee to become Trustee hereunder upon the resignation date specified in such notice. If the Company and such Executive(s) are unable to so agree upon a successor trustee within thirty (30) days after such notice, the Trustee shall be entitled, at the expense of the Company, to petition a United States District Court, or any of the courts of the State of Michigan having jurisdiction, to appoint its successor. The Trustee shall continue to serve until its successor accepts the trust and receives delivery of the Trust Corpus. The Company (or, if a Change in Control shall previously have occurred, the Company and all Executives then having an amount held in the Trust hereunder) may at any time substitute a new trustee by giving fifteen (15) days notice thereof to the Trustee then acting. The Trustee and any successor thereto appointed hereunder shall be a commercial bank which is not an affiliate of the Company, but which is a national banking association or established under the laws of one of the states of the United States, and which has equity in excess of One Hundred Million Dollars (\$100,000,000.00).

ARTICLE VII

TERMINATION, AMENDMENT AND WAIVER

7.01 Termination. The trust established hereunder shall be terminated upon the final payment of all Benefits to, or with respect to, all Executives. Promptly upon termination of the trust, any remaining trust property then held by the Trustee shall then be paid to the Company.

7.02 Amendment and Waiver. Prior to a Change in Control, this Agreement may be amended without the consent of the Executives by written instrument executed and duly authorized by the Company and approved in writing by the Trustee. On and after the occurrence of a Change in Control, this Agreement may not be amended except by an instrument in writing signed on behalf of the parties hereto together with the written consent of Executives then having unpaid Benefits equal to at least sixty-five percent (65%) of all amounts then held by the Trustee hereunder. The parties hereto, together with the consent of all Executives then having unpaid Benefits equal to at least sixty-five percent (65%) of all amounts then held by the Trustee hereunder, may at any time waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party hereto or an Executive to any such waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party or Executive. Notwithstanding the foregoing, any such amendment or waiver may be made by written agreement of the parties hereto without obtaining the consent of the Executives, if such amendment or waiver does not adversely affect the rights of the Executives hereunder. After the occurrence of a Change in Control, no such amendment or waiver relating to this Trust may be made with respect to a particular Executive unless such Executive has agreed in writing to such amendment or waiver.

ARTICLE VIII

GENERAL PROVISIONS

8.01 Further Assurances. The Company shall, at any time and from time to time, upon the reasonable request of the Trustee, execute and deliver such further instruments and do such further acts as may be necessary or proper to effectuate the purposes of this Agreement.

8.02 Certain Provisions Relating to this Trust.

(a) This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes any and all prior agreements, arrangements and understandings relating thereto. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and legal representatives.

(b) This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan other than and without reference to any provisions of such laws regarding choice of laws or conflict of laws.

(c) In the event that any provision of this Agreement or the application thereof to any person or circumstances shall be determined by a court of proper jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and such provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

8.03 Arbitration. Any dispute between the Executives and the Company or the Trustee as to the interpretation or application of the provisions of this Agreement and amounts payable hereunder shall be determined exclusively by binding arbitration in accordance with the

rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court of competent jurisdiction. All fees and expenses of such arbitration shall be paid by the Trustee and considered an expense of the trust under Section 6.01(g).

8.04 Notices. Any notice or communication which the Company, Trustee, or Executive may be required or may desire to give to another party under any provision of this Agreement shall be: (a) given in writing and personally delivered to, or mailed or delivered by overnight courier service to the address given below for, the party to whom such notice or communication is directed, or (b) with respect to notices or communications to the Trustee or the Company made by telex or telecopy, delivered or transmitted to the address given below for the party to whom such notice or communication is directed:

To Company: Wolverine World Wide, Inc.
9341 Courtland Drive, N.E.
Rockford, Michigan 49351
Attention: Karen S. Holcomb,
Secretary
Telephone: (616) 874-8448
Telecopy: (616) 866-0257

To Trustee: Michigan National Bank
77 Monroe Center
Grand Rapids, Michigan 49503
Telephone: (616) 451-7686
Attention: Tom DeFer,
Vice President

To any Executive: At the respective address set forth on Exhibit A.

Any notice which is personally delivered shall be deemed to have been given on the date it is personally delivered. Any notice which is mailed shall be deemed to have been given on the third business day after deposit in the mail, registered or certified mail, postage prepaid and

return receipt requested. Any notice which is delivered by overnight courier service shall be deemed to have been given on the business day after deposit with such courier service. Any notice which is transmitted by telex or telecopy shall be deemed to have been given on the day that such notice is transmitted.

The Company, Trustee, or Executive may change the address to which notices, requests and other communications are to be sent to it or him by giving written notice of such address change to the other parties in conformity with this Section 8.04, but such change shall not be effective until notice of such change has been received by the other parties.

8.05 Employment Contract. Nothing contained in this Agreement shall be deemed to give any Executive the right to be retained in the service of the Company or any affiliate or to interfere with the right of the Company or any affiliate to discharge any Executive at any time regardless of the effect which such discharge shall have upon him as a participant of the trust established hereunder.

8.06 Gender and Number. Wherever any words are used herein in the masculine gender, they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and wherever any words are used herein in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply. Likewise, wherever any words are used herein in the plural form, they shall be construed as though they were also used in the singular form in all cases where they would so apply.

8.07 Headings. The headings and subheadings of this Agreement have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

8.08 Trust Beneficiaries. Each Executive is an intended beneficiary under the trust established hereunder, and shall be entitled to enforce all terms and provisions hereof with the same force and effect as if such person had been a party hereto.

8.09 Successors and Assigns. This Agreement shall bind and inure to the successors and assigns of the Company and the Trustee, respectively.

8.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together constitute but one (1) instrument, which may be sufficiently evidenced by any counterpart.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective names by their duly authorized officers the day and year first above written.

WOLVERINE WORLD WIDE, INC.

By:

TRUSTEE

By:

EXHIBIT A

Names and Addresses of Executives

George A. Andrews
8644 Wolven
Rockford, Michigan 49341
SS#: _____

Owen S. Baxter, Jr.
604 S. Waiola
Lagrange, Illinois 60525
SS#: _____

Geoffrey B. Bloom
440 Cambridge S.E.
Grand Rapids, Michigan 49506
SS#: _____

Michael Bohnsack
7200 Camino Del Rey
Rockford, Michigan 49341
SS#: _____

John D. Bunbury
2408 Belcher Drive
Montgomery, Alabama 36111
SS#: _____

Robert S. Burch
9630 Summit Drive
Rockford, Michigan 49341
SS#: _____

Thomas Carmody
2707 Elmwood
Grand Rapids, Michigan 49506
SS#: _____

Karen S. Cloherty
3619 Reeds Lake Blvd.
E. Grand Rapids, MI 49506
SS#: _____

Steven M. Duffy
1839 Lake Drive S.E.
E. Grand Rapids, MI 49506
SS#: _____

Frank J. Flood
18195 N. Shore Estates
Spring Lake, Michigan 49456
SS#: _____

Thomas D. Gleason
656 Manhattan Road S.E.
E. Grand Rapids, MI 49506
SS#: _____

Lester E. Hyde
3410 Chamberlain S.E.
Grand Rapids, Michigan 49508
SS#: _____

Paul Kaschura
Drei-Eichen-Weg-10
3414 Hardeggen, West Germany
SS#: _____

Charles Lauer
7765 Kenrob Drive SE
Grand Rapids, MI 49546
SS#: _____

William Legate
2183 Timberview Drive
Grand Rapids, Michigan 49505
SS#: _____

L. James Lovejoy
7466 Buccaneer S.E.
Grand Rapids, Michigan 49546
SS#: _____

Gordon MacKenzie
3493 Knollwood Drive
Rockford, Michigan 49341
SS#: _____

Charles F. Morgo
3039 Manhattan Lane
E. Grand Rapids, MI 49506
SS#: _____

Dean Estes
1658 Hillsboro S.E.
Grand Rapids, Michigan 49506
SS#: _____

Timothy J. O'Donovan
4725 Forest Hills Court
E. Grand Rapids, MI 49506
SS#: _____

Peter D. Panter
617 Plymouth S.E.
E. Grand Rapids, MI 49506
SS#: _____

Laurence (Max) D. Schmitt
1401 Kerry Circle
Tridley, MN 55432
SS#: _____

Raymond V. Sessa
5123 South Quail Crest
Grand Rapids, Michigan 49506
SS#: _____

Lyle J. Sipple
11630 Meyers Lake Road
Cedar Springs, MI 49319
SS#: _____

Jim L. Smith
520 Stroud
Jonesboro, Arkansas 72401
SS#: _____

Martin P. Neslusan
P.O. Box 1238
Webster, Massachusetts 01570
SS#: _____

Ernest F. Tonsmeire
5043 Cedar Ridge N.E.
Grand Rapids, Michigan 49505
SS#: _____

Nunzio J. Vaccaro
4215 Weymouth Drive N.E.
Grand Rapids, Michigan 49508
SS#: _____

David W. Warne
1460 Hawthorne Hill
Ada, Michigan 49301
SS#: _____

Dan West
2551 Cascade Spring
Grand Rapids, Michigan 49506
SS#: _____

William J. Widdis
18867 Fruitport Road
Spring Lake, Michigan 49456
SS#: _____

*Bold items show changes from previous listing

Revised March 31, 1992

EXHIBIT B
THE PLANS

1. **EMPLOYMENT AGREEMENTS:**

	<u>Dated</u>	<u>As Amended</u>
Thomas D. Gleason	8/24/89	
Geoffrey B. Bloom	7/12/91	

2. **SEVERANCE AGREEMENTS - (Change in Control Agreements):**

	<u>Dated</u>	<u>As Amended</u>
George A. Andrews	12/15/87	6/29/89
Michael B. Bohnsack	3/10/87	3/10/89 9/12/89
Thomas D. Gleason	6/29/89	
Karen S. Holcomb	12/15/87	6/29/89
L. James Lovejoy	3/6/92	
Charles Morgo	12/15/87	6/29/89
Timothy J. O'Donovan	12/15/87	6/29/89
Peter D. Panter	12/15/87	6/29/89
Lyle J. Sipple	8/1/90	
David W. Warne	8/1/90	
William J. Widdis	12/15/87	6/29/89

3. **DEFERRED COMPENSATION AGREEMENTS:**

	<u>Dated</u>	<u>As Amended</u>
George A. Andrews	9/27/89	10/2/90
Owen S. Baxter, Jr.	12/26/89	
Geoffrey B. Bloom	9/27/89	
Michael Bohnsack	9/27/89	1/29/92
John D. Bunbury	9/12/84	9/2/87 9/2/87 8/1/87
Robert S. Burch	12/26/84	6/3/87
Thomas Carmody	3/16/92	
Karen S. Cloherty	9/28/89	10/2/90
Dean Estes	9/27/89	1/29/92
Steve M. Duffy	9/1/90	2/1/92
Frank J. Flood	9/10/84	4/28/87 6/17/87
Thomas D. Gleason	8/24/89	
Lester E. Hyde	9/7/84	6/1/87
Paul Kaschura	9/12/84	6/5/87

Charles Lauer	10/20/90		
William Legate	9/27/89	10/2/90	
L. James Lovejoy	10/1/91		
Gordon MacKenzie	9/27/89	10/10/90	
Charles F. Morgo	10/11/89		
Kenneth R. Morris	9/27/89		
Martin P. Neslusan	9/27/89		
Timothy J. O'Donovan	9/28/89		
Peter D. Panter	9/27/89		
L. Max Schmitt	4/6/87	9/10/84	
Raymond V. Sessa	9/27/89		
Lyle Sipple	9/27/89		
Jim Smith	9/27/89	10/10/90	1/30/92
Earnest F. Tonsmeire	9/10/84	5/29/87	
Nunzio J. Vaccaro	9/12/84	5/6/87	5/28/87
David W. Warne	9/27/89		
Dan West	1/1/89		
William J. Widdis	9/27/89		
Robert S. Wolff	9/29/89		

4. **SUPPLEMENTAL PENSION PLAN**, as approved by the Board of Directors of the Company on May 4, 1988 :

*Bold items show changes from previous listing.

Revised March 31, 1992

AMENDMENT NO. 1
TO
WOLVERINE WORLD WIDE, INC.
BENEFIT TRUST AGREEMENT

Wolverine World Wide, Inc., a corporation organized under the laws of the State of Delaware (the "Company") and Michigan National Bank ("the Trustee") having entered into the above Agreement as of May 19, 1987, do hereby amend the Agreement, as of April 12, 1989, as follows:

Section 3.01 (b) shall be amended by adding the following to the end thereof:

"Notwithstanding the foregoing, the Company, in its discretion, may make the Insurance Transfer prior to the occurrence of any Potential Change in Control, and such an Insurance Transfer, in and of itself, shall not be treated as an initial transfer under Section 3.01 (c) hereof."

WOLVERINE WORLD WIDE, INC.

By: Chief Executive Officer

MICHIGAN NATIONAL BANK,
As TRUSTEE

By: Second Vice President

AMENDMENT NO. 2
TO
WOLVERINE WORLD WIDE, INC.
BENEFIT TRUST AGREEMENT

Wolverine World Wide, Inc., a corporation organized under the laws of the State of Delaware (the "Company") and Michigan National Bank ("the Trustee") having entered into the above Agreement as of May 19, 1987, and amended the Agreement on April 12, 1989, do hereby further amend the Agreement, as of May 5, 1989, as follows:

1. The first paragraph after "witnesseth" on page 1 of the above Agreement is revised to read:

WHEREAS, the Company is obligated to certain of the Company's executives (the "Executives" listed on Exhibit A hereto) under the employment agreements, severance agreements, deferred compensation agreements, and the supplemental pension plan listed on Exhibit B hereto (such agreements being hereinafter called the "Plans"); and

2. Exhibit B shall be amended by adding the following plan:

4. Supplemental Pension Plan, as approved by the Board of Directors of the Company on May 4, 1988.

WOLVERINE WORLD WIDE, INC.

By:

Chief Executive Officer

MICHIGAN NATIONAL BANK,
As TRUSTEE

By:

Second Vice President

AMENDMENT NO. 3
TO
WOLVERINE WORLD WIDE, INC.
BENEFIT TRUST AGREEMENT

Wolverine World Wide, Inc., a corporation organized under the laws of the State of Delaware (the "Company"), and Michigan National Bank (the "Trustee") having entered into the above Benefit Trust Agreement as of May 19, 1987, and amended the Agreement on April 12, 1989 and May 5, 1989, do hereby further amend the Agreement, as of August 24, 1989, as follows:

1. Notwithstanding any other term or provision of the Wolverine World Wide, Inc. Benefit Trust Agreement, as amended, the acquisition by FMR Corp. and Fidelity International, Ltd., both affiliates of the Fidelity Fund group of companies managed by Fidelity Management & Research Company, of 693,600 shares of common stock, \$1 par value, of the Company, shall not be considered a "Potential Change in Control" as defined by the Benefit Trust Agreement until such time as the Board of Directors of the Company elects, in its sole discretion, to revoke this Amendment No. 3 and thereby determine and reinstate such acquisition of common stock as a "Potential Change in Control".

WOLVERINE WORLD WIDE, INC.

By:

Thomas D. Gleason
Chief Executive Officer

MICHIGAN NATIONAL BANK,
As TRUSTEE

By:

Second Vice President

**AMENDMENT NO. 4
TO
WOLVERINE WORLD WIDE, INC.
BENEFIT TRUST AGREEMENT**

Wolverine World Wide, Inc., a corporation organized under the laws of the State of Delaware (the "Company") and Michigan National Bank ("the Trustee") having entered into the above Agreement as of May 19, 1987, and amended the Agreement on April 12, 1989, May 5, 1989 and August 24, 1989, do hereby further amend the Agreement, as of July 29, 1999, as follows:

1. Section 1.11 shall be amended by substituting the following:

1.11 "Executive" means each individual officer and director listed on Exhibit A hereto, which Exhibit may be updated from time to time by the Company to reflect current officers and directors.

2. Section 5.01 shall be amended by omitting all brackets around the terms "six-month."

3. Section 8.04 shall be amended by omitting the reference to Karen S. Holcomb and substituting Blake W. Krueger, Executive Vice President, General Counsel and Secretary.

4. Exhibit B shall be amended by adding the following plan:

6. Outside Directors' Deferred Compensation Plan.

WOLVERINE WORLD WIDE, INC.

By:

Blake W. Krueger, Executive Vice
President, General Counsel and Secretary

MICHIGAN NATIONAL BANK,
as Trustee

By:

Its:

EXHIBIT 10.16

WOLVERINE WORLD WIDE, INC.
409A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
EFFECTIVE FOR BENEFITS ACCRUED
BEGINNING JANUARY 1, 2005

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WOLVERINE WORLD WIDE, INC.
409A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Wolverine World Wide, Inc. ("Wolverine") adopts the Wolverine World Wide, Inc. 409A Supplemental Executive Retirement Plan, a supplemental nonqualified plan for a select group of management personnel employed by Wolverine and any subsidiary of Wolverine.

ARTICLE 1

Establishment of Plan

1.1 Establishment of Plan.

This Plan is a supplemental, nonqualified Plan and is intended to be a Plan for a select group of management and highly compensated employees of Wolverine and affiliates of Wolverine.

(a) ERISA Limited Applicability. This Plan is intended to be a Plan described in Sections 201(2), 301(a)(3), and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

(b) Tax Status. As a supplemental nonqualified executive retirement program it is not subject to limitations in the Internal Revenue Code applicable to benefits provided through a qualified, tax-exempt employee benefit plan established under Section 401(a) of the Internal Revenue Code of 1986, as amended ("Code"). The Plan is intended to comply with the requirements of Code Section 409A.

(c) Continuation. This Plan is intended to be a continuation of the Wolverine Supplemental Executive Retirement Plan (the "Grandfathered SERP") adopted _____, 2001 and effective March 6, 2001. This document is separately drafted to preserve the grandfathered status of benefits accrued prior to January 1, 2005, and to assure compliance with Code Section 409A for benefits accrued beginning January 1, 2005.

1.2 Rabbi Trust.

This Plan may be funded by contributions to a "Rabbi" trust which does not alter the "unfunded," nonqualified status of the Plan for federal tax purposes.

1.3 Effective Date.

The "Effective Date" of this Plan is January 1, 2005. Each Plan provision applies until the effective date of an amendment of that provision.

ARTICLE 2

Definitions

2.1 Employee.

"Employee" means an individual employed by the Employer who receives compensation for personal services performed for the Employer that is subject to withholding for federal income tax purposes.

2.2 Employer; Company.

"Employer" and "Company" mean Wolverine World Wide, Inc. and any affiliate of Wolverine World Wide, Inc. which has adopted this Plan with the consent of Wolverine World Wide, Inc.

2.3 Key Employee.

"Key Employee" means an Employee or former Employee (including any deceased Employee) who, under Code Section 416(i) is or was, as of January 1 of the Plan Year that includes the Determination Date, one of the following:

(a) Officer. An officer of an Employer or Related Employer if the officer's Section 415 Compensation exceeds \$130,000 (as adjusted under Code Section 416(i)(1) for Plan Years beginning after December 31, 2002);

(b) 5% Owner. A 5% Owner; or

(c) 1% Owner; \$150,000 Compensation. A 1% owner, determined under the definition of 5% Owner but replacing "5%" with "1%," whose Section 415 Compensation exceeds \$150,000.

Ownership under (b) and (c) shall be determined separately for each Employer and Related Employer. Compensation for (a) and (c) above for a Plan Year is determined without regard to the Annual Compensation Limit.

2.4 Pension Plan.

"Pension Plan" means the Wolverine Employees' Pension Plan, a qualified, tax-exempt defined benefit pension plan established and maintained by Wolverine under Code Sections 401(a) and 501(a).

2.5 Plan Year.

"Plan Year" means the 12-month period beginning each January 1.

2.6 Present Value.

"Present Value" means the present value as computed under the Pension Plan as of the end of the most recently completed Plan Year.

2.7 Spouse/Married.

"Spouse" means the husband or wife to whom the Participant is married on the date the benefit is scheduled to be paid, or payment is scheduled to begin. The legal existence of the marital relationship shall be governed by the law of the state or other jurisdiction of domicile of the Participant.

2.8 Surviving Spouse.

"Surviving Spouse" means the Spouse of the Participant at the time of the Participant's death who survives the Participant. If the Participant and Spouse die under circumstances which prevent ascertainment of the order of their deaths, it shall be presumed for this Plan that the Participant survived the Spouse.

2.9 Termination of Employment.

"Termination of Employment" means a Participant's ceasing to provide services after a six-month Period of Leave or ceasing to provide other than Insignificant Services to the Employer.

(a) Period of Leave. A "Period of Leave" means a period of military leave, sick leave or other leave of absence for which the Participant does not have a statutory or contractual right to reemployment.

(b) Insignificant Services. "Insignificant Services" means either:

(i) Employee. Services as an Employee at an annual rate that is less than 20% of the average of services rendered necessary to obtain basic compensation and 20% of the average compensation earned during the immediately preceding three full calendar years of employment.

(ii) Other Status. Services in a capacity other than as an Employee at an annual rate that is less than 50% of the average of services rendered necessary to obtain basic compensation and 50% of the average compensation earned during the immediately preceding three full calendar years of employment

Subject to Article 10, a transfer of employment among the Company and its subsidiaries is not a Termination of Employment, nor shall a Participant's employment be deemed terminated if Participant is offered employment by a successor which purchases all or substantially all of the assets of the Company and who adopts this Plan.

ARTICLE 3

Participant

3.1 Designation as Participant.

Only management and highly compensated Employees shall be eligible to participate in this Plan. Wolverine shall designate eligible Employees in Exhibit A who shall become participants ("Participant"). The designation shall become effective when both the Employer and the Employee have signed a Participation Agreement in the form attached as either Exhibit "A-1" or "A-2." A designated eligible Employee shall become a Participant on the date specified in the Participation Agreement.

3.2 Inactive Participant Status.

The Administrator may notify an Employee Participant in writing at any time that the Participant is being converted to Inactive Participant status. An Employee Participant will not accrue additional Years of Service under this Plan after the date of such notice, unless the Participant is subsequently designated as a Participant under Section 3.1.

ARTICLE 4

Contributions/Funding

4.1 Amount.

The Employer is not required to make contributions to fund the benefits under this Plan. The Employer may make contributions sufficient to prevent an unfunded liability from adversely affecting financial disclosures required under generally accepted accounting principles and to provide reasonable anticipated benefits under this Plan. Employees shall not make any contributions under this Agreement.

4.2 No Relationship to Benefits.

The benefits provided by this Agreement shall be separate from and unrelated to any contributions made by Employer (including but not limited to assets held in a trust created under Article 9 of this Plan, if any).

4.3 Unfunded Plan.

This shall be an unfunded Plan within the meaning of ERISA and the Code. Benefits payable under this Plan constitute only an unsecured contractual promise to pay in accordance with the terms of this Plan by the Employer.

4.4 Unsecured Creditor Status.

A Participant shall be an unsecured general creditor of the Employer as to the payment of any benefit under this Plan. The right of any Participant or Beneficiary to be paid the amount promised in this Plan shall be no greater than the right of any other general, unsecured creditor of the Employer.

ARTICLE 5

Amount of Benefits

5.1 Retirement Benefits.

A Participant who has 5 Years of Service after the earlier of execution of a Participation Agreement under this Plan or a Deferred Compensation Agreement, or who has reached age 65 before Retiring, will be entitled to a benefit computed under this Section, unless the benefit is forfeited under Article 6. For purposes of this Article 5, the terms "Retiring" or "Retire" shall include an Employee's Termination of Employment.

(a) Annual Benefit. The "Annual Benefit" under this Plan will be an amount computed by multiplying that percentage of the Participant's Average Earnings which is designated in the Participation Agreement ("Designated Percentage") by the Participant's Years of Service. The Annual Benefit shall be reduced by the Participant's Annual Pension Benefit (as defined in 5.1(c) below). Further, if the Participant receives payment before age 65, the Annual Benefit shall be reduced as provided in 5.1(b) below.

(i) Earnings. "Earnings" means Earnings as computed under the Pension Plan, excluding:

(A) Long-Term Incentive Plan. Any amounts paid to the Participant under the Wolverine Executive Long Term Incentive (Three Year) Plan or any comparable long-term bonus Plan, and

(B) Severance Payments. Any payments to the Participant under any severance agreement or policy.

(ii) Average Earnings. "Average Earnings" means the average of a Participant's Earnings for the Participant's four consecutive highest earnings calendar years of the most recent ten consecutive Years of Service immediately prior to the date on which the Participant Retires, except that Years of Service during which a Participant receives a disability benefit under Section 5.3 of this Plan will be omitted from the calculation of Average Earnings if doing so will produce higher Average Earnings. In computing Average Earnings, a Participant's earnings for the calendar year of retirement or earlier termination of employment shall be annualized and the Participant shall be deemed to have received earnings during that entire calendar year.

(iii) Years of Service. "Years of Service" means a Participant's Years of Service under the Pension Plan, except that: (i) periods during which a Participant is receiving a disability benefit under Section 5.3 of this Plan will count as Years of Service for computation of any benefit under this Plan other than a disability benefit, and will not count as Years of Service for computation of a disability benefit; (ii) periods during which a Participant is an Inactive Participant (as defined in Section 3.2) will not count as Years of Service under this Plan; (iii) upon the recommendation of the Compensation Committee, the Board of Directors of the Company may grant a Participant deemed

Years of Service for purposes of this Section; and (iv) the maximum number of Years of Service used in computing a benefit under this Plan shall be 25.

(b) Before Age 65. The benefit payable will be the benefit computed under (a) above, which shall be actuarially equivalent to payments commencing when the Participant attains age 65 payable at the later of age 55 or separation from service.

(i) Actuarial Equivalence. If the Participant begins receiving a benefit between age 60 and 65, the actuarially equivalent reduction in the benefit amount shall be .1666% (1/6 of 1%) for each month between the date benefits begin and the first day of the month following that in which the Participant would attain age 65. If the Participant begins receiving benefits between age 55 and 60, the actuarially equivalent reduction shall be .333% (1/3 of 1%) for each month between the date benefits begin and the first day of the month following that in which the Participant would attain age 60.

(ii) Deemed Early Retirement Pension Election. A Participant who is eligible and in fact commences payment prior to the Participant's attainment of age 65 shall be deemed (for purposes of calculation of the Annual Pension benefit reduction in subsection (c) below) to have elected Early Retirement under the Pension Plan as of the later of the Participant's attainment of age 60 or the date that the Participant begins to receive benefits under this Plan.

(c) Annual Pension Benefit. A Participant's "Annual Pension Benefit" shall mean the amount of benefit payable to the Participant under the Pension Plan in the form of a life annuity, prior to any offset for workers compensation payments.

5.2 Death.

A death benefit shall be payable only under this section.

(a) Before Commencement of Benefits. If a Participant dies before beginning to receive benefits under Section 5.1 or 5.4, the Participant's Beneficiary will be paid a lump sum death benefit without regard to the 5-year service or minimum age requirements of Section 5.1. The death benefit shall be equal to the Present Value of the benefit computed under Section 5.1 as if the Participant had Retired on the date of death, had begun receiving benefits at age 65, and had continued to receive benefits for the remainder of the Participant's life expectancy. If the Participant has received a Disability benefit under Section 5.3, the lump sum death benefit under this subsection will be reduced by the actuarial value of benefits received under Section 5.3.

(b) After Retiring. If a Participant dies after beginning to receive benefit payments under Section 5.1, benefits shall cease unless the Participant was receiving benefits in the form of a 50% Joint and Survivor Annuity, or in any of the forms set forth in subsections 7.2(b).

5.3 Disability.

A Participant (other than an Inactive Participant) who becomes Disabled while employed by the Employer shall receive the benefit provided by this section.

(a) Disabled Defined. A Participant is Disabled if the Participant is unable to engage in any substantial gainful activity due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months or, as the result of such an impairment, has received income replacement benefits for not less than three months under an accident or health plan covering Employees.

(b) Benefit if Participant Becomes Disabled Before Retiring. If a Participant becomes Disabled before Retiring, and is not an Inactive Participant at the time of application for a benefit under this Section 5.3, the Participant will receive a disability benefit, without regard to the 5-year service or minimum age requirement of Section 5.1. The benefit will equal 60% of the benefit computed under (a) above, based on Years of Service up to the date the Participant became Disabled. This benefit will continue until the earliest of the date of Participant's death, the date Participant reaches age 65 or the date as of which the Participant is no longer Disabled. Each benefit payment under this subparagraph (b) shall be reduced by any benefit for the same period payable under any employer funded disability plan. A reduction shall not be made for benefits from a disability plan funded by the employee either directly or through a written salary reduction agreement or program.

5.4 Minimum Benefit.

(a) Difference - Additional Benefit. This Section 5.4 shall apply to Participants who are party to a Deferred Compensation Agreement which is designated in the Participation Agreement as eligible for the minimum benefit calculation in this Section 5.4. As of the first date on which such a Participant begins receiving a benefit under this Plan, or as of the date a Participant's Beneficiary becomes entitled to a lump sum payment under this Plan, the Administrator will compare the projected total benefits to be paid to or on behalf of such Participant under this Plan and the Grandfathered SERP and the current Pension Plan to the total benefits which would have been paid to or on behalf of such Participant if the Deferred Compensation Agreement had remained in effect, and the Participant had been eligible for an Annual Pension Benefit under the Pension Plan benefit formula in effect on December 31, 1994. If the Administrator determines that the total payments to or on behalf of the Participant under this Plan (before any reduction for the Participant's Annual Pension Benefit) would be less than the sum of:

- (i) the total payments which would have been made to or on behalf of the Participant under the Deferred Compensation Agreement; and
- (ii) the Participant's Annual Pension Benefit computed using the Pension Plan benefit formula in effect on December 31, 1994;

then the difference will be paid to the Participant as an additional monthly amount under the form of payment elected by the Participant, or, if a lump sum payment is being made, the difference will be added to the lump sum payment.

The Administrator will again make the comparison provided for by this subsection as of the date when all benefits cease under this Plan, and if additional amounts would be due under the formula set forth above, the Administrator shall cause a lump sum payment to be made to the Participant's designated beneficiary or estate.

(b) Determinations. In making this determination, the Administrator shall compute Deferred Compensation Agreement benefits under the terms of the Deferred Compensation Agreement, except that:

(i) for purposes of computing a lump-sum benefit for which the Participant would have been eligible under the Deferred Compensation Agreement due to termination of his employment after a Change in Control, the terms "Change in Control," "Cause," "Disability," "Retirement," "Notice of Termination," and "Date of Termination" as used in any such Deferred Compensation Agreement shall be defined as provided in Article 10 of this Plan; and

(ii) the Designated Period, as defined in Section 10.2 shall be used in determining whether the Participant would have been entitled to accelerated vesting under the Deferred Compensation Agreement, rather than the 5-year period provided for in the Deferred Compensation Agreement; and

(iii) the person entitled to receive the benefit will be determined under this Plan without regard to any former designation of beneficiary under the Deferred Compensation Agreement.

In making the benefit comparison under this Section, the Administrator shall use the actual dates on which a Participant Retires, dies, or is determined to have become Disabled, and in making the projection called for the Administrator shall assume that the Participant and the Participant's Spouse will remain living for their respective life expectancies. If the dates on which benefits would have been paid under the Deferred Compensation Agreement differ from the dates on which benefits are actually paid under this Plan, the Administrator will make the determination called for by this Section based on the Present Value of both streams of payments as of the date payments begin under this Plan.

ARTICLE 6

Forfeiture

6.1 Misconduct.

Subject to Article 10, a Participant (or Participant's Spouse or Beneficiary) will not be entitled to any benefits under this Agreement if the Participant is discharged for dishonesty, commission of a misdemeanor or felony injurious to the Employer, or any action inimical to the interests of the Employer, or the Participant resigns while an investigation is ongoing to determine whether Participant should be discharged for any such reason and the Administrator determines that Participant would have been so discharged but for the resignation;

6.2 Competitive Activity.

A Participant (or such Participant's Spouse or Beneficiary) shall not be entitled to any benefit payment if, prior to the date on which such benefit payment is due, the Participant has acquired any ownership interest in a competing business (other than an ownership interest consisting of less than 5% of a class of publicly traded securities), or has been employed as director, officer, employee, consultant, adviser, partner or owner of a competing business. A "competing business" includes any business which is substantially similar to the whole or any part of the business conducted by the Employer. Upon the recommendation of the Compensation Committee, the Board of Directors may partially or completely waive the application of this provision.

6.3 Insurance Related.

A Participant (or such Participant's Spouse or Beneficiary) shall not be entitled to any benefit payment if benefits are not payable under any policy of life or disability insurance obtained by the Employer to fund its obligations under this Plan, due to the Participant's suicide or the Participant's misrepresentation or omission of information required to be furnished to the insurer in connection with the issuance of such policy.

ARTICLE 7

Payment of Benefits

7.1 Event of Distribution.

Benefit payments shall begin as provided in Article 5 following a Participant's death, Disability or Termination of Employment at the time and in the manner specified in this Article.

7.2 Time of Payment.

Unless postponed for a Key Employee or by a Participant's election under this Section:

- (a) Retirement. Retirement benefits shall begin on the first day of the later of the month following that in which the Participant attains age 55 or that in which the Participant Retires.
- (b) Death or Disability. Death or Disability benefits shall begin on the first day of the month following the date of the Participant's death or Disability (subject to the provisions for timing of a Lump Sum in 7.4(c) below).
- (c) Lump Sum. Any lump-sum benefit payable under Section 7.2(c) shall be paid on March 1 following the end of the calendar year in which the Participant's employment terminates or the Participant dies.
- (d) Key Employee Postponement. Benefits of a Key Employee shall not be paid until the earlier of the Participant's death or six months following a Participant's Termination of Employment.

7.3 Calculation.

All benefit calculations shall be made as of the date the Participant's employment terminates or, if later, upon occurrence of the event which triggers payment of the benefit. Each form of benefit payment shall be actuarially equivalent to a life annuity and shall be based upon the actuarial assumptions and factors applicable in the Pension Plan in effect on the date the Participant's employment terminates. If the payment of benefits begins after the time specified for payment above, other than due to postponement of a Key Employee's benefits or a Participant's election, the benefit shall be adjusted for late payment in the same manner as under the Pension Plan (as in effect on the date the Participant's employment terminates).

7.4 Form of Payment.

(a) Presumed Method. A Disability Benefit shall be paid in the form of a life annuity. Unless a Participant elects otherwise, a Retirement Benefit shall be paid in the form of a Joint and 50% Survivor Annuity to a married Participant, or in the form of a Life Annuity to any other Participant in lieu of the normal form of payment.

(b) Optional Methods. A Participant may elect any of the following actuarially equivalent optional forms for a Retirement Benefit by notifying the Administrator in writing before the end of the calendar year preceding that in which the Participant begins receiving a benefit.

(i) 5 or 10-Year Certain and Life. A monthly amount for life to the Participant, and if the Participant dies before payment of 60 or 120 monthly benefit payments, the same monthly amount shall be paid to the Participant's Beneficiary until a total of 60/120 monthly payments have been made.

(ii) Joint and 100% Spouse Annuity. A monthly amount to the Participant for the Participant's lifetime and in an equal monthly amount to the Participant's Surviving Spouse, if any, for life.

(c) Lump Sum. A lump-sum benefit shall not be available except as provided in this subsection (c).

(i) Eligible Participant/Beneficiary. A Participant (or Beneficiary) who has a benefit under subsection (a) with an actuarially equivalent Present Value which does not exceed \$5,500; a Participant who is entitled to a Change in Control Benefit; or a Beneficiary who is entitled to a death benefit under Section 5.2(a) shall receive a lump-sum payment.

(ii) Amount. Except as modified by the provisions of Section 10.1 for a Change of Control Benefit, the amount of the lump sum shall be the actuarially equivalent present value of the Participant's benefit payable under the Plan at the Participant's Normal Retirement Date (as defined in the Pension Plan).

(d) Key Employee Make Up Payment. If payments to a Key Employee are postponed (as provided in Section 7.4(d)), the postponed amounts shall be paid in addition to the otherwise payable benefit on the first day of the month following expiration of the postponement period.

7.5 Elective Postponement of Payments.

A Participant or Beneficiary entitled to payments may postpone payment if:

(a) Earliest Effective Date. The election does not take effect until at least 12 months after the date that the election is made.

(b) Five Year Minimum. For payments other than those due to death, Disability or Unforeseeable Emergency, the first payment may not begin until a date which is not less than five years from the date that payment would otherwise have begun.

(c) Twelve Months Prior. For payments on account of Retirement, the election is made at least 12 months before the date of the first scheduled payment.

7.6 Acceleration of Payments.

Benefits may not begin before the dates specified in this Plan except:

(a) Unforeseeable Emergency. For amounts postponed under Section 7.5, the Administrator may, upon a Participant or Beneficiary's request, make payments reasonably necessary to satisfy the emergency need (including reasonably anticipated attributable taxes or penalties) which cannot be made through reimbursement or compensation from insurance or by liquidation of assets that would not cause severe financial hardship. Unforeseeable Emergency means a severe financial hardship resulting from an illness or accident of the Employee, Beneficiary, their spouses or dependents, loss of the Employee's or a Beneficiary's property due to casualty or other similar and extraordinary circumstances beyond the control of the service provider or Beneficiary (including but not limited to imminent foreclosure or eviction from the Employee's or Beneficiary's primary residence or the need to pay medical or funeral expenses of the Employee or Beneficiary or their spouse or dependent).

(b) 409A Income Inclusion. Upon failure of the Plan to meet the requirements of Code Section 409A, in an amount required to pay all taxes attributable to an amount to be included in income as the result of the failure.

(c) Plan Termination. Twelve months following termination of the Plan which complies with the requirements of Section 11.1(b).

7.7 Payment of Death Benefits.

Benefits shall cease upon a Participant's death unless continued under this section.

(a) Spouse. If a benefit is payable as a Joint and 50/100% Spouse Annuity and the married Participant dies, payment shall continue to the Participant's Surviving Spouse until the Spouse's death.

(b) Payment to Beneficiary. If a benefit is payable as a 5 or 10-Year Certain and Life annuity and the Participant dies prior to payment of all amounts due under this Plan, payment of all remaining benefits shall be made to the Participant's Beneficiary.

(c) Beneficiary. "Beneficiary" means the individual, trust or other entity designated by the Participant to receive any benefits payable under this Plan after the Participant's death. A Participant may designate or change a Beneficiary by filing a signed designation with the Administrator in the form approved by the Administrator. The Participant's Will is not effective for this purpose. If a designation has not been properly completed and filed with the Administrator or is ineffective for any other reason, the Beneficiary shall be the Participant's Surviving Spouse. Designation of a Beneficiary shall not in itself serve to revoke an actual election of a Joint and Survivor Annuity method of payment (or a deemed election under Section 7.2(a)).

(d) Payment to Estate. If there is not an effective designation and the Beneficiary/Participant does not have a Surviving Spouse, the remaining benefits, if any, shall be paid to the Participant's estate. If payment is to be made to the estate of a Participant, payment shall be made in a lump sum.

(e) Withholding Taxes. The Employer may withhold from all payments due to Participant (or his/her beneficiary or estate) hereunder all taxes which, by applicable federal, state, local or other law, the Employer is required to withhold therefrom.

(f) Generation-Skipping Transfer Tax. The Employer may withhold any benefits payable to a Beneficiary as a result of the death of a Participant or any other Beneficiary until it can be determined whether a generation-skipping transfer tax, as defined in Chapter 13 of the Code, or any substitute provision therefore, is payable and the amount of generation-skipping transfer tax, including interest, that is due. If a tax is payable, the benefits otherwise payable shall be reduced in an actuarially equivalent amount to reflect the payment of the generation-skipping transfer tax and interest. Any benefits withheld shall begin or resume as soon as there is a final determination of the applicable generation-skipping transfer tax and interest.

7.8 QDRO.

If the plan receives a QDRO, benefits to an alternate payee may begin as specified in the QDRO, but not before benefits would have otherwise been payable. "QDRO" means a qualified domestic relations order, as defined in Code Section 414(p), that is issued by a competent state court and that meets the following conditions:

- (a) Alternate Payee. The alternate payee must be the Spouse or former Spouse or a child or other dependent of the Participant.
- (b) Reason for Payments. The payments must relate to alimony, support of a child or other dependent, or a division of marital property.

(c) Contents. The QDRO must contain the name and address of the Participant and the alternate payee, the amount of the distribution or percentage of the Participant's benefit to be paid to the alternate payee, the date as of which the amount or percentage is to be determined, and instructions concerning the timing and method of payment.

(d) Restrictions. A QDRO may not require (i) this Plan to pay more than the Actuarially Equivalent present value of the Participant's benefit to the Participant and all alternate payees; (ii) a method, payment date, or duration of payment not otherwise permitted under this article; or (iii) cancellation of the prior rights of another alternate payee.

ARTICLE 8

Administration

8.1 Duties, Powers, and Responsibilities of the Employer.

- (a) Required. The Employer shall be responsible for:
 - (i) Employer Contributions.
 - (A) Amount. Determining the amount of Employer Contributions if any.
 - (B) Payment. Paying, ceasing, or suspending Employer Contributions if any.
 - (ii) Agent of Service of Process. Serving as the agent for service of process;
 - (iii) Amendment. Amending this Plan and trust; and
 - (iv) Plan Termination. Revoking this instrument and terminating this Plan (and any related trust).
- (b) Discretionary. The Employer may exercise the following responsibilities:
 - (i) Alternate Administrator. Designating a Person other than the Employer as the Administrator; and
 - (ii) Payment of Administrative Expenses. Paying administrative expenses incurred in the operation, administration, management, and control of the Plan.
 - (iii) Reserved Powers. Designating Participants, crediting a Participant with deemed Years of Service, or waiving the competitive activity forfeiture provisions.

8.2 Employer Action.

An action required to be taken by the Employer shall be taken by its Board of Directors unless the board has delegated the power or responsibility to one or more Persons identified by its resolution.

8.3 Plan Administrator.

"Administrator" means the Employer or a Person designated by the Employer. The Administrator is a named fiduciary for operation and management of the Plan and, if this Plan is subject to ERISA, shall have the responsibilities conferred by ERISA upon the "Administrator" as defined in ERISA Section 3(16).

8.4 Duties, Powers, and Responsibilities of the Administrator.

Except to the extent properly delegated, the Administrator shall have the following duties, powers, and responsibilities and shall:

- (a) Plan Interpretation. Interpret this instrument (including resolving an inconsistency or ambiguity or to correcting an error or an omission). All questions of interpretation, construction, or application arising under this Agreement shall be decided by the Administrator whose decision shall be final and conclusive upon all persons, except that the Administrator's decision shall not be final and conclusive with regard to a Participant's entitlement to a benefit under Section 10.1;
- (b) Participant Rights. Determine the rights of Participants and Beneficiaries under the terms of this Plan;
- (c) Claims and Elections. Establish or approve the manner of making an election, designation, application, claim for benefits, and review of claims;
- (d) Benefit Payments. Direct the time that payments are to be made or to begin, and the elected form of distribution;
- (e) QDRO Determination. Establish procedures to determine whether or not a domestic relations order is a QDRO, to notify the Participant and any alternative payee of this determination, and to administer benefit payments pursuant to a QDRO;
- (f) Administrative Information. Obtain to the extent reasonably possible all information necessary for the proper administration of this Plan;
- (g) Recordkeeping. Establish procedures for and supervise the establishment and maintenance of all records necessary and appropriate for the proper administration of this Plan;
- (h) Reporting and Disclosure. Prepare and file annual and periodic reports or disclosure documents required under ERISA and Regulations;
- (i) Advisers. Employ attorneys, actuaries, accountants, clerical employees, agents, or other Persons who are necessary for operation, administration, and management of this Plan;

(j) Other Powers and Duties. Exercise all other powers and duties necessary or appropriate under this Plan, except those powers and duties allocated to another named fiduciary.

8.5 Claims Procedure.

The Administrator shall determine all issues arising from the administration of this Plan.

(a) Initial Determination. Upon application by a Participant or Beneficiary, the Administrator shall make an initial determination and communicate the determination to the participant or Beneficiary within 90 days after the application. If the initial determination requires a longer period, the Administrator shall notify the Participant or Beneficiary that the 90-day period is extended to 180 days.

(b) Method. The decision of the Administrator shall be in writing. The decision shall set forth (i) the decision and the specific reason for the decision; (ii) specific reference to the Plan provisions on which the decision is based; (iii) a description of additional material, information, or acts that may change or modify the decision; and (iv) an explanation of the procedure for further review of the decision.

(c) Further Review. Within 60 days of receipt of the initial written decision, the Participant or Beneficiary filing the original application, or the applicant's authorized representative, may make a request for redetermination by the Administrator. The applicant (or the authorized representative) may review all pertinent documents and submit issues, comments, and arguments.

(d) Redetermination. Within 60 days of receipt of an application for redetermination, unless special circumstances require a longer period of time (but not longer than 120 days after receipt of the application), the Administrator shall provide the applicant with its final decision, setting forth specific reasons for the decision with specific reference to plan provisions on which the decision is based.

8.6 Participant's Responsibilities.

All requests for action of any kind by a Participant or Beneficiary under this Plan shall be in writing and executed by the Participant or Beneficiary.

ARTICLE 9

Investment and Administration of Assets

9.1 Rabbi Trust.

Contributions to this Plan or assets purchased by Employer with the intent of defraying the cost of providing benefits under this Agreement may be held in a Rabbi Trust. The Trust will conform to the terms of the model Trust set forth in Revenue Procedure 92-65 (or a successor pronouncement by the Internal Revenue Service).

9.2 Insurance.

The Employer may purchase a policy of life insurance on the life of a Participant (in whom the Employer has an insurable interest) to assist it in providing the Benefits. The Employer shall be the sole applicant, owner, premium payer and beneficiary of the policy, and shall exercise all incidents of ownership. The Employer intends that the value of the policy while in force and that the death proceeds of the policy shall be excluded from taxation under Code Sections 7702 and 101(a) respectively.

9.3 Available to Creditors.

Any contribution made by Employer or asset held by Trustee related to this Agreement shall be available to the general creditors of the Employer as specified in the Trust.

9.4 No Trust or Fiduciary Relationship.

Except as required by governing law, this Plan shall not create a trust or fiduciary relationship of any kind between the Participant (or the Participant's Spouse or Beneficiary) and the Employer or any third party.

9.5 Benefit Payments.

Benefit payments shall be paid directly by the Employer or indirectly through a grantor trust (owned or maintained by the Employer) to the Participant or the Participant's Beneficiary. If a trust is established, the Employer shall not be relieved of its obligation and liability to pay the benefits of this Plan except to the extent payments are actually made from the trust.

ARTICLE 10

Change in Control Benefit

10.1 Benefit.

If a Participant's employment with the Company is terminated during the designated Period after Change in Control other than by reason of a nonqualifying Termination, then notwithstanding any other provision of this Plan, the Participant shall be paid, within 30 days following such termination and in lieu of any other benefit to which Participant, Participant's Spouse, or Participant's Beneficiary might have been entitled at any time under this Plan or under any Deferred Compensation Agreement, the Change in Control Benefit. The Change in Control Benefit shall be the greater of:

- (a) Standard Benefit. A lump sum equal to 125% of the Present Value of the payments for which Participant would have been eligible beginning at Retirement without reduction for the actuarial equivalence factors set forth in Section 5.1(b), based on Participant's Years of Service as of the date Participant's employment terminates; or
- (b) Minimum Benefit. The Minimum Benefit provided in Section 5.4.

10.2 Definitions.

As used in this Article 10, the following terms shall have the respective meanings set forth below:

- (a) Cause. "Cause" means (1) the willful and continued failure by Participant to substantially perform his or her duties with Company and/or its subsidiaries (other than any such failure resulting from Participant's incapacity due to physical or mental illness, or any such actual or anticipated failure resulting from Participant's termination for Good Reason) after a demand for substantial performance is delivered to Participant by the Board and/or its Chairman (which demand shall specifically identify the manner in which the Board and/or its Chairman believes that Participant has not substantially performed his or her duties); or (2) the willful engaging by Participant in gross misconduct materially and demonstrably injurious to the Company and/or its subsidiaries. For purposes of this Section, no act or failure to act on the part of Participant shall be considered "willful" unless done or omitted to be done by Participant not in good faith and without reasonable belief that his or her action(s) or omission(s) was in the best interests of the Company and/or its subsidiaries. Notwithstanding the foregoing, Participant shall not be deemed to have been terminated for Cause unless and until the Company provides Participant with a copy of a resolution adopted by an affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for the purpose (after reasonable notice to Participant and an opportunity for Participant, with counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Participant has been guilty of conduct set forth in (1) or (2) above, setting forth the particulars in detail. A determination of Cause by the Board shall not be binding upon or entitled to deference by any finder of fact in the event of a dispute, it being the intent of the parties that such

finder of fact shall make an independent determination of whether the termination was for "Cause" as defined in (1) and (2) above.

(b) Change in Control. "Change in Control" means:

(1) the acquisition by any person, or more than one person acting as a group (a "Person"), including any "person" within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of beneficial ownership within the meaning of Rule 13d-3 promulgated under the Exchange Act, of 50% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) the total fair market value of the Company. The following acquisitions shall not constitute a Change in Control: (A) any acquisition by the Company, (B) any acquisition by an employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (C) any acquisition by any corporation pursuant to a reorganization, merger, or consolidation involving the Company, if, immediately after such reorganization, merger, or consolidation, each of the following conditions is satisfied: (i) after more than 50% of the shares of Company common stock ("common stock") and 50% of the combined voting power of the outstanding securities ("outstanding securities") of the corporation entitled to vote for the election of directors is beneficially owned, directly or indirectly, by all the individuals or entities who were beneficial owners immediately prior to the reorganization, merger or consolidation, (ii) a Person (other than the Company, any employee benefit plan or related trust sponsored by the Company or the resulting corporation, a person which beneficially owned prior to the reorganization, merger or consolidation 20% or more of the outstanding common stock or outstanding Company voting securities) does not beneficially own directly or indirectly 20% of the common stock or outstanding securities, and (iii) at least a majority of the members of the Board of Directors were members of the Board immediately prior to the reorganization, merger, or consolidation, or (D) any acquisition by the Participant or any group of persons including the Participant;

(2) acquisition by any one person, or more than one person acting as a group, during the 12-month period with the date of the most recent acquisition of 35% of ownership of the then outstanding company common stock;

(3) a majority of individuals who constitute the Board (the "Incumbent Board") is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the directors prior to the date of the appointment or election provided that an individual who was initially elected as a director of the Company as a result of an actual or threatened election contest, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act, or any other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board, shall be deemed not to have been a member of the prior Board;

(4) the acquisition during any 12-month period ending on the date of the most recent acquisition by any one person, or more than one person acting as a group, of assets from the Company having a total gross fair market value at least equal to 40% of the total gross fair market value of all the assets of the Company immediately before the acquisition. Fair market value shall be determined without regard to liabilities associated with the assets.

If Participant's employment is terminated prior to a Change in Control and Participant reasonably demonstrates that such termination was at the request of or in response to a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control (a "Third Party") who effectuates a Change in Control, then for all purposes of this Agreement, the date of a Change of Control shall mean the date immediately prior to the date of such termination of Participant's employment.

(c) Common Stock. "Common Stock" means the common stock of the Company, \$1 par value per share.

(d) Date of Termination. "Date of Termination" means: (1) the effective date on which Participant's employment by the Company and/or its subsidiaries terminates as specified in a Notice of Termination by the Company or Participant; (2) if Participant's employment by the Company and/or its subsidiaries terminates by reason of death, the date of death of Participant; (3) if the Participant's employment is terminated for Disability (as defined in (f)), then the Date of Termination shall be no earlier than thirty (30) days following the date on which a Notice of Termination is received; and (4) if the Participant's employment is terminated by the Company and/or its subsidiaries other than for Cause, then the Date of Termination shall be no earlier than thirty (30) days following the date on which a Notice of Termination is received.

(e) Designated Period. "Designated Period" means the designated period set forth in the Participant's Participation Agreement.

(f) Disability. "Disability" means Participant's failure to substantially perform his/her duties with the Company and/or its subsidiaries on a full-time basis for at least one hundred eighty (180) consecutive days as a result of Participant's incapacity due to mental or physical illness.

(g) Good Reason. "Good Reason" means, without Participant's express written consent, the occurrence of any of the following events after a Change in Control:

(1) (a) the assignment to Participant of any duties inconsistent in any material adverse respect with Participant's position(s), duties, responsibilities, or status with the Company and/or its subsidiaries immediately prior to such Change in Control; (b) a material adverse change in Participant's reporting responsibilities, titles or offices with the Company and/or its subsidiaries as in effect immediately prior to such Change in Control; or (c) any removal or involuntary termination of Participant by the Company and/or its subsidiaries otherwise than as expressly permitted by this Agreement (including any purported termination of employment which is not effected by a Notice of Termination); or (d) any failure to re-elect Participant to any position with the Company and/or its subsidiaries held by Participant immediately prior to such Change in Control;

(2) a reduction by the Company and/or its subsidiaries in Participant's rate of annual base salary as in effect immediately prior to such Change in Control or as the same may be increased from time to time thereafter;

(3) any requirement of the Company and/or its subsidiaries that Participant (i) be based anywhere other than the facility where Participant is located at the time of the Change in Control or reasonably equivalent facilities within twenty five (25) miles of such facility or (ii) travel for the business of the Company and/or its subsidiaries to an extent substantially more burdensome than the travel obligations of Participant immediately prior to such Change in Control;

(4) the failure of the Company and/or its subsidiaries to continue the Company's executive incentive plans or bonus plans in which Participant is participating immediately prior to such Change in Control or a reduction of the Participant's target incentive award opportunity under the Company's Executive Long-Term Incentive (Three Year) Plan (three-year bonus plan), Executive Short Term Incentive Plan (annual bonus plan) or other bonus plan adopted by the Company;

(5) the failure of the Company and/or its subsidiaries to (a) provide any employee benefit plan or compensation plan (including but not limited to stock option, restricted stock, incentive stock option or other similar programs) in which Participant is participating immediately prior to such Change in Control, in accordance with the most favorable plans, practices, programs and policies of the Company and/or its subsidiaries in effect for Participant immediately prior to the Change in Control, unless Participant is permitted to participate in other plans providing Participant with substantially comparable benefits; (b) provide Participant and Participant's dependents with welfare benefits (including, without limitation, medical, prescription, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) in accordance with the most favorable plans, practices, programs, and policies of the Company and/or its subsidiaries in effect for Participant immediately prior to such Change in Control; (c) provide fringe benefits in accordance with the most favorable plans, practices, programs, and policies of the Company and/or its subsidiaries as in effect for Participant immediately prior to such Change in Control; or (d) provide Participant with paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and/or its subsidiaries as in effect for Participant immediately prior to such Change in Control; or the taking of any action by the Company and/or its subsidiaries which would adversely affect Participant's participation in or materially reduce Participant's benefits under any such plan;

(6) the failure of the Company and/or its subsidiaries to pay any amounts owed Participant as salary, bonus, deferred compensation or other compensation;

(7) the failure of the Company to obtain an assumption agreement from any successor as contemplated in Section 10.4;

(8) the refusal by the Company and/or its subsidiaries to continue to allow Participant to attend to matters or engage in activities which did not involve a substantial portion of a Participant's time and which are not directly related to the business of the Company and/or its subsidiaries which were permitted by the Company and/or its subsidiaries immediately prior to such Change in Control, including without limitation serving on the Boards of Directors of other companies or entities;

- (9) Any amendment or termination of this Plan which unfavorably affects a Participant or reduces any protection afforded to a Participant (including a failure to continue to credit service with any successor after a change in control for purposes of this Plan).
- (10) Any purported termination of Participant's Employment which is not effected pursuant to a Notice of Termination; and
- (11) Any other material breach by Company of its obligations under any executive severance agreement between the Participant and the Company.

For purposes of this Agreement, any good faith determination of Good Reason made by Participant shall be conclusive; provided, however, that an isolated and insubstantial action taken in good faith and which is remedied by the Company and/or its subsidiaries within ten (10) days after receipt of notice thereof given by Participant shall not constitute Good Reason. Any event or condition described in this subsection (g)(1) through (10) which occurs prior to a Change in Control, but which Participant reasonably demonstrates was at the request of or in response to a Third Party who effectuates a Change in Control, shall constitute Good Reason following a Change in Control for purposes of this Agreement notwithstanding that it occurred prior to the Change in Control.

(h) Nonqualifying Termination. "Nonqualifying Termination" means a termination of Participant's employment (1) by the Company and/or its subsidiaries for Cause, (2) by Participant for any reason other than for Good Reason with Notice of Termination, (3) as a result of Participant's death, and (4) by the Company and/or its subsidiaries due to Participant's Disability, unless within thirty (30) days after Notice of Termination is provided to Participant following such Disability Participant shall have returned to substantial performance of Participant's duties on a full-time basis.

(i) Notice of Termination. "Notice of Termination" means written notice of Participant's Date of Termination by the Company or Participant, as the case may be, to the other, which (1) indicates the specific termination provision in this Agreement relied upon, (2) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Participant's employment under the provision so indicated, and (3) specifies the termination date. The failure by Participant or the Company to set forth in such notice any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of Participant or the Company hereunder or preclude Participant or the Company from asserting such fact or circumstance in enforcing Participant's or the Company's rights hereunder.

10.3 Method of Payment.

Payment shall be made, to the extent possible, by distribution of any insurance policy or policies purchased by the Company in connection with this Agreement and in effect on the date of a Change in Control, valued for distribution purposes at their cash surrender value. Any remaining balance of the distribution sum shall be paid in cash.

10.4 Successor Obligations in Change of Control Situation.

(a) Survival of Obligations. Neither this Plan nor any Participation Agreement shall be terminated by any merger or consolidation of the Company whereby the Company is or is not the surviving or resulting corporation or as a result of any transfer of all or substantially all of the assets of the Company. In the event of any such merger, consolidation, or transfer of assets, the provisions of this Plan and of such Participation Agreements shall be binding upon the surviving or resulting corporation or the person or entity to which such assets are transferred.

(b) Assumption Required. The Company agrees that concurrently with any merger, consolidation or transfer of assets referred to in paragraph (a) of this Section 10.4, it will cause any successor or transferee unconditionally to assume, by written instrument delivered to each Participant (or his/her beneficiary or estate), all of the obligations of the Company hereunder. Failure of the Company to obtain such assumption prior to the effectiveness of any such merger, consolidation or transfer of assets shall constitute Good Reason hereunder. For purposes of implementing the foregoing, the date on which any such merger, consolidation, or transfer becomes effective shall be deemed the date Good Reason occurs, and shall be the Date of Termination if requested by Executive.

10.5 Reimbursement of Expenses.

If any contest or dispute shall arise under this Plan or any Participation Agreement involving a Participant's entitlement to a benefit under Section 10.1, the Company shall reimburse Participant, on a current basis, for all legal fees and expenses, if any, incurred by Participant in connection with such contest or dispute regardless of the result thereof.

ARTICLE 11

General Provisions

11.1 Amendment; Termination.

Wolverine World Wide, Inc. may amend this Plan prospectively or retroactively, or to terminate this Plan, provided that an amendment or termination may not reduce or revoke the accrued benefits of any Participant who is already entitled as of the date of such amendment or termination to a benefit under Section 5.1 of this Plan, regardless of whether payment of such benefit has commenced.

(a) Vesting and Distribution. Upon termination of or a discontinuation of further accrual of benefits under this Plan, the accrued benefits of affected Participants shall become nonforfeitable and shall be distributed in accordance with the provisions of this Plan.

(b) Termination Requirements. A termination may not permit acceleration of distributions unless: the termination is within 12 months of a corporation dissolution taxed under Code Section 331 or with the approval of a Bankruptcy Court under Chapter 11 of the Bankruptcy Code; the termination is within 30 days preceding or 12 months following a Change of Control as defined in Article 10, or; all aggregated plans subject to Code Section 409A are terminated, payments are not made for a period of 12 months following the date of termination, all payments are completed within 24 months of the date of termination, and the employer shall not adopt a plan that would be aggregated with any terminated plan within five years of the date of termination. If a termination does not meet the requirements for acceleration of payments, the accounts of Participants shall be administered and distributed under the otherwise applicable provisions of the Plan.

11.2 Employment Relationship.

This Plan shall not be construed to create a contract of employment between the Employer and any Participant or to otherwise confer upon a Participant or other person a legal right to continuation of employment or any rights other than those specified herein. This Plan shall not limit or affect the right of the Employer to discharge or retire a Participant.

This Plan does not constitute a contract on the part of the Employer to employ Employee until age 65 or to continue his employment for any given period of time, either fixed or contingent. Moreover, Employee does not by this writing agree to continue in the employment of the Employer for any specified interval of time. The employment relationship, therefore, shall continue for so long as, but only for so long as, such employment is mutually satisfactory to both parties. The Employer does not promise that Employee's employment will be continued for such interval as to enable Employee to obtain all or any part of the benefits under this Agreement.

11.3 Confidentiality and Relationship.

Each Participant shall agree to refrain from divulging any information of a confidential nature including, but not restricted to, trade secrets, operating methods, the names of the Employer's customers and suppliers and the relations of the Employer with such customers and suppliers, or other confidential information; and to refrain from using or permitting the use of such information or confidences by any interests competitive with the Employer; irrespective of whether or not Participant is then employed by the Employer, and to refrain from including, and from causing inducements to be made to, the Employer's employees to terminate employment with the Employer or undertake employment with its competitors. The obligations herein assumed by Participant shall endure whether or not the remaining promises by either party remain to be performed or shall be only partially performed.

11.4 Rights Not Assignable.

Except for designation of a Beneficiary or under a QDRO, benefits payable under this Plan shall not be subject to assignment, conveyance, transfer, anticipation, pledge, alienation, sale, encumbrance, or charge, whether voluntary or involuntary, by the Participant (or any Spouse or Beneficiary of the Participant). A benefit payable under this Plan shall not be used as collateral or security for a debt or be subject to garnishment, execution, assignment, levy, or to another form of judicial or administrative process or to the claim of a creditor through legal process or otherwise. An attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or to otherwise dispose of benefits payable, before actual receipt of the benefits, or a right to receive benefits, shall be void and shall not be recognized.

11.5 Construction.

The Plan shall be interpreted in a manner that makes it compliant with the limited application of ERISA and with the requirements of Code Section 409A. The singular includes the plural, and the plural includes the singular, unless the context clearly indicates the contrary. Capitalized terms (except those at the beginning of a sentence or part of a heading) have the meaning specified in this Plan. If a capitalized term is not defined in this Plan, the term shall have, for purposes of this Plan, the stated definitions of those terms in the Wolverine Retirement Income Plan as amended from time to time.

11.6 Governing Law.

To the extent not preempted by applicable federal law, this Plan shall be governed by and interpreted under the laws of the State of Michigan.

EXHIBIT A
ELIGIBLE EMPLOYEES

Name of Employee

Type

Effective Dates/Status

EXHIBIT A - 1

WOLVERINE WORLD WIDE, INC.
409A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
PARTICIPATION AGREEMENT

_____ ("Employee") has been notified by Wolverine World Wide, Inc. ("Employer") of the Employer's intent to designate the Employee as a Participant in the Wolverine World Wide, Inc. 409A Supplemental Executive Retirement Plan ("Plan"). Employer and Employee have signed this Agreement to effectuate Employee's Participant status and to agree on certain terms relating to Employee's Participant status. Therefore, Employer and Employee agree as follows:

1. Participation Date. Employee will become a Participant in the Plan effective _____, 20____. Employee agrees to be bound by the provisions of the Plan.

2. Years of Service. Employee's commencement date for purposes of computing Years of Service under the Plan is _____. Employee currently has ____ Years of Service.

3. Average Earnings. Employee's current Average Earnings is \$_____.

4. Designated Percentage. The Designated Percentage under Plan Section 5.1(a) is 2.4%.

5. Designated Period. The Designated Period under Plan Section 10.1 is 3 years.

6. Deferred Compensation Agreement. Employer and Employee agree that:

[Check one of the following]

There is no deferred compensation agreement in effect as described in Plan Section 5.4(a).

There is a Deferred Compensation Agreement dated in effect as described in Section 5.4(a) of the Plan and attached. Employee hereby relinquishes all rights under such Deferred Compensation Agreement, and agrees to look solely to the terms of the Plan with regard to any computation of a Minimum Benefit as provided in the Plan.

7. Form of Payment. The Participant accepts the presumed method of payment under the Plan (single life annuity, if single, or joint and 50% survivor annuity, if married) unless one of the following actuarially equivalent forms is selected:

5 Year Certain and Life

Joint and 100% Spouse Annuity

10 Year Certain and Life

8. Employment Relationship. Employee agrees that the Plan shall not be construed to create a contract of employment between the Employer and the Employee or to otherwise confer upon the Employee or other person a legal right to continuation of employment or any rights other than those specified herein. This plan shall not limit or affect the right of the Employer to discharge or retire the Employee.

This Plan does not constitute a contract on the part of the Employer to employ Employee until age 65 or to continue his employment for any given period of time, either fixed or contingent. Moreover, Employee does not by this writing agree to continue in the employment of the Employer for any specified interval of time. The employment relationship, therefore, shall continue for so long as, but only for so long as, such employment is mutually satisfactory to both parties. The Employer does not promise that Employee's employment will be continued for such interval as to enable Employee to obtain all or any part of the benefits under this Agreement.

9. Confidentiality and Relationship. Employee agrees to refrain from divulging any information of a confidential nature including, but not restricted to, trade secrets, operating methods, the names of the Employer's customers and suppliers and the relations of the Employer with such customers and suppliers, or other confidential information; and to refrain from using or permitting the use of such information or confidences by any interests competitive with the Employer; irrespective of whether or not Employee is then employed by the Employer, and to refrain from including, and from causing inducements to be made to, the Employer's employees to terminate employment with the Employer or undertake employment with its competitors. The obligations herein assumed by Participant shall endure whether or not the remaining promises by either party remain to be performed or shall be only partially performed.

10. Acknowledgments. Employee acknowledges the Employer's rights to:

- (a) Amend or terminate the Plan at any time, subject to Section 11.1 of the Plan; and
- (b) To designate the Employee as an Inactive Participant at any time, as provided in Section 3.2 of the Plan; and
- (c) To make final decisions on any claim or dispute related to the Plan, as provided in Section 8.5 of the Plan; and
- (d) To exercise any and all other rights of the Employer under the Plan, in the Employer's sole discretion, without any limitation other than as expressly set forth in the Plan.

Employee agrees that any amendment or termination of the Plan shall automatically amend or terminate this Agreement, to the extent permitted by the Plan.

11. Amendments. Employee agrees that this Agreement may not be amended orally, but only in a written amendment authorized by the Company's Board of Directors and signed by the Plan Administrator.

IN WITNESS WHEREOF, the parties have signed this Agreement.

WOLVERINE WORLD WIDE, INC.

Date: _____

By: _____

Its: _____

"Employer"

Date: _____

"Employee"

EXHIBIT A - 2

WOLVERINE WORLD WIDE, INC.
409A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
PARTICIPATION AGREEMENT

_____ ("Employee") has been notified by Wolverine World Wide, Inc. ("Employer") of the Employer's intent to designate the Employee as a Participant in the Wolverine World Wide, Inc. 409A Supplemental Executive Retirement Plan ("Plan"). Employer and Employee have signed this Agreement to effectuate Employee's Participant status and to agree on certain terms relating to Employee's Participant status. Therefore, Employer and Employee agree as follows:

1. Participation Date. Employee will become a Participant in the Plan effective _____, 20___. Employee agrees to be bound by the provisions of the Plan.
2. Years of Service. Employee's commencement date for purposes of computing Years of Service under the Plan is _____. Employee currently has _____ Years of Service.
3. Average Earnings. Employee's current Average Earnings is \$_____.
4. Designated Percentage. The Designated Percentage under Plan Section 5.1(a) is 2.0%.
5. Designated Period. The Designated Period under Plan Section 10.1 is 2 years.
6. Deferred Compensation Agreement. Employer and Employee agree that:

[Check one of the following]

- There is no deferred compensation agreement in effect as described in Plan Section 5.4(a).
 - There is a Deferred Compensation Agreement dated in effect as described in Section 5.4(a) of the Plan and attached. Employee hereby relinquishes all rights under such Deferred Compensation Agreement, and agrees to look solely to the terms of the Plan with regard to any computation of a Minimum Benefit as provided in the Plan.
-

7. Form of Payment. The Participant accepts the presumed method of payment under the Plan (single life annuity, if single, or joint and 50% survivor annuity, if married) unless one of the following actuarially equivalent forms is selected:

- | | | | |
|--------------------------|--------------------------|--------------------------|-------------------------------|
| <input type="checkbox"/> | 5 Year Certain and Life | <input type="checkbox"/> | Joint and 100% Spouse Annuity |
| <input type="checkbox"/> | 10 Year Certain and Life | | |

8. Employment Relationship. Employee agrees that the Plan shall not be construed to create a contract of employment between the Employer and the Employee or to otherwise confer upon the Employee or other person a legal right to continuation of employment or any rights other than those specified herein. This plan shall not limit or affect the right of the Employer to discharge or retire the Employee.

This Plan does not constitute a contract on the part of the Employer to employ Employee until age 65 or to continue his employment for any given period of time, either fixed or contingent. Moreover, Employee does not by this writing agree to continue in the employment of the Employer for any specified interval of time. The employment relationship, therefore, shall continue for so long as, but only for so long as, such employment is mutually satisfactory to both parties. The Employer does not promise that Employee's employment will be continued for such interval as to enable Employee to obtain all or any part of the benefits under this Agreement.

9. Confidentiality and Relationship. Employee agrees to refrain from divulging any information of a confidential nature including, but not restricted to, trade secrets, operating methods, the names of the Employer's customers and suppliers and the relations of the Employer with such customers and suppliers, or other confidential information; and to refrain from using or permitting the use of such information or confidences by any interests competitive with the Employer; irrespective of whether or not Employee is then employed by the Employer, and to refrain from including, and from causing inducements to be made to, the Employer's employees to terminate employment with the Employer or undertake employment with its competitors. The obligations herein assumed by Participant shall endure whether or not the remaining promises by either party remain to be performed or shall be only partially performed.

10. Acknowledgments. Employee acknowledges the Employer's rights to:

- (a) Amend or terminate the Plan at any time, subject to Section 11.1 of the Plan; and
 - (b) To designate the Employee as an Inactive Participant at any time, as provided in Section 3.2 of the Plan; and
 - (c) To make final decisions on any claim or dispute related to the Plan, as provided in Section 8.5 of the Plan; and
-

(d) To exercise any and all other rights of the Employer under the Plan, in the Employer's sole discretion, without any limitation other than as expressly set forth in the Plan.

Employee agrees that any amendment or termination of the Plan shall automatically amend or terminate this Agreement, to the extent permitted by the Plan.

11. Amendments. Employee agrees that this Agreement may not be amended orally, but only in a written amendment authorized by the Company's Board of Directors and signed by the Plan Administrator.

IN WITNESS WHEREOF, the parties have signed this Agreement.

WOLVERINE WORLD WIDE, INC.

Date: _____

By: _____

Its: _____

"Employer"

Date: _____

"Employee"

The following executive officers have a percentage benefit multiplier under the Supplemental Executive Retirement Plan (the "Plan") of 2.4% or 2.0%, as indicated below:

2.4%

Stephen L. Gulis, Jr.
Blake W. Krueger
Timothy J. O'Donovan

2.0%

Nicholas P. Ottenwess

**EXHIBIT 21
SUBSIDIARIES OF THE REGISTRANT**

Name	State or Country of Incorporation or Organization
Brooks France, S.A.	France
BSI Shoes, Inc.	Michigan
Dominican Wolverine Shoe Company Limited	Cayman Islands
Hush Puppies Retail, Inc.	Michigan
d/b/a Hush Puppies & Family	
Hush Puppies Factory Direct	
Little Red Shoe House	
The Slipper Store	
The Slipper Store.com	
UP Footgear	
Hush Puppies (U.K.) Ltd.	England & Wales
Hy-Test, Inc.	Michigan
d/b/a Hy-Test	
Merrell (Europe) Limited	England & Wales
Sebago Dominican Limited	Cayman Islands
Sebago International Limited	Cayman Islands
Sebago Realty, LLC	Delaware
Sebago USA, LLC	Delaware
Spartan Shoe Company Limited	Cayman Islands
Wolverine Consulting Services (Zhuhai) Company Limited	People's Republic of China
Wolverine de Costa Rica, S.A.	Costa Rica
Wolverine de Mjxico S.A. de C.V.	Mexico
Wolverine Design Center, Inc.	Michigan
Wolverine Europe B.V.	The Netherlands
Wolverine Europe Limited	England & Wales
Wolverine International GP, LLC	Michigan
Wolverine International, L.P.	Cayman Islands
Wolverine International S.à.r.l.	Luxembourg
Wolverine International, S.L.	Spain
Wolverine Outdoors, Inc.	Michigan
Wolverine Procurement, Inc.	Michigan
Wolverine Slipper Group, Inc.	Michigan
d/b/a Wolverine Slipper Group	
Slipper Gift Store	
Wolverine Sourcing, Inc.	Michigan
Wolverine Sourcing, Ltd.	Cayman Islands
Wolverine World Wide Corporation, Inc.	Quebec
Wolverine World Wide Europe Limited	England & Wales
Wolverine World Wide HK Limited	Hong Kong

EXHIBIT 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements (Form S-8 Nos. 333-67462, 333-93563, 333-49523, 33-63689, 33-55213, 33-64854, 33-23196, 333-88898, 333-97917, 333-106973, and 333-129202) pertaining to the various plans of Wolverine World Wide, Inc. of our reports dated February 8, 2007, with respect to the consolidated financial statements and schedule of Wolverine World Wide, Inc., Wolverine World Wide, Inc. management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of Wolverine World Wide, Inc., included in this Annual Report (Form 10-K) for the year ended December 30, 2006.

/s/ Ernst & Young LLP

Grand Rapids, Michigan
February 26, 2007

EXHIBIT 24

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Wolverine World Wide, Inc., does hereby appoint TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; KENNETH A. GRADY; and JEFFREY A. OTT, or any of them, his or her attorneys or attorney, with full power of substitution, to execute in his or her name an Annual Report of Wolverine World Wide, Inc. on Form 10-K for its fiscal year ended December 30, 2006, and any amendments to that report, and to file it or them with the Securities and Exchange Commission. Each attorney shall have power and authority to do and perform in the name and on behalf of the undersigned, in any and all capacities, every act to be done in the premises as fully and to all intents and purposes as the undersigned could do in person, and the undersigned hereby ratifies and approves the acts of such attorneys.

Date

January 15, 2007

Signature

/s/ Jeffrey M. Boromisa

Jeffrey M. Boromisa

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Wolverine World Wide, Inc., does hereby appoint TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; KENNETH A. GRADY; and JEFFREY A. OTT, or any of them, his or her attorneys or attorney, with full power of substitution, to execute in his or her name an Annual Report of Wolverine World Wide, Inc. on Form 10-K for its fiscal year ended December 30, 2006, and any amendments to that report, and to file it or them with the Securities and Exchange Commission. Each attorney shall have power and authority to do and perform in the name and on behalf of the undersigned, in any and all capacities, every act to be done in the premises as fully and to all intents and purposes as the undersigned could do in person, and the undersigned hereby ratifies and approves the acts of such attorneys.

Date

Signature

January 24, 2007

/s/ Alberto L. Grimoldi

Alberto L. Grimoldi

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Wolverine World Wide, Inc., does hereby appoint TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; KENNETH A. GRADY; and JEFFREY A. OTT, or any of them, his or her attorneys or attorney, with full power of substitution, to execute in his or her name an Annual Report of Wolverine World Wide, Inc. on Form 10-K for its fiscal year ended December 30, 2006, and any amendments to that report, and to file it or them with the Securities and Exchange Commission. Each attorney shall have power and authority to do and perform in the name and on behalf of the undersigned, in any and all capacities, every act to be done in the premises as fully and to all intents and purposes as the undersigned could do in person, and the undersigned hereby ratifies and approves the acts of such attorneys.

Date

Signature

January 17, 2007

/s/ David T. Kollat

David T. Kollat

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Wolverine World Wide, Inc., does hereby appoint TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; KENNETH A. GRADY; and JEFFREY A. OTT, or any of them, his or her attorneys or attorney, with full power of substitution, to execute in his or her name an Annual Report of Wolverine World Wide, Inc. on Form 10-K for its fiscal year ended December 30, 2006, and any amendments to that report, and to file it or them with the Securities and Exchange Commission. Each attorney shall have power and authority to do and perform in the name and on behalf of the undersigned, in any and all capacities, every act to be done in the premises as fully and to all intents and purposes as the undersigned could do in person, and the undersigned hereby ratifies and approves the acts of such attorneys.

Date

January 17, 2007

Signature

/s/ Phillip D. Matthews

Phillip D. Matthews

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Wolverine World Wide, Inc., does hereby appoint TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; KENNETH A. GRADY; and JEFFREY A. OTT, or any of them, his or her attorneys or attorney, with full power of substitution, to execute in his or her name an Annual Report of Wolverine World Wide, Inc. on Form 10-K for its fiscal year ended December 30, 2006, and any amendments to that report, and to file it or them with the Securities and Exchange Commission. Each attorney shall have power and authority to do and perform in the name and on behalf of the undersigned, in any and all capacities, every act to be done in the premises as fully and to all intents and purposes as the undersigned could do in person, and the undersigned hereby ratifies and approves the acts of such attorneys.

Date

January 22, 2007

Signature

/s/ David P. Mehney

David P. Mehney

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Wolverine World Wide, Inc., does hereby appoint TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; KENNETH A. GRADY; and JEFFREY A. OTT, or any of them, his or her attorneys or attorney, with full power of substitution, to execute in his or her name an Annual Report of Wolverine World Wide, Inc. on Form 10-K for its fiscal year ended December 30, 2006, and any amendments to that report, and to file it or them with the Securities and Exchange Commission. Each attorney shall have power and authority to do and perform in the name and on behalf of the undersigned, in any and all capacities, every act to be done in the premises as fully and to all intents and purposes as the undersigned could do in person, and the undersigned hereby ratifies and approves the acts of such attorneys.

Date

January 16, 2007

Signature

/s/ Brenda J. Lauderback

Brenda J. Lauderback

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Wolverine World Wide, Inc., does hereby appoint TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; KENNETH A. GRADY; and JEFFREY A. OTT, or any of them, his or her attorneys or attorney, with full power of substitution, to execute in his or her name an Annual Report of Wolverine World Wide, Inc. on Form 10-K for its fiscal year ended December 30, 2006, and any amendments to that report, and to file it or them with the Securities and Exchange Commission. Each attorney shall have power and authority to do and perform in the name and on behalf of the undersigned, in any and all capacities, every act to be done in the premises as fully and to all intents and purposes as the undersigned could do in person, and the undersigned hereby ratifies and approves the acts of such attorneys.

Date

Signature

January 12, 2007

/s/ Paul D. Schrage

Paul D. Schrage

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Wolverine World Wide, Inc., does hereby appoint TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; KENNETH A. GRADY; and JEFFREY A. OTT, or any of them, his or her attorneys or attorney, with full power of substitution, to execute in his or her name an Annual Report of Wolverine World Wide, Inc. on Form 10-K for its fiscal year ended December 30, 2006, and any amendments to that report, and to file it or them with the Securities and Exchange Commission. Each attorney shall have power and authority to do and perform in the name and on behalf of the undersigned, in any and all capacities, every act to be done in the premises as fully and to all intents and purposes as the undersigned could do in person, and the undersigned hereby ratifies and approves the acts of such attorneys.

Date

Signature

January 12, 2007

/s/ Shirley D. Peterson

Shirley D. Peterson

POWER OF ATTORNEY

The undersigned, in his or her capacity as a director or officer, or both, as the case may be, of Wolverine World Wide, Inc., does hereby appoint TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; KENNETH A. GRADY; and JEFFREY A. OTT, or any of them, his or her attorneys or attorney, with full power of substitution, to execute in his or her name an Annual Report of Wolverine World Wide, Inc. on Form 10-K for its fiscal year ended December 30, 2006, and any amendments to that report, and to file it or them with the Securities and Exchange Commission. Each attorney shall have power and authority to do and perform in the name and on behalf of the undersigned, in any and all capacities, every act to be done in the premises as fully and to all intents and purposes as the undersigned could do in person, and the undersigned hereby ratifies and approves the acts of such attorneys.

Date

Signature

January 12, 2007

/s/ Michael A. Volkema

Michael A. Volkema

Exhibit 31.1

CERTIFICATIONS

I, Timothy J. O'Donovan, certify that:

1. I have reviewed this annual report on Form 10-K of Wolverine World Wide, 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(s) 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.
 5. The registrant's other certifying officer(s) 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.

Date: February 28, 2007

/s/ Timothy J. O'Donovan

Timothy J. O'Donovan
Chief Executive Officer and Chairman
Wolverine World Wide, Inc.

Exhibit 31.2

CERTIFICATIONS

I, Stephen L. Gulis, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of Wolverine World Wide, 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(s) 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.
 5. The registrant's other certifying officer(s) 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.

Date: February 28, 2007

/s/ Stephen L. Gulis, Jr.

Stephen L. Gulis, Jr.
Executive Vice President, Chief Financial
Officer and Treasurer
Wolverine World Wide, Inc.

Exhibit 32

CERTIFICATION

Solely for the purpose of complying with 18 U.S.C. § 1350, each of the undersigned hereby certifies in his capacity as an officer of Wolverine World Wide, Inc. (the "Company") that the Annual Report of the Company on Form 10-K for the accounting period ended December 30, 2006 fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and that information contained in such report fairly presents, in all material respects, the financial condition of the Company at the end of such period and the results of operations of the Company for such period.

/s/ Timothy J. O'Donovan

Timothy J. O'Donovan
Chief Executive Officer and Chairman

/s/ Stephen L. Gulis, Jr.

Stephen L. Gulis, Jr.
Executive Vice President, Chief Financial
Officer and Treasurer