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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS PURSUANT TO  
SECTIONS 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

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

For the fiscal year ended January 3, 1998

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: 1-6024

WOLVERINE WORLD WIDE, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

38-1185150

(State or other jurisdiction of (I.R.S. employer identification no.)  
incorporation or organization)

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	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, \$1 Par Value	New York Stock Exchange/Pacific Exchange, Inc.

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

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  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.

Number of shares outstanding of the registrant's Common Stock, \$1 par value  
(excluding shares of treasury stock) as of March 2, 1998: 42,742,513.

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 March 2, 1998: \$1,239,532,877.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement for the registrant's annual stockholders' meeting to be held April 27, 1998, are incorporated by reference into Part III of this report.

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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 comfortable casual shoes, rugged outdoor and work footwear, and constructed slippers and moccasins. The Company, a Delaware corporation, is the successor of a 1969 reorganization 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.

Consumers on six continents purchased over 37 million pairs of Company branded footwear during fiscal 1997, making the Company a global leader among U.S. shoe companies in the marketing of branded casual, work and outdoor footwear. The Company's products generally feature contemporary styling with patented technologies designed to provide maximum comfort. The products are marketed throughout the world under widely recognized brand names, including HUSH PUPPIES[REGISTERED], WOLVERINE[REGISTERED], BATES[REGISTERED], CATERPILLAR[REGISTERED], COLEMAN[REGISTERED], HY-TEST[REGISTERED], MERRELL[REGISTERED] and HARLEY-DAVIDSON[REGISTERED]. The Company believes that its primary competitive strengths are its well recognized brand names, broad range of comfortable footwear, patented comfort technologies, numerous distribution channels and diversified manufacturing and sourcing base.

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 divisions: (i) The Hush Puppies Company, focusing on comfortable casual shoes, (ii) the Wolverine Footwear Group, focusing on work, outdoor and lifestyle boots and shoes, (iii) the CATERPILLAR[REGISTERED] Footwear Group, focusing on the CATERPILLAR[REGISTERED] product line of work and lifestyle products and (iv) the Wolverine Slipper Group, focusing on slippers and moccasins under the HUSH PUPPIES[REGISTERED] brand and other private labels for third party retailers. The Company's Global Operations Group is responsible for manufacturing and sourcing, including the operation of the Company-owned pigskin tannery. The Company's footwear is distributed domestically to approximately 52,000 department store, footwear chain, catalog, specialty retailer and mass merchant accounts, as well as 60 Company-owned retail stores. The Company's products are distributed worldwide through approximately 150 licensees and distributors in over 100 countries. Footwear has accounted for 90% or more of the consolidated revenues of the Company for each of the last three years. For further financial information regarding the Company, see the consolidated financial statements of the Company, which are attached as Appendix A to this Form 10-K.

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The Company, through its Wolverine Leathers Division, is one of the premier tanners of quality pigskin leather for the shoe and leather goods industries. The pigskin leather tanned by the Company is used in a significant portion of the footwear manufactured and sold by the Company, and is also sold to Company licensees and other domestic and foreign manufacturers of shoes.

On September 7, 1997, the Company obtained a global license from The Coleman Company, Inc. to manufacture and market COLEMAN[REGISTERED] brand footwear. The Company's prior COLEMAN[REGISTERED] license was limited to the U.S., Canada and Japan. On October 17, 1997, the Company acquired certain assets of the MERRELL[REGISTERED] outdoor footwear business from the Outdoor Division of Sports Holdings Corp. The acquisition included substantially all the assets of the MERRELL[REGISTERED] hiking and rugged outdoor footwear business and global rights to the MERRELL[REGISTERED] trademark. In addition, on March 12, 1998, the Company was granted the rights to manufacture and market footwear, including motorcycle, casual, work and western boots under the HARLEY-DAVIDSON[REGISTERED] brand. The COLEMAN[REGISTERED], MERRELL[REGISTERED] and HARLEY-DAVIDSON[REGISTERED] footwear businesses are operated as part of the Wolverine Footwear Group.

#### PRODUCTS.

The Company's products include casual, dress, work and uniform shoes, hiking and outdoor shoes, boots and sandals, and work and uniform boots as well as constructed slippers and moccasins. Footwear is offered by the Company under many recognizable brand names including HUSH PUPPIES[REGISTERED], WOLVERINE[REGISTERED], BATES[REGISTERED], CATERPILLAR[REGISTERED], COLEMAN[REGISTERED], HY-TEST[REGISTERED], MERRELL[REGISTERED] and HARLEY-DAVIDSON[REGISTERED]. The Company also manufactures constructed slippers and moccasins and markets them on a private label basis through its Wolverine Slipper Group. Through its manufacturing facilities and third-party contractors, the Company combines quality materials and skilled workmanship from around the world to produce footwear according to its specifications.

The Company's four operating divisions and the Wolverine Leathers Division are described below.

1. THE HUSH PUPPIES COMPANY. The Company believes that HUSH PUPPIES'[REGISTERED] 40-year heritage as a pioneer of comfortable casual shoes positions the brand to capitalize on the global trend toward more casual workplace and leisure attire. The diverse product line includes numerous styles for both work and casual wear and utilizes comfort features, such as the COMFORT CURVE[REGISTERED] sole and patented BOUNCE[REGISTERED]

technology. The product line features the popular HUSH PUPPIES[REGISTERED] Classics line of colorful, fashionable, casual shoes. HUSH PUPPIES[REGISTERED] shoes are sold to men,

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women and children in over 80 countries and are distributed through a multi-tiered network of department stores, specialty retailers, national chains, catalogs and Company-owned stores. In addition, the HUSH PUPPIES[REGISTERED] brand apparel and accessory licensing program includes eyewear, toy dogs and apparel.

2. THE WOLVERINE FOOTWEAR GROUP. The Wolverine Footwear Group is one of the world's largest work and outdoor footwear companies, encompassing multiple brands designed with performance and comfort features to serve a variety of work, outdoor and lifestyle functions. The WOLVERINE[REGISTERED] brand, which has been in existence for 114 years, is identified with performance and quality and markets work and outdoor footwear in two categories: (i) work and industrial footwear; and (ii) rugged outdoor and sport footwear. The Wolverine Footwear Group also includes the BATES[REGISTERED], HY-TEST[REGISTERED] and HARLEY-DAVIDSON[REGISTERED] product lines. The product lines feature patented technologies and designs, such as the DURASHOCKS[REGISTERED] and DURASHOCKS SR<Trademark> systems, and the use of quality materials and components. In addition, the Wolverine Footwear Group includes the Wolverine Outdoor Division, which markets hiking and outdoor shoes, boots and sandals through the MERRELL[REGISTERED] and COLEMAN[REGISTERED] product lines.

WOLVERINE[REGISTERED] WORK AND INDUSTRIAL FOOTWEAR. The Company believes the WOLVERINE[REGISTERED] brand has built its reputation by making quality, durable and comfortable work boots and shoes. The development of DURASHOCKS[REGISTERED] technology allowed the WOLVERINE[REGISTERED] brand to introduce a broad line of work footwear with a focus on comfort. The WOLVERINE[REGISTERED] Work product line features work boots and shoes, including steel toe boots and shoes, targeting male and female industrial and farm workers. This product line is distributed through department stores and specialty and independent retailers.

WOLVERINE[REGISTERED] RUGGED OUTDOOR AND SPORT FOOTWEAR. The WOLVERINE[REGISTERED] rugged outdoor and sport product lines incorporate DURASHOCKS[REGISTERED] and DURASHOCKS SR<Trademark> technology and other comfort features into products designed for rugged outdoor use. This broad product line includes all-terrain sport boots, walking shoes, trail hikers, rugged casuals and outdoor sandals. The line targets active lifestyles and is distributed through department stores and specialty and independent

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retailers. The Company also produces boots that target hunters, fishermen and other active outdoor users. Warmth, waterproofing and comfort are achieved through the use of GORE-TEX[REGISTERED], THINSULATE[REGISTERED] and the Company's patented DURASHOCKS[REGISTERED] technologies. This line is sold through specialty retail and catalog distribution channels that serve hunting and fishing enthusiasts. In addition, in 1997, the Company introduced WOLVERINE[REGISTERED] brand rubber footwear, boots and waders for hunters,

fishermen and farm workers. This product line is sold through mass merchants and specialty retail stores.

BATES. The Company's Bates Division is an industry leader in supplying footwear to military and civilian uniform users. The Bates Division utilizes DURASHOCKS[REGISTERED], DURASHOCKS SR<Trademark> and other proprietary comfort technologies in the design of its military-style boots and oxfords including the BATES[REGISTERED] ENFORCER<Trademark> Series footwear line. The Bates Division currently contracts with the U.S. Department of Defense and other governmental organizations to supply military footwear. Civilian uniform uses include police, security, postal, restaurant and other industrial occupations. Bates Division products are also distributed through specialty retailers and catalogs.

HY-TEST. The HY-TEST[REGISTERED] product line consists primarily of high quality work boots and shoes designed to protect male and female industrial workers from footwear injuries. HY-TEST[REGISTERED] footwear incorporates various safety features into its product lines, including steel toe footwear and electrical hazard, static dissipating and conductive footwear to protect against hazards of the workplace. In addition, HY-TEST[REGISTERED] brand footwear incorporates features such as FOOT RESTS[REGISTERED] comfort technology to provide comfort together with safety for working men and women. HY-TEST[REGISTERED] footwear is distributed primarily through a network of mobile truck "ShoemobilesTM" providing direct sales to workers at industrial facilities.

HARLEY-DAVIDSON. On March 12, 1998, the Company entered into a License Agreement with the Harley-Davidson Motor Company granting the Company the right to manufacture, market, distribute and sell footwear under the HARLEY-DAVIDSON[REGISTERED] brand in most

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countries of the world. The Company's rights to the HARLEY-DAVIDSON[REGISTERED] brand become effective in North America, South America and Central America in 1998, and become effective in the remaining areas of the world at various times in the future, such that by January 1, 2000, the Company will have the exclusive right to produce and distribute HARLEY-DAVIDSON[REGISTERED] footwear in most countries of the world. HARLEY-DAVIDSON[REGISTERED] brand footwear products include motorcycle, casual, work and western boots. HARLEY-DAVIDSON[REGISTERED] footwear will be sold primarily through a network of 600 independent HARLEY-DAVIDSON[REGISTERED] dealerships and through department stores and specialty retailers.

WOLVERINE OUTDOOR DIVISION. The Wolverine Outdoor Division consists of the MERRELL[REGISTERED] and COLEMAN[REGISTERED] footwear brands.

- MERRELL. The MERRELL[REGISTERED] product line, acquired by the Company on October 17, 1997, consists primarily of technical hiking and rugged outdoor footwear designed for backpacking, day hiking and rugged every day use. MERRELL[REGISTERED] products are sold primarily through specialty retailers and catalogs.

- COLEMAN. The Company has been granted the exclusive worldwide rights to manufacture, market, distribute and sell outdoor footwear under the COLEMAN[REGISTERED] brand. COLEMAN[REGISTERED] brand footwear products include lightweight hiking boots, rubber footgear and outdoor sandals, which are sold primarily at value-oriented prices through mass merchants.

3. THE CATERPILLAR[REGISTERED] FOOTWEAR GROUP. The CATERPILLAR[REGISTERED] Footwear Group began operating as a separate division of the Company in 1997. Previously, the CATERPILLAR[REGISTERED] Footwear Group operated as part of the Wolverine Footwear Group. The Company has been granted the exclusive worldwide rights to manufacture, market and distribute footwear under the CATERPILLAR[REGISTERED], CAT DESIGN[REGISTERED] and other trademarks. The Company believes the association with CATERPILLAR[REGISTERED] equipment enhances the reputation of its boots for quality, ruggedness and durability. CATERPILLAR[REGISTERED] brand footwear products include work boots and shoes, sport boots, rugged casuals and lifestyle footwear. In addition, in 1997 the Company introduced

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CAT[REGISTERED] Marine Power footwear, designed for industrial and recreational uses in marine areas and on water covered surfaces. The diversity of the product line and strong recognition of the CATERPILLAR[REGISTERED] brand name allow the Company and its international distributors to distribute products through a wide variety of channels, including mass merchants, department stores and independent retailers. CATERPILLAR[REGISTERED] brand products target work and industrial users and active lifestyle users.

4. THE WOLVERINE SLIPPER GROUP. Through the Wolverine Slipper Group, the Company is one of the leading suppliers of constructed slippers in the United States. The styling of the Wolverine Slipper Group's footwear reflects consumer demand for the "rugged indoor" look by using natural leathers such as moosehide, shearling and suede in constructed slipper and indoor and outdoor moccasin designs. The Company designs and manufactures constructed slippers and moccasins on a private label basis according to customer specifications. Such products are manufactured for leading United States retailers and catalogs, such as Nordstrom, J.C. Penney, L.L. Bean, Eddie Bauer and Lands' End. In addition, in late 1996, the Wolverine Slipper Group added branded HUSH PUPPIES[REGISTERED] slippers to its traditional line of private label slippers.

5. THE WOLVERINE LEATHERS DIVISION. The Wolverine Leathers Division produces pigskin leathers primarily for use in the footwear industry. The Wolverine Leathers Division is the largest domestic tanner of pigskin and is included in the Company's Global Operations Group. WOLVERINE LEATHERS[REGISTERED] brand products are manufactured in the Company's pigskin tannery located in Rockford, Michigan. The Company believes these leathers offer superior performance and cost advantages over cowhide leathers. The Company's waterproof, stain resistant and washable leathers are featured in many of the Company's domestic footwear lines and many products offered by the Company's international licensees and distributors.

#### MARKETING.

The Company's overall marketing strategy is to develop brand-specific

plans and related promotional materials for the United States market to foster a differentiated and globally consistent image for each of the Company's core brands. Each brand group within the Company has its own marketing personnel who develop the marketing strategy for products within that group. Domestic marketing campaigns target both the Company's retail accounts and consumers, and strive to increase overall brand awareness for the Company's products. The Company's advertisements typically emphasize

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fashion, comfort, quality, durability, functionality and other performance and lifestyle aspects of the Company's footwear. Components of the brand-specific plans include print, radio and television advertising, in-store point of purchase displays, promotional materials, and sales and technical assistance.

The Company's brand groups provide its international licensees and distributors with creative direction and materials to convey consistent messages and brand images. Examples of marketing assistance provided by the Company to its licensees and distributors are (i) direction concerning 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 concerning retail store layout and design. The Company believes the strengths of its brand names provide a competitive advantage. In support of this belief, the Company has significantly increased its 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 products. To meet the diverse needs of its broad customer base, the Company uses four primary distribution strategies.

- Traditional wholesale distribution is used to service department stores (such as J.C. Penney, Sears and Nordstrom), large footwear chains (such as Famous Footwear and Chernin's), specialty retailers, catalog and independent retailers, and military 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 branded and private label footwear at competitive prices with limited marketing support. These programs service major retail, mail order and government customers.
- First cost agreements are primarily utilized to furnish brands licensed by the Company to mass merchants (such as Wal-Mart) on a royalty basis.
- A network of independent SHOEMOBILE<Trademark> distributors is primarily used to distribute and sell HY-TEST[REGISTERED] brand products. The Company also distributes additional products through this independent distributor network.

In addition to its wholesale activities, the Company operated 60 domestic retail shoe stores as of March 30, 1998, under two formats,

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consisting of factory outlet stores and mall-based speciality stores. The Company expects the scope of its retail operations to remain relatively consistent in the foreseeable future. Most of the Company's 54 factory outlet stores carry a large selection of first quality Company branded footwear at a discount to conventional retail prices. The 6 regional mall-based full service, full price HUSH PUPPIES[REGISTERED] Specialty Stores

feature a broad selection of men's and women's HUSH PUPPIES[REGISTERED] brand footwear and are used by the Company to test new styles and merchandising strategies. In addition, one of the mall-based full service, full price HUSH PUPPIES[REGISTERED] Specialty Stores also features other Company brands in addition to HUSH PUPPIES[REGISTERED].

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 net sales and other operating income in fiscal 1997.

Retail footwear sales are seasonal with significant increases in sales experienced during the Christmas, Easter and back-to-school periods. Due to this seasonal nature of footwear sales, the Company experiences some fluctuation in the levels of working capital. 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 the seasonal sales pattern to continue in future years.

#### INTERNATIONAL OPERATIONS AND GLOBAL LICENSING

The Company records revenue from foreign sources through a combination of sales generated from the Company's wholly owned operations in Canada, the United Kingdom and Russia, and from royalty income through a network of independent licensees and distributors. The Company's owned operations include Hush Puppies UK, Ltd., Merrell Europe Ltd., Hush Puppies Canada and Wolverine Russia, Inc., which provides operational support, marketing assistance and consulting services to promote the sale of both HUSH PUPPIES[REGISTERED] and CATERPILLAR[REGISTERED] brand footwear in Russia. 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 Company footwear bearing the HUSH PUPPIES[REGISTERED], WOLVERINE[REGISTERED], BATES[REGISTERED], HY-TEST[REGISTERED] and other trademarks by independent distributors and licensees. The Company also derives royalty income from sales of footwear bearing the CATERPILLAR[REGISTERED], COLEMAN[REGISTERED] and HARLEY-DAVIDSON[REGISTERED] trademarks through foreign distributors. Licensing and distributing enables the Company to develop international markets without the capital commitment required to maintain inventories or fund localized marketing programs.

In fiscal 1997, the Company's wholly owned foreign operations, together with the Company's foreign licensees and distributors sold an

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estimated 18 million pairs of footwear, an increase from approximately 15 million pairs sold in fiscal 1996.

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. The licensees and distributors then purchase goods from either the Company or authorized third-party manufacturers pursuant to a distribution agreement or manufacture branded products consistent with Company standards pursuant to a license agreement. Each distributor and licensee is responsible for independently marketing and distributing Company branded products in their respective territories, with general oversight provided by the Company.

#### MANUFACTURING AND SOURCING.

Although approximately two-thirds of the Company's product line is purchased or sourced from third parties, the remainder is produced at Company-owned facilities. The Company's footwear is manufactured in several domestic and certain related foreign facilities located in Michigan, Arkansas, Missouri, New York, the Caribbean Basin, Costa Rica, Mexico and Canada. The Company has implemented a "twin plant" concept



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 Caribbean Basin, Costa Rica and Mexico and the technology intensive construction, or "bottoming," is performed at the Company's domestic and Canadian facilities.

The Company has retooled most of its factories since the beginning of fiscal 1993, giving each facility the flexibility to produce a variety of footwear, and has departed from the industry's historic practice of dedicating a given facility to production of specific footwear products. The traditional dedication of facilities at times caused internal conflicts in manufacturing capacity and did not permit the Company to quickly respond to changes in market preference and demand. The Company now produces various products for both men and women in most of its domestic and international facilities, providing greater flexibility for the Company to respond to both market and customer-specific demand.

The Company sources certain footwear from a variety of foreign manufacturing facilities in the Asia-Pacific region, Central and South America and Europe. The Company maintains technical offices in the Asia-Pacific region and in Europe 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, Wolverine has developed its "Engagement Criteria for Partners & Sources" to ensure that its domestic and foreign manufacturers, licensees and distributors use ethical business standards, comply with all applicable health and safety laws and

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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 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 labor costs, (ii) source the highest quality raw materials from around the world, and (iii) avoid additional capital expenditures necessary for factories and equipment. The Company believes that its overall global manufacturing strategy gives the Company maximum flexibility to properly balance the need for timely shipments, high quality products and competitive pricing.

The Company owns and operates a pigskin tannery, which is one of the premier tanners of quality leather for the footwear industry. The Company and its licensees receive virtually all of their pigskin requirements from the tannery. The Company believes the tannery provides a strategic advantage for the Company by producing leather using proprietary technology at prices below those available from other sources. The continued operation of this tannery is important to the Company's competitive position in the footwear industry.

The Company's principal required raw material is quality leather, which it purchases primarily from a select group of domestic suppliers, including the Company's tannery. The global availability of shearling and cowhide leather 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 two domestic sources. One of these sources has been a reliable and consistent supplier for over 30 years. 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, political disturbances and similar events, the imposition of

trade barriers, quotas and tariffs and loss of most favored nation trading status. 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, particularly on a short-term basis, have an adverse impact on the Company's operations.

#### TRADEMARKS, LICENSES AND PATENTS.

The Company holds a number of registered and common law trademarks that identify its products. The trademarks that are most widely used by

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the Company include HUSH PUPPIES[REGISTERED], WOLVERINE[REGISTERED], BATES[REGISTERED], DURASHOCKS[REGISTERED], BOUNCE AND DESIGN[REGISTERED], COMFORT CURVE[REGISTERED], TRU-STITCH[REGISTERED], SIOUX MOX[REGISTERED], HY-TEST[REGISTERED] and MERRELL[REGISTERED]. The Company is licensed to manufacture and market footwear throughout the world under the COLEMAN[REGISTERED] trademark pursuant to an agreement that extends through December 31, 2002, with an automatic five year renewal, subject to the Company achieving certain sales volumes. The Company is also licensed to manufacture and market footwear throughout the world under the CATERPILLAR[REGISTERED] and CAT DESIGN[REGISTERED] trademarks pursuant to an agreement that extends through December 31, 2002. In addition, pursuant to a long-term agreement, the Company is licensed to manufacture and market footwear throughout most countries of the world under the HARLEY-DAVIDSON[REGISTERED] trademark. Pigskin leather produced by the Company is sold under the trademarks WOLVERINE LEATHERS[REGISTERED] and ALL SEASON WEATHER LEATHERS<Trademark>.

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 several patents, copyrights and various other proprietary rights. The Company protects all of its proprietary rights to the greatest extent practicable under applicable law.

#### ORDER BACKLOG.

At March 20, 1998, the Company had a backlog of orders of approximately \$168 million compared with a backlog of approximately \$141 million at March 21, 1997. While orders in backlog are subject to cancellation by customers, the Company has not experienced significant cancellation of orders in the past and the Company expects that substantially all of the orders will be shipped in fiscal 1998. The backlog at a particular time is affected by a number of factors, including seasonality and the scheduling of 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 manufacturers (domestic and foreign) and importers of footwear, some of which are larger

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and have greater resources than the Company. The Company's major

competitors for its brands of footwear are located in the United States. The Company has at least ten major competitors in connection with the sale of its work shoes and boots, at least eight major competitors in connection with the sale of its sport boots, and at least fifteen major competitors in connection with the sale of its casual and dress shoes. 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 markets served by the Company. The footwear industry in general is subject to changes in consumer preferences. The Company strives to meet competition and maintain its competitive position through promotion of brand awareness, manufacturing efficiencies, its tannery operations, 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. The market share in the footwear industry is highly fragmented and no one company has a dominant market position; however, the Company believes it is among the largest domestic manufacturers of footwear.

#### RESEARCH AND DEVELOPMENT.

In addition to normal and recurring product development, design and styling activities, the Company engages in research and development related to new and improved materials for use in its footwear and other products and in the development and adaptation of new production techniques. The Company's continuing relationship with the Biomechanics Evaluation Laboratory at Michigan State University has led to specific biomechanical design concepts, such as BOUNCE[REGISTERED], DURASHOCKS[REGISTERED] and HIDDEN TRACKS[REGISTERED] comfort technologies, that have been incorporated in the Company's footwear. The Company also maintains a footwear design center in Italy to develop contemporary styling for the Company and its international licensees and distributors. 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. The Company uses and generates, and in the past has used and generated, certain substances and wastes that are regulated or may be deemed hazardous under certain federal, state and local regulations with respect to the

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environment. The Company from time to time works with federal, state and local agencies to resolve cleanup issues at various waste sites or other regulatory issues.

#### EMPLOYEES.

As of January 3, 1998, the Company had approximately 6,696 domestic and foreign production, office and sales employees. Approximately 1,801 employees were covered by eight union contracts expiring at various dates through February 11, 2002. The Company has experienced no work stoppages since 1990. The Company presently considers its employee relations to be good.

#### ITEM 2. PROPERTIES.

The Company owned or leased the following offices and manufacturing facilities as of January 3, 1998:

LOCATION	TYPE OF FACILITY	OWNED LEASED	SQUARE FOOTAGE
Rockford, MI	Administration/Sales	Owned	193,300
Jonesboro, AR	Administration/Sales	Leased	5,680
Malone, NY	Administration/Sales	Owned	11,718
New York, NY	Administration/Sales	Leased	3,811
Montecatine Terme, Italy	Administration/Sales	Leased	2,800
St. Laurent, Quebec, Canada	Administration/Sales	Leased	2,800
Saint-Sauveur-des-Monts, Quebec, Canada	Administration/Sales	Leased	1,500
Taipei, Taiwan	Administration/Sales	Leased	2,800
Chungil, Taiwan	Administration/Sales	Leased	2,800
Leicechire, England, United Kingdom	Administration/Sales	Leased	13,250
Bristol, England, United Kingdom	Administration/Sales	Leased	2,200
TOTAL ADMINISTRATION/SALES			242,659
Rockford, MI	Tannery	Owned	160,000
Des Moines, IA	Procurement	Owned	6,200
Dyersburg, TN	Procurement	Leased	12,000
Durant, OK	Procurement	Leased	12,900
Dennison, KS	Procurement	Leased	1,855
TOTAL TANNERY AND PROCUREMENT			192,955
Jonesboro, AR	Manufacturing	Leased	79,197
Monette, AR	Manufacturing	Owned	18,030
Russellville, AR	Manufacturing	Leased	41,808
Rockford, MI	Manufacturing	Owned	20,833
Rockford, MI	Manufacturing	Owned	19,624
Rockford, MI	Manufacturing	Owned	7,790
Big Rapids, MI	Manufacturing	Owned	77,626
Kirksville, MO	Manufacturing	Owned	104,000
Malone, NY	Manufacturing	Owned	90,664
Malone, NY	Manufacturing	Owned	37,596
Malone, NY	Manufacturing	Owned	8,100
Malone, NY	Manufacturing	Owned	27,125
Bombay, NY	Manufacturing	Owned	58,980
Monterrey, MX	Manufacturing	Leased	60,000
Aquadilla, Puerto Rico	Manufacturing	Leased	62,100
San Pedro, Dominican Republic	Manufacturing	Leased	65,111
Santo Domingo, Dominican Republic	Manufacturing	Leased	54,332
Alexandria, Ontario, Canada	Manufacturing	Owned	28,000
Cartago, Costa Rica	Manufacturing	Leased	88,308
TOTAL MANUFACTURING			949,224
Jonesboro, AR	Warehouse	Leased	2,000
Jonesboro, AR	Warehouse	Leased	19,500
Jonesboro, AR	Warehouse	Owned	13,500
Jonesboro, AR	Warehouse	Owned	15,478
Walnut Ridge, AR	Warehouse	Leased	2,000
Rockford, MI	Warehouse	Owned	304,278
Rockford, MI	Warehouse	Owned	93,140
Rockford, MI	Warehouse	Owned	75,000
Grand Rapids, MI	Warehouse	Leased	20,000
Cedar Springs, MI	Warehouse	Leased	32,900
Cedar Springs, MI	Warehouse	Leased	230,000
Big Rapids, MI	Warehouse	Owned	39,800
Howard City, MI	Warehouse	Leased	350,000
Malone, NY	Warehouse	Owned	115,211
Bombay, NY	Warehouse	Owned	26,000
St. Laurent, Quebec, Canada	Warehouse	Leased	33,000
TOTAL WAREHOUSE			1,371,807

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The Company believes that its current facilities are suitable and adequate to meet its anticipated needs for the next twelve months.

### 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 that have been ascertained and opinions of counsel handling these matters, and does not

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believe the ultimate resolution of such proceedings will have a material adverse effect on the Company's financial condition or 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 as of the date of this Annual Report on Form 10-K, 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.

NAME ----	AGE ---	POSITIONS HELD WITH THE COMPANY -----
Gary M. Acromite	41	Vice President and Chief Information Officer
Geoffrey B. Bloom	56	Chief Executive Officer and Chairman of the Board
Steven M. Duffy	45	Executive Vice President and President, Global Operations Group
V. Dean Estes	48	Vice President and President, Wolverine Footwear Group
Stephen L. Gulis, Jr.	40	Executive Vice President, Chief Financial Officer and Treasurer
Blake W. Krueger	44	Executive Vice President, General Counsel and Secretary
Thomas P. Mundt	48	Vice President of Strategic Planning and Corporate Communications
Timothy J. O'Donovan	52	Chief Operating Officer and President
Nicholas P. Ottenwess	35	Corporate Controller
Robert J. Sedrowski	48	Vice President of Human Resources
James D. Zwiers	30	Associate General Counsel and Assistant Secretary

Gary M. Acromite has served the Company as Vice President and Chief Information Officer since February 1998. From 1995 to February 1998 he

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served the Company as Chief Information Officer. From 1982 to 1995 he served in various information services positions with Honeywell, Inc. and most recently was Director of Information Services.

Geoffrey B. Bloom has served the Company as Chief Executive Officer and Chairman of the Board since April 1996. From 1993 to 1996 he served the Company as President and Chief Executive Officer. From 1987 to 1993 he served the Company as President and Chief Operating Officer.

Steven M. Duffy has served the Company as an Executive Vice President since April 1996 and is President of the Company's Global Operations Group.

From 1993 to 1996 he served the Company as a Vice President. From 1989 to April 1993 he served the Company in various senior manufacturing positions.

V. Dean Estes has served the Company as a Vice President since 1995. Mr. Estes is also President of the Wolverine Footwear Group. Since he joined the Company in 1975, Mr. Estes has served in various positions relating to the sales, marketing and product development functions of the Company's work boot and shoe and related businesses.

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 the Company as Vice President and Chief Financial Officer. From 1993 to 1994 he served the Company as Vice President of Finance and Corporate Controller, and from 1986 to 1993 he was the Vice President of Administration and Control for The Hush Puppies Company.

Blake W. Krueger has served the Company as Executive Vice President, General Counsel and Secretary since April 1996. From 1993 to April 1996 he served the Company as General Counsel and Secretary. From 1985 to 1996 he was a partner of the law firm of Warner Norcross & Judd LLP.

Thomas P. Mundt has served the Company as Vice President of Strategic Planning and Corporate Communications since April 1996. From December 1993 to April 1996, he served the Company as Vice President of Strategic Planning and Treasurer. From 1988 to 1993 he served in various financial and planning positions at Sears Roebuck & Co., including Vice President Planning, Coldwell Banker's Real Estate Group and Director of Corporate Planning for Sears Roebuck & Co.

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

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

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Robert J. Sedrowski has served the Company as Vice President of Human Resources since October 1993. From 1990 to 1993 he served as Director of Human Resources for the Company.

James D. Zwiers has served the Company as Associate General Counsel and Assistant Secretary since January 1998. From 1995 to 1998 he was an attorney with the law firm of Warner Norcross & Judd LLP. From 1992 to 1995 he attended the University of Michigan Law School. From 1990 to 1992 he was a Certified Public Accountant at BDO Siedman LLP.

## PART II

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Wolverine World Wide, Inc. common stock is traded on the New York Stock Exchange and the Pacific Exchange, Inc. under the symbol "WWW." The following table shows the high and low sales prices by calendar quarter for 1997 and 1996 as reported on the New York Stock Exchange. The prices shown below have been retroactively adjusted to reflect the three-for-two stock splits announced in April 1997 and July 1996. The number of stockholders of record of common stock on March 2, 1998, was 1,992.

	HIGH ----	LOW ---	HIGH ----	LOW ---
1st quarter	\$ 26 1/4	\$ 18 9/16	\$ 13 3/8	\$ 11 3/16
2nd quarter	27 5/8	22 11/16	15 1/16	13 1/16
3rd quarter	31 1/8	21 5/8	17 3/8	14 15/16
4th quarter	26 3/8	19 7/16	19 5/16	17 1/8

CASH DIVIDENDS DECLARED PER SHARE:

	1997 ----	1996 ----
1st quarter	\$ .0217	\$ .0178
2nd quarter	.0217	.0178
3rd quarter	.0217	.0178
4th quarter	.0217	.0178

Cash dividends declared per share for 1997 and 1996 have been retroactively adjusted to reflect the three-for-two stock splits announced in April 1997 and July 1996. Dividends of \$.0275 were declared for the first quarter of fiscal 1998.

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ITEM 6. SELECTED FINANCIAL DATA.

FIVE-YEAR OPERATING AND FINANCIAL SUMMARY <F1>  
(THOUSANDS OF DOLLARS, EXCEPT PER SHARE DATA)

	1997 ----	1996 ----	1995 ----	1994 ----	1993 ----
SUMMARY OF OPERATIONS					
Net sales and other operating income	\$ 665,125	\$ 511,029	\$ 413,957	\$ 387,534	\$ 333,143
Net earnings	41,539	32,856	24,067	16,598	11,492
Per share of common stock:					
Net earnings<F2><F3>:					
Basic	\$ 1.00	\$ .81	\$ .66	\$ .48	\$ .35
Diluted	.96	.76	.62	.45	.31
Cash dividends<F3><F4>	.09	.07	.06	.05	.03
FINANCIAL POSITION AT YEAR END					
Total assets	\$ 449,663	\$ 361,598	\$ 283,554	\$ 231,582	\$ 205,112
Long-term debt	92,264	41,309	30,678	43,786	49,645

[FN]

NOTES TO FIVE-YEAR OPERATING AND FINANCIAL SUMMARY

<F1> This summary should be read in conjunction with the consolidated financial statements of the Company and the notes thereto, which are attached as Appendix A to this Form 10-K.

<F2> Basic earnings per share are based on the weighted average number of shares of common stock outstanding during the year after adjustment for nonvested common stock. Diluted earnings per share are based on the weighted average number of shares of common stock outstanding during the year and the assumed exercise of dilutive stock options.

<F3> On April 17, 1997, July 11, 1996, April 19, 1995, and March 10, 1994, the Company announced three-for-two stock splits on shares of common stock outstanding at May 2, 1997, July 26, 1996, May 1, 1995, and March 21, 1994, respectively. All share and per share data has been retroactively adjusted for the increased shares resulting from these stock splits.

<F4> Cash dividends per share represent the rates paid by the Company on the shares outstanding.

</FN>

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

OPERATIONS.

RESULTS OF OPERATIONS - 1997 COMPARED TO 1996

Net sales and other operating income increased 30.2% to \$665.1 million during 1997 from \$511.0 million in 1996. The Hush Puppies Company had a \$67.5 million (33.7%) increase in 1997 net sales, while the Wolverine Footwear Group contributed \$42.9 million (24.4%) of additional sales in 1997 as compared to 1996. The CATERPILLAR[REGISTERED] Footwear Group continued its strong growth rate showing a \$24.9 million (63.7%) increase in 1997 net sales over 1996. The Wolverine Leathers Division recognized a \$14.5 million (56.1%) net sales improvement in 1997 over 1996. Sales of the Wolverine Slipper Group were flat for 1997 as compared to the prior year.

The Hush Puppies North American wholesale operations' net sales increased \$21.8 million (16.4%) over the 1996 level as a result of the continued popularity of the HUSH PUPPIES[REGISTERED] Classics product line. Net sales and other operating income for the Hush Puppies International Division increased \$1.3 million (12.1%) in 1997 over 1996 levels, reflecting solid growth rates throughout the world. The Hush Puppies Retail Division's net sales increased \$6.1 million (20.2%) in 1997 with same-store net sales improving 7.9%. Hush Puppies (U.K.) Ltd., which was acquired at the end of the third quarter of 1996, had a \$36.4 million increase over its four months of 1996 operations.

The Wolverine Footwear Group continued its strong performance in 1997 as the Wolverine Boots and Shoes Division reported a \$22.8 million (19.0%) increase in net sales and other operating income over 1996. HY-TEST[REGISTERED] Boots and Shoes, which was acquired near the end of the first quarter of 1996, had a \$12.1 million (49.4%) increase in 1997 net sales over its nine months of 1996 operations. BATES[REGISTERED] footwear net sales and other operating income improved \$4.3 million (14.8%) in 1997 over 1996 reflecting increased penetration into military, uniform and export markets. The MERRELL[REGISTERED] outdoor footwear business was acquired in the fourth quarter of 1997 and contributed marginally to net sales and other operating income.

The CATERPILLAR[REGISTERED] Footwear Group recognized a \$24.9 million (63.7%) increase in 1997 net sales and other operating income over 1996. Domestically, the CAT[REGISTERED] Footwear brand continues to gain momentum as approximately 800 new specialty and department store customers were added in 1997. Internationally, the brand continues to show solid growth gains in the United Kingdom and Europe and has accelerated its growth in the Pacific Rim and Latin American regions.

The Wolverine Slipper Group's net sales and other operating income was 1.0% above the level recorded in 1996. Higher sales of HUSH PUPPIES[REGISTERED] branded slippers offset lower sales of private branded products in 1997.

The Wolverine Leathers Division recorded a significant net sales improvement of \$14.5 million (56.1%) in 1997 with both licensee and domestic accounts contributing to the increase. The 1997 performance represented the fourth consecutive year of net sales increases for the division. Strong demand for performance leather and sueded products continues to drive volume increases.

Gross margin as a percentage of net sales and other operating income



increased to 30.7% in 1997 from 30.5% in 1996. Gross margin dollars increased \$48.3 million (31.0%) in 1997 to \$204.1 million as compared to \$155.8 million in 1996. The Hush Puppies Company reported a gross margin improvement of 4.3 percentage points in 1997 based primarily on results of the North American Wholesale operations where initial pricing improvements and manufacturing and sourcing efficiencies were achieved. The 1997 improvement in gross margin percentage by The Hush Puppies Company was tempered to some degree by the higher level of operations of Hush Puppies (U.K.) Ltd., which operates at lower gross margin levels than comparable U.S. operations. The Wolverine and CATERPILLAR[REGISTERED] Footwear Groups experienced slightly lower gross margin percentages in 1997 as compared to 1996 as a result of initial investments required to position recent acquisitions and new products in both domestic and international markets. Additionally, gross margin gains of the Wolverine Leathers Division were offset by lower gross margins of the Wolverine Slipper Group in 1997. Both of these businesses operate at comparable gross margin percentages that are lower than those experienced by the Company's wholesale footwear operations.

Selling and administrative expenses as a percentage of net sales and other operating income decreased to 20.6% in 1997 from 21.0% in 1996 as these costs increased \$29.7 million (27.6%) to \$137.2 million in 1997 from \$107.5 million in 1996. Excluding the 1997 acquisition of the MERRELL[REGISTERED] outdoor footwear business and the 1996 acquisitions of HY-TEST[REGISTERED] and Hush Puppies (U.K.) Ltd., selling, advertising and distribution costs increased \$15.4 million or 21.4% during 1997. The reduction in selling and administrative expenses as a percentage of net sales and other operating income occurred despite increased investments in branded marketing initiatives, significant information system upgrades, higher profit sharing provisions and costs associated with employee performance incentive plans.

Interest expense of \$5.5 million was \$2.4 million greater in 1997 than the 1996 level of \$3.1 million. The increase in interest expense for 1997 reflects additional borrowings on the revolving credit facility over the 1996 level resulting from the 1997 acquisition of the MERRELL[REGISTERED]

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outdoor footwear business and increased working capital requirements associated with higher sales volume. Additionally, proceeds from the November 1995 equity offering provided cash which resulted in lower average borrowings for the first quarter of 1996.

On September 24, 1997, the Company moved to strengthen its domestic footwear businesses by closing three Arkansas women's shoe factories and converting a New York slipper factory into a warehouse. These actions resulted in a restructuring charge of \$3.5 million in 1997. The restructuring balanced the sourcing mix for HUSH PUPPIES[REGISTERED] women's shoes and the Wolverine Slipper Group as more products will be sourced internationally in future years.

The 1997 effective tax rate of 32.0% increased from 31.1% in 1996 as a result of earnings from certain foreign subsidiaries, which are taxed generally at lower rates, becoming a smaller percentage of total consolidated earnings.

Net earnings of \$41.5 million for 1997 reflect a 26.4% increase over net earnings of \$32.9 million reported for 1996. Diluted earnings per share for 1997 were \$0.96 compared to \$0.76 per share in 1996. Prior to the one-time after-tax restructuring charge of \$2.3 million, diluted earnings per share were \$1.01 for 1997. Basic earnings per share of \$1.00 and \$0.81 were reported for 1997 and 1996, respectively. Increased net earnings are primarily a result of the items noted above.

Net sales and other operating income increased 23.4% to \$511.0 million during 1996 from \$414.0 million in 1995. The Wolverine Footwear Group continued its strong performance, accounting for \$37.9 million (9.2%) of the increase in consolidated net sales as sales of its products increased by 21.3% over 1995. The Hush Puppies Wholesale Division reported a \$19.2 million increase in net sales over 1995, reflecting the popularity of the HUSH PUPPIES[REGISTERED] Classics product line. The Wolverine Leathers Division experienced sales increases showing a \$3.5 million (15.6%) improvement over 1995. Sales to the United States Department of Defense increased by \$13.5 million in 1996. Sales of the Wolverine Slipper Group declined \$4.6 million (10.0%) in 1996 when compared to 1995. Sales for the Hush Puppies Retail Division remained flat for 1996.

The Wolverine Footwear Group reported a \$37.9 million (21.3%) net sales improvement over 1995, its fifth consecutive year of over 20% increases. CATERPILLAR[REGISTERED] brand was successful with a spring product launch into casuals boasting a 64.2% revenue increase in domestic and international markets. HY-TEST[REGISTERED] Boots and Shoes proved to be a strong addition to the group adding \$24.6 million to net sales in 1996 since the date of acquisition. BATES[REGISTERED] footwear sales improved

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11.0% as the civilian market continued to grow and military shipments increased. WOLVERINE[REGISTERED] brand shipments slipped 4.7% due to reduced demand during the first half of 1996 as the work boot market was oversaturated with product.

The Hush Puppies Wholesale Division increased sales 18.9% over the 1995 levels. Strong second half shipments of the HUSH PUPPIES[REGISTERED] Classics product line helped contribute to the increase. Net sales and other operating income for the Hush Puppies International Division increased \$.4 million (4.0%) in 1996 over 1995 levels, reflecting the growth of established programs throughout the world. Additionally, the Hush Puppies Retail Division same-store sales were up \$.4 million (2.1%). Hush Puppies (U.K.) Ltd. reported \$26.4 million in 1996 net sales since its acquisition in the third quarter.

Net sales for the Wolverine Slipper Group were \$4.6 million (10.0%) below the levels posted in 1995, reflecting strong competitive pressures and decreases in catalogue house orders. Reduced orders for traditional private label products were offset by the new HUSH PUPPIES[REGISTERED] branded slipper business, which resulted in shipments of approximately \$4.0 million in its first year.

The Wolverine Leathers Division recorded a significant revenue improvement of \$3.5 million (15.6%) in 1996. This performance represented the third consecutive year of revenue increases for the division and its most successful year in nearly a decade. This growth was due in part to increased demand for premium satin sueded products which was partially offset by a reduction in procurement revenues totaling \$1.3 million.

Gross margin increased \$32.3 million (26.1%) in 1996 to \$155.8 million as compared to \$123.5 million in 1995 and as a percentage of net sales and other operating income increased to 30.5% in 1996 from 29.8% in 1995. Improved margins were recorded in both the Hush Puppies Wholesale Division (\$8.7 million) and the Wolverine Footwear Group (\$21.6 million) through improved initial pricing margins, increased licensing revenues and manufacturing and sourcing efficiencies. The Wolverine Leathers Division continued its strong performance reporting a \$2.3 million gross margin increase achieved by a more favorable product mix to higher margin products. The Hush Puppies Retail Division also contributed to the improved margins with a \$1.8 million increase in 1996 as inventory management programs improved initial turnover which reduced reliance on promotional programs and markdown allowances.

Selling and administrative expenses of \$107.5 million in 1996 increased \$21.5 million (25.0%) from \$86.0 million in 1995, and as a

percentage of net sales increased to 21.0% in 1996 from 20.8% in 1995. The 1996 acquisitions of HY-TEST[REGISTERED] and Hush Puppies (U.K.) Ltd. accounted for \$6.4 million of the increase. Selling, administrative and distribution costs associated with the higher sales volume, combined with a

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\$3.5 million increase in advertising and promotional investments in the Wolverine Footwear Group and The Hush Puppies Company, increased costs by \$11.1 million in 1996 over the prior year. Other drivers of general and administrative costs were increases in profit sharing provisions, information systems investments and costs associated with senior executive stock incentive and retirement programs.

Interest expense of \$3.1 million was \$1.6 million (33.7%) less than the 1995 level of \$4.7 million as a result of lower average borrowings throughout the year. The lower borrowing levels were primarily attributable to a reduction in the balance of the Company's revolving credit facility with funds generated by the November 1995 equity offering.

Interest income of \$1.5 million increased \$0.5 million in 1996 over 1995. The increase was generated by short-term investing of the available funds from the equity offering during the first quarter of 1996.

The 1996 effective tax rate of 31.1% increased from 29.5% in 1995 as a result of earnings from certain foreign subsidiaries, which are taxed generally at lower rates, becoming a smaller percentage of total consolidated earnings.

Net earnings of \$32.9 million for 1996 reflect a 36.5% increase over net earnings of \$24.1 million reported for 1995. Diluted earnings per share for 1996 were \$0.76 compared to \$0.62 per share in 1995. Basic earnings per share of \$0.81 and \$0.66 were reported for 1996 and 1995, respectively. Increased net earnings are primarily a result of the items noted above.

#### LIQUIDITY AND CAPITAL RESOURCES

Net cash used in operating activities was \$0.2 million in 1997 compared to net cash provided by operating activities of \$17.4 million in 1996. Cash of \$52.6 million (34.1% of the net sales and other operating income increase) in 1997 and \$22.0 million (22.7% of the net sales and other operating income increase) in 1996 was used to fund working capital requirements. Accounts receivable of \$138.1 million at January 3, 1998, reflect a \$12.1 million (9.6%) increase over the \$126.0 million balance at December 28, 1996. Inventories of \$143.8 million at January 3, 1998, reflect a \$26.4 million (22.5%) increase over the \$117.4 million balance at December 28, 1996. The 1997 acquisition of the assets of the MERRELL[REGISTERED] outdoor footwear business contributed 4.7% and 4.0% of the increases in accounts receivable and inventories, respectively. The Company's order backlog was approximately 20% higher at January 3, 1998, as compared to the previous year, supporting the need for increased inventories to meet anticipated future demand. Accounts payable of \$24.3 million at January 3, 1998, reflects a \$17.0 million (41.1%) decrease over the \$41.3 million balance at December 28, 1996. The decrease in accounts payable is primarily attributable to the timing of 1997 year end payments

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compared to 1996. The 1996 accounts payable balance also included significant inventory purchases at the Hush Puppies (U.K.) Ltd. operation near year end.

Additions to property, plant and equipment of \$35.4 million in 1997 compare to \$20.6 million reported in 1996. The majority of these expenditures were related to the construction of a new corporate business center, modernization of existing office buildings, replacement of legacy information systems, expansion of warehouse facilities and purchases of

manufacturing equipment necessary to upgrade the Company's footwear and leather manufacturing facilities. Depreciation and amortization of \$9.2 million in 1997 compares to \$7.1 million in 1996. This increase was a result of the capital investments noted above and the amortization of goodwill related to the 1997 and 1996 acquisitions discussed below.

The Company maintains short-term borrowing and commercial letter-of-credit facilities of \$58.4 million, of which \$39.3 million and \$29.5 million were outstanding at the end of 1997 and 1996, respectively. Long-term debt of \$94.2 million at the end of 1997 increased \$52.9 million from the \$41.3 million balance at the end of 1996. The increase in debt primarily resulted from seasonal working capital requirements of the Company, investments in capital improvements and the purchase of the MERRELL[REGISTERED] outdoor footwear business.

It is expected that continued growth of the Company will require increases in capital funding over the next several years. In the first quarter of 1998, the Company renegotiated its long-term revolving debt agreement and increased the amount available under its domestic credit facilities from \$100 million to \$150 million. In addition, the Company's subsidiary in the United Kingdom has a \$17.2 million, three-year variable rate revolving credit agreement expiring in January 2000 to support its working capital requirements. The combination of credit facilities and cash flows from operations is expected to be sufficient to meet future capital needs.

The Company paid dividends of \$3.7 million in 1997, or \$.09 per share, which reflects a 24.0% increase over the \$3.0 million, or \$0.07 per share paid in 1996. Additionally, shares issued under stock incentive plans provided cash of \$8.9 million in 1997 compared to \$3.7 million during 1996.

On October 17, 1997, the Company completed the purchase of substantially all of the assets of the MERRELL[REGISTERED] outdoor footwear business from the Outdoor Division of Sports Holdings Corp. The purchase price of this acquisition was \$16.3 million of which \$15.8 million was paid in cash in 1997.

During 1996, the Company completed two acquisitions, the work, safety and occupational footwear business of Hy-Test, Inc. from The Florsheim Shoe Company and the rights to and certain assets of the HUSH PUPPIES[REGISTERED]

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wholesale shoe business in the United Kingdom and Ireland from British Shoe Corporation, a subsidiary of Sears Plc. The combined purchase price of these acquisitions was \$31.5 million of which \$29.2 million was paid in cash in 1996. The Company has an active program to evaluate strategic business acquisitions on a global basis and may, from time to time, make additional acquisitions.

The current ratio at year-end was 4.7 to 1.0 in 1997 compared with 3.8 to 1.0 in 1996. The Company's total debt to total capital ratio increased to .26 to 1.0 in 1997 from .15 to 1.0 in 1996.

#### IMPACT OF YEAR 2000

The Company is currently in the process of addressing a problem that is facing all users of automated information systems. The "Year 2000 Issue" is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Company's computer programs that have time-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This situation could result in a system failure or miscalculations causing disruptions to operations, including, among other things, a temporary inability to process transactions, send invoices, or engage in similar normal business activities.

Based on a recent assessment, the Company determined that it will be required to modify or replace portions of its software so that its computer systems will function properly with respect to dates in the year 2000 and thereafter. This modification and replacement process will be implemented by the Company's Information Systems team and will be supervised primarily by an Executive Oversight Committee, consisting of internal executive management and various other third parties. The Company presently believes that with modifications to existing software and conversions to new software, the Year 2000 Issue will not pose significant operational problems for its computer systems. However, if such modifications and conversions are not made, or are not completed in a timely manner, the Year 2000 Issue could have a material impact on the operations of the Company.

The Company is in the process of initiating formal communications with significant suppliers and customers to determine the extent to which the Company may be vulnerable to a failure by any of these third parties to remediate their own Year 2000 issues. The Company's total Year 2000 project costs include the estimated costs and time associated with anticipated third party Year 2000 issues based on presently available information. However, there can be no guarantee that the systems of other companies on which the Company's systems rely will be timely converted and will not have an adverse effect on the Company's operations. The Company does not sell technology-based products and believes it has no exposure to contingencies related to the Year 2000 Issue in this regard.

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The Company will utilize both internal and external resources to reprogram, or replace, and test its information systems software for Year 2000 modifications. A significant portion of the Company's Year 2000 issues will be resolved by the installation of Year 2000 compliant systems. The new systems are designed to handle the Company's information systems for order processing, warehousing and finance on a fully integrated enterprise-wide basis (the "Base System"). Manufacturing systems, which are generally Year 2000 compliant, will not be replaced. Implementation of the Base System began in 1997 primarily in response to business demand and growth, although implementation of the Base System will replace software that is not Year 2000 compliant as an ancillary benefit. Any remaining Year 2000 problems will be addressed through a combination of reprogramming and replacement. The Company anticipates completing the Year 2000 project no later than June 30, 1999, which is prior to any anticipated impact on its operating systems.

The Company currently estimates that total costs for implementing the new Base System will approximate \$20 million and that total costs for additional reprogramming, replacement and other Year 2000 compliance issues not covered by implementation of the Base System will approximate \$2 million. To the extent these costs represent investment in new or upgraded technology with definable value lasting beyond 2000 and Year 2000 compliance is merely an ancillary benefit, the Company will capitalize and depreciate such assets over their estimated useful lives. To the extent that Year 2000 costs do not qualify as capital investments, the Company will expense such costs as incurred.

The costs of Year 2000 modifications and the date on which the Company believes it will complete the project are based on management's best estimates, which were derived utilizing numerous assumptions of future events, including the continued availability of certain resources, third party modification plans and other factors. However, there can be no guarantee that these estimates will be achieved and actual results could differ materially from those anticipated. Specific factors that might cause such material differences include, but are not limited to, the availability and cost of personnel trained in this area, supplier compliance and contingency actions, and similar uncertainties.

INFLATION

Inflation has not had a significant impact on the Company over the past three years nor is it expected to have a significant impact in the foreseeable future. The Company continuously attempts to minimize the effect of inflation through cost reductions and improved productivity.

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#### FORWARD-LOOKING STATEMENTS

This discussion and analysis of financial condition and results of operations, and other sections of this Annual Report, contain forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates and projections about the footwear industry, the economy, and about the Company itself. Words such as "anticipates," "believes," "estimates," "expects," "forecasts," "intends," "is likely," "plans," "predicts," "projects," variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions ("Future 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. 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.

Future 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 degree of competition by the Company's competitors; changes in government and regulatory policies; changes in trading policies or import and export regulations; changes in interest rates, tax laws, duties or applicable assessments; technological developments; and changes in domestic or international economic conditions. These matters are representative of the Future Factors that could cause a difference between an ultimate actual outcome and a forward-looking statement.

#### ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable for fiscal year 1997.

#### 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 here incorporated by reference.

#### ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

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PAGE>

#### PART III

#### ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The information regarding directors of the Company contained under the

captions "Board of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the definitive Proxy Statement of the Company dated March 27, 1998, is incorporated herein by reference. The 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 "Compensation of Directors," "Executive Compensation," "Employment Agreements and Termination of Employment and Change in Control Arrangements," and "Compensation Committee Report on Executive Compensation" in the definitive Proxy Statement of the Company dated March 27, 1998, is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information contained under the captions "Ownership of Common Stock" and "Securities Ownership of Management" contained in the definitive Proxy Statement of the Company dated March 27, 1998, is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information regarding certain employee loans following the caption "Executive Compensation," under the subheading "Stock Options," and the information contained under the captions "Compensation of Directors" and "Certain Relationships and Related Transactions" contained in the definitive Proxy Statement of the Company dated March 27, 1998, are incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS, SCHEDULES, AND REPORTS ON FORM 8-K.

ITEM 14(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:

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- Consolidated Balance Sheets as of January 3, 1998, and December 28, 1996.
- Consolidated Statements of Stockholders' Equity for the Fiscal Years Ended January 3, 1998, December 28, 1996, and December 30, 1995.
- Consolidated Statements of Operations for the Fiscal Years Ended January 3, 1998, December 28, 1996, and December 30, 1995.
- Consolidated Statements of Cash Flows for the Fiscal Years Ended January 3, 1998, December 28, 1996, and December 30, 1995.
- Notes to Consolidated Financial Statements as of January 3, 1998.
- Report of Independent Auditors.

ITEM 14(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.

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

ITEM 14(a)(3). EXHIBITS.

The following exhibits are filed as part of this report:

EXHIBIT  
NUMBER

DOCUMENT

- 3.1 Certificate of Incorporation, as amended. Previously filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 14, 1997. Here incorporated by reference.
- 3.2 Amended and Restated Bylaws. Previously filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 1995. Here incorporated by reference.
- 4.1 Certificate of Incorporation, as amended. See Exhibit 3.1 above.
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- 4.2 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.
- 4.3 Credit Agreement dated as of October 11, 1996, with NBD Bank as Agent. Previously filed as Exhibit 4.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 1996. Here incorporated by reference.
- 4.4 Note Purchase Agreement dated as of August 1, 1994, relating to 7.81% Senior Notes. Previously filed as Exhibit 4(d) to the Company's Quarterly Report on Form 10-Q for the period ended September 10, 1994. Here incorporated by reference.
- 4.5 The Registrant has several classes of long-term debt instruments outstanding in addition to that described in Exhibit 4.4 above. The amount of none of these classes of debt outstanding on March 2, 1998, 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.
- 10.1 Stock Option Plan of 1979, and amendment.<F\*> Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 1988. Here incorporated by reference.
- 10.2 1993 Stock Incentive Plan.<F\*> Previously filed as Exhibit 10(b) to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1994. Here incorporated by reference.
- 10.3 1988 Stock Option Plan.<F\*> Previously filed as an exhibit to the Company's registration statement on Form S-8, filed July 21, 1988, Registration No. 33-23196. Here incorporated by reference.
- 10.4 Amended and Restated Directors Stock Option Plan.<F\*> Previously filed as an exhibit to the Company's Annual Report on Form 10-K



for the fiscal year ended January 1, 1994. Here incorporated by reference.

- 10.5 Employees Pension Plan.<F\*>
- 10.6 Employment Agreement dated April 27, 1993, between the Company and Geoffrey B. Bloom.<F\*> Previously filed as Exhibit 10(f) to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1994. Here incorporated by reference.

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- 10.7 Executive Long-Term Incentive (Three Year) Plan 1996-1998 Period.<F\*> Previously filed as Exhibit 10.7 to the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 1996. Here incorporated by reference.
- 10.8 1994 Directors' Stock Option Plan.<F\*> Previously filed as Exhibit 10(aa) to the Company's Quarterly Report on Form 10-Q for the period ended June 18, 1994. Here incorporated by reference.
- 10.9 Stock Option Loan Program.<F\*> Previously filed as Exhibit 10(h) to the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 1991. Here incorporated by reference.
- 10.10 Executive Severance Agreement.<F\*>
- 10.11 Supplemental Executive Retirement Plan, as amended.<F\*> Previously filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 15, 1996. Here incorporated by reference. An updated participant schedule is attached as Exhibit 10.11.
- 10.12 1995 Stock Incentive Plan.<F\*> Previously filed as an Appendix to the Company's Definitive Proxy Statement with respect to the Company's Annual Meeting of Stockholders held on April 19, 1995. Here incorporated by reference.
- 10.13 Executive Long-Term Incentive (Three Year) Plan for the three year period 1994-1996.<F\*> Previously filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 1995. Here incorporated by reference.
- 10.14 Executive Long-Term Incentive (Three Year) Plan for the three year period 1995-1997.<F\*> Previously filed as Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 1995. Here incorporated by reference.
- 10.15 Indemnification Agreements.<F\*> The form of agreement was previously filed as Exhibit 10(n) to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 1993. Here incorporated by reference. The Company has entered into an Indemnification Agreement with each director and executive officer.

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- 10.16 Supplemental Retirement Benefits.<F\*> Previously filed as

Exhibit 10(1) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1988. Here incorporated by reference.

- 10.17 Benefit Trust Agreement dated May 19, 1987, and Amendments Number 1, 2 and 3 thereto.<F\*> Previously filed as Exhibit 10(p) to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 1993. Here incorporated by reference.
- 10.18 1996 Executive Short-Term Incentive Plan (Annual Bonus Plan).<F\*> Previously filed as Exhibit 10.19 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 1995. Here incorporated by reference.
- 10.19 Outside Directors' Deferred Compensation Plan.<F\*> Previously filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended June 15, 1996. Here incorporated by reference.
- 10.20 1984 Executive Incentive Stock Purchase Plan, and amendment.<F\*> Previously filed as Exhibit 10(b) to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 1988. Here incorporated by reference.
- 10.21 Supplemental Director's Fee Agreement dated as of March 27, 1995, between the Company and Phillip D. Matthews.<F\*> Previously filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 25, 1995. Here incorporated by reference.
- 10.22 Restricted Stock Agreement dated as of March 27, 1995, between the Company and Phillip D. Matthews.<F\*> Previously filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended March 25, 1995. Here incorporated by reference.
- 10.23 1997 Stock Incentive Plan.<F\*> Previously filed as Appendix A to the Company's Definitive Proxy Statement with respect to the Company's Annual Meeting of Stockholders held on April 16, 1997. Here incorporated by reference.
- 10.24 Executive Short-Term Incentive Plan (Annual Bonus Plan).<F\*> 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 16, 1997. Here incorporated by reference.

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- 10.25 Executive Long-Term Incentive Plan (3-Year Bonus Plan).<F\*> Previously filed as Appendix C to the Company's Definitive Proxy Statement with respect to the Company's Annual Meeting of Stockholders held on April 16, 1997. Here incorporated by reference.
- 11 Computation of Per Share Earnings.
- 21 Subsidiaries of Registrant.
- 23 Consent of Independent Auditors.
- 24 Powers of Attorney.
- 27.1 Financial Data Schedule.
- 27.2 Restated Financial Data Schedule for the quarterly period ended

September 6, 1997.

- 27.3 Restated Financial Data Schedule for the quarterly period ended June 14, 1997.
- 27.4 Restated Financial Data Schedule for the fiscal year ended December 28, 1996.
- 27.5 Restated Financial Data Schedule for the quarterly period ended September 7, 1996.
- 27.6 Restated Financial Data Schedule for the quarterly period ended June 15, 1996.
- 27.7 Restated Financial Data Schedule for the quarterly period ended March 23, 1996.
- 27.8 Restated Financial Data Schedule for the fiscal year ended December 30, 1995.

[FN]

<F\*>Management contract or compensatory plan or arrangement.

</FN>

The Company will furnish a copy of any exhibit listed above to any stockholder without charge upon written request to Mr. Blake W. Krueger, Executive Vice President, General Counsel and Secretary, 9341 Courtland Drive, Rockford, Michigan 49351.

ITEM 14(b). REPORTS ON FORM 8-K.

No reports on Form 8-K were filed in the fourth quarter of the fiscal year ended January 3, 1998.

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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: March 31, 1998

By: /S/STEPHEN L. GULIS, JR.  
Stephen L. Gulis, Jr.  
Executive Vice President,  
Chief Financial Officer and  
Treasurer  
(Principal Financial and Accounting  
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.

SIGNATURE	TITLE	DATE
*/S/GEOFFREY B. BLOOM Geoffrey B. Bloom	Chief Executive Officer and Chairman of the Board of Directors	March 31, 1998
*/S/TIMOTHY J. O'DONOVAN Timothy J. O'Donovan	President and Director	March 31, 1998

/S/STEPHEN L. GULIS, JR. Executive Vice President, Chief March 31, 1998  
Stephen L. Gulis, Jr. Financial Officer and Treasurer  
(Principal Financial and Accounting  
Officer)

\*S/DANIEL T. CARROLL Director March 31, 1998  
Daniel T. Carroll

\*S/ALBERTO L. GRIMOLDI Director March 31, 1998  
Alberto L. Grimoldi

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\*S/DAVID T. KOLLAT Director March 31, 1998  
David T. Kollat

\*S/PHILLIP D. MATTHEWS Director March 31, 1998  
Phillip D. Matthews

\*S/DAVID P. MEHNEY Director March 31, 1998  
David P. Mehney

\*S/JOSEPH A. PARINI Director March 31, 1998  
Joseph A. Parini

\*S/JOAN PARKER Director March 31, 1998  
Joan Parker

\*S/ELIZABETH A. SANDERS Director March 31, 1998  
Elizabeth A. Sanders

\*S/PAUL D. SCHRAGE Director March 31, 1998  
Paul D. Schrage

/S/STEPHEN L. GULIS, JR.  
Stephen L. Gulis, Jr.  
Attorney-in-Fact

APPENDIX A

CONSOLIDATED BALANCE SHEETS

(THOUSANDS OF DOLLARS)	AS OF FISCAL YEAR END	
	1997	1996
-----		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,768	\$ 8,534
Accounts receivable, less allowances (1997 \$7,292; 1996 \$5,634)	138,066	125,999
Inventories:		
Finished products	100,272	71,346
RAW MATERIALS AND WORK-IN-PROCESS	43,562	46,081
-----		

Refundable income taxes	143,834	117,427
Deferred income taxes	7,174	2,062
OTHER CURRENT ASSETS	4,880	8,149
	4,139	2,457
-----		
Total current assets	303,861	264,628
Property, plant and equipment:		
Land	1,178	1,178
Buildings and improvements	58,483	40,284
MACHINERY AND EQUIPMENT	103,720	89,317
-----		
	163,381	130,779
LESS ACCUMULATED DEPRECIATION	73,050	67,776
-----		
	90,331	63,003
Other assets		
Goodwill and other intangibles, less accumulated amortization (1997 \$1,017; 1996 \$193)	18,789	11,454
Cash value of life insurance	13,166	11,812
Prepaid pension costs	9,963	6,981
Assets held for exchange	6,033	
Notes receivable	4,388	2,439
OTHER	3,132	1,281
-----		
	55,471	33,967
-----		
Total assets	\$ 449,663	\$ 361,598
=====		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 3,251	\$ 1,026
Accounts payable	24,318	41,273
-2-		
Salaries, wages and other compensation	13,512	9,010
Taxes, other than income taxes	3,463	4,174
Other accrued expenses	15,934	14,251
CURRENT MATURITIES OF LONG-TERM DEBT	4,417	76
-----		
Total current liabilities	64,895	69,810
Long-term debt, less current maturities	89,847	41,233
Supplemental employee retirement benefits	7,741	7,353
Deferred income taxes	4,203	2,830
Other noncurrent liabilities	547	1,080
Stockholders' equity:		
Common stock, \$1 par value:		
Authorized: 80,000,000 shares		
Issued, including treasury shares:		
1997 43,310,718 shares; 1996 42,243,609 shares	43,311	42,244
Additional paid-in capital	64,912	53,943
Retained earnings	190,799	152,948
Accumulated translation adjustments	(68)	79
Unearned compensation	(4,285)	(2,908)
Cost of shares in treasury:		
1997 758,113 SHARES; 1996 557,323 SHARES	(12,239)	(7,014)
-----		
TOTAL STOCKHOLDERS' EQUITY	282,430	239,292
-----		
Total liabilities and stockholders' equity	\$ 449,663	\$ 361,598
=====		

( ) Denotes deduction.

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(THOUSANDS OF DOLLARS)	1997	FISCAL YEAR 1996	1995
<b>COMMON STOCK</b>			
Balance at beginning of the year	\$ 42,244	\$ 41,551	\$ 36,847
Proceeds from issuance of common stock			3,911
Common stock issued under stock incentive plans (1997 1,067,109 shares; 1996 693,027 SHARES; 1995 792,756 SHARES)	1,067	693	793
Balance at end of the year	43,311	42,244	41,551
<b>ADDITIONAL PAID-IN CAPITAL</b>			
Balance at beginning of the year	53,943	48,475	
Proceeds from issuance of common stock			44,957
Proceeds over par value and income tax benefits associated with common stock issued under STOCK INCENTIVE PLANS	10,969	5,468	3,518
Balance at end of the year	64,912	53,943	48,475
<b>RETAINED EARNINGS</b>			
Balance at beginning of the year	152,948	123,066	101,346
Net earnings	41,539	32,856	24,067
Cash dividends (1997 \$.09 per share; 1996 \$.07 PER SHARE; 1995 \$.06 PER SHARE)	(3,688)	(2,974)	(2,347)
Balance at end of the year	190,799	152,948	123,066
<b>ACCUMULATED TRANSLATION ADJUSTMENTS</b>			
Balance at beginning of the year	79	(324)	332
EQUITY ADJUSTMENTS FROM FOREIGN CURRENCY TRANSLATION	(147)	403	(656)
Balance at end of the year	(68)	79	(324)
<b>UNEARNED COMPENSATION</b>			
Balance at beginning of the year	(2,908)	(1,827)	(1,181)
Awards under stock incentive plans	(3,117)	(2,469)	(1,490)
COMPENSATION EXPENSE	1,740	1,388	844
Balance at end of the year	(4,285)	(2,908)	(1,827)
<b>COST OF SHARES IN TREASURY</b>			
Balance at beginning of the year	(7,014)	(6,727)	(6,000)
Issuance of 10,000 shares of common stock from treasury			125
Common stock purchased for treasury (199--200,790 shares; 1996 9,410 shares; 1995--23,921 SHARES)	(5,225)	(287)	(852)
<b>BALANCE AT END OF THE YEAR</b>	(12,239)	(7,014)	(6,727)
<b>Total stockholders' equity at end of the year</b>	<b>\$ 282,430</b>	<b>\$ 239,292</b>	<b>\$ 204,214</b>

( ) Denotes deduction.

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

(THOUSANDS OF DOLLARS, EXCEPT PER SHARE DATA)	FISCAL YEAR		
	1997	1996	1995
Net sales and other operating income	\$ 665,125	\$ 511,029	\$ 413,957
Costs and expenses:			
Cost of products sold	460,999	355,224	290,469
Selling and administrative expenses	137,157	107,492	85,993
Interest expense	5,455	3,127	4,717
Interest income	(845)	(1,532)	(1,039)
Restructuring charge	3,450		
OTHER INCOME -- NET	(2,172)	(949)	(297)
	604,044	463,362	379,843
Earnings before income taxes	61,081	47,667	34,114
INCOME TAXES	19,542	14,811	10,047
Net earnings	\$ 41,539	\$ 32,856	\$ 24,067
Net earnings per share:			
Basic \$	\$ 1.00	\$ .81	\$ .66
Diluted	.96	.76	.62

See accompanying notes to consolidated financial statements.



CONSOLIDATED STATEMENTS OF CASH FLOWS

(THOUSANDS OF DOLLARS)	FISCAL YEAR		
	1997	1996	1995
-----			
OPERATING ACTIVITIES			
Net earnings	\$ 41,539	\$ 32,856	\$ 24,067
Adjustments necessary to reconcile net earnings to net cash provided by (used in) operating activities:			
Depreciation and amortization	9,151	7,147	5,765
Deferred income taxes (credit)	4,642	(214)	1,878
OTHER	(2,980)	(398)	(781)
	52,352	39,391	30,929
Changes in operating assets and liabilities:			
Accounts receivable	(6,092)	(32,752)	(12,723)
Inventories	(27,744)	(19,526)	(9,325)
Other operating assets	(5,794)	154	(1,000)
Accounts payable	(17,162)	26,085	(3,069)
OTHER OPERATING LIABILITIES	4,214	4,056	(1,950)
	(226)	17,408	2,862
Net cash provided by (used in) operating activities	(226)	17,408	2,862
-----			
INVESTING ACTIVITIES			
Business acquisitions	(15,753)	(29,158)	
Additions to property, plant and equipment	(35,419)	(20,639)	(18,645)
OTHER	(5,950)	4,086	3,632
	(57,122)	(45,711)	(15,013)
Net cash used in investing activities	(57,122)	(45,711)	(15,013)
-----			
FINANCING ACTIVITIES			
Proceeds from short-term borrowings	4,711		2,907
Payments of short-term debt	(3,090)	(1,313)	(2,000)
Proceeds from long-term borrowings	112,090	58,000	58,181
Payments of long-term debt	(59,135)	(47,369)	(71,289)
Proceeds from issuance of common stock			48,869
Cash dividends	(3,688)	(2,974)	(2,347)
Purchase of common stock for treasury	(5,225)	(287)	(852)
PROCEEDS FROM SHARES ISSUED UNDER STOCK INCENTIVE PLANS	8,919	3,692	2,821
	54,582	9,749	36,290
NET CASH PROVIDED BY FINANCING ACTIVITIES	54,582	9,749	36,290
-----			
Increase (decrease) in cash and cash equivalents	(2,766)	(18,554)	24,139
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	8,534	27,088	2,949
-----			

Cash and cash equivalents at end of the year	\$ 5,768	\$ 8,534	\$ 27,088
=====			

OTHER CASH FLOW INFORMATION

Interest paid	\$ 6,361	\$ 3,595	\$ 5,187
Income taxes paid	11,174	8,426	5,683

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

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WOLVERINE WORLD WIDE, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
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PRINCIPLES OF CONSOLIDATION

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

FISCAL YEAR

The Company's fiscal year is the 52- or 53-week period that ends on the Saturday nearest the end of December. Fiscal years presented herein include the 53-week period ended January 3, 1998, and the 52-week periods ended December 28, 1996, and December 30, 1995.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles 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 when the related goods have been shipped and legal title has passed to the customer.

## CASH EQUIVALENTS

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

## INVENTORIES

Inventories are valued at the lower of cost or market. Cost is determined by the last-in, first-out (LIFO) method for substantially all inventories (see Note C). Foreign and retail inventories are valued using the methods approximating cost under the first-in, first-out (FIFO) method.

## PROPERTY, PLANT AND EQUIPMENT

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

Depreciation of plant and equipment is computed using the straight-line method. The depreciable lives for buildings and improvements range from five to forty years and from three to ten years for machinery and equipment.

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## ADVERTISING COSTS

Advertising costs are expensed as incurred and totaled \$26,976,000 in 1997, \$21,186,000 in 1996 and \$17,592,000 in 1995.

## 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 value of assets and liabilities for financial statement and income tax purposes. Deferred income tax expense (credit) is measured by the net change in deferred income tax assets and liabilities during the year.

## EARNINGS PER SHARE

In 1997, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 128, EARNINGS PER SHARE. SFAS No. 128 replaced the calculation of primary and fully diluted earnings per share with basic and diluted earnings per share. Basic earnings per share does not consider the potentially dilutive effects of common stock equivalents as was the case with the former computation of primary earnings per share, and requires adjustments for nonvested common stock issued under stock incentive plans. Diluted earnings per share is computed in substantially the same manner as previously reported and assumes the exercise of dilutive stock options. All earnings per share amounts have been restated to conform with SFAS No. 128.

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

	1997	1996	1995
Outstanding during the year	42,214,620	41,541,944	37,246,444
Adjustment for nonvested common stock	(699,107)	(900,898)	(976,819)
Denominator for basic earnings per share	41,515,513	40,641,046	36,269,625
Effect of dilutive stock options	1,249,070	1,412,691	1,261,013
Adjustment for nonvested common stock	699,107	900,898	976,819
Denominator for diluted earnings per share	43,463,690	42,954,635	38,507,457

Options to purchase 116,275 shares of common stock in 1997 have not been included in the denominator for computation of diluted earnings per share because related exercise prices were greater than the average market price for the period and, therefore, were antidilutive. Antidilutive options in 1996 and 1995 were not significant.

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#### FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, accounts and notes receivable, accounts payable and long-term debt. The Company's estimates of the fair values of these financial instruments approximate their carrying amounts at January 3, 1998, and December 28, 1996. 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 does not require collateral or other security on trade accounts receivable.

#### COMPREHENSIVE INCOME

In June 1997, The Financial Accounting Standards Board (FASB) issued SFAS No. 130, REPORTING COMPREHENSIVE INCOME, which is effective for fiscal years beginning after December 15, 1997. SFAS No. 130 establishes standards for reporting comprehensive income and its components in financial statements. The new standard defines comprehensive income as including net earnings and any revenues, expenses, gains and losses that, under generally accepted accounting principles, are excluded from net earnings and recognized directly as a component of stockholders' equity. Comprehensive income must be reported in a financial statement that is displayed as prominently as other financial statements. Management will adopt SFAS No. 130 in the first quarter of 1998 and does not anticipate that it will have a significant effect on its financial reporting, as the Company has limited transactions that are not presently reported as a part of its operating results.

#### RECLASSIFICATIONS

Certain amounts previously reported in 1996 and 1995 have been reclassified to conform with the presentation used in 1997.

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NOTE B BUSINESS ACQUISITIONS  
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On October 17, 1997, the Company acquired the assets of the Merrell outdoor footwear business from the Outdoor Division of Sports Holding Corp. for cash of \$15,753,000, including related transaction expenses, and a \$500,000 note payable in 1998.

On March 22, 1996, the Company acquired the assets and assumed certain liabilities of the work, safety and occupational footwear business of Hy-Test, Inc. from The Florsheim Shoe Company for a cash purchase price of \$24,468,000, including related transaction expenses.

On August 24, 1996, the Company acquired the rights to and certain assets of the Hush Puppies[REGISTERED] wholesale shoe business in the United Kingdom and Ireland from British Shoe Corporation, a subsidiary of Sears

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Plc, for a purchase price of \$7,045,000, of which \$2,355,000 is payable over a three-year period ending in 1999.

The acquisitions were accounted for using the purchase method and, accordingly, the operating results of these acquired businesses are included in the consolidated statements of operations since the dates of acquisition. The purchase prices were allocated to the net assets acquired based on their fair market values at the dates of acquisition. Goodwill

and other intangibles recognized in connection with these transactions totaled \$5,914,000 in 1997 and \$11,480,000 in 1996, and are being amortized over periods ranging from five to seventeen years.

Consolidated net sales would have approximated \$685,000,000 in 1997, \$602,000,000 in 1996 and \$557,000,000 in 1995 on a pro forma basis if the acquisitions had occurred at the beginning of 1995. Consolidated pro forma net earnings for all three years would not have been materially different from reported amounts.

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 NOTE C INVENTORIES  
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Inventories of \$122,607,000 at January 3, 1998, and \$99,483,000 at December 28, 1996, have been valued using the LIFO method. If the FIFO method had been used, inventories would have been \$18,204,000 and \$19,695,000 higher than reported at January 3, 1998, and December 28, 1996, respectively.

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 NOTE D DEBT  
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Notes payable consist primarily of unsecured short-term debt of the Company's Canadian and United Kingdom subsidiaries. The notes bear interest of up to 1% over the respective foreign bank base rate (6.55% weighted average base rate at January 3, 1998).

The Company has short-term debt and commercial letter-of-credit facilities that allow for total borrowings up to \$58,399,000. In addition to the notes payable discussed above, amounts outstanding under these facilities consist of letters-of-credit that totaled \$37,047,000 and \$28,506,000 at January 3, 1998, and December 28, 1996, respectively.

Long-term debt consists of the following obligations:

(THOUSANDS OF DOLLARS)	1997	1996
7.8% senior notes payable to insurance companies	\$ 30,000	\$ 30,000
Revolving credit obligations	63,922	11,000
OTHER	342	309
	94,264	41,309
LESS CURRENT MATURITIES	4,417	76
	\$ 89,847	\$ 41,233

The 7.8% senior notes payable to insurance companies require equal annual principal payments of \$4,285,000 in 1998 through 2003, with the balance due on August 15, 2004.

The Company has domestic and foreign revolving credit agreements that allow for borrowings of up to \$167,227,000 (\$100,000,000 in 1996), of which \$17,227,000 pertains to the Company's United Kingdom subsidiary. The agreements require that interest be paid at variable rates based on both LIBOR and the domestic prime rate. The weighted average interest rate of outstanding borrowings under these facilities was 6.1% at January 3, 1998, and 5.9% at December 28, 1996. The foreign commitment expires on January

9, 2000, and the domestic facility expires on October 11, 2001. Maximum borrowings under the agreements were \$99,600,000 in 1997 and \$39,000,000 in 1996.

The revolving credit and insurance company loan agreements contain restrictive covenants which, among other things, require the Company to maintain certain financial ratios and minimum levels of tangible net worth. At January 3, 1998, unrestricted retained earnings are \$53,081,000. 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 during the four years subsequent to 1998 are as follows: 1999 \$4,290,000; 2000 \$9,411,000; 2001 \$63,285,000; 2002 \$4,285,000.

Interest costs of \$768,000 in 1997, \$610,000 in 1996 and \$211,000 in 1995 were capitalized in connection with the construction of new corporate facilities and other capital improvement projects.

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NOTE E    LEASES  
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The Company leases machinery, transportation equipment and certain warehouse and retail store space under operating lease agreements which expire at various dates through 2012. At January 3, 1998, minimum rental payments due under all noncancelable leases are as follows: 1998 \$7,055,000; 1999 \$6,044,000; 2000 \$5,079,000; 2001 \$3,897,000; 2002 \$2,794,000; thereafter \$16,589,000.

Rental expense under all operating leases consisted primarily of minimum rentals and totaled \$9,013,000 in 1997, \$7,468,000 in 1996 and \$6,275,000 in 1995.

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NOTE F    CAPITAL STOCK  
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The Company has 2,000,000 authorized shares of \$1 par value preferred stock, of which none is issued and outstanding.

On April 17, 1997, July 11, 1996, and April 19, 1995, the Company announced three-for-two stock splits on shares of common stock outstanding at May 2, 1997, July 26, 1996, and May 1, 1995, respectively. All share and per share data included in the consolidated financial statements has been retroactively adjusted for the increased shares resulting from these stock splits.

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. 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.

In the event the Company is a party to a merger or other business combination, regardless of whether the Company is the surviving corporation, rights 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

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against self-dealing transactions by a 15% stockholder or the activities of an adverse person (as defined). 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 Company has stock incentive plans under which options to purchase shares of common stock may be granted to officers, other key employees and nonemployee directors. Options granted are exercisable for up to ten years and vest over various periods ranging up to three years. All unexercised options are available for future grants upon their cancellation.

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

	SHARES UNDER OPTIONS	WEIGHTED-AVERAGE OPTION PRICE
-----		
Outstanding at January 1, 1995	2,241,027	\$ 3.81
Granted in 1995	659,052	8.27
Exercised	(649,374)	9.79
CANCELED	(2,268)	6.83
-----		
Outstanding at December 30, 1995	2,248,437	5.43
Granted in 1996	624,666	13.05
Exercised	(515,227)	13.85
CANCELED	(16,098)	11.02
-----		
Outstanding at December 28, 1996	2,341,778	7.71
Granted in 1997	798,015	24.12
Exercised	(922,491)	20.48
CANCELED	(35,861)	17.09
-----		
Outstanding at January 3, 1998	2,181,441	\$ 13.65
=====		
Available for grant:		
At January 3, 1998	1,879,818	
=====		
At December 28, 1996	1,286,088	
=====		

The weighted-average grant-date fair value was \$7.91 in 1997 and \$4.27 in 1996 for stock options granted.

The exercise price of options outstanding at January 3, 1998, ranges from \$1.73 to \$28.50. A summary of stock options outstanding at January 3, 1998, by range of option price is as follows:

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	NUMBER OF OPTIONS		WEIGHTED-AVERAGE OPTION PRICE		REMAINING
	OUTSTANDING	EXERCISABLE	OUTSTANDING	EXERCISABLE	CONTRACTUAL LIFE
Less than \$10	933,303	800,876	\$ 6.05	\$ 5.74	5.9 years
\$10 to \$20	514,062	244,921	12.66	12.56	8.1 years
GREATER THAN \$20	734,076	368,896	23.98	24.44	9.3 Years
-----					
	2,181,441	1,414,693	\$ 13.65	\$ 11.79	7.6 years
=====					

The Company has elected to follow Accounting Principles Board (APB) Opinion

No. 25, ACCOUNTING FOR STOCK ISSUED TO EMPLOYEES, and related interpretations in accounting for its stock incentive plans because the alternative fair value accounting provided for under SFAS No. 123, ACCOUNTING FOR STOCK-BASED COMPENSATION, requires the use of option valuation models that were not specifically developed for valuing the types of stock incentive plans maintained by the Company. Under APB Opinion No. 25, compensation expense is recognized when the market price of the underlying stock award on the date of grant exceeds any related exercise price.

Pro forma information regarding net earnings and earnings per share is required by SFAS No. 123, and has been determined as if the Company had accounted for its stock awards since January 1, 1995, using the fair value method. The fair value of these awards was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions: risk free interest rate of 6%; dividend yield of 0.5%; expected market price volatility factor of 0.32; and an expected option life of four years.

The Black-Scholes option pricing model was developed for use in estimating the fair value of traded options which have no vesting provisions and are fully transferable. In addition, the model requires input of highly subjective assumptions. Because the Company's stock options have characteristics significantly different from traded options and the input assumptions can materially affect the estimate of fair value, in management's opinion, the Black-Scholes option model does not necessarily provide a reliable measure of the fair value of its stock options.

For purposes of pro forma disclosures, the estimated fair value of stock options are amortized to expense over the related vesting period. The Company's pro forma information under SFAS No. 123 is as follows:

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(THOUSANDS OF DOLLARS, EXCEPT PER SHARE DATA)	1997	1996	1995
Pro forma net earnings	\$ 38,945	\$ 31,613	\$ 23,589
Pro forma net earnings per share:			
Basic	\$ .94	\$ .78	\$ .65
Diluted	.90	.74	.62

The Company also has nonvested stock award plans for officers and other key employees. Common stock issued under these plans is subject to certain restrictions, including prohibition against any sale, transfer or other disposition by the officer or employee, and a requirement to forfeit the award upon termination of employment. These restrictions lapse over a three- to five-year period from the date of the award. Shares aggregating 154,862 in 1997, 200,418 in 1996 and 143,381 in 1995 were awarded under these plans. The weighted-average award-date fair value was \$23.75 in 1997 and \$13.09 in 1996 for the shares awarded. Rights to 8,250 shares in 1997 and 21,869 shares in 1996 were cancelled, and there were no cancellations in 1995. Any future shares awarded reduce the number of shares identified as available for future grants in the stock option table. The market value of the shares awarded is recognized as unearned compensation in the consolidated statements of stockholders' equity and is amortized to operations over the vesting period.

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NOTE G 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 employee's years of service and final average earnings (as defined), while the other plans provide 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 also has individual deferred compensation agreements with certain current and former employees that entitle them to receive payments from the Company for a period of fifteen to eighteen years following retirement. Under the terms of the individual contracts, the employees are eligible for reduced benefits upon early retirement. The Company maintains life insurance policies which are intended to fund these deferred benefits.

The Company has a defined contribution money accumulation plan covering substantially all employees that provides for Company contributions based on earnings. This plan is combined with the principal defined benefit pension plan for funding purposes. Contributions to the money accumulation plan were \$1,495,000 in 1997, \$1,200,000 in 1996 and \$1,050,000 in 1995.

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The following summarizes the status of the Company's pension assets and related obligations for its defined benefit pension plans:

(THOUSANDS OF DOLLARS)	SEPTEMBER 30,	
	1997	1996
Pension assets at fair value	\$ 131,406	\$ 104,673
Actuarial present value of accumulated plan benefits:		
Vested	66,707	60,315
NONVESTED	1,625	1,048
-----	68,332	61,363
EFFECT OF ESTIMATED FUTURE INCREASES IN COMPENSATION	12,889	11,914
-----	81,221	73,277
PROJECTED BENEFIT OBLIGATION FOR SERVICE RENDERED TO DATE		
Excess pension assets	\$ 50,185	\$ 31,396
=====		
Components of excess pension assets:		
Prepaid pension costs recognized in other assets	\$ 9,963	\$ 6,981
Unrecognized amounts, net of amortization:		
Transition assets	1,902	2,834
Prior service costs	(7,140)	(4,601)
EXPERIENCE GAINS	45,460	26,182
-----	\$ 50,185	\$ 31,396
=====		

The discount rate and rate of increase in future compensation levels used in determining the actuarial present value of the projected benefit obligation were 7.5% and 5%, respectively, in 1997 and 1996.

Plan assets were invested in listed equity securities (81%), fixed income funds (15%) and short-term and other investments (4%). Equity securities include 338,512 shares of the Company's common stock with a fair value of \$8,547,000 at September 30, 1997.

The following is a summary of net pension income recognized by the Company:

(THOUSANDS OF DOLLARS)	1997	1996	1995
Service cost pertaining to benefits earned during the year	\$ (3,698)	\$ (3,626)	\$ (2,540)
Interest cost on projected benefit obligation	(5,116)	(4,704)	(3,771)
-----			
Actual net investment income	29,924	8,066	28,495
NET AMORTIZATION AND DEFERRALS	(18,481)	1,865	(20,865)
-----			
Net pension income	\$ 2,629	\$ 1,601	\$ 1,319
=====			

The expected long-term return on plan assets was 10% in each year.

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NOTE H INCOME TAXES  
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The provisions for income taxes consist of the following:

(THOUSANDS OF DOLLARS)	1997	1996	1995
Currently payable:			
Federal	\$ 12,505	\$ 13,247	\$ 7,375
State and foreign	2,395	1,778	794
DEFERRED (CREDIT)	4,642	(214)	1,878
	\$ 19,542	\$ 14,811	\$ 10,047

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

(THOUSANDS OF DOLLARS)	1997	1996	1995
Income taxes at statutory rate	\$ 21,378	\$ 16,683	\$ 11,940
State income taxes, net of federal income tax reduction	777	746	520
Nontaxable earnings of Puerto Rican subsidiary and foreign affiliates	(2,233)	(1,854)	(1,562)
OTHER	(380)	(764)	(851)
	\$ 19,542	\$ 14,811	\$ 10,047

Significant components of the Company's deferred income tax assets and liabilities as of the end of 1997 and 1996 are as follows:

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(THOUSANDS OF DOLLARS)	1997	1996
Deferred income tax assets:		
Accounts receivable and inventory valuation allowances	\$ 1,256	\$ 5,175
Deferred compensation accruals	2,207	1,959
OTHER AMOUNTS NOT DEDUCTIBLE UNTIL PAID	6,281	5,107
Total deferred income tax assets	9,744	12,241
Deferred income tax liabilities:		
Tax over book depreciation	(3,032)	(2,699)
Prepaid pension costs	(4,239)	(2,632)
Unremitted earnings of Puerto Rican subsidiary	(1,543)	(1,343)
OTHER	(253)	(248)
TOTAL DEFERRED INCOME TAX LIABILITIES	(9,067)	(6,922)
Net deferred income tax assets	\$ 677	\$ 5,319

The Company has provided for all taxes that would be payable if accumulated earnings of its Puerto Rican subsidiary were distributed. Similar taxes on the unremitted earnings of the Company's foreign affiliates have not been provided because such earnings are considered permanently invested. The additional taxes that would be payable if unremitted earnings of its foreign affiliates were distributed approximate \$6,042,000 at January 3, 1998, and \$3,950,000 at December 28, 1996.

NOTE I 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. It is not possible at this time to reasonably estimate the amount of any obligations for remediation, because the extent of environmental impact, allocation among responsible parties, remediation alternatives and concurrence of regulatory authorities have not yet

advanced to a stage where a reasonable estimate of any loss can be made. 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 significant effect on the Company's consolidated financial position or future results of operations.

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NOTE J    INDUSTRY INFORMATION  
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The Company is principally engaged in the manufacture and sale of footwear, including casual shoes, slippers, moccasins, dress shoes, boots, uniform shoes and work and outdoor shoes. The Company is also the largest domestic tanner of pigskin, which is used in a significant portion of shoes manufactured and sold by the Company and is sold to other domestic and foreign manufacturers of shoes and other products. Royalty income is derived from licensing the Company's trademarks to domestic and foreign licensees. As part of its footwear business, the Company operates a number of domestic retail shoe stores that sell Company-manufactured products as well as footwear manufactured by unaffiliated companies. Foreign operations consist of Canadian and United Kingdom subsidiaries, and factories located in the Dominican Republic, Puerto Rico, Mexico and Costa Rica which produce shoe components for domestic operations. Export sales, foreign operations and related assets are not significant. Approximately 28% of the Company's employees are subject to bargaining unit contracts extending through various dates to 2002.

The Company markets its products primarily to customers in the retail sector. Although the Company closely monitors the credit worthiness of its customers and adjusts its credit policies and limits as needed, a substantial portion of its debtors' ability to discharge amounts owed is dependent upon the retail economic environment. The Company does not believe that it is dependent upon any single customer, since none account for more than 10% of consolidated net sales.

In June 1997, the FASB issued SFAS No. 131, DISCLOSURES ABOUT SEGMENTS OF AN ENTERPRISE AND RELATED INFORMATION, which is effective for fiscal years beginning after December 15, 1997. SFAS No. 131 establishes new standards for the way public business enterprises report information about operating segments in annual financial statements and requires selected information be presented in interim financial reports. It also establishes standards for related disclosures about products and services, geographic operating areas and major customers. Management will adopt the new requirements retroactively in 1998 and has not yet completed its analysis of the effect of SFAS No. 131 on its segment reporting.

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NOTE K    QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)  
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The Company generally reports its quarterly results of operations on the basis of 12-week periods for each of the first three quarters and a 16-week period for the fourth quarter. The fourth quarter of 1997 includes 17 weeks of operating results, while the fourth quarter of 1996 includes 16 weeks, because 1997 was a 53-week period.

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

1997				
(THOUSANDS OF DOLLARS, EXCEPT PER SHARE DATA)	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER

Net sales and other operating income	\$ 129,301	\$ 127,789	\$ 162,246	\$ 245,789
Gross margin	38,389	40,817	47,910	77,010
Net earnings	4,693	7,368	9,199	20,279
Net earnings per share:				
Basic	\$ .11	\$ .18	\$ .22	\$ .49
Diluted	.11	.17	.21	.47

1996

(THOUSANDS OF DOLLARS, EXCEPT PER SHARE DATA)	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Net sales and other operating income	\$ 83,842	\$ 94,153	\$ 120,466	\$ 212,568
Gross margin	25,323	31,317	36,013	63,152
Net earnings	3,393	5,433	7,350	16,680
Net earnings per share:				
Basic	\$ .08	\$ .14	\$ .18	\$ .41
Diluted	.08	.12	.17	.39

Net earnings per share for the first three quarters of 1997 and all quarters in 1996 have been restated as a result of the required adoption of SFAS No. 128 (see Note A).

NOTE L RESTRUCTURING CHARGE

On September 24, 1997, the Company announced a restructuring of its domestic manufacturing and warehousing operations under which it closed three Hush Puppies[REGISTERED] women's shoe factories and converted a slipper factory into a warehouse. The total restructuring charge of \$3,450,000 includes employee termination benefits (\$2,472,000) and other closing costs (\$978,000) associated with the facilities, and is disclosed separately in the 1997 consolidated statement of operations. As of January 3, 1998, \$1,620,000 of the restructuring costs have been incurred and charged against the related liability.

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REPORT OF INDEPENDENT AUDITORS

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 January 3, 1998, and December 28, 1996, and the related consolidated statements of stockholders' equity, operations and cash flows for each of the three fiscal years in the period ended January 3, 1998. Our audits also included the financial statement schedule listed in the Index at Item 14(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 generally accepted auditing standards. 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wolverine World Wide, Inc. and subsidiaries at January 3, 1998, and December 28, 1996, and the consolidated results of their operations and their cash flows for each of the three fiscal years in the period ended January 3, 1998, in conformity with 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.

/s/Ernst & Young LLP

Grand Rapids, Michigan  
February 6, 1998

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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)	(2)		
		CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS (DESCRIBE)		
FISCAL YEAR ENDED JANUARY 3, 1998					
Deducted from asset accounts:					
Allowance for doubtful accounts	\$ 4,228,000	\$ 2,956,000		\$ 1,146,000 (A)	\$ 6,038,000
Allowance for cash discounts	1,406,000	7,690,000		7,842,000 (B)	1,254,000
Inventory valuation allowances	2,954,000	6,888,000		5,290,000 (C)	\$ 4,552,000
	\$ 8,588,000	\$ 17,534,000		\$14,278,000	\$ 11,844,000
FISCAL YEAR ENDED DECEMBER 28, 1996					
Deducted from asset accounts:					
Allowance for doubtful accounts	\$ 2,657,000	\$ 2,005,000		\$ 434,000 (A)	\$ 4,228,000
Allowance for cash discounts	750,000	4,896,000		4,240,000 (B)	1,406,000
Inventory valuation allowances	1,317,000	5,535,000		3,898,000 (C)	2,954,000
	\$ 4,724,000	\$ 12,436,000		\$ 8,572,000	\$ 8,588,000
FISCAL YEAR ENDED DECEMBER 30, 1995					
Deducted from asset accounts:					
Allowance for doubtful accounts	\$ 3,510,000	\$ (746,000)		\$ 107,000 (A)	\$ 2,657,000
Allowance for cash discounts	449,000	2,851,000		2,550,000 (B)	750,000
Inventory valuation allowances	1,753,000	4,261,000		4,697,000 (C)	1,317,000
	\$ 5,712,000	\$ 6,366,000		\$ 7,354,000	\$ 4,724,000

- (A) ACCOUNTS CHARGED OFF, NET OF RECOVERIES.
- (B) DISCOUNTS GIVEN TO CUSTOMERS.
- (C) ADJUSTMENT UPON DISPOSAL OF RELATED INVENTORIES.

Commission File No. 1-6024

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

EXHIBITS  
TO  
FORM 10-K

For the Fiscal Year Ended  
January 3, 1998

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

EXHIBIT INDEX

EXHIBIT NUMBER	DOCUMENT
3.1	Certificate of Incorporation, as amended. Previously filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 14, 1997. Here incorporated by reference.
3.2	Amended and Restated Bylaws. Previously filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 1995. Here incorporated by reference.
4.1	Certificate of Incorporation, as amended. See Exhibit 3.1 above.
4.2	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.
4.3	Credit Agreement dated as of October 11, 1996, with NBD Bank as Agent. Previously filed as Exhibit 4.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 1996. Here incorporated by reference.
4.4	Note Purchase Agreement dated as of August 1, 1994, relating to 7.81% Senior Notes. Previously filed as Exhibit 4(d) to the Company's Quarterly Report on Form 10-Q for the period ended September 10, 1994. Here incorporated by reference.
4.5	The Registrant has several classes of long-term debt instruments outstanding in addition to that described in Exhibit 4.4 above. The amount of none of these classes of debt outstanding on March 2, 1998, 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.
10.1	Stock Option Plan of 1979, and amendment.<F*> Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 1988. Here incorporated by reference.

- 10.2 1993 Stock Incentive Plan.<F\*> Previously filed as Exhibit 10(b) to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1994. Here incorporated by reference.
- 10.3 1988 Stock Option Plan.<F\*> Previously filed as an exhibit to the Company's registration statement on Form S-8, filed July 21, 1988, Registration No. 33-23196. Here incorporated by reference.
- 10.4 Amended and Restated Directors Stock Option Plan.<F\*> Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1994. Here incorporated by reference.
- 10.5 Employees Pension Plan.<F\*>
- 10.6 Employment Agreement dated April 27, 1993, between the Company and Geoffrey B. Bloom.<F\*> Previously filed as Exhibit 10(f) to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 1994. Here incorporated by reference.
- 10.7 Executive Long-Term Incentive (Three Year) Plan 1996-1998 Period.<F\*> Previously filed as Exhibit 10.7 to the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 1996. Here incorporated by reference.
- 10.8 1994 Directors' Stock Option Plan.<F\*> Previously filed as Exhibit 10(aa) to the Company's Quarterly Report on Form 10-Q for the period ended June 18, 1994. Here incorporated by reference.
- 10.9 Stock Option Loan Program.<F\*> Previously filed as Exhibit 10(h) to the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 1991. Here incorporated by reference.
- 10.10 Executive Severance Agreement.<F\*>
- 10.11 Supplemental Executive Retirement Plan, as amended.<F\*> Previously filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 15, 1996. Here incorporated by reference. An updated participant schedule is attached as Exhibit 10.11.
- 10.12 1995 Stock Incentive Plan.<F\*> Previously filed as an Appendix to the Company's Definitive Proxy Statement with respect to the Company's Annual Meeting of Stockholders held on April 19, 1995. Here incorporated by reference.
- 10.13 Executive Long-Term Incentive (Three Year) Plan for the three year period 1994-1996.<F\*> Previously filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 1995. Here incorporated by reference.
- 10.14 Executive Long-Term Incentive (Three Year) Plan for the three year period 1995-1997.<F\*> Previously filed as Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 1995. Here incorporated by reference.
- 10.15 Indemnification Agreements.<F\*> The form of agreement was previously filed as Exhibit 10(n) to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 1993. Here incorporated by reference. The Company has entered into an Indemnification Agreement with each director and executive officer.



- 10.16 Supplemental Retirement Benefits.<F\*> Previously filed as Exhibit 10(1) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1988. Here incorporated by reference.
- 10.17 Benefit Trust Agreement dated May 19, 1987, and Amendments Number 1, 2 and 3 thereto.<F\*> Previously filed as Exhibit 10(p) to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 1993. Here incorporated by reference.
- 10.18 1996 Executive Short-Term Incentive Plan (Annual Bonus Plan).<F\*> Previously filed as Exhibit 10.19 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 1995. Here incorporated by reference.
- 10.19 Outside Directors' Deferred Compensation Plan.<F\*> Previously filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended June 15, 1996. Here incorporated by reference.
- 10.20 1984 Executive Incentive Stock Purchase Plan, and amendment.<F\*> Previously filed as Exhibit 10(b) to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 1988. Here incorporated by reference.
- 10.21 Supplemental Director's Fee Agreement dated as of March 27, 1995, between the Company and Phillip D. Matthews.<F\*> Previously filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 25, 1995. Here incorporated by reference.
- 10.22 Restricted Stock Agreement dated as of March 27, 1995, between the Company and Phillip D. Matthews.<F\*> Previously filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended March 25, 1995. Here incorporated by reference.
- 10.23 1997 Stock Incentive Plan.<F\*> Previously filed as Appendix A to the Company's Definitive Proxy Statement with respect to the Company's Annual Meeting of Stockholders held on April 16, 1997. Here incorporated by reference.
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- 10.24 Executive Short-Term Incentive Plan (Annual Bonus Plan).<F\*> 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 16, 1997. Here incorporated by reference.
- 10.25 Executive Long-Term Incentive Plan (3-Year Bonus Plan).<F\*> Previously filed as Appendix C to the Company's Definitive Proxy Statement with respect to the Company's Annual Meeting of Stockholders held on April 16, 1997. Here incorporated by reference.
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[FN]

<F\*>Management contract or compensatory plan or arrangement.

</FN>

EXHIBIT 10.5

WOLVERINE EMPLOYEES' PENSION PLAN

(As Amended and Restated Effective January 1, 1996)

2/13/98 - [#3460v3]  
38th Amd

WOLVERINE EMPLOYEES' PENSION PLAN

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WOLVERINE EMPLOYEES' PENSION PLAN  
(AS AMENDED AND RESTATED EFFECTIVE JANUARY 1, 1976)

SECTION 1

INTRODUCTION

1.1. PURPOSE. Wolverine Employees' Pension Plan is maintained by Wolverine World Wide, Inc. (the "company") to provide retirement and other benefits for eligible employees.

1.2. PLAN YEAR. Wolverine Employees' Pension Plan was established as of January 1, 1969. Wolverine Employees' Pension Plan, as amended, and as set forth below (the "plan") is effective as of January 1, 1976. A "plan year" is the twelve month period beginning on January 1 and ending on the following December 31.

1.3. EMPLOYERS. Any subsidiary or affiliate of the company may adopt the plan with the company's consent, as described in subsection 10.1. A "subsidiary" of the company is any corporation 50 percent or more of the voting stock of which is owned, directly or indirectly, by the company. An "affiliate" of the company is any corporation 50 percent or more of the voting stock of which is owned, directly or indirectly, by the owners of 50 percent or more of the voting stock of the company. The company and any subsidiaries or affiliates of the company which adopt the plan are referred to below collectively as the "employers" and individually as an "employer." The plan shall not apply to employees of any branch or division of these corporations which is hereafter established (as a result of merger, acquisition or otherwise) unless and until it is extended to such branch or division in the manner provided in subsection 10.1. Any action required or permitted to be taken by an employer under the plan shall be by resolution of its Board of Directors, or by a person or persons authorized by resolution of its Board of Directors.

1.4. ADMINISTRATION OF THE PLAN. The Plan will be administered by a plan committee (the "committee") consisting of not less than three nor more than seven persons appointed by the company, as described in Section 9. Any notice or document required to be given to or filed with the committee will be properly given or filed if delivered or mailed, by registered mail,



postage prepaid, to the committee, in care of the company, at Rockford, Michigan.

1.5. FUNDING OF BENEFITS. Funds contributed under the plan will be held and invested, until distribution, by a trustee (the "trustee") appointed by the company. The trustee will act under a trust agreement between the company and the trustee which implements and forms a part of

the plan. The trustee as of January 1, 1976 is National Bank of Detroit, located in Detroit, Michigan. Copies of the plan and trust agreement, and any amendments thereto, will be on file at the office of the Secretary of the company and of each employer which adopts the plan where they may be examined by any eligible employee or member. The provisions of and benefits under the plan are subject to the terms and provisions of the trust agreement.

1.6. PLAN BENEFITS FOR MEMBERS WHO RETIRE OR TERMINATED EMPLOYMENT. The benefits provided hereunder for any member who retires or whose employment with the employers otherwise terminates will, except as otherwise specifically provided herein, be governed in all respects by the terms of the plan as in effect on the date of the member's retirement or other termination of employment.

1.7. SUPPLEMENTS. From time to time, the company may adopt supplements to the plan for the purpose of modifying the provisions of the plan as they apply to the employees of an employer (or any group or classification of employees of an employer) to provide additional, substitute or restrictive terms and provisions of the plan as it applies to such employees, including provisions to preserve benefits attributable to such employees' participation in a plan of an employer or predecessor of an employer or to coordinate such benefits with the benefits of this plan. Each such supplement will be attached to and form a part of this plan, will specify the group or class of employees to which it applies and will supersede the provisions of the plan to the extent necessary to eliminate any inconsistencies between the plan and such supplement.

1.8. UFCW EMPLOYEES. Effective January 1, 1984, pension benefits for UFCW employees (as defined in Supplement A of the plan) will be provided solely under the separate plans established for them and in no event will any benefits be paid or payable to or on account of UFCW employees under this plan.

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## SECTION 2

### MEMBERSHIP AND RETIREMENT DATES

2.1. ELIGIBILITY. Each employee of an employer who is a member of the

plan immediately preceding January 1, 1976 will continue as a member on and after that date. Each other employee of an employer will become a member of the plan on January 1, 1976 or the July 1 or January 1 thereafter coincident with or next following the date he meets all of the following requirements:

(a) He is a regular employee; and

(b) He is a member of a group of employees to whom the plan has been and continues to be extended by an employer as described in Appendix A to the plan.

A "regular employee" is one who normally renders or is scheduled to render personal services to one or more employers and controlled group members for 1,000 or more hours per year. For purposes of this subsection, an employee who, except for the requirement of subparagraph (a) above, would otherwise become a member of the plan, shall become a member of the plan on January 1, 1976 or the July 1 or January 1 thereafter coincident with or next following the end of the 12-month period (commencing on his date of hire and each anniversary thereof) during which he has completed 1,000 or more hours of service (as defined in subsection 3.2).

Each employee of Wolverine Hy-Test, Inc. who meets the eligibility requirements as of the effective date of the Thirty-Fifth Amendment (\_\_\_\_\_, 1996) shall become a Participant on that date.

2.2. NOTICE OF MEMBERSHIP. The committee will notify each employee of the date he becomes a member of the plan.

2.3. NORMAL RETIREMENT DATE. A member's "normal retirement date" will be the first day of the month coincident with or next following the date he attains age 65 years.

2.4. EARLY RETIREMENT DATE. A member's "early retirement date" will be the first day of the month coincident with or next following the date on which he retires or is retired from the employ of all of the employers before his normal retirement date but after he has both attained age 60 years and completed ten or more years of credited service.

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2.5 DEFERRED RETIREMENT DATE. A member's "deferred retirement date" will be the first day of the month coincident with or next following the date of his retirement from the employ of all of the employers after his normal retirement date.

2.6. DISABILITY RETIREMENT DATE. A member's "disability retirement date" will be the first day of the month coincident with or next following the date on which he retires or is retired from the employ of all of the employers because of total and permanent disability (as defined in Section S) before his normal retirement date but after he has completed fifteen or more years of credited service.

2.7. RETIREMENT DATE. A member's "retirement date" will be one of the dates described above on which he retires or is retired from the employ of all of the employers.

2.8. MATERNITY AND PATERNITY ABSENCE. In the case of a maternity or paternity absence (as defined below) which commences on or after January 1, 1985, a member shall be credited, for the first plan year in which he

otherwise would have incurred a one-year break in service (and solely for purposes of determining whether such a break in service has occurred), with the hours of service which normally would have been credited to him but for such absence (or, if the committee is unable to determine the hours which would have been so credited, 8 hours for each work day of such absence), but in no event more than 501 hours for any one absence. A "maternity or paternity absence" means a member's absence from work because of the pregnancy of the member or birth of a child of the member, the placement of a child with the member in connection with the adoption of such child by the member, or for purposes of caring for the child immediately following such birth or placement. The committee may require the member to furnish such information as the committee considers necessary to establish that the member's absence was for one of the reasons specified above.

2.9. LEASED EMPLOYEES. A leased employee (as defined below) shall not be eligible to become a member of the plan. A "leased employee" means any person who is not an employee of an employer, but who has provided services to an employer of a type which have historically (within the business field of the employers) been provided by employees, on a substantially full-time basis for a period of at least one year, pursuant to an agreement between an employer and a leasing organization. The period during which a leased employee performs service for an employer shall be taken into account for purposes of subsections 2.1 and 6.1 of the plan; unless (i) such leased employee is a participant in a money purchase pension plan maintained by the leasing organization which provides a non-integrated employer contribution rate of at least 10 percent of compensation, immediate

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participation for all employees and full and immediate vesting, and (ii) leased employees do not constitute more than 20 percent of the employers' nonhighly compensated work force.

SECTION 3

BASES OF PENSIONS

3.1. GENERAL. A member's pension will be based on his credited service and may also be based on his final average earnings, both as determined in accordance with the provisions hereof.

3.2. CREDITED SERVICE. A member's "credited service" means the total of his years of employment computed in accordance with the following rules:

(a) A member will be entitled to a full or fractional year of credited service for each full or fractional year of credited service to which he was entitled under the plan prior to January 1, 1976, in accordance with the terms of the plan in effect prior to that date.

(b) In computing the amount of a member's monthly pension, disability pension or monthly deferred benefits (but not for purposes of determining a member's eligibility for such benefits) a member shall be entitled to one year of credited service for each plan year beginning after December 31, 1975 during which he is a member of the plan and has completed 1,000 or more hours of service.

(c) In determining a member's eligibility for monthly pension, disability pension or monthly deferred benefits (but not for the purpose of otherwise computing the amount of such monthly pension, disability pension or monthly deferred benefits), a member shall be entitled to one year of credited service for each plan year beginning after December 31, 1975 during which he has completed 1,000 hours of service for an employer or a controlled group member.

(d) A member's credited service in excess of 30 years shall be disregarded for all purposes of the plan, except that his credited service in excess of 25 years shall be disregarded for purposes of subparagraphs 4.1(c), 4.2(c) and 6.1(a)(iii). In applying the foregoing limitations on credited service, earlier years of credited service shall be disregarded before later years of credited service.

(e) A period of concurrent employment with two or more employers or controlled group members will be considered as employment with only one of them during the period.

(f) A leave of absence will not interrupt membership in the plan and will be included in determining a member's credited service; provided, however, that a period of leave of absence in excess of one year shall not be included in determining the credited service of a member for purposes of subparagraph (b) above.

(g) To the extent provided in the plan or by the committee, a member's employment with a predecessor company will be considered as

employment with an employer. For purposes of subsection (c) (a member's eligibility for monthly or disability pension or monthly deferred benefits) and Appendix D, Section D8, but not for purposes of subsection (b), a member who was a Wolverine Hy-Test, Inc. employee and became a Participant on the effective date of the Thirty-Fifth Amendment shall receive credited service equal to the full years of benefit service credited to the member under the Florsheim Shoe Company Retirement Plan on that date.

(h) Termination of employment of a member with one employer or a controlled group member will not interrupt his credited service for purposes of the plan if, concurrently with or immediately after such termination, he is employed by one or more other employers or controlled group members.

An "hour of service" means each hour for which an employee is directly or indirectly paid or entitled to payment by an employer or controlled group member for the performance of duties and for reasons other than the performance of duties, including each hour for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by an employer or controlled group member, determined and credited in accordance with Department of Labor Reg. Sec. 2530.200b-2.

3.3. BREAKS IN SERVICE. If a member's employment with an employer or controlled group member should terminate and such member is subsequently reemployed by an employer or controlled group member, the following shall apply:

(a) If the reemployment occurs before the member has five consecutive one-year breaks in service (as defined below), membership in the plan will be immediately reinstated upon reemployment if he then meets the requirement of subparagraph 2.1(c), and the credited service to which the member was entitled at the time of termination shall also be reinstated.

(b) A "one-year break in service" means a plan year during which a member has not completed more than 500 hours of service.

(c) If the member was eligible for monthly pension or deferred benefits under this plan at the time of termination, membership in this plan will be immediately reinstated upon reemployment, if he then meets the requirements of subparagraph 2.1(c), and the credited service to which the member was entitled at the time of termination shall also be reinstated.

(d) Notwithstanding any other provisions of this plan:

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(i) the reinstatement of the credited service prior to January 1, 1976 to which a member was entitled at the time of termination of employment shall, except as provided in subparagraph (ii) below, be determined in accordance with the terms of the plan in effect at the date of his termination of employment.

(ii) if employment with an employer or controlled group member terminates (or terminated) after an employee had completed four or more years of continuous employment and if said employee is subsequently reemployed by an employer and remains employed so as to be entitled to ten or more years of credited service following his reemployment, or is subsequently reemployed by an employer after becoming 55 years of age and remains employed until attaining normal retirement age as defined by this plan, then all periods of his credited service and service with the employers shall be included in computing his credited service hereunder, and the resulting total number of years of credited service shall be used to compute the member's benefits according to the method of computation obtained at the time the member retires or otherwise terminates employment

under the plan.

(e) Notwithstanding the foregoing provisions of this subsection 3.3, the reinstatement of credited service earned prior to January 1, 1976 to which a member was entitled at the time of termination of employment shall be determined in accordance with the terms of the plan in effect at the date of his termination of employment.

Credited service, for purposes of this subsection, shall mean the credited service used in determining a member's eligibility for a monthly pension, disability pension or monthly deferred benefits.

3.4. EARNINGS. A member's "earnings" means his total cash compensation for services rendered to the employers, but before any reduction for basic contributions he had elected under Wolverine World Wide, Inc. Money Accumulation Plan or contributions he had elected under Wolverine World Wide, Inc. Pre-Tax Premium Plan excluding any earnings attributable to payments to the member from the Wolverine World Wide, Inc. Executive Long Term Incentive Plan. In the case of a salesman who is compensated on a commission basis, his "earnings" for any period shall be an amount equal to 70% of the amount that would otherwise be determined under the preceding sentence to be his earnings. Notwithstanding the preceding provisions of this subsection 3.4, in no event shall the amount of a member's compensation for any year taken into account for purposes of the plan exceed \$200,000 (\$150,000 for benefits accruing in years beginning after December 31, 1993), or such greater amount as may be determined by the Commissioner of Internal Revenue for that year.

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3.5. FINAL AVERAGE EARNINGS. The "final average earnings" of a member shall be the monthly average of his earnings for the four consecutive calendar years for which his earnings were highest within the ten consecutive calendar years ending with the year of his retirement or earlier termination of employment (or the monthly average of his earnings for the entire period he received earnings if such period is less than four calendar years). For purposes of the preceding sentence, a member's earnings for the calendar year of his retirement or earlier termination of employment shall be annualized (based on his current rate of pay plus non-deferred bonus), and he shall be deemed to have received earnings during that entire calendar year. Such average shall be computed by dividing the total of the member's earnings for such four calendar year period (or shorter total period if applicable) by 48 (or by the number of months within that shorter period).

3.6. CONTROLLED GROUP MEMBER. A "controlled group member" means (i) any corporation which is not the company but is a member of a controlled group of corporations (within the meaning of Section 1563(a) of the Internal Revenue Code, determined without regard to Sections 1563(a)(4) and 1563(e)(3)(C) thereof) which contains the company, or (ii) any trade or business (whether or not incorporated) which is under common control with the company (within the meaning of Section 414(c) of the Internal Revenue Code).

3.7. PREDECESSOR COMPANY. A "predecessor company" means any corporation or other entity the stock, assets or business of which is acquired by an employer, whether by merger, consolidation, purchase of assets or otherwise, and any predecessor thereto designated by the company.

3.8. LEAVE OF ABSENCE. A "leave of absence" as used in the plan means an absence from active employment with an employer or controlled

group member for service in the United States Armed Forces, sickness, accident, vacation or other similar reasons, and when granted will be governed by rules uniformly applied to all employees similarly situated.

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#### SECTION 4

##### AMOUNT OF PENSION BENEFITS

4.1. NORMAL OR DEFERRED RETIREMENT. A member who retires on or after his normal retirement date will be entitled to a monthly pension in an amount equal to the greater of:

(a) the excess of:

(i) 1.6 percent of final average earnings multiplied by the member's years of credited service (not in excess of 30 years), over

(ii) his Monthly Social Security Allowance (as defined in subsection 4.4); or

(b) the applicable amount specified in Appendix B multiplied by his number of years of credited service, but disregarding credited service in excess of 30 years;

(c) for a Supplement F "A Executive", 2.4 percent of final average earnings multiplied by the "A Executive's" years of credited service (not in excess of 25 years); for a Supplement F "B Executive", 2.0 percent of final average earnings multiplied by the "B Executive's" years of credited service (not in excess of 25 years);

less any charge against such pension under subsection 5.5. In no event shall the amount of a member's monthly pension be less than his accrued benefit as of December 31, 1988 (determined under the terms of the plan as then in effect as though the member had terminated employment on that date).

In no event shall a member's monthly pension be less than an amount equal to the sum of his accrued benefit under the plan as of December 31, 1993 (based on his credited service and earnings through that date and the terms of the plan as then in effect) plus his benefit accrued under the plan after December 31, 1993 (based on his credited service and earnings after that date and the terms of the plan as in effect on his retirement date).

(d) FRESH START WITH EXTENDED WEAR-AWAY FOR SECTION 401(A) (7) MEMBERS. Notwithstanding anything in this subsection 4.1 to the contrary, with respect to a "Section 401(a) (17) member," the amount determined under clause (a) above shall be the greater of:

(i) the "actual benefit amount," or

(ii) the sum of (A) the member's "adjusted accrued benefit" and (B) the member's "future service benefit."

For the purpose of the preceding sentence, a "Section 401(a)(17) member" means an employee with accrued benefits in plan years beginning before January 1, 1994 that were determined taking into account earnings that exceeded \$150,000 in any plan year. The "actual benefit amount" shall equal the amount (determined after limiting the member's earnings to \$150,000 effective as of January 1, 1994 as required by Section 401(a)(17) of the Code) actually determined under clause (a) of subsection 4.1 without regard to this subsection 4.1(c). The member's adjusted accrued benefit shall equal the member's accrued benefit determined as of the last day of the last plan year beginning before January 1, 1994 (determined without regard to the reduction to \$150,000 of the compensation limit of Section 401(a)(17) of the Code) and, if such accrued benefit would have been greater but for the application of Section 415 of the Code, adjusted as permitted under Section 415(d) of the Code. The member's "future service benefit" shall equal the member's benefit determined under clause (a) above as applied to his years of service following December 31, 1993. Such future service benefit shall be determined in accordance with the provisions of (1) or (2) below, whichever is applicable to the member: (1) With respect to a member who would have less than 30 years of credited service as of the later of December 31, 1993 or his normal retirement date, his future service benefits shall equal the excess of (1) 1.6 percent of his final average earnings multiplied by his years of credited service credited for plan years beginning after December 31, 1993 (not in excess of the difference between 30 years and the number of years of credited service used in determining the member's adjusted accrued benefit under the plan as of the last day of the last plan year beginning before January 1, 1994), over (2) his Monthly Social Security Allowance (as defined in subsection 4.4). In calculating a member's Monthly Social Security Allowance for purposes of the immediately preceding sentence, only his years of credited service credited for plan years beginning after December 31, 1993 shall be taken into account and then only so many years which are not in excess of the difference between 30 years and the number of years of credited service used in determining the member's adjusted accrued benefit under the plan as of the last day of the last plan year beginning before January 1, 1994.

(2) With respect to a member who is not described in (1) above, his future service benefit shall be determined by multiplying (A) the excess of (1) 1.6 percent of his final average earnings multiplied by his total years of credited service (not in excess of 30 but without regard to the year in which credited), over (2) his Monthly Social Security Allowance (as defined in subsection 4.4), by (B) a fraction, the numerator of which is the member's total years of credited service at his normal retirement date credited for plan years beginning after December 31, 1993 and the denominator of which is the number of his total years of credited service on his normal retirement date (not limited to 30 years or service earned after December 31, 1993).

4.2. EARLY RETIREMENT - DEFERRED PAYMENT. A member who retires on an early retirement date will be entitled to a monthly pension, commencing at his normal retirement date, in an amount equal to the greater of:

(a) The amount determined (i) by multiplying 1.6 percent of what his final average earnings would have been at his normal retirement date by the number of years of credited service (not in excess of 30 years) he would have had at his normal retirement date, assuming he had continued in the active employ of the employers to that date and had continued to receive the same earnings he was receiving immediately prior to his early retirement date; (ii) by reducing the amount determined under (i) above by his Monthly Social Security Allowance (as defined in subsection 4.4 but based on the number of years of credited service he would have had at his normal retirement date); and (iii) by multiplying the amount determined



under (ii) above by a fraction, the numerator of which shall be his number of years of credited service (not limited to 30 years) at his early retirement date and the denominator of which shall be the total number of years of credited service (not limited to 30 years) he would have had at his normal retirement date assuming he had continued in the active employ of the employers to that date; or

(b) The applicable amount specified in Appendix B multiplied by his number of years of credited service, but disregarding credited service in excess of 30 years; less any charge against such pension under subsection 5.5.

(c) A member's benefit under subsection (a) shall be the greater of:

(i) the member's benefit determined under (a) for all years of credited service;

(ii) the member's benefit determined under (a) immediately before January 1, 1996 plus the member's accrued benefit for years of credited service beginning on and after January 1, 1996.

(d) FRESH START WITH EXTENDED WEAR-AWAY FOR SECTION 401(A) (17) MEMBERS. Notwithstanding anything in this subsection 4.2 to the contrary, with respect to a "Section 401(a) (17) member," the amount determined under clause (a) above shall be the greater of:

(i) the "actual benefit amount," or

(ii) the sum of (A) the member's adjusted accrued benefit" and (B) the member's "future service benefit."

For the purpose of the preceding sentence, a "Section 401(a) (17) member means an employee with accrued benefits in plan years beginning before January 1, 1994 that were determined taking into account

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earnings that exceeded \$150,000 in any plan year. The "actual benefit amount" shall equal the amount (determined after limiting the members' earnings to \$150,000 effective as of January 1, 1994 as required by Section 401(a) (17) of the Code) actually determined under clause (a) of subsection 4.2, whichever is applicable to the member, without regard to this subsection 4.2(c). The member's "adjusted accrued benefit" shall equal the member's accrued benefit determined as of the 1st day of the last plan year beginning before January 1, 1994 (determined without regard to the reduction to \$150,000 of the compensation limit of Section 401(a) (17) of the Code) and, if such accrued benefit would have been greater but for the application of Section 415 of the Code, adjusted as permitted under Section 415(d) of the Code. The member's future service benefit shall equal the member's benefit determined under clause (a) above as applied to his years of service following December 31, 1993. Such future service benefit shall equal the product of:

(1) the excess of (A) 1.6 percent of what his final average earnings would have been at his normal retirement date multiplied by the number of years of credited service (not in excess of 30) he would have had at his normal retirement date, assuming he had continued in the active employ of the employers to that date and continued to receive the same earnings he was receiving immediately prior to his early retirement date, over (B) his Monthly Social Security Allowance (as defined in subsection 4.4 but based on the number of years of credited service he would have at his normal retirement date), and

(2) a fraction the numerator of which shall be his number of years of credited service (not limited to 30 years) for plan years beginning after December 31, 1993 at his early retirement date and the denominator of which shall be the total number of years of credited

service he would have had at his normal retirement date assuming he had continued in the active employ of the employers to that date (not limited to 30 years or service earned after December 31, 1993).

4.3. EARLY RETIREMENT - IMMEDIATE PAYMENT. In lieu of receiving the monthly pension otherwise payable under subsection 4.2 commencing on his normal retirement date, a member who retires on an early retirement date may elect a monthly pension commencing on his early retirement date or on the first day of any calendar month thereafter before his normal retirement date. Such monthly pension will be computed in accordance with subsection 4.2, but reduced (except as provided in the following sentence) by 1/3 of one percent thereof for each month by which commencement of the pension precedes the member's normal retirement date. If the amount of a member's monthly pension is determined under subparagraph 4.2(a), then only the portion thereof calculated under subparagraph 4.2(a)(i) shall be reduced as provided in the preceding sentence, and the portion thereof calculated under subparagraph 4.2(a)(ii) shall be reduced by 1/180th thereof for each of the first 60 months and by 1/360th thereof for each of the next 60

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months, by which commencement of the pension precedes the member's Social Security retirement age. An election by a member under this subsection 4.3 must be in writing and filed with the committee prior to the date earlier payment of the member's pension is to begin.

4.4. MONTHLY SOCIAL SECURITY ALLOWANCE. A member's "Monthly Social Security Allowance" shall be an amount equal to the lesser of:

(a) the product of:

(i)  $3/4$  of 1% of the lesser of:

(A) the member's Final Average Compensation (as defined below), or

(B) the member's Covered Compensation (as defined below),

multiplied by

(ii) the member's number of years of credited service (up to 30 years); or

(b) one-half of the member's monthly pension or deferred benefit calculated under subparagraph 4.1(a)(i) or 4.2(a)(i), whichever applies, but based on the smallest of:

(i) the member's final average earnings,

(ii) the member's Final Average Compensation, or

(iii) the member's Covered Compensation.

A member's "Final Average Compensation" is the monthly average of the member's earnings from the employers during the three consecutive plan years immediately preceding the year of his retirement or earlier termination of employment, but excluding earnings for any year in excess of the Social Security taxable wage base for that year. A member's "Covered Compensation" is the monthly average of the Social Security taxable wage bases in effect for each of the 35 calendar years ending with the year the member attains (or would attain) Social Security retirement age, assuming that the Social Security taxable wage base for future years is the same as the Social Security taxable wage base in effect for the current year. If payment of a member's monthly pension begins on or after his normal retirement date but prior to his Social Security retirement age, the

member's Monthly Social Security Allowance shall be reduced by 1/180th thereof for each month by which payment of the member's benefits precedes his Social Security retirement age.

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4.5. ACTUARIAL EQUIVALENT. For purposes of subsection 5.6, subparagraph 7.2(b), subsections 7.6 and 7.9, and paragraph B-2 of Supplement B, the "actuarial equivalent" of the amount of a member's monthly pension or deferred benefit (otherwise payable to him on a life annuity basis commencing on his normal retirement date) or the present value of a member's cumulative accrued benefits shall be computed as of the first day of the plan year on the basis of:

(a) The annual rate of interest on 30-year Treasury Securities determined for the third month preceding the plan year in which benefits begin;

(b) the prevailing Commissioner's Standard Table under Code Section 417(e)(3) (which for 1995 is 83 GAM modified by Revenue Ruling 95-6); and

(c) such other assumptions uniformly applied to all members.

No adjustment in a determination of an actuarially equivalent value or amount or present value of a member's benefits shall be made if the foregoing method of determining actuarial equivalence or present value is changed subsequent to the date a computation is made.

4.6 BENEFITS NONFORFEITABLE AT NORMAL RETIREMENT. A member's right to his normal retirement benefit shall be nonforfeitable on and after the date he attains age 65 years.

4.7. BENEFIT LIMITATIONS. Notwithstanding any other provisions of the plan, a member's monthly pension or monthly deferred benefit as of the end of any plan year may not exceed an amount which is equivalent to a monthly pension or deferred benefit payable for life only (not taking into account that portion of any joint and survivor annuity which constitutes a qualified joint and survivor annuity under the Internal Revenue Code), equal to \$7,500 (or such greater amount as may be determined by the Commissioner of Internal Revenue for calendar years ending after December 31, 1987 which begin with or within that plan year). If payment of a member's monthly pension or deferred benefit begins before he attains the social security retirement age, such limitation shall be reduced so that it is equivalent to a monthly benefit of \$7,500 commencing at the social security retirement age. If payment of a member's monthly pension begins after he attains the social security retirement age, such limitation shall be increased so that it is equivalent to a monthly benefit of \$7,500 commencing at the social security retirement age. For purposes of adjusting amounts under this subsection 4.7, the interest rate assumption shall be the greater (or the lesser, in the case of benefits beginning after the social security retirement age) of 5% or the rate specified in subsection 4.5 for determining actuarial equivalence. In the case of a member with less than 10 years of participation in the plan, the foregoing limitation

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shall be multiplied by a fraction, the numerator of which shall be the member's number of full and fractional years of participation in the plan (but not less than 1) and the denominator of which shall be 10. The preceding sentence shall be applied separately with respect to each change in the benefit structure of the plan. The provisions of this subsection 4.7 shall not reduce the monthly pension or deferred benefit of any member below such member's accrued benefit as of December 31, 1986 (determined under the terms of the plan as in effect on May 5, 1986 as though the member had terminated employment on December 31, 1986).

4.8. COMBINED BENEFIT LIMITATIONS. If a member of this plan also is a participant in a defined contribution plan maintained by an employer or controlled group member, the aggregate benefits payable to, or on account of, him under both plans will be determined in a manner consistent with Section 415 of the Internal Revenue Code and Section 1106 of the Tax Reform Act of 1986. Accordingly, there will be determined with respect to the member a defined benefit plan fraction and a defined contribution plan fraction in accordance with said Sections 415 and 1106. The benefits provided for the member under this plan will be adjusted to the extent necessary so that the sum of such fractions determined with respect to the participant does not exceed 1.0. For purposes of this subsection, the benefits provided under Supplement D shall be treated as paid from a separate defined contribution plan.

4.9. DEFERRED RETIREMENT MINIMUM BENEFIT. In no event shall the monthly pension of a member who retires after his normal retirement date be less than (i) the amount of monthly pension he would have received if he had retired on this normal retirement date, plus (ii) an actuarially determined increase, reflecting the aggregate amount of monthly pension payments which were not paid to such member for those calendar months of employment, if any, beginning on or after his normal retirement date during which he worked fewer than 8 days or completed fewer than 40 hours of service. If payment of a member's monthly pension begins prior to retirement on his required commencement date (as defined in subsection 7.5), then: (a) the amount of any additional pension that otherwise would be accrued by the member after that date shall be reduced (but not below zero) by the actuarial equivalent of the pension payments made to the member after that date; and (b) the amount of pension payable to the member shall be adjusted, as of each subsequent January 1, to reflect the additional benefits, if any, accrued by the member during the immediately preceding calendar year.

4.10. TEMPORARY LIMITATION ON BENEFIT ACCRUAL. Notwithstanding any other contrary provision of the plan, in calculating the accrued benefit (including the right to any optional benefit provided under the plan) of any participant, such participant shall accrue no additional

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benefit under the plan on or after the date this provision is adopted to the extent that such additional benefit accrual exceeds the benefit which would otherwise accrue in accordance with the terms of the plan as subsequently amended to comply with those qualification requirements described in Income Tax Regulations Section 1.401(b)-1(b)(2) (ii) (TRA '86). This provision shall be effective until the last day of the first plan year commencing in 1989 and shall be effective for such period if and only if the subsequent TRA '86 amendment is made on or before the last day of the first plan year commencing in 1989. In addition the benefit accrued by any participant during the 1989 plan year shall in no event exceed the benefit accrual provided during the 1989 plan year with respect to such participant under the terms of the plan as subsequently amended to comply with TRA '86. However, such participants accrued benefit shall not be less than what the participant had accrued as of the last day of the last plan year beginning before January 1, 1989.

4.11. NO DUPLICATION OF BENEFITS. If a member who is entitled to a monthly pension or deferred benefit under this plan also is or was entitled to a benefit under any other pension plan (other than a governmental plan) to which an employer or controlled group member has made contributions, then, except as otherwise specifically provided, the benefits payable to such a member under this plan shall be reduced by an amount which is actuarially equivalent to the portion, if any, of his benefits under such other plan which is based on service which is also taken into account in determining his benefits under this plan.

SECTION 5

DISABILITY PENSION

5.1. DISABILITY PENSION. If a member becomes totally and permanently disabled (as described in subsection 5.2) after the completion of 15 or more years of credited service, and such disability continues for a period of six months and he is retired on a disability retirement date, he will be entitled to a monthly disability pension in an amount equal to the applicable amount specified in Appendix B multiplied by his number of years of credited service, but disregarding credited service in excess of 30 years, less any charge against such pension under subsection 5.5. If the member is living on the date which otherwise would have been his normal retirement date, then his benefits shall be recomputed under subsection 4.1 as of his normal retirement date on the basis of his credited service and his final average earnings as at his disability retirement date, if such recomputation will produce an increased pension for the member.

5.2. PERMANENT DISABILITY. A member shall be considered to be totally and permanently disabled for purposes of the plan if in the opinion of a qualified physician selected by the committee the member has incurred a disability which prevents him from engaging in any employment or occupation for remuneration or profit, and in the opinion of such physician the disability will be permanent and continuous during the remaining lifetime of the member. A member will not be considered to have become totally and permanently disabled for purposes of the plan if his disability:

(a) resulted from war, or an act of war, or as a result of his having willfully or illegally participated in fights, riots or civil insurrection; or

(b) was incurred while serving in the armed forces or any nation or arose as a result of such service and he is receiving a military disability pension on account thereof, or if his disability was incurred during or arose out of employment by someone other than an employer.

The committee, before approving payment of any disability pension, may require reasonable proof in such form as the committee may decide, including the certificate of a duly licensed physician, that the member has incurred a disability as described above in this subsection and is

entitled to receive disability benefits under the Social Security Act.

5.3. PAYMENT OF DISABILITY PENSION. A member's disability pension will be payable as provided in subsection 7.1, the first payment to be made on the member's disability retirement date. A member entitled to a monthly

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disability pension under this Section 5 will be entitled to elect an optional form of benefit under subsection 7.2.

5.4. DISCONTINUANCE OF DISABILITY PENSION. A member shall not be entitled to receive disability pension payments under the plan if at any time prior to his normal retirement date the committee finds that he no longer is disabled as described in subsection 5.2, or if he refuses to submit to a medical examination at any reasonable time prior to his normal retirement date (but not more frequently than semi-annually) for the purpose of verifying the continuance of his disability.

5.5. CHARGES AGAINST PENSIONS AND DEFERRED BENEFITS. The monthly pension or deferred benefits otherwise payable to a member under the plan shall be reduced by any payments to or on behalf of such member:

(a) On account of disability due to injury or occupational disease for which the employer is liable pursuant to Worker's Compensation or occupational disease laws (other than payment of actually incurred medical expenses) after the member is eligible to receive and has met all requirements for commencement of a normal retirement, early retirement, disability pension or deferred benefit.

(b) In the nature of a disability pension (other than a military service disability pension, Disability Insurance Benefits under the Social Security Act, or payments under any state law enacted pursuant to Title I of the Social Security Act) under federal or state law.

Payments on account of dismemberment or loss of sight, and payments arising from the total and permanent disability provisions of group life insurance policies shall not be so deducted. However, any lump sum payment on account of Workmen's Compensation or other disability benefits payable in a lump sum which are deductible in accordance with the foregoing shall be charged on a monthly basis against the pension or deferred benefits otherwise payable under the plan, commencing with the date such lump sum payment is received by the member. A lump sum payment shall be so charged, however, only to the extent that the lump sum payment would not previously have been exhausted if the member had been receiving the monthly amount of his pension or deferred benefits and the lump sum payment had been charged since the earlier of the member's disability retirement date and the date the member last completed an hour of service. In no event will any pension or deferred benefits be paid to a member until any lump sum payment received by him, as charged in accordance with the preceding sentence, is exhausted.

5.6. REEMPLOYMENT AFTER DISABILITY. If a member's disability pension is discontinued in accordance with subsection 5.4 and he is reemployed by

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an employer immediately thereafter, his credited service as at his disability retirement date will be reinstated. His benefits, if any, payable after his period of reemployment is terminated shall be determined in accordance with the plan. If such member is not reemployed by an employer immediately after his disability pension is discontinued, he will

be entitled to such benefits as he otherwise may be eligible to receive under the plan based on his credited service and final average earnings to his disability retirement date. Any such benefits will be reduced by amounts determined by the committee to be actuarially equivalent to the benefits previously paid to the member under the plan.

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## SECTION 6

### TERMINATION OF EMPLOYMENT BEFORE RETIREMENT

6.1. MONTHLY DEFERRED BENEFIT. A member whose employment with all of the employers is terminated for any reason other than his death before his retirement date, but after he has completed five or more years of credited service, will be entitled to a monthly deferred benefit commencing on his normal retirement date and payable in accordance with subsection 7.1. The amount of his monthly deferred benefit will be computed in accordance with subsection 4.2 (as in effect as of the date that his employment with the employers terminated) as though such date were his early retirement date. A member entitled to a monthly deferred benefit under this Section 6 will not be entitled to elect an optional form of benefit under subsection 7.2.

6.2. EARLY COMMENCEMENT OF BENEFIT. A member who is entitled to a monthly deferred benefit under subsection 6.1 and who has completed ten or more years of credited service may elect to have such benefit commence as of the first day of any month after he attains age 60 years but before his

normal retirement date, payable as provided in subsection 7.1. Such monthly deferred benefit will be computed in accordance with subsection 6.1, but will be reduced (except as provided in the following sentence) by 1/3 of one percent thereof for each month by which commencement of the benefit precedes the member's normal retirement date. If the amount of a member's monthly deferred benefit is determined under subparagraph 4.2(a), then only the portion thereof calculated under subparagraph 4.2(a)(i) shall be reduced as provided in the preceding sentence, and the portion thereof calculated under subparagraph 4.2(a)(ii) shall be reduced by 1/180th thereof for each of the first 60 months and by 1/360th thereof for each of the next 60 months, by which commencement of the benefit precedes the member's Social Security retirement age. Each election under this subsection 6.2 must be in writing and filed with the committee prior to the date earlier payment of his monthly deferred benefit will begin.

6.3. TERMINATION PRIOR TO FIVE YEARS OF CREDITED SERVICE. If a member's employment with the company terminates for any reason including his death before he has completed five years of credited service, no benefits shall be payable under the plan.

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## SECTION 7

### PAYMENT OF BENEFITS

7.1 NORMAL FORM OF PAYMENT. Except as otherwise specifically provided, payment of monthly pensions (including disability pensions) and monthly deferred benefits shall be made to a member as follows:

(a) JOINT AND SURVIVOR ANNUITY. A member who is legally married on the date as of which such payments commence and who has not made an election in accordance with subparagraph (c) below shall receive a joint and survivor annuity which shall provide for payment to the member of 90 percent of the amount otherwise payable to him in accordance with the plan on a life annuity basis, continuing during the member's lifetime, and if the member's spouse is living at the date of the member's death, payment of 45 percent of such amount to be made to such spouse until the spouse's death occurs.

(b) LIFE ANNUITY. A member who does not qualify for a joint and survivor annuity under subparagraph (a) above, or a member who prior to the date as of which such payments commence elects under subparagraph (c) below not to receive his monthly pension, monthly disability pension or monthly deferred benefit in the form of a joint and survivor annuity, shall receive a monthly pension, monthly disability pension or monthly deferred benefit in accordance with the plan on a life annuity basis.

(c) ELECTION TO WAIVE JOINT AND SURVIVOR ANNUITY. A member may make a written election to waive the joint and survivor annuity at any time during the 90-day period ending on the date payment of his benefits commences. Such an election will be effective only if the member's spouse consents to the election in writing, and such consent acknowledges the effect of the waiver and is witnessed by a plan representative or a notary public. At least nine months prior to the earliest date on which a member may begin to receive benefits under the plan (without regard to any requirement for consent), the committee shall furnish him with a written



explanation of the terms and conditions of the joint and survivor annuity under subparagraph (a) above; the member's right to make, and the effect of, an election to waive the joint and survivor annuity; the requirement of spousal consent to such a waiver; and the member's right to make and the effect of, a revocation of such waiver. An election under this subparagraph may be revoked by a member at any time prior to the date payment of his benefits commences.

For purposes of this subsection 7.1, a member's spouse means the spouse to whom the member was married at the date payment of his benefits commenced.

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7.2. OPTIONAL FORMS OF PAYMENT. Subject to the provisions of subsection 7.3, in lieu of the normal form and amount of pension specified in subsection 7.1, a member before his normal or earlier retirement date (or as permitted by subsection 5.3), may elect a benefit of actuarially equivalent value in one of the following forms:

(a) A member who is legally married on the date as of which payments commence may elect to receive a joint and survivor annuity providing payment to the member of 80 percent of the amount otherwise payable to him on a life annuity basis, continuing during the member's lifetime and, if the member's spouse is living at the date of the member's death, payment of the same amount to such spouse until the spouse's death occurs.

(b) A life and five-year certain annuity providing payment to the member of 97 percent of the amount otherwise payable to him on a life annuity basis, continuing during the member's lifetime and, if the member dies before receiving 60 monthly payments, payment of the same amount to his beneficiary (as defined in subsection 7.4) for the balance of such 60-month period.

(c) A life and ten-year certain annuity providing payment to the member of 91 percent of the amount otherwise payable to him on a life annuity basis, continuing during the member's lifetime and, if the member dies before receiving 120 monthly payments, payment of the same amount to his beneficiary (as defined in subsection 7.4) for the balance of such 120-month period.

(d) Such other form or amount of pension or benefit of an actuarially equivalent value as may be authorized by the committee and offered to all members on a non-discriminatory basis.

Payment of an optional form of pension will commence no later than the date on which the member's pension in the normal form otherwise would commence under subsection 7.1, and shall comply with the requirements of Section 401(a) (9) of the Internal Revenue Code, including the minimum distribution incidental benefit requirement of Section 1.401(a) (9)-2 of the regulations thereunder.

7.3. ELECTION AND DISCONTINUANCE OF OPTIONS. A member's election of an optional form of pension specified in subsection 7.2 shall be subject to the following:

(a) An election of an option under subsection 7.2 must be in writing and signed by the member; and will be effective only if the member's spouse, if any, consents to the election in writing, and such consent acknowledges the effect of the election and is witnessed by a plan representative or a notary public.

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(b) The committee shall provide each member with a written explanation of the terms and conditions of the options described in subsection 7.2 and the effect of an election to receive his benefits in a form other than that set forth in subparagraph 7.1(a).

(c) Evidence of a member's good health may be required before election of an optional form of pension will be permitted under subsection 7.2 unless request for payment in the optional form is made before the later of a date 90 days following the date as of which the plan is adopted by his employer or a date at least six months before the member's retirement date.

(d) A member who has elected an option may revoke it at any time prior to his retirement date by writing filed with the committee. A member may not change an option unless a request for change is made at least six months before his normal or earlier retirement date or unless evidence of good health of the member satisfactory to the committee is filed within a reasonable time after the request is made. A revocation or change of an option may be made without the consent of any person the member designated in the option. Notwithstanding the above, any change is subject to subparagraph 7.3(a) above.

(e) If a member who elected an optional form of pension dies before his retirement date, the option elected automatically will be cancelled and no benefits will be paid to any person under the option; provided, however, if the member had continued in the employ of the employers after his normal retirement date, survivorship benefits will be paid in accordance with the option elected in the same manner and amount as would have been paid if the member had retired on the date of his death and died immediately thereafter.

(f) If a member elects the optional form of pension payable under subparagraph 7.2(a) and his spouse dies before the member's retirement date or if the member retires on a disability retirement date, the option automatically will be cancelled and the member's pension will be paid to him as provided in subsection 7.1 unless a new election can be and is made by the member.

(g) If a member who elected an optional form of pension resigns or is dismissed from the employ of all of the employers before retirement under the plan, the option elected automatically will be cancelled and, unless he is entitled to receive a monthly deferred benefit under subsection 6.1, no benefits will be payable under the plan to or on account of the member.

7.4. DESIGNATION OF BENEFICIARIES. A member who has elected an optional form of pension under subsection 7.2 may, from time to time, designate any person or persons (who may be designated concurrently,

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contingently or successively) to whom any benefits payable under the option after the member's death are to be distributed. A beneficiary designation will be effective only when it is signed and filed with the committee while the member is still alive and will cancel all beneficiary designations previously filed by the member. If a member designates someone other than (or in addition to) his spouse as his primary beneficiary, his spouse must consent in writing to the designation. Such a consent will be effective only if it acknowledges the effect of the beneficiary designation and is witnessed by a plan representative or a notary public. If a member designates someone other than (or in addition to) his spouse as his primary beneficiary, and his spouse does not (or cannot) consent and is living at his death, the member's beneficiary designation shall be ineffective, and his benefits shall be distributed to his spouse. If a deceased member failed to designate a beneficiary as provided above, or if the designated beneficiary dies before the member or before complete payment of the member's benefits, the member's benefits shall be distributed to his spouse

or, if there is none, the committee, in its discretion, may direct payment of such benefits as follows:

(a) To or for the benefit of any one or more of his relatives by blood, adoption or marriage and in such proportions as the committee determines; or

(b) To the legal representative or representatives of the estate of the last to die of the member and his designated beneficiary.

7.5. REQUIRED BENEFIT PAYMENTS. Unless a member makes an election to defer payment, payment of benefits under the plan to a member shall commence not later than the 60th day after the latest of the end of the plan year in which:

(a) the member attains age 65 years,

(b) the tenth anniversary of the year in which the member commenced participation in the plan occurs, or

(c) the member terminates employment with the company.

Notwithstanding the foregoing sentence, payment of the benefits of a member who is not a 5 percent owner of an employer and who attained age 70-1/2 before January 1, 1988 must commence by April 1 of the calendar year next following the later of the calendar year in which the member attains age 70-1/2 or the calendar year in which his retirement date occurs (his "required commencement date"). Payment of the benefits of (a) a member who is a 5 percent owner of an employer at any time during the plan year ending with or within the calendar year in which such member attains age 66-1/2 or any subsequent plan year, and (b) a member who is not a 5 percent owner of an employer and who attains age 70-1/2 on or after January 1, 1988 must

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commence by April 1 of the calendar year next following the calendar year in which the member attains age 70-1/2 (his "required commencement date"); except that payment of the benefits of a member who is not a 5 percent owner of an employer and who attained age 70-1/2 during the calendar year beginning on January 1, 1988 and ending on December 31, 1988 must commence by April 1, 1990 (his "required commencement date"). A member whose benefits commence in accordance with the immediately preceding sentence but whose employment with the employers has not terminated shall continue to receive credited service pursuant to subsection 3.2, except that credited service in excess of 30 years shall be disregarded. A member's benefits shall not be payable over a period greater than the joint and last survivor expectancy of the member and his beneficiary. If a member dies before his required commencement date, his benefits must be distributed over a period not exceeding the greatest of: (i) five years from the death of the member; (ii) in the case of payments to a designated beneficiary other than the member's spouse, the life expectancy of such beneficiary, provided payments begin within one year of the member's death; or (iii) in the case of payments to the member's spouse, the life expectancy of such spouse, provided payments begin by the date the participant would have attained age 70-1/2. The life expectancy of a member, his spouse or his designated beneficiary shall be determined by use of the expected return multiples contained in the regulations under Section 72 of the Internal Revenue Code. If a participant so elects, the life expectancy of the participant and his spouse shall be recalculated annually. In the absence of such an election, life expectancies shall not be recalculated.

7.6. RE-EMPLOYMENT. If a former employee who is receiving, or is entitled to receive, a monthly pension or a monthly deferred benefit is re-employed by the company, no benefits shall be payable to him under the plan during his period of re-employment, and any benefits payable under the plan to him after his period of re-employment ends shall be determined in

accordance with the plan as then in effect, shall take into account the benefits to which he was entitled prior to re-employment or prior to his normal retirement date, as applicable, and shall be actuarially adjusted to reflect any benefits he previously received.

7.7. FACILITY OF PAYMENT. When a person entitled to benefits under the plan is under legal disability, or, in the committee's opinion, is in any way incapacitated so as to be unable to manage financial affairs, the committee may direct the trustee to pay the benefits to such person's legal representative, or to a relative or friend of such person for such person's benefit, or the committee may direct the application of such benefits for the benefit of such person. Any payment made in accordance with the preceding sentence shall be a full and complete discharge of any liability for such payment under the plan.

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7.8. MISSING MEMBERS OR BENEFICIARIES. Neither the committee nor any employer is required to search for or locate a member or beneficiary. If the committee attempts to notify a member or beneficiary that he is entitled to benefits under the plan, and the member or beneficiary fails to claim his benefits or make his whereabouts known to the committee within a reasonable time after the notification, the benefits of the member or beneficiary shall be forfeited; provided that such benefits shall be reinstated if the member or beneficiary subsequently makes a claim for the forfeited benefits.

7.9. LUMP SUM PAYMENT OF ACCRUED BENEFITS.

(a) If the present value of a member's entire nonforfeitable accrued benefit under the plan, or the pre-retirement spouse's benefit payable under subsection 8.3 of the plan, does not exceed \$3,500, the trustee shall pay such present value to the member (or in the event of his death, to his surviving spouse) in a lump sum on or before the January 1 or July 1 next following the one-year anniversary of his termination of employment. Notwithstanding the provisions of subsection 3.3, if a member who received a lump sum payment under this subsection 7.9 is subsequently reemployed by an employer, his years of employment before his termination of employment shall be disregarded in determining his credited service under the plan.

(b) QDRO. If the plan receives a QDRO, the QDRO requires (or the alternate payee consents) and the present value of the accrued benefit attributable to all alternate payees does not exceed a present value of \$10,000, the trustee shall pay the value of the alternate payee's benefit in a lump sum as soon as administratively practicable. "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:

(i) ALTERNATE PAYEE. The alternate payee must be the spouse or former spouse or a child or other dependent of the participant.

(ii) REASON FOR PAYMENTS. The payments must relate to alimony, support of a child or other dependent, or a division of marital property.

(iii) CONTENTS. The QDRO must contain the name and address of the participant and the alternate payee, the amount of benefits or percentage of the participant's vested accrued benefit to be paid to the alternate payee, the valuation date as of which the amount or percentage is to be determined, and instructions concerning the timing and method of payment.

(iv) RESTRICTIONS. A QDRO may not require:

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(A) This plan to pay more than the actuarially equivalent present value of the participant's vested accrued benefit to the participant and all alternate payees;

(B) A method, payment date, or duration of payment not otherwise permitted under this article; and

(C) Cancellation of the prior rights of another alternate payee.

7.10. RESTRICTIONS ON DISTRIBUTIONS. Notwithstanding any other provisions of the plan, for any plan year the benefits paid to a member who was among the 25 highly compensated employees and highly compensated former employees (as defined in Section 414(q) of the Internal Revenue Code) receiving the greatest compensation from the employers for that or any prior plan year shall be restricted to an amount equal to the payments that would be made on behalf of the member for that plan year under a single life annuity that is the actuarial equivalent of the member's accrued benefit under the plan. The foregoing restriction shall not apply for any plan year if:

(a) After payment of all benefits payable under the plan to such member for that year, the value of plan assets equals or exceeds 110 percent of the value of the aggregate current liabilities to all members and beneficiaries under the plan; or

(b) The value of all benefits payable under the plan to such member for that year is less than one percent of the value of the aggregate current liabilities to all members and beneficiaries under the plan before payment of such benefits; or

(c) The value of the benefits payable under the plan to such member for that year does not exceed 53,500; or

(d) The plan terminates and the benefit received by such member is nondiscriminatory under Section 401(a)(4) of the Internal Revenue Code; or

(e) Such member has agreed to repay to the plan amounts distributed therefrom that are in excess of the foregoing restrictions and which are necessary for the distribution of assets upon plan termination to satisfy Section 401(a)(4) of the Internal Revenue Code, provided that such agreement has been secured or collateralized in accordance with applicable governmental requirements.

7.11. DIRECT TRANSFER OF ELIGIBLE ROLLOVER DISTRIBUTIONS. If payment of a member's benefits constitutes an eligible rollover

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distribution under Section 402(c)(4) of the Internal Revenue Code, then the member may elect to have such distribution paid directly to an eligible retirement plan described in Section 402(c)(8)(B) of the Internal Revenue Code. Each election by a member under this subsection 7.11 shall be made at such time and in such manner as the committee shall determine, and shall be effective only in accordance with such rules as shall be established from time to time by the committee.

SECTION 8

DEATH BENEFITS

8.1. DEATH BEFORE COMMENCEMENT OF BENEFITS. Except as provided in subsection 8.3 and in this subsection, no death benefits are payable on account of a member who dies before commencement of his benefits under the plan. If a member dies on or after his 65th birthday but before his retirement date, and a spouse's benefit is not payable on behalf of the member under subsection 8.3, survivorship benefits will be paid in accordance with the form in which the member's benefits would have been paid if he had retired on the last day of the month in which his death occurred and died immediately thereafter. Survivorship benefits payable under this subsection 8.1 shall commence on the first day of the month next following the date of the member's death.

8.2. DEATH AFTER COMMENCEMENT OF BENEFITS. The death benefits, if any, of a member who dies after commencement of his benefits under the plan are those specified under the form in which his benefits were being paid.

8.3. PRE-RETIREMENT SPOUSE'S BENEFIT. A benefit shall be payable to the spouse of a member who dies after August 22, 1984, subject to and determined in accordance with the following terms and conditions:

(a) ELIGIBILITY FOR SPOUSE'S BENEFIT. A monthly spouse's benefit

shall be payable on behalf of a member who, at the date of his death:

(i) was married and had been married to the same spouse for the six month period ending on that date;

(ii) had either attained age 65 years or completed five or more years of credited service;

(iii) had not begun to receive benefits under the plan.

(b) AMOUNT OF SPOUSE'S BENEFIT. The spouse's benefit shall be in an amount determined as follows:

(i) If the member was employed and had attained age 65 years at the date of his death, 50% of the amount of monthly pension to which the member would have been entitled if the first day of the month coincident with or next following the date of his death were his retirement date and his benefits were payable in the form specified in subparagraph 7.1(a), computed pursuant to subsection 4.1.

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(ii) If the member's death occurs while employed and after he had completed ten or more years of credited service but before attainment of age 65 years, 50% of the amount of monthly pension which would have been provided under the normal form of payment (as described in subparagraph 7.1(a)), computed pursuant to subsection 4.1 had he continued in the employ of the employer until his normal retirement date, but based on his final average earnings as at his date of death.

(iii) If the member was not employed at the date of his death and had not met the requirements of subsection 2.4 as of the date he left the employ of the employer but had completed ten or more years of credited service, 50% of the amount of monthly deferred benefit if his benefits were payable in the form described in subparagraph 7.1(a), computed pursuant to subsection 4.2.

(iv) If the member's death occurs after he had completed five or more years of credited service but before he had either completed ten years of credited service or attained age 65 years, 50% of the amount of monthly deferred benefit, computed pursuant to subsection 6.2, to which the member would have been entitled if his benefits were payable in the form specified in subparagraph 7.1(a) of the plan commencing on the first day of the month coincident with or next following the date the member would have attained age 60 years (or his date of death, if later).

(c) PAYMENT OF SPOUSE'S BENEFIT. Survivorship benefits payable under subparagraphs 8.3(b)(i) and (ii) shall commence on the first day of the month following the date of the member's death and shall end with the month in which the member's spouse dies. Survivorship benefits payable under subparagraphs 8.3(b)(iii) and (iv) shall commence as of the first day of the month coincident with or next following the later of the date of the member's death or the date the member would have attained age 60 years and shall end with the month in which the member's spouse dies.

SECTION 9

THE COMMITTEE

9.1. MEMBERSHIP. A committee consisting of not less than three nor more than seven persons (who may but need not be employees of the employers) shall be appointed by the company. The Secretary of the company shall certify to the trustee from time to time the appointment to (and termination of) office of each member of the committee and the person who is selected as secretary of the committee.

9.2. COMMITTEE'S GENERAL POWERS, RIGHTS AND DUTIES. Except as otherwise specifically provided and in addition to the powers, rights and duties specifically given to the committee elsewhere in the plan and the trust agreement, the committee shall have the following powers, rights and duties:

(a) To select a secretary, if it believes it advisable, who may but need not be a committee member.

(b) To construe and interpret the provisions of the plan and make factual determinations thereunder, including the discretionary power to determine the rights or eligibility of employees or members and any other persons, and the amounts of their benefits under the plan, and to remedy ambiguities, inconsistencies or omissions, and such determinations shall be binding on all parties.

(c) To adopt such rules of procedure and regulations as in its opinion may be necessary for the proper and efficient administration of the plan and as are consistent with the plan and trust agreement.

(d) To enforce the plan in accordance with the terms of the plan and the trust agreement and the rules and regulations adopted by the committee as above.

(e) To direct the trustee as respects payments or distributions from the trust fund in accordance with the provisions of the plan.

(f) To furnish the employers with such information as may be required by them for tax or other purposes in connection with the plan.

(g) To employ agents, attorneys, accountants, actuaries or other persons (who also may be employed by an employer) and to allocate or delegate to them such powers, rights and duties as the committee may consider necessary or advisable to properly carry out administration of the plan, provided that such allocation or delegation and the acceptance thereof by such agents, attorneys, accountants, actuaries or other persons, shall be in writing.

(h) To direct the trustee as respects investments in and withdrawals from Wolverine Investment Trust, as described in Article VII of the trust.

9.3. MANNER OF ACTION. During a period in which two or more committee members are acting, the following provisions apply where the context admits:



(a) A committee member by writing may delegate any or all of his rights, powers, duties and discretions to any other member, with the consent of the latter.

(b) The committee members may act by meeting or by writing signed without meeting, and may sign any document by signing one document or concurrent documents.

(c) An action or a decision of a majority of the members of the committee as to a matter shall be as effective as if taken or made by all members of the committee.

(d) If, because of the number qualified to act, there is an even division of opinion among the committee members as to a matter, a disinterested party selected by the committee shall decide the matter and his decision shall control.

(e) Except as otherwise provided by law, no member of the committee shall be liable or responsible for an act or omission of the other committee members in which the former has not concurred.

(f) The certificate of the secretary of the committee or of a majority of the committee members that the committee has taken or authorized any action shall be conclusive in favor of any person relying on the certificate.

9.4. INTERESTED COMMITTEE MEMBER. If a member of the committee also is a member of the plan, he may not decide or determine any matter or question concerning distributions of any kind to be made to him or the nature or mode of settlement of his benefits unless such decision or determination could be made by him under the plan if he were not serving on the committee.

9.5. RESIGNATION OR REMOVAL OF COMMITTEE MEMBERS. A member of the committee may be removed by the company at any time by ten days' prior written notice to him and the other members of the committee. A member of the committee may resign at any time by giving ten days' prior written notice to the company and the other members of the committee. The company

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may fill any vacancy in the membership of the committee; provided, however, that if a vacancy reduces the membership of the committee to less than three, such vacancy shall be filled as soon as practicable. The company shall give prompt written notice thereof to the other members of the committee. Until any such vacancy is filled, the remaining members may exercise all of the powers, rights and duties conferred on the committee.

9.6. INFORMATION REQUIRED BY COMMITTEE. Each person entitled to benefits under the plan must file with the committee from time to time in writing such person's post office address and each change of post office address. Any communication, statement or notice addressed to any such person at the last post office address filed with the committee will be binding upon such person for all purposes of the plan. Each person entitled to benefits under the plan also shall furnish the committee with such documents, evidence, data or information as the committee considers necessary or desirable for the purpose of administering the plan. The employers shall furnish the committee with such data and information as the committee may deem necessary or desirable in order to administer the plan. The records of an employer as to an employee's or member's period of employment, termination of employment and the reason therefor, leave of absence, reemployment and earnings will be conclusive on all persons unless determined to the committee's satisfaction to be incorrect.

9.7. EVIDENCE. Evidence required of anyone under the plan may be by certificate, affidavit, document or other information which the person acting on it considers pertinent and reliable, and signed, made or presented by the proper party or parties.

9.8. UNIFORM RULES. The committee shall administer the plan on a reasonable and nondiscriminatory basis and shall apply uniform rules to all members similarly situated.

9.9. REVIEW OF BENEFIT DETERMINATIONS. The committee will provide notice in writing to any member or beneficiary whose claim for benefits under the plan is denied and the committee shall afford such member or beneficiary a full and fair review of its decision if so requested.

9.10. COMMITTEE'S DECISION FINAL. Subject to applicable law, any interpretation of the provisions of the plan and any decisions on any matter within the discretion of the committee made by the committee in good faith shall be binding on all persons. A misstatement or other mistake of fact shall be corrected when it becomes known and the committee shall make such adjustment on account thereof as it considers equitable and practicable.

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#### SECTION 10

##### GENERAL PROVISIONS

10.1. ADDITIONAL EMPLOYERS. Any subsidiary or affiliate of the company that is not an employer may adopt the plan and become an employer and a party to the trust agreement by:

(a) Filing with the company, the committee and the trustee a certified copy of a resolution of its Board of Directors adopting the plan; and

(b) Filing with the trustee and the committee a certified copy of a resolution of the Board of Directors of the company consenting to such action.

The plan may be extended to any branch or division of the company or of any subsidiary or affiliate of the company, and such branch or division shall become an employer upon filing with the committee a written instrument (approved by the committee) to that effect.

10.2. WAIVER OF NOTICE. Any notice required under the plan may be waived by the person entitled to notice.

10.3. GENDER AND NUMBER. Where the context admits, words in the masculine gender shall include the feminine and neuter genders, the singular shall include the plural, and the plural shall include the singular.

10.4. CONTROLLING LAW. Except to the extent superseded by laws of the United States, the laws of Michigan shall be controlling in all matters relating to the plan and trust agreement.

10.5. EMPLOYMENT RIGHTS. The plan does not constitute a contract of employment, and membership in the plan will not give any employee the

right to be retained in the employ of an employer, nor any right or claim to any benefit under the plan, unless such right or claim has specifically accrued under the terms of the plan.

10.6. LITIGATION BY MEMBERS. If a legal action begun against the trustee, one or more employers, the committee or any member or members thereof, by or on behalf of any person results adversely to that person, or if a legal action arises because of conflicting claims to a member's or

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other person's benefits, the cost to the trustee, the employers, the committee or any member or members thereof of defending the action shall be charged to the extent permitted by law to the sums, if any, which were involved in the action or were payable to the member or other person concerned.

10.7. INTERESTS NOT TRANSFERABLE. The interests of members and their beneficiaries under the plan and the trust agreement are not subject to the claims of their creditors and, except as may be required by the tax withholding provisions of the Internal Revenue Code or any state's income tax act, may not be voluntarily or involuntarily sold, transferred, alienated or assigned except under a QDRO.

10.8. ABSENCE OF GUARANTY. Neither the committee nor any employer in any way guarantees the trust fund from loss or depreciation. Except as required by applicable law, the employers do not guarantee any payment to any person. The liability of the trustee or the committee to make any payment under the plan will be limited to the assets held by the trustee which are available for that purpose.

10.9. ACTION BY EMPLOYERS. Any action required or permitted to be taken by an employer under the plan shall be by resolution of its Board of Directors, by resolution of a duly authorized committee of its Board of Directors, or by a person or persons authorized by resolution of its Board of Directors or such committee.

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SECTION 11

CONTRIBUTIONS

11.1. EMPLOYER CONTRIBUTIONS. Subject to the provisions of Section 12, the employers expect and intend to contribute to the plan from time to time such amounts as shall be required under accepted actuarial principles to maintain the plan in a sound condition. Each employer's contribution for a plan year is conditioned on its deductibility under Section 404 of the Internal Revenue Code in that year.

11.2. MEMBER CONTRIBUTIONS. No member will be required or permitted to make any contributions under the plan.

11.3. APPLICATION OF FORFEITURES. Forfeitures arising under the plan for any reason shall not be used to increase the benefit any person otherwise would be entitled to receive under the plan at any time prior to termination of the plan or prior to the complete discontinuance of contributions by his employer. The amounts so forfeited with respect to any employer shall be used to reduce the employer's contributions under the plan.

11.4. NO INTEREST IN EMPLOYERS. The employers shall have no right, title or interest in the trust fund, nor will any part thereof at any time revert or be repaid to an employer, directly or indirectly, unless:

(a) the Internal Revenue Service initially determines that the plan does not meet the requirements of Section 401(a) of the Internal Revenue Code, in which event any contribution by the employer must be returned within one year after the date the initial qualification is denied;

(b) all liabilities under the plan attributable to such employer shall have been paid or provided for in full and assets remain in the trust fund because of an erroneous actuarial computation, in which event the assets remaining shall revert and be repaid to the employer;

(c) a contribution is made by such employer by mistake of fact and such contribution is returned to the employer within one year after payment to the trustee; or

(d) a contribution conditioned on the deductibility thereof is disallowed as an expense for federal income tax purposes and such contribution (to the extent disallowed) is returned to the employer within one year after the disallowance of the deduction.

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The amount of any contribution that may be returned to an employer pursuant to subparagraph (c) or (d) above must be reduced by any losses of the trust fund allocable thereto.

SECTION 12

AMENDMENT AND TERMINATION

12.1. AMENDMENT. While the employers expect and intend to continue the plan, the company reserves the right to amend the plan (in accordance with the procedures set forth in subsection 10.9) from time to time, except as follows:

(a) The duties and liabilities of the committee under the plan cannot be changed substantially without its consent;

(b) No amendment shall reduce the value of a member's benefits to less than the amount he would be entitled to receive if he had resigned from the employ of all of the employers on the day of the amendment;

(c) In the case of an amendment which changes any vesting schedule under the plan, a member who has completed three or more years of credited service must be permitted to elect, within a reasonable time after the adoption of such amendment, to have the nonforfeitable percentage of his benefits computed under the plan without regard to such amendment;

(d) In the case of any merger or consolidation with, or transfer of assets or liabilities to, any other plan, each member's benefit if the plan terminated immediately after such merger, consolidation or transfer shall be equal to or greater than the benefit he would have been entitled to receive if the plan had terminated immediately before the merger, consolidation or transfer; and

(e) Except as provided in Section 11, under no condition shall any amendment result in the return or repayment to any employer of any part of the trust fund or the income therefrom, or result in the distribution of the trust fund for the benefit of anyone other than employees and former employees of the employers and any other persons entitled to benefits under the plan.

12.2. TERMINATION. The plan will terminate as to all employers on any date specified by the company (in accordance with the procedures set forth in sub-section 10.9) if thirty days' advance written notice of the termination is given to the committee, the trustee and the other employers. The plan will terminate as to an individual employer on the first to occur of the following:

(a) The date it is terminated by that employer (in accordance with the procedures set forth in subsection 10.9) if 30 days' advance written notice of the termination is given to the committee, the trustee and the other employers.

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(b) The date that employer is judicially declared bankrupt or insolvent.

(c) The date that employer completely discontinues its contributions under the plan (a mere failure of the employer to make a contribution for any year shall not be considered as a discontinuance so long as the plan does not have an accumulated funding deficiency under Section 412 of the Internal Revenue Code as applied to that employer at the end of such year).

(d) The dissolution, merger, consolidation or reorganization of that employer, or the sale by that employer of all or substantially all of its assets, except that:

(i) in any such event arrangements may be made with the consent of the company whereby the plan will be continued by any successor to that employer or any purchaser of all or substantially all of its assets, in which case the successor or purchaser will be substituted for that employer under the plan and the trust agreement; and

(ii) if an employer is merged, dissolved or in any other way reorganized into, or consolidated with, any other employer, the plan as applied to the former employer will automatically continue in effect without a termination thereof.

12.3. NONFORFEITABILITY ON TERMINATION. On termination or partial termination of the plan as respects any employer, the rights of all affected members to benefits accrued to the date of such termination or partial termination shall be nonforfeitable, but shall be payable only to the extent funded as of such date.

12.4. NOTICE OF AMENDMENT OR TERMINATION. Members will be notified of amendment or termination within a reasonable time.

12.5. ALLOCATION AND DISTRIBUTION OF ASSETS ON TERMINATION. On termination of the plan as respects any employer, the committee will direct the allocation and distribution of plan assets allocable to members employed by that employer and to retired or terminated members and other persons entitled to benefits under the plan to the extent of their benefits attributable to employment with that employer. After payment of any expenses of administration and liquidation allocable to such plan assets, such plan assets remaining shall be allocated and distributed to such members and other persons in the following manner and order to the extent of the sufficiency of such plan assets:

(a) FIRST, to the following persons:

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(i) To each person who was receiving a benefit under the plan as of the beginning of the three-year period ending on the date of termination of the plan, the portion of such person's benefit which constitutes a "basic-benefit" under Title IV of the Employee Retirement Income Security Act of 1974, determined in accordance with the terms of the plan in effect during the five-year period ending on such date under which such person's benefit would be the least; and

(ii) To each member who had not retired at the beginning of the three-year period ending on the date of termination of the plan but who was eligible for retirement at the beginning of such three-year period, the portion of any benefit which constitutes a "basic benefit" under Title IV of the Employee Retirement Income Security Act of 1974 and which would have been payable if the member had retired and begun to receive a benefit at the beginning of such three-year period, determined in accordance with the terms of the plan in effect during the five-year period ending on such date under which such member's benefit would be the least.

(b) NEXT, to each person who was entitled to a benefit under the plan as of the date of termination of the plan, the portion of his benefit which constitutes a "basic benefit" under Title IV of the Employee Retirement Income Security Act of 1974 (determined without regard to Sections 4022(b)(5) and 4022(b)(6) thereof), properly adjusted for any allocation of assets with respect to his benefit made under subparagraph (a) above.

(c) NEXT, to each person who was entitled to a benefit under the plan as of the date of termination of the plan, his nonforfeitable benefit, properly adjusted for any allocation of assets with respect to his benefit made under subparagraphs (a) or (b) above.

(d) FINALLY, to each person who was a member of the plan on the date of termination of the plan, his benefit under the plan accrued up to that date, properly adjusted for any allocation of assets with respect to his benefit made under subparagraphs (a), (b) or (c) above. In making such allocations, the benefits contemplated under subparagraph (a) above shall be completely provided for before any allocations are made under subparagraphs (b), (c) and (d), and the allocations provided for in subparagraph (b) above shall be completely provided for before making any allocations under subparagraphs (c) and (d), and so forth. In the event that:

(i) The assets available for allocation under either of subparagraphs (a) or (b) above are not sufficient to satisfy in full the benefits of all persons described in that subparagraph, the assets shall be allocated pro rata among such persons on the basis of the present value (as of the date of termination of the plan) of their respective benefits described in that subparagraph.

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(ii) The assets available for allocation under subparagraph (c) above are not sufficient to satisfy in full the benefits of persons described in that subparagraph, except as provided in the following sentence, the assets shall be allocated to each such person on the basis of his benefit determined in accordance with the terms of the plan in effect at the beginning of the 5-year period ending on the date of termination of the plan, properly adjusted for any allocation of assets with respect to his benefit made under subparagraphs (a) or (b). If the assets available for allocation under subparagraph (c) above are sufficient to satisfy the benefits described in the preceding sentence, then the benefits of persons described in that subparagraph shall be determined on the basis of the plan as amended by the most recent plan amendment effective during such 5-year period under which the assets available for allocation are sufficient to satisfy in full the benefits of such persons, and any assets remaining to be allocated under such subparagraph shall be allocated on the basis of the plan as amended by the next succeeding plan amendment effective during such

period.

(iii) There are not sufficient assets to make allocation under subparagraph (d) above, the allocation otherwise to be made under that subparagraph shall be proportionately reduced. Distribution may be made in cash or property or partly in each, provided property is distributed at its fair market value as of the date of distribution as determined by the trustee.

12.6. LIMITATIONS ON TERMINATION. Notwithstanding any other provisions of the plan, in the event of termination of the plan, the benefits of any highly compensated employee or highly compensated former employee (as defined in Section 414(q) of the Internal Revenue Code) shall be limited to benefits that are nondiscriminatory under Section 401(a)(4) of the Internal Revenue Code.

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### SECTION 13

#### SPECIAL RESTRICTIONS

13.1. EFFECTIVE DATE AND OVERRIDING PROVISIONS. The following provisions of this Section 13 shall become effective on a "restricted date" (as defined in subsection 13.5 below) and, upon becoming effective, shall remain effective until the following related unrestricted date, and during that period shall supersede any other Provisions of the plan to the extent necessary to eliminate any inconsistencies between the provisions of this Section and said other provisions, subject to any amendment of the plan required by applicable law.

13.2. PLAN TERMINATION. If the plan is terminated during the period beginning on a restricted date and ending on the related unrestricted date, and after all liabilities have been paid or provided for in full assets remain in the trust fund because of an erroneous actuarial computation, then such remaining assets shall first be applied, to the extent permissible under applicable law, to the purchase of retiree medical and retiree life insurance payable to members and their beneficiaries in satisfaction of the employers' then-existing obligations, and any assets still remaining shall be applied on a pro rata basis to increase the benefits of members and their beneficiaries, subject, however, to the applicable legal limitations on benefits payable from tax-qualified plans.

13.3. PLAN MERGER. In the event of any merger or consolidation of the plan with another plan or any transfer of assets or liabilities of the plan to another plan which is effected during the period beginning on a



restricted date and ending on the related unrestricted date, then: (a) the accrued benefit of each member who is actively employed by an employer as of the effective date of such merger, consolidation or transfer of assets or liabilities and with respect to whom liability for the payment of benefits hereunder is being merged or consolidated with or transferred to another plan shall become fully vested; (b) the vested accrued benefit of each member, retired or terminated member, and beneficiary in the plan shall be increased in accordance with subsection 14.2 hereof as if the plan had terminated as to all employers immediately prior to any such merger, consolidation or transfer; and (c) prior to consummation of any such merger, consolidation or transfer, the accrued benefit (as increased hereunder, if applicable) of each member, retired or terminated member, and beneficiary with respect to whom liability for the payment of benefits hereunder is being merged or consolidated with or transferred to another plan shall be satisfied by the purchase of a guaranteed annuity contract from a financially sound insurance company which represents an irrevocable commitment to satisfy the accrued benefit (as increased hereunder, if applicable) of such person.

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13.4. VESTING BENEFIT ACCRUAL, ETC. During the period beginning on a restricted date and ending on the related unrestricted date, the provisions of the plan may not be amended in any manner which would adversely affect in any way the computation or amount of or the entitlement to retirement benefits hereunder, including, but not limited to, any adverse change in or to: (a) the rate at which benefits accrue or vest; (b) the compensation recognized hereunder; or (c) the optional forms of payment available to a member, retired or terminated member, or beneficiary hereunder, including the time of commencement of such benefits and any actuarial factors utilized in connection therewith.

13.5. RESTRICTED DATE. For purposes of this Section 13, the term "restricted date" means the first date on which either: (i) any "person" or "group" [as such terms are used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Act")] becomes the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of more than fifty percent (50%) of the then outstanding voting stock of the company, other than through a transaction arranged by, or consummated with the prior approval of, its board of directors; or (ii) during any period of two consecutive years (not including any period prior to the adoption of this provision), individuals who at the beginning of such period constitute the board of directors (and any new director whose election by the board of directors or whose nomination for election by the company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority thereof. An "unrestricted date" means the last day of the two-year period following the restricted date.

13.6. PROHIBITION AGAINST AMENDMENT. Except as may be otherwise required by applicable law, the provisions of this Section 13 may not be amended or deleted, nor superseded by any other provision of the plan, during the period beginning on a restricted date and ending on the related unrestricted date, without the written consent of a majority in both number and interest of the members who are actively employed by the employers both immediately prior to the restricted date and at the date of such amendment.

SECTION 14

DIRECT TRANSFER OF ELIGIBLE  
ROLLOVER DISTRIBUTIONS

14.1. PURPOSE. This Section 14 applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the plan to the contrary that would otherwise limit a distributee's election under this Section 14, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

14.2. DEFINITION OF ELIGIBLE ROLLOVER DISTRIBUTION. An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

14.3. DEFINITION OF ELIGIBLE RETIREMENT PLAN. An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

14.4. DEFINITION OF DISTRIBUTEES. A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

14.5. DEFINITION OF DIRECT ROLLOVER. A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

The Employer has executed this instrument this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

WOLVERINE WORLD WIDE, INC.

By \_\_\_\_\_  
Stephen L. Gulis, Jr.

Its: Vice President and Chief Financial  
Officer

EMPLOYER

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SUPPLEMENT A

A-1. BENEFITS FOR UFCW EMPLOYEES. Pursuant to collective bargaining agreements between the company and collective bargaining representatives of employees at the company's Tannery, Factory C and Distribution Center facilities, which employees are represented by The United Food and Commercial Workers International Union, AFL-CIO ("the UFCW") a separate pension plan and trust will be established for employees represented by each such UFCW bargaining unit, effective January 1, 1984. On and after January 1, 1984, pension benefits for employees of the company represented by the UFCW bargaining units including former employees and retired employees who were represented by such bargaining units and who are eligible for benefits under this plan ("UFCW employees") will be provided solely under such separate plans and trusts. From and after January 1, 1984, this plan shall no longer be extended to any UFCW employees and in no event will any benefits be paid to or on account of any such UFCW employees under this plan.

A-2. TRANSFER OF ASSETS. Plan assets, as apportioned by the actuary to provide for and secure the accrued vested benefits of UFCW employees will be transferred and assigned to the separate trust established for each UFCW bargaining unit.

A-3. EFFECTIVE DATES OF BENEFIT INCREASE. For purposes of determining the amount of benefits payable to any employee hereunder, "\$7.00" shall be substituted for "\$6.00" where the latter amount appears in subparagraph 4.1(b), 4.2(b), subsection 5.1 and subparagraph 6.1(a) on the following dates:

- (a) May 1, 1983                    UFCW employees represented by the Factory C Bargaining unit.
- (b) August 16, 1983                UFCW employees represented by the tannery bargaining unit.
- (c) October 15, 1983                UFCW employees represented by the Distribution Center bargaining unit.
- (d) July 1, 1983                    All other employees.

A-4. THIS SUPPLEMENT CONTROLLING. In the event of any conflict between any of the provisions of this Supplement and any other provisions of the plan, the provisions of this Supplement shall control.

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#### SUPPLEMENT B

##### SPECIAL RULES FOR TOP-HEAVY PLANS

B-1. PURPOSE AND EFFECT. The purpose of this Supplement B is to comply with the requirements of Section 416 of the Internal Revenue Code of 1954. The provisions of this Supplement B shall be effective for each plan year beginning after December 31, 1983 in which the plan is a "top-heavy plan" within the meaning of Section 416(g) of the Internal Revenue Code.

B-2. TOP-HEAVY PLAN. In general, the plan will be a top-heavy plan for any plan year if, as of the last day of the preceding plan year (the "determination date"), the present value of the cumulative accrued benefits of members who are key employees (as defined in Section 416(i)(1) of the Internal Revenue Code) exceeds 60 percent of the present value of the cumulative accrued benefits of all members. In making the foregoing determination, the following special rules shall apply:

(a) The present value of a member's accrued benefit shall be increased by the aggregate distributions, if any, made with respect to the member during the 5-year period ending on the determination date.

(b) The accrued benefit of a member who was previously a key employee, but who is no longer a key employee, shall be disregarded.

(c) The accrued benefit of a beneficiary of a member shall be considered an accrued benefit of the member.

(d) The accrued benefit of a member who did not perform any services for an employer during the 5-year period ending on the determination date shall be disregarded.

(e) The accrued benefit of a participant who is not a key employee shall be determined under the method used for all plans of the employers or, if there is no such method, as if such benefit accrued no faster than the slowest accrual rate permitted under Section 411(b)(1)(C) of the Internal Revenue Code.

B-3. KEY EMPLOYEE. In general, a "key employee" is an employee who, at any time during the 5-year period ending on the determination date, is:

(a) an officer of an employer or controlled group member receiving annual compensation greater than 50% of the limitation in effect under Section 415(b)(1)(A) of the Internal Revenue Code; provided, that for purposes of this subparagraph (a), no more than 50 employees of the employers and controlled group members (or if lesser, the greater of 3 employees or 10 percent of the employees) shall be treated as officers;

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(b) one of the ten employees receiving annual compensation from the employers and/or controlled group members of more than the limitation in effect under Section 415(c)(1)(A) of the Internal Revenue Code and owning the largest interests in an employer or controlled group member;

(c) a 5 percent owner or an employer or controlled group member;

or

(d) a 1 percent owner of an employer or controlled group member receiving annual compensation from the employers and/or controlled group members of more than \$150,000.

B-4. MINIMUM VESTING. For any plan year in which the plan is a top-heavy plan, a member's vested percentage in his accrued benefit shall not be less than the percentage determined under the following table:

YEARS OF CREDITED SERVICE -----	VESTED PERCENTAGE -----
Less than 2	0
2	20
3	40
4	60
5	80
6	
or more	100

If the foregoing provisions of this paragraph B-4 become effective, and the plan subsequently ceases to be a top-heavy plan, each member who has then completed three or more years of credited service may elect to continue to have the vested percentage of his accrued benefit determined under the provisions of this paragraph B-4.

B-5. MINIMUM BENEFIT. A member's monthly pension or deferred benefit, commencing at his normal retirement date and payable as a life annuity, shall not be less than an amount equal to 2 percent of his average compensation (as defined below), multiplied by the number of years (not to exceed 10) of his top-heavy service (as defined below). A member's "average compensation" means the monthly average of his compensation for the 5 consecutive years of which his compensation was highest, disregarding any compensation paid after the last year in which the plan is a top-heavy plan. A member shall be entitled to a year of "top-heavy service" for each year of his credited service after December 31, 1983 during which the plan is a top-heavy plan and he is a member thereunder.

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B-6 AGGREGATION OF PLANS. In accordance with section 416(g)(2) of the Internal Revenue Code, other plans maintained by the employers or controlled group members may be required or permitted to be aggregated with this plan for purposes of determining whether the plan is a top-heavy plan.

For all purposes hereof:

(a) A "required aggregation group" means each qualified plan of the employer controlled group members in which at least one key employee participates, and any other qualified plan of the employer or controlled group member which enables the plan to meet the requirements of Sections 401(a)(4) and 410 of the Internal Revenue Code.

(b) A "permissive aggregation group" means the required aggregation group of plans plus any other plan or plans of the employer or controlled group members which, when considered as a group with the required aggregation group, would continue to satisfy the requirements of Sections 401(a)(4) and 410 of the Internal Revenue Code.

B-7. NO DUPLICATION OF BENEFITS. If the employers and/or controlled group members maintained more than one plan, the minimum benefit otherwise required under paragraph B-5 above may be reduced in accordance with regulations of the Secretary of the Treasury to prevent inappropriate duplication of minimum benefits or contributions.

B-8. ADJUSTMENT OF COMBINED BENEFIT LIMITATIONS. In order to reduce the overall limitations on combined plan contributions and benefits under Section 415 of the Internal Revenue Code, the number 1.00 shall be substituted for 1.25 in determining defined benefit fractions and defined contribution fractions in accordance with Section 415 of the Internal Revenue Code and Section 235 of the Tax Equity and Fiscal Responsibility Act of 1982 for purposes of subsection 4.8. Provided, however, that the foregoing sentence shall not apply if (A) the top-heavy ratio is 0.90 or less and (B) each non-key employee receives an additional minimum benefit or contribution under a plan of the employer. In the case of a non-key employee participating only in this or another defined benefit plan, the additional minimum benefit for each year of service counted is one percentage point, up to a maximum of ten percentage points, of the member's average compensation for the five consecutive years when the member had the highest aggregate compensation from the employer, computed as described in B-5 above. In the case of a non-key employee participating only in a defined contribution plan, the additional minimum contribution is one percent of the member's compensation. In the case of a non-key employee participating in both this or another defined benefit plan and a defined contribution plan, there is no minimum benefit, but the minimum contribution under the defined contribution plan shall be 7-1/2% of the member's compensation.

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B-9. USE OF TERMS. All terms and provisions of the plan shall apply to this Supplement B, except that where the terms and provisions of the plan and this Supplement B conflict, the terms and provisions of this Supplement B shall govern.

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SUPPLEMENT C  
TO  
WOLVERINE EMPLOYEES' PENSION PLAN  
  
PROVISIONS RELATING TO CERTAIN FORMER PARTICIPANTS  
UNDER WEBSTER MANUFACTURING UNIT  
HOURLY-RATED EMPLOYEES' PENSION PLAN

C-1. INTRODUCTION. Effective May 31, 1988, Webster Manufacturing Unit Hourly-Rated Employees' Pension Plan (the "Webster Plan") shall be merged into and continued in the form of this plan, and participants in the Webster Plan shall become members in this plan. Each such participant is referred to below in this Supplement as a "Webster Participant". The amount and form of each Webster Participant's benefit under this plan shall be governed by the terms of this Supplement C.

C-2. FULL VESTING OF WEBSTER PARTICIPANT'S BENEFIT. Each Webster Participant who terminates employment on or after May 31, 1988 shall be fully vested in his benefits under the plan.

C-3. AMOUNT OF WEBSTER PARTICIPANT'S BENEFIT AT NORMAL RETIREMENT DATE. A Webster Participant's normal benefit under the plan is a monthly retirement income, commencing on the Webster Participant's normal retirement date and payable during his lifetime, in an amount equal to the sum of: (a) \$3.00 multiplied by his number of full and fractional years of credited service under the plan after May 31, 1988; plus (b) \$3.00 multiplied by his number of full and fractional years of benefit service accrued under the Webster Plan after December 31, 1969 and before June 1, 1988; plus (c) \$1.20 multiplied by his number of full and fractional years of benefit service accrued under the Webster Plan before January 1, 1970. A Webster Participant who was participating in the Webster Plan on December 31, 1987 and who terminates employment on or after May 31, 1988 shall be entitled to a full year of benefit service for 1988. Except as provided in paragraph C-4 below, the amount of monthly retirement income computed under

this paragraph C-3 will be used to determine the amount of a Webster Participant's benefit for all purposes of the plan.

C-4. SUPPLEMENTAL BENEFIT FOR WEBSTER PARTICIPANTS. In addition to the amount of retirement income computed under paragraph C-3 above, a Webster Participant who terminates employment on or after May 31, 1988 will be entitled, regardless of his age at date of hire, to a supplemental monthly retirement income, commencing on his normal retirement date and payable during his lifetime, which is actuarially equivalent to the single sum amount determined as of his employment termination date) as follows:

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(a) If the Webster Participant had completed at least 1 but less than 10 years of service, an amount equal to \$111 multiplied by his number of years of service;

(b) If the Webster Participant had completed at least 10 but less than 20 years of service, an amount equal to \$166.50 multiplied by his number of years of service; and

(c) If the Webster Participant had completed 20 or more years of service, an amount equal to \$222 multiplied by his number of years of service.

C-5. FORM OF PAYMENT OF WEBSTER PARTICIPANT'S BENEFIT. Except as provided in paragraph C-6 below, a Webster Participant's benefit under this Supplement C shall be payable in accordance with subsection 7.1 of the plan. If payments begin before the Webster Participant's normal retirement date, such benefit shall be reduced in accordance with subsection 4.3 of the plan.

C-6. LUMP SUM PAYMENT OF WEBSTER PARTICIPANT'S ACCRUED BENEFIT. If the present value of (a) a Webster Participant's entire nonforfeitable accrued benefit under the plan, or (b) the pre-retirement spouse's benefit payable on account of a Webster Participant under subsection 8.3 of the plan, does not exceed \$3,500; the committee, in its discretion, may direct the trustee to pay such present value to the Webster Participant (or in the event of his death, to his surviving spouse) in a lump sum upon his termination of employment. If the present value of a Webster Participant's entire nonforfeitable accrued benefit under the plan exceeds \$3,500, the Webster Participant may elect to have such present value (or the portion thereof which is attributable to the supplemental benefit determined under paragraph C-4 above) paid to him in a lump sum upon his termination of employment; provided that, if a joint and survivor annuity would otherwise be provided under subsection 7.1 of the plan, the Webster Participant's spouse must consent in writing to such form of distribution. If the present value of a pre-retirement spouse's benefit payable on account of a Webster Participant under subsection 8.3 of the plan exceeds \$3,500, the Webster Participant's surviving spouse may elect to have such present value paid in a lump sum. For purposes of this paragraph C-6, a present value shall be determined as of the date of distribution by using an interest rate not greater than the interest rate which would be used (as of the date of distribution) by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution on plan termination. Notwithstanding the provisions of subsection 3.3 of the plan, if a Webster Participant who received a lump sum payment under this paragraph C-6 is subsequently reemployed by an employer, his years of employment before his termination of employment shall be disregarded in determining his credited service under the plan.

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C-7. LIMITATIONS. Except to the extent expressly provided herein to



the contrary, the benefits provided pursuant to this Supplement C for a Webster Participant are subject to all of the terms and conditions of this plan. Unless specified otherwise, terms used in this Supplement C which are defined in the plan are intended to have the same meanings as given them in this plan.

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SUPPLEMENT D  
TO  
WOLVERINE EMPLOYEES' PENSION PLAN

SECTION 414(K) ACCOUNT

SECTION D1

INTRODUCTION

D1.1. BACKGROUND. Wolverine World Wide, Inc. (the "company") maintains the Wolverine Employees' Pension Plan (the "plan"). The company also maintains the Wolverine World Wide, Inc. Money Accumulation Plan (the "Money Accumulation Plan"). The purpose of the Money Accumulation Plan is to enable eligible employees to elect to defer a portion of their

compensation by means of employer contributions on their behalf and to make voluntary contributions from their own funds, and thereby provide for their future security. Prior to January 1, 1994, participants in the Money Accumulation Plan were also eligible to receive employer matching contributions based on the amount of their basic contributions under the Money Accumulation Plan. However, effective January 1, 1994, employer matching contributions under the Money Accumulation Plan were discontinued.

D1.2. SECTION 414(K) ARRANGEMENT. Section 414(k) of the Internal Revenue Code permits the sponsor of a defined benefit pension plan that is qualified under Section 401(a) of the Internal Revenue Code to implement an arrangement within the defined benefit plan whereby a participant's benefit is based partly on the balance of a separate account established under the plan (a "Section 414(k) account"). For purposes of most requirements under Section 401(a), benefits based on Section 414(k) accounts are treated as benefits provided under a defined benefit plan. However, for certain limited purposes specified in Section 414(k), a defined benefit plan which includes a Section 414(k) account is treated as consisting of a defined contribution plan to the extent benefits are based on the separate account of a participant, and as a defined benefit plan with respect to the remaining portion of benefits under the plan.

D1.3. PURPOSE; SECTION 414(K) ACCOUNT ARRANGEMENT. The company desires to establish a Section 414(k) account arrangement within the plan for the purpose of providing employer matching contributions to individuals who are participants in both the Money Accumulation Plan and the Section 414(k) account arrangement, where such matching contributions are based on a participant's basic contributions under the Money Accumulation Plan. To facilitate such an arrangement, the company will establish a Section 414(k) account under the plan for each participant in accordance with this

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Supplement D. At all times, the Section 414(k) account arrangement shall constitute a part of the plan. Employer matching contributions made pursuant to this Supplement D shall be funded by allocating existing plan assets to participants' Section 414(k) accounts. Nothing in this Supplement D shall require additional employer contributions to the plan beyond those made from existing plan assets as described in the preceding sentence.

D1.4. DEFINITIONS; APPLICABILITY OF PLAN PROVISIONS; EFFECTIVE DATE. Except as otherwise expressly stated herein, the benefits provided under the Section 414(k) account arrangement as established within the plan shall be governed exclusively by the terms and provisions of this Supplement D. Notwithstanding the preceding sentence, all terms used in this Supplement D which are not defined herein shall have the meaning given such terms in the plan, and to the extent not inconsistent with the terms of this Supplement D, the Section 414(k) account arrangement shall be subject to the provisions of the plan that are consistent with the purposes, terms and operation of this Supplement D. The term "defined benefit provisions" means the terms of the plan, exclusive of Supplement D. Solely for purposes of this Supplement D, the term "excess plan assets" means, as of any date, the amount by which the value of the assets held in the trust fund (excluding amounts held in the Section 414(k) Trust Account) exceeds the lesser of (i) 150% of the current liability of the plan (as defined in Section 412(c)(7)(B) of the Internal Revenue Code) or (ii) the accrued liability (including normal cost) of the plan (as defined in Section 412(c)(7)(A)(i) of the Internal Revenue Code). As used in the preceding sentence, the terms "current liability" and "accrued liability" shall exclude any benefit obligations arising under this Supplement D. The value of assets held in the trust fund shall be determined under the valuation method used by the plan for purposes of Section 412(c)(7) of the Internal Revenue Code. The term "existing plan assets" means, as of any date, those assets held in the trust fund which have not previously been

allocated to participants' Section 414(k) accounts pursuant to subsection 7.4 hereof. The effective date of this Supplement D and the Section 414(k) account arrangement established hereunder shall be January 1, 1994 (the "effective date").

## SECTION D2

### ELIGIBILITY AND PARTICIPATION

D2.1. ELIGIBILITY. Each participant in the Money Accumulation Plan who is eligible to make basic contributions to that plan on or after January 1, 1994 shall be eligible to participate in the benefits provided under this Supplement D.

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D2.2. PARTICIPATION. Strictly for purposes of the benefits provided under this Supplement D, each employee who is eligible to participate in this Supplement D in accordance with subsection 2.1 above shall become a participant in this plan as of the first accounting date on which an employer matching contribution is allocated to his Section 414(k) account, and will continue as a participant until the later to occur of his settlement date or the date on which all assets in his Section 414(k) account to which he is entitled have been distributed or applied to purchase an annuity contract in accordance with Section 8 of this Supplement D. Each participant in this Supplement D may also be a participant for purposes of the defined benefit provisions of this plan to the extent he satisfies the participation requirements set forth in Section 2 of the plan.

## SECTION D3

### PARTICIPANT CONTRIBUTIONS

Participant contributions shall neither be required nor permitted under this Supplement D.

## SECTION D4

### EMPLOYER CONTRIBUTIONS

D4.1. EMPLOYER MATCHING CONTRIBUTION. For each plan year, the employers will make an employer matching contribution in an amount equal to the formula employer contribution determined under subsection 10.1 for that year, but reduced by the total amount of remainders, if any, to be allocated as of the last day of such plan year.

D4.2. SOURCE OF EMPLOYER MATCHING CONTRIBUTION. Employer matching contributions under this Supplement D shall be made only by allocating a portion of the then existing plan assets to participants' Section 414(k) accounts and, thus, to the Section 414(k) Trust Account within the trust fund. Nothing in this Supplement D shall obligate the company or any employer to make any contributions to the plan out of its general corporate assets in excess of those required by the defined benefit provisions.

D4.3. LIMITATIONS AND CONDITIONS ON EMPLOYER MATCHING CONTRIBUTION. Notwithstanding any other provision of this Supplement D to the contrary, if, as of the first day of any plan year, the plan has no excess plan assets, then in no event shall existing plan assets be used to make required employer matching contributions for such plan year.

SECTION D5

SECTION 414(K) TRUST ACCOUNT AND THE INVESTMENT FUNDS

D5.1. SECTION 414(K) TRUST ACCOUNT. The trustee shall establish a Section 414(k) Trust Account as a separate account under the trust fund. Employer matching contributions allocated to participants' Section 414(k) accounts under subsection 7.4 of this Supplement D will be held by the trustee in the Section 414(k) Trust Account.

D5.2. THE INVESTMENT FUNDS. The Section 414(k) Trust Account shall consist of such investment funds as the committee shall determine from time to time. Pending investment, reinvestment or distribution as provided in this Supplement D, the trustee may temporarily retain the assets of any one or more of the investment funds in cash, commercial paper, short-term government obligations, or undivided interests or participations in common or collective short-term investment funds. Any investment fund may be partially or entirely invested in any common or commingled fund or in any group annuity, deposit administration or separate account contract issued by a legal reserve life insurance company which is invested generally in property of the kind specified for the investment fund. The committee, in its discretion, may direct the trustee to establish such investment funds or to terminate any of the investment funds as it shall from time to time consider appropriate and in the best interests of the participants. The funds established hereunder may be referred to collectively as the "investment funds" and individually as an "investment fund."

D5.3. INVESTMENT FUND ELECTIONS. A participant from time to time may elect one or more of the investment funds for the investment of all or a portion of the employer matching contributions on his behalf. Each such election shall be made at such time, in such manner, and with respect to such investment funds as the committee shall determine, and shall be effective only in accordance with such rules as the committee shall establish. If a participant fails to make an election under this subsection 5.3, his share of the employer matching contributions will be invested in such investment fund as shall be designated by the committee.

D5.4. INVESTMENT FUND TRANSFERS. A participant may elect that all or a part of his interest in an investment fund shall be liquidated and the proceeds thereof transferred to one or more of the other investment funds. Each such election shall be made at such time, in such manner, and with respect to such investment funds as the committee shall determine, and shall be effective only in accordance with such rules as shall be established from time to time by the committee.

D5.5. AVAILABILITY OF PLAN ASSETS. Notwithstanding any other provision of this Supplement D or the defined benefit provisions of the plan, all assets held in the trust fund (including assets held in the Section 414(k) Trust Account) shall at all times be available to pay all benefits under the plan, whether under the defined benefit provisions of the plan or this Supplement D.

SECTION D6

PERIOD OF PARTICIPATION

D6.1. SETTLEMENT DATE. A participant's "settlement date" will be

the date on which his employment with all of the employers is terminated because of the first to occur of the following:

(a) EARLY, NORMAL OR LATE RETIREMENT. The date of the participant's retirement under the plan. A participant's right to his account balances shall be nonforfeitable on and after attaining age 65 years (his "normal retirement age").

(b) DISABILITY RETIREMENT. The date the participant is retired from the employ of all of the employers at any age because of disability, as determined by a qualified physician selected by the committee. A participant will be considered disabled for the purposes of this subparagraph if, on account of a disability, he is no longer capable of engaging in any employment or occupation for remuneration or profit, and such disability will be permanent and continuous for the rest of his life.

(c) DEATH. The date of the participant's death.

(d) RESIGNATION OR DISMISSAL. The date the participant resigns or is dismissed from the employ of all of the employers before retirement under subparagraph (a) or (b) above.

If a participant is transferred from employment with an employer to employment with a controlled group member then, for the purpose of determining when his settlement date occurs under this subsection 6.1, his employment with such controlled group member (or any controlled group member to which he is subsequently transferred) shall be considered as employment with the employers.

D6.2. RESTRICTED PARTICIPATION. If (i) payment of all of a participant's account balances is not made at his settlement date; or (ii) a participant transfers to a controlled group member; the participant or his beneficiary will be treated as a participant for all purposes of the plan, except as follows:

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(a) The participant will not share in employer matching contributions after his settlement date, or during any period he is employed by a controlled group member; except as provided in subsection 7.4.

(b) The beneficiary of a deceased participant cannot designate a beneficiary under subsection 8.5.

If a participant whose participation in the plan is restricted for the reason specified in (ii) above subsequently is employed by an employer, he will again become an active participant in the plan on the date he is reemployed.

#### SECTION D7

#### ACCOUNTING

D7.1. SEPARATE ACCOUNTS. The committee will maintain a separate "Section 414(k) account" in the name of each participant which will reflect his share of employer matching contributions under this Supplement D, and the income, losses, appreciation and depreciation attributable thereto. The committee also may maintain such other accounts in the names of participants or otherwise as it considers advisable. Unless the context indicates otherwise, references in this Supplement D to a participant's "accounts" means all accounts maintained in his name under this Supplement D.

D7.2. ACCOUNTING DATES. A "regular accounting date" is the last day of any plan year. A "special accounting date" is each March 31, June 30 and September 30, any date designated as such by the committee and the date on which the plan is terminated in its entirety or a partial termination of the plan occurs. The term "accounting date" includes both a regular accounting date and a special accounting date.

D7.3. ADJUSTMENT OF PARTICIPANTS' ACCOUNTS. As of each accounting date the committee shall:

(a) FIRST, credit participant's accounts with their pro rata share of any increase or charge such accounts with their pro rata share of any decrease in the value of the adjusted net worth (as defined below) of each investment fund in which such accounts have an interest as of that date;

(b) NEXT, allocate and credit employer matching contributions, if any, that are to be credited as of that date in accordance with subsection 7.4; and

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(c) FINALLY, charge to the proper accounts all payments or distributions made under subsection 8.4 as of that date.

The "adjusted net worth" of an investment fund as at any date means the then net worth of such investment fund as determined by the trustee, less an amount equal to the employer matching contributions deposited in such fund but not yet allocated to the accounts of participants and remainders being held pursuant to subsection 6.3. Remainders will not be adjusted in accordance with subparagraph (a) above.

D7.4. ALLOCATION OF EMPLOYER MATCHING CONTRIBUTIONS. Subject to subsection 7.8, as of each regular accounting date, each employer's matching contribution for the plan year ending on that date will be allocated and credited to the Section 414(k) accounts of participants who were employed by such employer on the last day of that plan year or who died or retired under subparagraph 6.1(a) or (b) during that year, as follows:

(a) FIRST, each employer's matching contribution will be allocated and credited to the Section 414(k) accounts of such participants, pro rata, according to the basic contributions (up to 2%) made by them, respectively, to the Money Accumulation Plan during that plan year; except that the portion of any employer's matching contribution credited to any participant's Section 414(k) account under this subparagraph shall not exceed 20% of his basic contributions (up to 2%) for that plan year;

(b) NEXT, each employer's matching contribution, to the extent not allocated under subparagraph (a) above, will be allocated and credited to the Section 414(k) accounts of such participants, pro rata, according to the basic contributions (over 2% but not more than 6%) made by them, respectively, to the Money Accumulation Plan during that plan year; except that the portion of any employer's matching contribution credited to any participant's Section 414(k) account under this subparagraph shall not exceed 20% of his basic contributions (over 2% but not more than 6%) for that plan year; and

(c) FINALLY, each employer's matching contribution, to the extent not allocated under subparagraphs (a) and (b) above, will be allocated and credited to the Section 414(k) accounts of such participants, pro rata, according to the basic contributions (up to 6%) made by them, respectively, to the Money Accumulation Plan during that plan year.

D7.5. CHANGING PAYMENTS AND DISTRIBUTIONS. All payments or

distributions made to a participant or his beneficiary under this Supplement D will be charged to the Section 414(k) account of such participant.

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D7.6. ROLLOVERS. No rollover contributions of any kind, including direct transfers of benefits from other plans meeting the requirements of Section 401(a) of the Internal Revenue Code, are permitted to the plan under this Supplement D.

D7.7. STATEMENT OF ACCOUNT. As soon as practicable after the last day of each calendar quarter, each participant will be furnished with a statement reflecting the balance of his Section 414(k) account.

D7.8. CONTRIBUTION LIMITATIONS. For each plan year, the annual addition (as defined below) to a participant's accounts under this Supplement D and all other defined contribution plans maintained by the employers shall not exceed the lesser of \$30,000 (or, if greater, 1/4 of the dollar limitation in effect under Section 415(b)(1)(A) of the Internal Revenue Code for the calendar year which begins with or within that plan year) or 25 percent of the participant's compensation during that year. The term "annual addition" for any plan year means the sum of the employer contributions, participant contributions and remainders credited to a participant's accounts for that year. Any employer matching contributions which cannot be allocated to a participant because of the foregoing limitations shall be applied to reduce employer matching contributions in succeeding plan years, in order of time.

D7.9. LIMITATION ON ALLOCATION OF CONTRIBUTIONS. Notwithstanding the foregoing provisions of this Section 7, in no event shall the contribution percentage (as defined below) of the highly compensated participants (as defined in subsection 7.10) for any plan year exceed the greater of:

(a) the contribution percentage of all other participants for such plan year multiplied by 1.25; or

(b) the contribution percentage of all other participants for such plan year multiplied by 2.0; provided that the contribution percentage of the highly compensated participants does not exceed that of all other participants by more than 2 percentage points.

The "contribution percentage" of a group of participants for a plan year means the average of the ratios (determined separately for each participant in such group) of: (i) the employer matching contributions allocated to such participant for such plan year; to (ii) the participant's compensation for such plan year. The employer matching contributions allocated to the highly compensated participants will be reduced (in the order of their contribution percentages beginning with the highest percentage) to the extent necessary to meet the requirements of this subsection 7.9. If, because of the foregoing limitations, a portion of the employer matching

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contributions allocated to a highly compensated participant may not be credited to his account for a plan year, such portion (and the earnings thereon) shall be distributed to the participant within two and one-half months after the end of that plan year.

D7.10. HIGHLY COMPENSATED PARTICIPANT. A "highly compensated participant" means any present or former employee who, during the current or immediately preceding year:

(a) was a 5 percent owner of an employer;

(b) received annual compensation from the employers of more than \$75,000 (or such greater amount as may be determined by the Commissioner of Internal Revenue for that year);

(c) received annual compensation from the employers of more than \$50,000 (or such greater amount as may be determined by the Commissioner of Internal Revenue for that year) and was in the top-paid 20% of the employees; or

(d) was an officer of an employer receiving annual compensation greater than 50% of the limitation then in effect under Section 415(b)(1)(A) of the Internal Revenue Code; provided, that for purposes of this subparagraph (d), no more than 50 employees of the employers (or if lesser, the greater of 3 employees or 10 percent of the employees) shall be treated as officers.

D7.11. ALLOCATION OF EARNINGS TO DISTRIBUTIONS OF EXCESS CONTRIBUTIONS. The earnings allocable to distributions of employer contributions exceeding the limits of subsection 7.9 ("excess matching contributions") shall be determined by multiplying the earnings attributable to the participant's share of employer matching contributions for the plan year by a fraction, the numerator of which is the excess matching contributions, and the denominator of which is the balance in the participant's Section 414(k) account on the last day of such year reduced by gains (or increased by losses) attributable to such account during that year. The earnings attributable to such excess matching contributions determined in accordance with the preceding sentence shall be increased to reflect the earnings to the date of distribution by an amount equal to ten percent of the earnings determined in accordance with the preceding sentence multiplied by the number of calendar months that have elapsed since the end of the applicable year. For purposes of the foregoing, a distribution occurring on or before the fifteenth day of the month will be treated as having been made on the last day of the preceding month, and a distribution occurring after such fifteenth day will be treated as having been made on the first day of the next subsequent month.

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D7.12. MULTIPLE USE OF ALTERNATIVE LIMITATION. In accordance with Treasury Regulation Section 1.401(m)-2(c), multiple use of the alternative limitation will be corrected in the manner described in Treasury Regulation Section 1.401(m)-1(e). The term "alternative limitation" as used above means the alternative methods of compliance with Sections 401(k) and 401(m) of the Internal Revenue Code contained in Sections 401(k)(3)(A)(ii)(II) and 401(m)(2)(A)(ii) thereof, respectively.

## SECTION D8

### PAYMENT OF ACCOUNT BALANCES

D8.1. RETIREMENT OR DEATH. If a participant's employment with all of the employers is terminated because of retirement under subparagraph 6.1(a) or (b), or if a participant dies while in the employ of an employer, the balance in his Section 414(k) account as at the accounting date coincident with or next following his settlement date (after all adjustments required under this Supplement D as of that date have been made) shall be nonforfeitable and shall be distributable to him, or in the event of his death to his beneficiary, under subsection 8.4.

D8.2. RESIGNATION OR DISMISSAL. If a participant resigns or is



dismissed from the employ of all of the employers before retirement under subparagraph 6.1(a) or (b), the balance in his Section 414(k) account as at the accounting date coincident with or next following his settlement date (after all adjustments required under this Supplement D as of that date have been made) will be reduced to an amount computed in accordance with the following schedule:

IF THE PARTICIPANT'S NUMBER OF YEARS OF CREDITED SERVICE IS: -----	THE PERCENTAGE OF HIS SECTION 414(K) ACCOUNT WILL BE: -----
Less than 1 year	0%
1 year but less than 2 years	20%
2 years but less than 3 years	40%
3 years but less than 4 years	60%
4 years but less than 5 years	80%
5 years or more	100%

The resulting balance in his Section 414(k) account will be distributable to the participant under subsection 8.4. A participant shall be entitled to 1/12th of a year of service for each month (or portion thereof) during which he is employed by an employer or controlled group member.

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The 414(k) account of a participant, whose employment was terminated upon the closing of B&B Shoe Division shall be nonforfeitable upon his termination of employment.

D8.3. REMAINDERS. The amount by which a participant's Section 414(k) account is reduced under subsection 8.2 shall be a "remainder." A remainder shall be treated as a separate account [which is not subject to adjustment under sub-paragraph 7.3(a)] until the last day of the plan year in which the participant's settlement date occurs, and then shall be applied in the manner provided in subsection 4.1 to reduce employer matching contributions as of that date; and when so applied will be treated, for purposes of subsection 7.4, as though it were an employer matching contribution made under subsection 4.1. If the participant is reemployed by an employer or controlled group member before he incurs five consecutive one-year breaks in service, subsection 9.2 shall apply.

D8.4. MANNER OF DISTRIBUTION. Subject to the provisions of subsection 8.6, after each participant's settlement date, distribution of the net credit balance in the participant's Section 414(k) account will be made to or for the benefit of the participant, or in the case of his death to or for the benefit of his beneficiary, by payment in a lump sum.

D8.5. DESIGNATION OF BENEFICIARY. Subject to the provisions of subsection 8.6, each participant from time to time, by signing a form furnished by the committee, may designate any person or persons (who may be designated concurrently, contingently or successively) to whom his benefits under this Supplement D are to be paid if he dies before he receives all of his benefits. A beneficiary designation form will be effective only when the form is filed with the committee while the participant is alive and will cancel all beneficiary designation forms previously filed with the committee. If a deceased participant failed to designate a beneficiary as provided above, or if the designated beneficiary dies before the participant or before complete payment of the participant's benefits, the committee, in its discretion, may direct the trustee to pay the participant's benefits as follows:

- (a) To or for the benefit of any one or more of his relatives by

blood, adoption or marriage and in such proportions as the committee determines; or

(b) To the legal representative or representatives of the estate of the last to die of the participant and his designated beneficiary.

The term "designated beneficiary" as used in this Supplement D means the person or persons (including a trustee or other legal representative acting in a fiduciary capacity) designated by a participant as his beneficiary in the last effective beneficiary designation form filed with the committee

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under this subsection and to whom a deceased participant's benefits are payable under this Supplement D. The term "beneficiary" as used in this Supplement D means the natural or legal person or persons to whom a deceased participant's benefits are payable under this subsection.

D8.6. PRE-RETIREMENT SURVIVOR ANNUITY AND JOINT AND SURVIVOR ANNUITY. Notwithstanding anything contained in this Supplement D to the contrary, the following provisions of this subsection 8.6 shall apply in the case of distributions to or on behalf of a participant:

(a) PRE-RETIREMENT SURVIVOR ANNUITY. If a married participant dies prior to commencement of his benefits under this Supplement D, one-half of his Section 414(k) account balance will be applied to provide a pre-retirement survivor annuity (as defined below), unless he has made an election under subparagraph (b). A "pre-retirement survivor annuity" is an annuity payable for the life of the participant's spouse.

(b) ELECTION TO WAIVE PRE-RETIREMENT SURVIVOR ANNUITY. A participant may make a written election to waive the pre-retirement survivor annuity at any time on or after the first day of the plan year in which he attains age 35 years. Such an election will be effective only if the participant's spouse consents to the election in writing, and such consent acknowledges the effect of the waiver and is witnessed by a plan representative or a notary public. Within the three plan years prior to the plan year in which a participant attains age 35, the Committee shall provide him with a written explanation of the terms and conditions of the pre-retirement survivor annuity; the participant's right to make, and the effect of, an election to waive the pre-retirement survivor annuity; the requirement of spousal consent to such a waiver; and the participant's right to make, and the effect of, a revocation of such a waiver. An election under this subparagraph may be revoked by a participant at any time prior to his death. If a participant has elected to waive the pre-retirement survivor annuity, all of his Section 414(k) account balance (or one-half of his account balance if he has not made such an election) at his death will be distributed pursuant to subsection 8.4.

(c) JOINT AND SURVIVOR ANNUITY. A participant's Section 414(k) account balance will be applied to provide a joint and survivor annuity (as defined below), unless he has made an election under subparagraph (d). A "joint and survivor annuity" means: (i) an annuity payable for the life of the participant, with a survivor annuity payable for the life of his spouse of one-half of the amount payable during the joint lives of the participant and his spouse; or (ii) in the case of a participant who is not married at the date payment of his benefits is to commence, an annuity payable for the life of the participant.

(d) ELECTION TO WAIVE JOINT AND SURVIVOR ANNUITY. A participant may make a written election to waive the joint and survivor annuity at any

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time during the 90-day period ending on the date payment of his benefits commences. Such an election will be effective only if the participant's spouse consents to the election in writing, and such consent acknowledges the effect of the waiver and is witnessed by a plan representative or a

notary public. Within a reasonable time before payment of a participant's benefits is to commence, the committee shall provide him with a written explanation of the terms and conditions of the joint and survivor annuity; the participant's right to make, and the effect of, an election to waive the joint and survivor annuity; the requirement of spousal consent to such a waiver; and the participant's right to make, and the effect of, a revocation of such a waiver. An election under this subparagraph may be revoked by a participant at any time prior to the date payment of his benefits commences. If a participant has elected to waive the joint and survivor annuity, his Section 414(k) account balance will be distributed pursuant to subsection 8.4.

(e) LUMP SUM PAYMENTS. Notwithstanding the foregoing provisions of this subsection 8.6, distribution of a participant's Section 414(k) account balance may be made in the form of a lump sum payment; provided that: (i) if a joint and survivor annuity would otherwise be provided under subparagraph (c) above and the account balances exceed \$3,500, the participant and his spouse must consent in writing to such form of distribution; and (ii) if a pre-retirement survivor annuity would otherwise be provided under subparagraph (a) above and one-half of the account balance exceeds \$3,500, the participant's surviving spouse must consent in writing to such form of distribution.

## SECTION D9

### REEMPLOYMENT

D9.1. RESUMPTION OF PARTICIPATION. If a participant's employment with all of the employers should terminate and such participant is subsequently reemployed by an employer, he shall again become eligible to participate in this Supplement D as of his date of rehire if he then meets the requirements of subsection 2.1, and the years of service to which he was entitled at the time of termination shall be reinstated. If an employee who is not participating in this Supplement D should terminate employment and then subsequently be reemployed by an employer, his eligibility for participation shall be determined in accordance with subsection 2.1, he shall be eligible to participate in this Supplement D as of his date of rehire if he then meets the requirements of subsection 2.1, and the years of service he had accrued prior to his termination shall be disregarded for purposes of subsection 8.2 only if his number of consecutive one-year breaks in service (as defined below) occurring after his termination equal or exceed the greater of (i) five, or (ii) his years of service prior to his termination. If an employee's or participant's

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employment with the employers and controlled group members should terminate and such employee or participant is subsequently reemployed by an employer or controlled group member before he has a one-year break in service, the period between his date of termination and date of rehire (but not to exceed 12 months) shall be included in determining his years of service. In no event shall years of service occurring after a participant incurs five consecutive one-year breaks in service be used to determine the percentage of his Section 414(k) account to which he was entitled as of a prior settlement date. A participant shall incur a "one-year break in service" if he is not in the employ of an employer or controlled group member for a period of 12 consecutive months following his termination of employment.

D9.2. REINSTATEMENT OF REMAINDER. If a participant whose employment had terminated because of resignation or dismissal before he was entitled to the full balance in his Section 414(k) account is reemployed by an employer or controlled group member before he incurs five consecutive one-year breaks in service, he may repay to the trustee (within five years of his date of reemployment) the total amount distributed to him from his

Section 414(k) account as a result of his earlier termination of employment. If a participant makes such a repayment to the trustee, both the amount of the repayment and the remainder which resulted from his earlier termination of employment shall be credited to his Section 414(k) account as of the regular accounting date coincident with or next following the date of repayment (after all other adjustments required under this Supplement D as of that date have been made). Remainders which are credited to participants' Section 414(k) accounts as of a regular accounting date under this subsection 9.2 shall reduce: first, remainders to be allocated as of that date under subsection 8.3; then, income and gains of the trust fund to be credited as of that date under subparagraph 7.3(a); and finally, employer matching contributions to be allocated as of that date under subsection 7.4.

#### SECTION D10

##### EMPLOYER CONTRIBUTION FORMULA

D10.1. FORMULA EMPLOYER CONTRIBUTION. For each plan year, the formula employer contribution will be an amount equal to:

(a) the preliminary employer contribution (as determined under subsection 10.2) for the company's fiscal year which ends closest to the end of such plan year; multiplied by;

(b) a fraction, the numerator of which is the participating compensation (as defined in subsection 10.5) for such plan year and the

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denominator of which is the eligible compensation (as defined in subsection 10.5) for such plan year.

For any plan year, the company may, before the beginning of such plan year, establish a minimum formula employer contribution to be made under this Supplement D for that year. In no event, however, will the formula employer contribution for any plan year exceed an amount equal to the lesser of: (i) 50% of the basic contributions (up to 6%) made to the Money Accumulation Plan by participants entitled to share in the employer matching contribution for such year; or (ii) the maximum amount of employer matching contributions which may be allocated to participants' Section 414(k) accounts for such plan year after applying the limitations of subsections 7.8 and 7.9.

D10.2. PRELIMINARY EMPLOYER CONTRIBUTION. The "preliminary employer contribution" for a fiscal year of the company shall be an amount equal to the sum of:

(a) 5% of that portion, if any, of the adjusted net income (as defined in subsection 10.3) for such year which equals or exceeds 3% but does not exceed 5% of the average assets (as defined in subsection 10.4) for such year; plus

(b) 10% of that portion, if any, of the adjusted net income for such year which exceeds 5% of the average assets for such year.

D10.3. ADJUSTED NET INCOME. The "adjusted net income" for any fiscal year means the consolidated net income of the employers for that year determined according to recognized accounting principles and practices, except as follows:

(a) No deduction or allowance shall be made on account of Federal, state or local income taxes.

(b) No account shall be taken of the employers' contributions under this Supplement D.

(c) Capital gains and losses and extraordinary charges and credits shall be disregarded.

D10.4. ASSETS, AVERAGE ASSETS. The term "assets" means the total consolidated assets of the employers as reflected on their balance sheet. The "average assets" for any fiscal year means an amount equal to: the sum of the assets at the beginning of that year plus the assets at the end of each of the thirteen 4-week accounting periods during that year; divided by 14.

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D10.5. ELIGIBLE COMPENSATION, PARTICIPATING COMPENSATION. The "eligible compensation" for any plan year means the total cash compensation paid to all employees of the employers, but disregarding any compensation paid before an employee completes six months of service (as defined under the Money Accumulation Plan). The "participating compensation" for any plan year means the total eligible compensation of those participants who are entitled to share in the employers' contribution for such year.

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SUPPLEMENT E  
TO  
WOLVERINE EMPLOYEES' PENSION PLAN  
BENEFITS FOR CERTAIN FORMER EMPLOYEES

E-1. PURPOSE. The purpose of this Supplement E is to provide benefits for certain members of Wolverine Employees' Pension Plan (the "Plan") who retire under The Wolverine Special Severance Program (the "Program").

E-2. SUPPLEMENT E PARTICIPANT. An employee of an employer will be a "Supplement E Participant" if he meets both of the following requirements:

(a) he is a member of the Plan; and

(b) he is eligible for and elects between November 3, 1994 and December 18, 1994 to retire under the Program.

E-3. FULL VESTING. Each Supplement E Participant shall be fully vested in his benefits under the Plan.

E-4. AMOUNT OF PENSION. Each Supplement E Participant shall be entitled to a monthly pension computed in accordance with subsection 4.1 of the Plan, based on his final average earnings and years of credited service at the date that his employment with the employers terminates. If the pension of a Supplement E Participant is determined under subparagraph 4.2(a) of the Plan, then the amount payable to the Supplement E Participant as of the first day of any month coincident with or preceding the date he attains age 62 years shall be calculated as though the amount determined under subparagraph 4.2(a)(ii) of the Plan were zero.

E-5. COMMENCEMENT OF PENSION. Payment of the monthly pension to a Supplement E Participant shall begin as of the first day of the month coincident with or next following the date that his employment with the employers terminates, in the full amount determined under paragraph E-4 above. The pension of a Supplement E Participant shall not be reduced for commencement prior to normal retirement date.

E-6. NO HIGHLY COMPENSATED EMPLOYEES. In no event shall a Supplement E Participant who is a "highly compensated employee" within the meaning of Section 414(q) of the Internal Revenue Code be entitled to any benefits under this Supplement E.

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E-7. USE OF TERMS. All terms and provisions of the Plan shall apply to this Supplement E, except that where the terms and provisions of the Plan and this Supplement E conflict, the terms and provisions of this Supplement E shall govern.

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SUPPLEMENT F  
TO  
WOLVERINE EMPLOYEES' PENSION PLAN  
NONDISCRIMINATORY EXECUTIVE BENEFITS

F.1 PURPOSE. The purpose of this Supplement is to define and designate certain executives of the Company to receive benefits under a nondiscriminatory enhancement of the plans' benefit formula.

F.2 A EXECUTIVE. An "A Executive" is a member whose name is listed below in this section:

* L. Dubrow	* T. O'Donovan
* S. Duffy	* R. Sedrowski
* D. Estes	* R. Thomas
* S. Gulis	

F.3 B EXECUTIVE. A "B Executive" is a member whose name is listed below in this Section:

* G. Andrews	* J. Lovejoy
* W. Auger	* M. Mercado
* O. Baxter	* T. Mundt
* W. Brown	* J. Riedy
* R. DeBlasio	* L. Sipple
* T. Gedra	* J. Smith
* C. Lauer	* D. West

F.4 MODIFICATIONS. The Company may add, remove, or reclassify a member under this Supplement. The modification of a member's status may not reduce a member's benefit as determined on the date immediately before the

latest of the following dates: 15 days after the member receives notice of the modification; the date that the amendment was adopted; or the effective date of the Amendment.

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SUPPLEMENT G  
TO  
WOLVERINE EMPLOYEES' PENSION PLAN  
BENEFITS FOR CERTAIN FORMER EMPLOYEES OF FROLIC FOOTWEAR DIVISION  
OR THE WOLVERINE SLIPPER GROUP

G-1. PURPOSE. The purposes of this Supplement G is to provide benefits for certain members of Wolverine Employees' Pension Plan (the "Plan") who terminate employment under The Frolic Footwear Special Severance Program dated August 4, 1997 (the "Frolic Program"), and the Wolverine Slipper Group Special Severance Program (the "Slipper Program") dated December \_\_\_\_, 1997.

G-2. SUPPLEMENT G PARTICIPANT. An employee of an employer will be a "Supplement G Participant" if he meets both of the following requirements:

(a) he is a member of the Plan; and

(b) he is eligible for and elects to terminate employment under the "Frolic Program" no later than September 15, 1997, or under the "Slipper Program" no later than January 30, 1998.

G-3. FULL VESTING. Each Supplement G Participant shall be fully vested in his benefits under the Plan.

G-4. AMOUNT OF PENSION. Each Supplement G Participant shall be entitled to a monthly pension computed under subsection 4.1 of the Plan, based on his final average earnings and years of credited service at the date that his employment with the employers terminates. If the pension of a Supplement G Participant is determined under subparagraph 4.1(a) of the Plan, then the amount payable to the Supplement G Participant as of the first day of any month on or before the date he attains age 62 years shall be calculated as though the amount determined under subparagraph 4.1(a)(ii) of the Plan was zero.

G-5. COMMENCEMENT OF PENSION. Payment of the monthly pension to a Supplement G Participant shall begin as of the first day of the month coincident with or next following the date that his employment with the employers terminates, in the full amount determined under paragraph G-4 above. The pension of a Supplement G Participant shall not be reduced for commencement prior to normal retirement date.



G-6. NO HIGHLY COMPENSATED EMPLOYEES. A Supplement G Participant who is a "highly compensated employee" within the meaning of Section 414(q) of the Internal Revenue Code shall not be entitled to any benefits under this Supplement G.

APPENDIX A

COVERED EMPLOYEE GROUPS  
(Other than Supplement D)

UNIT ----	EFFECTIVE DATE UNDER PLAN -----
Frolic Footwear Division -	02-01-70

Salaried	
Hush Puppies Retail, Inc. -	01-01-77
Division 5	
Tru-Stitch Footwear Division -	01-01-70
Salaried	
Tru-Stitch Footwear Division -	01-01-85
Hourly - Non Union	
Wolverine Employees	01-01-69
Brooks Shoe Company, Inc.	01-01-82
Viner Bros., Inc.	04-01-84
Town & Country Shoes, Inc.	06-01-81
Wolverine Hy-Test, Inc.	
non-collectively bargained employees	__-__-96

COVERED EMPLOYEE GROUPS  
(Supplement D)

	EFFECTIVE DATE
	-----
Wolverine World Wide, Inc.	01-01-94
Town & Country Shoes, Inc.	01-01-94
Brooks Shoe Company, Inc.	01-01-94
Viner Bros, Inc.	01-01-94
Little Falls Footwear Division	01-01-94
Hush Puppies Retail, Inc. - Division 05	01-01-94
Wolverine World Wide, Inc. Salaried at Puerto Rico	01-01-94
Wolverine Procurement, Inc.	01-01-94
B&B Shoe Division.	01-01-94
Wolverine Hy-Test, Inc.	
non-collectively bargained employees	__-__-96

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APPENDIX B

RETIREMENT DATE (NORMAL/DEFERRED BENEFIT), DATE OF DISABILITY (DISABILITY RETIREMENT BENEFIT) OR TERMINATION OF EMPLOYMENT DATE (EARLY RETIREMENT/MONTHLY DEFERRED)	DOLLAR BENEFIT MULTIPLIER	AMENDMENT
-----	-----	-----
January 1, 1976 - December 31, 1978	\$4 (pre-1/1/76 Service) / \$6 (post-12/31/75 Service)	0
January 1, 1979 - December 31, 1983	\$6.00	Third
January 1, 1984 - December 31, 1975	\$7.00	Fifth
January 1, 1986 - December 31, 1988	\$8.00	Thirteenth
January 1, 1989 - December 31, 1989	\$8.50	Eighteenth
January 1, 1990 - December 31, 1991	\$9.00	Eighteenth
January 1, 1992 - December 31, 1992	\$11.00	Twenty-Second
January 1, 1993 - December 31, 1993	\$12.00	Twenty-Fifth
January 1, 1994 - December 31, 1994	\$14.00	Twenty-Sixth
January 1, 1995 - December 31, 1995	\$15.00	Twenty-Ninth
January 1, 1996 - December 31, 1997	\$16.00	Thirty-Fourth
January 1, 1998 or after	\$18.00	Thirty-Seventh

APPENDIX TO EMPLOYEES' PENSION PLAN

As of the date of this Annual Report on Form 10-K, the following persons are designated as "A Executives" or "B Executives," as indicated below, for purposes of Supplement F:

"A Executives"

-----

Geoffrey B. Bloom  
Louis A. Dubrow  
Steven M. Duffy  
V. Dean Estes  
Stephen L., Gulis, Jr.  
Blake W. Krueger  
Timothy J. O'Donovan  
Robert J. Sedrowski

"B Executives"

-----

Gary M. Acromite  
Owen S. Baxter  
William J. B. Brown  
Arthur G. Croci  
Richard C. DeBlasio  
John Deem  
Ted Gedra  
Blaine C. Jungers  
Thomas P. Mundt  
James Riedy  
Dan L. West

EXHIBIT 10.10

The following persons have Executive Severance Agreements with the Company in the form filed herewith with the names or amounts set forth below inserted in the blanks identified by the following column headings.

(I)	(II)	(III)
Geoffrey B. Bloom	3	36
Timothy J. O'Donovan	3	36
Steven M. Duffy	3	36
Stephen L. Gulis, Jr.	3	36
Blake W. Krueger	3	36
Gary M. Acromite	2	24
Owen S. Baxter	2	24
William J. B. Brown	2	24
Arthur G. Croci	2	24
Richard C. DeBlasio	2	24
John Deem	2	24
Louis A. Dubrow	2	24
V. Dean Estes	2	24
Thomas P. Mundt	2	24
Nicholas P. Ottenwess	2	24
Robert J. Sedrowski	2	24

WOLVERINE WORLD WIDE, INC  
EXECUTIVE SEVERANCE AGREEMENT

THIS AGREEMENT is entered into as of the \_\_\_ day of \_\_\_, 199\_\_ (the "Effective Date"), by and between Wolverine World Wide, Inc., a Delaware corporation ("Wolverine"), and \_\_\_\_\_ (I) \_\_\_\_\_ ("Executive").

W I T N E S S E T H:

WHEREAS, Executive currently serves as a key employee of Wolverine and/or its subsidiaries and his/her services and knowledge are valuable to Wolverine in connection with the management of one or more of Wolverine's principal operating facilities, divisions, or subsidiaries; and

WHEREAS, Wolverine considers the establishment and maintenance of a sound and vital management to be essential to protecting and enhancing the best interests of Wolverine and its stockholders; and

WHEREAS, the Board has determined that it is in the best interests of Wolverine and its stockholders to secure Executive's continued services and to ensure Executive's continued dedication and objectivity in the event of any threat or occurrence of, or negotiation or other action that could lead to, or create the possibility of, a Change in Control (as hereafter defined) of Wolverine, without concern as to whether Executive might be hindered or distracted by personal uncertainties and risks created by any such possible Change in Control, and to encourage Executive's full attention and dedication to Wolverine and/or its subsidiaries, the Board has authorized Wolverine to enter into this Agreement.

NOW, THEREFORE, WOLVERINE AND EXECUTIVE AGREE AS FOLLOWS:

1. DEFINITIONS. As used in this Agreement, the following terms shall have the respective meanings set forth below:

(a) "Board" means the Board of Directors of the Company.

(b) "Cause" means (1) the willful and continued failure by Executive to substantially perform his or her duties with Company (other than any such failure resulting from Executive's incapacity due to physical or mental illness, or any such actual or anticipated failure resulting from Executive's termination for Good Reason) after a demand for substantial performance is delivered to Executive by the Board and/or its Chairman (which demand shall specifically identify the manner in which the Board and/or its Chairman believes that Executive has not substantially performed his or her duties); or (2) the willful engaging by Executive in gross misconduct materially and demonstrably injurious to the Company. For purposes of this Section, no act or failure to act on the part of Executive

shall be considered "willful" unless done or omitted to be done by Executive 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. Notwithstanding the foregoing, Executive shall not be deemed to have been terminated for Cause unless and until the Company provides Executive 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 Executive and an opportunity for Executive, with counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Executive has been guilty of conduct set forth in subsections (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.

(c) "Change in Control" means:

(1) the acquisition by any individual, entity, or 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 20% or more of either (i) the then outstanding shares of common stock of the Company (the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that 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 conditions described in clauses (i), (ii), and (iii) of subsection (3) shall be satisfied, or (d) any acquisition by the Executive or any group of persons including the Executive; and provided further that, for purposes of clause (a), if any Person (other than the Company or any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company) shall become the beneficial owner of 20% or more of the Outstanding Company Common Stock or 20% or more of the Outstanding Company Voting Securities by reason of an acquisition by the Company and such Person shall, after such acquisition by the Company, become the beneficial owner of any

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additional shares of the Outstanding Company Common Stock or any additional Outstanding Voting Securities, such additional beneficial ownership shall constitute a Change in Control;

(2) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of such Board; provided, however, that any individual who becomes a director of the Company subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by the vote of at least three-quarters of the directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be deemed to have been a member of the Incumbent Board; and provided further, that no 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 to have been a member of the Incumbent Board;

(3) approval by the stockholders of the Company of a reorganization, merger, or consolidation unless, in any such case, immediately after such reorganization, merger, or consolidation, (i) more than 50% of the then outstanding shares of common stock of the corporation resulting from such reorganization, merger, or consolidation and more than 50% of the combined voting power of the then outstanding securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals or entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior or such reorganization, merger, or consolidation and in substantially the same proportions relative to each other as their ownership, immediately prior to such reorganization, merger, or consolidation, of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (ii) no Person (other than the Company, any employee benefit plan (or related trust) sponsored or maintained by the Company or the corporation resulting from such reorganization, merger, or consolidation (or any corporation controlled by the Company), or any Person which beneficially owned, immediately prior to such reorganization, merger, or consolidation, directly or indirectly, 20% or more of the Outstanding Company Common Stock or the

Outstanding Company Voting Securities, as the case may be) beneficially owns, directly or indirectly, 20% or more of the then outstanding shares of common stock of such corporation or 20% or more of the

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combined voting power of the then outstanding securities of such corporation entitled to vote generally in the election of directors, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such reorganization, merger, or consolidation were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such reorganization, merger, or consolidation; or

(4) approval by the stockholders of the Company of (i) a plan of complete liquidation or dissolution of the Company or (ii) the sale or other disposition of all or substantially all of the assets of the Company other than to a corporation with respect to which, immediately after such sale or other disposition, (a) more than 50% of the then outstanding shares of common stock thereof and more than 50% of the combined voting power of the then outstanding securities thereof entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such sale or other disposition and in substantially the same proportions relative to each other as their ownership, immediately prior to such sale or other disposition, of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (b) no Person (other than the Company, any employee benefit plan (or related trust) sponsored or maintained by the Company or such corporation (or any corporation controlled by the Company), or any Person which beneficially owned, immediately prior to such sale or other disposition, directly or indirectly, 20% or more of the Outstanding Company Common Stock or the Outstanding Company Voting Securities, as the case may be) beneficially owns, directly or indirectly, 20% or more of the then outstanding shares of Common stock thereof or 20% or more of the combined voting power of the then outstanding securities thereof entitled to vote generally in the election of directors and (c) at least a majority of the members of the board of directors thereof were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such sale or other disposition.

Notwithstanding anything contained in this Agreement to the contrary, if Executive's employment is terminated prior to a Change in Control and Executive 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 Executive's employment.

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(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Common Stock" means the common stock of the Company, \$1 par value per share.

(f) "Company" means Wolverine World Wide, Inc., a Delaware corporation, and any corporation or other entity in which Wolverine World Wide, Inc. has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities of such

corporation or other entity entitled to vote generally in the election of directors.

(g) "Date of Termination" means the effective date on which Executive's employment by the Company terminates as specified in a Notice of Termination by the Company or Executive, as the case may be. Notwithstanding the previous sentence, (i) if the Executive's employment is terminated for Disability, as defined in Section 1(h), then such Date of Termination shall be no earlier than thirty (30) days following the date on which a Notice of Termination is received, and (ii) if the Executive's employment is terminated by the Company other than for Cause, then such Date of Termination shall be no earlier than thirty (30) days following the date on which a Notice of Termination is received.

(h) "Disability" means Executive's failure to substantially perform his/her duties with the Company on a full-time basis for at least one hundred eighty (180) consecutive days as a result of Executive's incapacity due to mental or physical illness.

(i) "Good Reason" means, without Executive's express written consent, the occurrence of any of the following events in connection with a Change in Control:

(1) (i) the assignment to Executive of any duties inconsistent in any material adverse respect with Executive's position(s), duties, responsibilities, or status with the Company immediately prior to such Change in Control, (ii) a material adverse change in Executive's reporting responsibilities, titles or offices with the Company as in effect immediately prior to such Change in Control, (iii) any removal or involuntary termination of Executive by the Company otherwise than as expressly permitted by this Agreement (including any purported termination of employment which is not effected by a Notice of Termination), or (iv) any failure to re-elect Executive to any position with the Company held by Executive immediately prior to such Change in Control;

(2) a reduction by the Company in Executive'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;

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(3) any requirement of the Company that Executive (i) be based anywhere other than the facility where Executive is located at the time of the Change in Control or reasonably equivalent facilities within Kent County, Michigan or (ii) travel for the business of the Company to an extent substantially more burdensome than the travel obligations of Executive immediately prior to such Change in Control;

(4) the failure of the Company to continue the Company's executive incentive plans or bonus plans in which Executive is participating immediately prior to such Change in Control or a reduction of the Executive's target incentive award opportunity under the Company's Executive Long-Term Incentive Plan (three-year bonus plan), Executive Short-Term Incentive Plan and the Executive Short-Term Individual Bonus Plan (annual bonus plans) or other bonus plan adopted by the Company, unless Executive is permitted to participate in other plans providing Executive with substantially comparable benefits or receives compensation as a substitute for such plans providing Executive with a substantially equivalent economic benefit;

(5) the failure of the Company to (i) continue in effect any employee benefit plan or compensation plan in which Executive is participating immediately prior to such Change in Control, unless Executive is permitted to participate in other plans providing Executive with substantially comparable benefits or receives



compensation as a substitute for such plans providing Executive with a substantially equivalent economic benefit, or the taking of any action by the Company which would adversely affect Executive's participation in or materially reduce Executive's benefits under any such plan, (ii) provide Executive and Executive'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 in effect for Executive immediately prior to such Change in Control, (iii) provide fringe benefits in accordance with the most favorable plans, practices, programs, and policies of the Company in effect for Executive immediately prior to such Change in Control, or (iv) provide Executive with paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company as in effect for Executive immediately prior to such Change in Control;

(6) the failure of the Company to pay any amounts owed Executive as salary, bonus, deferred compensation or other compensation;

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(7) the failure of the Company to obtain an assumption agreement from any successor as contemplated in Section 9(b);

(8) any purported termination of Executive's employment which is not effected pursuant to a Notice of Termination which satisfies the requirements of a Notice of Termination; or

(9) any other material breach by Company of its obligations under this Agreement.

For purposes of this Agreement, any good faith determination of Good Reason made by Executive shall be conclusive on the parties; provided, however, that an isolated and insubstantial action taken in good faith and which is remedied by the Company within ten(10) days after receipt of notice thereof given by Executive shall not constitute Good Reason. Any event or condition described in this Section 1(g) which occurs prior to a Change in Control, but which Executive reasonably demonstrates was at the request of or in response to a Third Party who effectuates a Change in Control or who has indicated an intention or taken steps reasonably calculated to effect 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.

(j) "Nonqualifying Termination" means a termination of Executive's employment (1) by the Company for Cause, (2) by Executive for any reason other than for Good Reason with Notice of Termination, (3) as a result of Executive's death, (4) by the Company due to Executive's Disability, unless within thirty (30) days after Notice of Termination is provided to Executive after such Disability Executive shall have returned to substantial performance of Executive's duties on a full-time basis, or (5) as a result of Executive's Retirement. For purposes of this Agreement, termination by the Company shall not include a transfer of employment between subsidiaries of Wolverine or between Wolverine and its subsidiaries. The terms of such transfer, however, may serve as the basis for termination of employment by Executive for Good Reason.

(k) "Notice of Termination" means a written notice by the Company or Executive, as the case may be, to the other, which (1) indicates the specific reason for Executive's termination, (2) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment, and

(3) specifies the termination date. The failure by Executive 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 Executive or the Company hereunder or preclude Executive or the Company from asserting such fact or circumstance in enforcing Executive's or the Company's rights hereunder.

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(l) "Positive Spread" means the spread between the exercise price of the options held by Executive under the 1993 Stock Incentive Plan, the 1995 Stock Incentive Plan, the 1997 Stock Incentive Plan or any other stock option plan now or subsequently adopted by the Company, and the higher of (1) the closing price of the Common Stock as reported on the Termination Date on the New York Stock Exchange, or if the New York Stock Exchange is closed on that date, the last preceding date on which the New York Stock Exchange was open and on which shares of Common Stock were traded, or (2) the highest price per share paid in connection with the Change in Control.

(m) "Retirement" means termination of employment by either the Executive or the Company on or after the Executive's normal retirement date under the terms of retirement plans of the Company, but not earlier than the age of 65.

(n) "Termination Period" means the period of time beginning with a Change in Control and ending on the earliest to occur of Executive's death and \_\_\_\_\_(II)\_\_\_\_\_ years following such Change in Control.

2. TERM OF AGREEMENT. This Agreement shall commence on the Effective Date and shall continue in effect through the third anniversary of the Effective Date. However, on the first anniversary of the Effective Date, and on each such anniversary thereafter, the term of this Agreement will be extended automatically for one (1) year (to a total of three (3) years) unless, not later than six (6) months prior to such anniversary date, the Company gives Executive written notice that it has elected not to extend this Agreement; provided that (a) no such action shall be taken by the Company during any period of time when the Board has knowledge that any person has taken steps reasonably calculated to effect a Change in Control until, in the opinion of the Board, such person has abandoned or terminated its efforts to effect a Change in Control, and (b) this Agreement shall continue in effect for at least \_\_\_\_\_(III)\_\_\_\_\_ months following the occurrence of a Change in Control. Notwithstanding anything in this Section 2 to the contrary, this Agreement shall terminate upon termination of Executive's employment with the Company prior to a Change in Control (except as otherwise provided hereunder).

3. OBLIGATIONS OF EXECUTIVE. Executive agrees that in the event any person or group attempts a Change in Control, he/she shall not voluntarily leave the employ of the Company (other than as a result of Disability or upon Retirement) without Good Reason until the earlier of (a) the termination of such attempted Change in Control or (b) the occurrence of a Change in Control. For purposes of this Section 3, Good Reason shall be determined as if a Change in Control had occurred when such attempted Change in Control became known to the Board. Termination of employment by Executive without Good Reason, however, shall not entitle Executive to benefits under Section 4 unless he/she is entitled to such benefits under another provision of this Agreement.

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4. SEVERANCE BENEFITS. If the employment of Executive shall terminate during the Termination Period, other than by reason of a Nonqualifying Termination, then Executive shall receive the following severance benefits as compensation for services rendered:

(a) LUMP SUM CASH PAYMENT. Within five (5) days after the Date of Termination, Executive shall receive a lump sum cash payment in an amount equal to the sum of the following:

(1) Executive's unpaid base salary from the Company through the Date of Termination at the rate in effect (without taking into account any reduction of base salary constituting Good Reason), just prior to the time a Notice of Termination is given plus any benefit awards (including both the cash and stock components) and bonus payments which pursuant to the terms of any plans have been earned or become payable, to the extent not theretofore paid;

(2) As payment in lieu of a bonus to be paid under the Executive Short-Term Incentive Plan and the Executive Short-Term Individual Bonus Plan (annual bonus plans) or comparable plans for the time Executive was employed by the Company in the year of termination, an amount equal to the number of days Executive was employed by the Company prior to the Date of Termination in the year of termination divided by the number of days in the year multiplied by 100% of the greater of either (a) the bonus awarded to Executive under the Executive Short-Term Incentive Plan for the immediately preceding year, or (b) the average bonus paid to Executive over the preceding two-year period under the Executive Short-Term Incentive Plan;

(3) As payment in lieu of bonuses that would have been paid under each Executive Long-Term Incentive (Three Year) Plan ("Three Year Plan") or other comparable plan(s) in which the Executive was eligible to participate on the Date of Termination, the Executive shall receive an amount based on the earnings per share goals under each of the Three Year Plans. The earnings per share for each Three Year Plan will be calculated in the following manner:

(a) for any year prior to the year of termination, the earnings per share will equal the actual earnings per share attained in that year;

(b) for the year of termination, the earnings per share will equal the projected earnings per share based upon the latest internal company projection for such year;

(c) for any year subsequent to the year of termination, the earnings per share will equal the earnings per share required to attain the maximum goal under the Three Year Plan for that year.

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After attaining the total earnings per share for all three years of each Three Year Plan, the payment made for each Three Year Plan will equal the bonus the Executive would have received under the Three Year Plan using the earnings per share determinations above, multiplied by the number of days the Executive participated in the Three Year Plan prior to the Date of Termination, divided by the total number of days in the Three Year Plan.

(4) \_\_\_\_\_ (II) \_\_\_\_\_ times the sum of the following:  
(a) Executive's highest annual rate of base salary from the Company in effect during the 12-month period prior to the Date of Termination, plus (b) the greater of the average amount earned by Executive during the previous two (2) years or for the previous year under the Executive Short Term Incentive Plan and the Executive Short-Term Individual Bonus Plan (or other annual bonus plans), plus (c) the greater of the average amount earned by Executive during the previous two (2) years or for the previous year under each of the Executive Long-Term Incentive (Three Year) Plans (or other similar plans), in which Executive participates at the Date of Termination.

(5) 100% of the Positive Spread for any options held by

Executive, whether vested or not vested, which are not incentive stock options as defined under Section 422 of the Code payable upon surrender by Executive of such options; and

(6) 100% of the Positive Spread for any options held by Executive, whether vested or not vested, which are incentive stock options as defined under Section 422 of the Code payable upon surrender by Executive of such options.

(b) LOANS. Any loans that the Executive had outstanding under the loan program of the Company shall remain payable according to the terms of such program.

(c) BENEFITS. Excepting any retirement plans covered by Subsection 4(d) below, the Company shall maintain in full force and effect for the benefit of Executive all employee benefit plans, programs and arrangements that the Executive was entitled to participate in immediately prior to the Date of Termination for the longer of six (6) months after the Date of Termination or the date upon which the Executive receives comparable benefits from a new employer. The Company, however, need not maintain such benefit plans, programs or arrangements after one(1) year following the Date of Termination. If the Executive's participation in any such plan or program is barred, the Company shall arrange to provide comparable benefits substantially similar to those which the Executive received under such plans and programs.

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(d) RETIREMENT BENEFITS. In addition to the benefits the Executive is entitled to receive under any retirement plans in which the Executive participates on the Date of Termination, the Company shall pay the Executive a cash payment at the Executive's normal retirement age, as defined by such plan, (except to the extent benefits are payable at an earlier date under the terms of that plan) of an amount equal to the actuarial equivalent of any additional benefit the Executive would have been entitled to receive under the terms of the plan or program without regard to any vesting or minimum service requirements under the plan had the Executive received three (3) additional years of service following the Date of Termination, subject to any maximum years of service limitations under any retirement plan. The earnings for those three (3) additional years of services shall equal the Executive's annualized earnings at the Date of Termination (with earnings calculated the same as "Earnings" are defined in the Company's Supplemental Executive Retirement Plan ("SERP")) and without taking into account any reduction of base salary constituting Good Reason. For purposes of this Subsection, retirement plans" shall be deemed to include, without limitation, the Company's Pension Plan and the Company's SERP.

(e) ADJUSTMENTS. If Executive is entitled to receive a Payment equal to or between one hundred percent (100%) and one hundred fifteen percent (115%) of the amount that would trigger application of the Excise Tax (as hereafter defined), meaning Executive will receive no Gross-Up Payment with respect to the Payment in accordance with Section 5, the Company shall determine whether the Executive would receive a greater after-tax net amount if the Payment is reduced by an amount sufficient to make the Excise Tax inapplicable to the Payment rather than paying the applicable Excise Tax. If the Company determines that the Executive will receive a greater after-tax net amount by reducing the Payment, such determination shall be final, and the Company shall reduce the Payment by an amount sufficient to make the Excise Tax inapplicable to the Payment otherwise due to Executive.

The Company may retain the Accounting Firm (as hereafter defined) to assist with any calculations required under this Subsection (e) and

Executive agrees to furnish such tax and financial information as may reasonably be required for calculations under this Subsection (e). In the event the Company reduces any Payment to an Executive under this Subsection (e), the Executive shall be entitled to determine which elements or benefits, or combination thereof, constituting the Payment will be reduced or deferred, subject to confirmation by the Company that the reduction or deferral elected by Executive will exempt the Payment from any Excise Tax.

(f) OUT-PLACEMENT SERVICES. The Company shall provide the Executive with executive out-placement services by entering into a contract with a company chosen by the Executive specializing in such services.

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5. CERTAIN ADDITIONAL PAYMENTS BY THE COMPANY.

(a) Anything in this Agreement to the contrary notwithstanding, if any payment or distribution by the Company to or for the benefit of Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 5 (a "Payment")) that exceeds one hundred fifteen percent (115%) of the amount that would trigger application of the excise tax imposed by Section 4999 of the Code, or any successor Code provision (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), or any interest or penalties are incurred by Executive with respect to Excise Tax on such amount, then Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by Executive of all taxes (including any interest or penalties imposed with respect to such taxes) including, without limitation, any income and employment taxes (and any interest and penalties imposed with respect thereto) and Excise Tax, imposed upon the Gross-Up Payment, Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. The Company shall not be obligated to make any Gross-Up Payment to Executive with respect to any Payment equal to or less than one hundred fifteen percent (115%) of the amount that would trigger application of the Excise Tax.

(b) Subject to the provisions of Section 5(c), all determinations required to be made under this Section 5, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by the public accounting firm that is retained by the Company as of the date immediately prior to the Change in Control (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and Executive within fifteen (15) business days of the receipt of notice from Executive that there has been a Payment, or such earlier time as is requested by the Company or Executive (collectively, the "Determination"). In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity, or group affecting the Change in Control, Executive shall appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 5, shall be paid by the Company to Executive within five (5) days of the receipt of the Determination. If the Accounting Firm determines that no Excise Taxes are payable by Executive, it shall furnish Executive with a written opinion that failure to report the Excise Tax on Executive's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. If the Accounting Firm determines that Excise Taxes are payable and that the associated Payment does not exceed one hundred fifteen

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percent (115%) of the amount that would trigger application of the Excise Tax, the Accounting Firm shall notify Executive that Executive is responsible for payment of the Excise Tax. The Determination by the Accounting Firm shall be binding upon the Company and Executive; however, as a result of the uncertainty in the application of Section 4999 of the Code at the time of the Determination, it is possible that Gross-Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 5(c) and Executive thereafter is required to make payment of any Excise Tax that qualifies for a Gross-Up Payment in accordance with this Section 5, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of Executive.

(c) Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten(10) business days after Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which Executive gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies Executive in writing prior to the expiration of such period that it desires to contest such claim, Executive shall:

(1) give the Company any information reasonably requested by the Company relating to such claim,

(2) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(3) cooperate with the Company in good faith in order effectively to contest such claim, and

(4) permit the Company to participate in any proceeding relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Executive harmless, on an after-tax basis, for any Excise Tax or income or employment tax (including interest and penalties with respect thereto) imposed as a

result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 5(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings, and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided further, that if the Company directs Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to Executive on an interest-free basis and shall indemnify and hold Executive harmless, on an after-tax basis, from any Excise Tax or income or employment tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any

imputed income with respect to such advance; and provided further, that any extension of the statute of limitations relating to payment of taxes for the taxable year of Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by Executive of an amount advanced by the Company pursuant to Section 5, Executive becomes entitled to receive, and receives, any refund with respect to such claim, Executive shall (subject to the Company's complying with the requirements of Section 5) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by Executive of an amount advanced by the Company pursuant to Section 5, a determination is made that Executive shall not be entitled to any refund with respect to such claim and the Company does not notify Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

6. WITHHOLDING TAXES. The Company may withhold from all payments due to Executive (or his/her beneficiary or estate) hereunder all taxes which, by applicable federal, state, local, or other law, the Company is required to withhold therefrom.

7. REIMBURSEMENT OF EXPENSES. If any contest or dispute shall arise under or related to this Agreement involving termination of Executive's

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employment with the Company or involving the failure or refusal of the Company to perform fully in accordance with the terms hereof, the Company shall

reimburse Executive, on a current basis, for all legal fees and expenses, if any, incurred by Executive in connection with such contest or dispute regardless of the result thereof.

8. SCOPE OF AGREEMENT. Nothing in this Agreement shall be deemed to entitle Executive to continued employment with the Company.

9. SUCCESSORS; BINDING AGREEMENT.

(a) This Agreement shall not 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 Agreement shall be binding upon the surviving or resulting corporation or the person or entity to which such assets are transferred.

(b) The Company agrees that concurrently with any merger, consolidation or transfer of assets referred to in this Section 9, it will cause any successor or transferee unconditionally to assume, by written instrument delivered to Executive (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 be a breach of this Agreement and shall constitute Good Reason hereunder and shall entitle Executive to compensation and other benefits from the Company in the same amount and on the same terms as Executive would be entitled hereunder if Executive's employment were terminated following a Change in Control other than by reason of a Nonqualifying Termination. 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.

(c) This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive shall die while any amounts would be payable to Executive hereunder had Executive continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to such person or persons appointed in writing by Executive to receive such amounts or, if no person is so appointed, to Executive's estate.

10. NOTICE. For purposes of this Agreement, all notices and other communications required or permitted hereunder shall be in writing and shall be

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deemed to have been duly given when delivered or received by facsimile transmission or five (5) days after deposit in the United States mail, certified and return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

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-----  
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If to the Company:

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

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

11. FULL SETTLEMENT; RESOLUTION OF DISPUTES.

(a) The Company's obligation to make any payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Executive or others. In no event shall Executive be obligated to seek other employment or take other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement and, such amounts shall not be reduced whether or not Executive obtains other employment.

(b) If there shall be any dispute between the Company and Executive in the event of any termination of Executive's employment then, until there is a final, nonappealable, determination pursuant to arbitration declaring that such termination was for Cause, that the determination by Executive of the existence of Good Reason was not made in good faith, or that the Company is not otherwise obligated to pay any amount or provide any benefit to Executive and his/her dependents or other beneficiaries, as the case may be, under Section 4, the Company shall pay all amounts, and provide all benefits, to Executive and his/her dependents or other beneficiaries, as the case may be, that the Company would be required to pay or provide pursuant to Section 4 as though such termination were by the Company without Cause or by Executive with Good Reason; provided, however, that the



Company shall not be required to pay any disputed amounts pursuant to this Section 11 except upon receipt of an undertaking by or on behalf of Executive to repay all such amounts to which Executive is ultimately determined by the arbitrator not to be entitled.

12. GOVERNING LAW; VALIDITY. The interpretation, construction and performance of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware without regard to the principle of conflicts of laws. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which other provisions shall remain in full force and effect.

13. ARBITRATION. Any dispute or controversy under this Agreement shall be settled exclusively by arbitration in Rockford, Michigan, in accordance with the rules of the American Arbitration Association then in effect; provided, however, that Executive shall be entitled to seek specific performance of his/her right to be paid pursuant to Section 11(b) during a dispute. Judgment may be entered on the arbitration award in any court having jurisdiction. The Company shall bear all costs and expenses arising in connection with any arbitration proceeding pursuant to this Section 13.

14. COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

15. MISCELLANEOUS. No provision of this Agreement may be modified or waived unless such modification is agreed to in writing and signed by Executive and by a duly authorized officer of the Company, or such waiver is signed by the waiving party. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. Failure by Executive or the Company to insist upon strict compliance with any provision of this Agreement or to assert any right Executive or the Company may have hereunder, including without limitation, the right of Executive to terminate employment for Good Reason, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement. The rights of, and benefits payable to, Executive, his/her estate, or his/her beneficiaries pursuant to this Agreement are in addition to any rights of, or benefits payable to, Executive, his/her estate, or his/her beneficiaries under any other employee benefit plan or compensation program of the Company, except that no benefits pursuant to any other employee plan or compensation program that become payable or are paid in accordance with this Agreement shall be duplicated by operation of this Agreement. No agreements or representations, oral or otherwise, express or implied, with regard to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by a duly authorized officer of the Company. Executive has executed this Agreement as of the day and year written below.

WOLVERINE WORLD WIDE, INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

"Company"

AGREED TO THIS \_\_\_ DAY OF \_\_\_\_\_, 199\_\_.

/s/ \_\_\_\_\_ (I) \_\_\_\_\_

"Executive"

EXHIBIT 10.11

The following persons have a percentage benefit multiplier under the Supplemental Executive Retirement Plan (the "Plan") of 2.4% or 2.0%, as indicated below, in lieu of the 1.6% of final average monthly remuneration benefit multiplier described in the Plan:

2.4%	2.0%
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Geoffrey B. Bloom	Gary M. Acromite
Louis A. Dubrow	Owen S. Baxter
Steven M. Duffy	William J.B. Brown
V. Dean Estes	Arthur G. Croci
Stephen L. Gulis, Jr.	Richard C. DeBlasio
Blake W. Krueger	John Deem
Timothy J. O'Donovan	Ted Gedra
Robert J. Sedrowski	Blaine C. Jungers
	Thomas P. Mundt
	James Riedy
	Dan L. West

EXHIBIT 11 - COMPUTATION OF PER SHARE EARNINGS  
WOLVERINE WORLD WIDE, INC.

	FISCAL YEAR ENDED		
	JANUARY 3, 1998	DECEMBER 26, 1996	DECEMBER 30, 1995
<b>BASIC</b>			
Average shares outstanding	42,214,620	41,541,944	37,246,444
Adjustment for nonvested common stock	(699,107)	(900,898)	(976,819)
<b>Total</b>	<b>41,515,513</b>	<b>40,641,046</b>	<b>36,269,625</b>
Net earnings	\$ 41,539,000	\$32,856,000	\$24,067,000
Per share amount	\$ 1.00	\$ 0.81	\$ 0.66
<b>DILUTED</b>			
Average shares outstanding	42,214,620	41,541,944	37,246,444
Effect of dilutive stock options	1,249,070	1,412,691	1,261,013
<b>Total</b>	<b>43,463,690</b>	<b>42,954,635</b>	<b>38,507,457</b>
Net earnings	\$ 41,539,000	\$32,856,000	\$24,067,000
Per share amount	\$ 0.96	\$ 0.76	\$ 0.62

<FN>

<FA> On April 17, 1997, July 11, 1996, and April 19, 1995, the Company announced three-for-two stock splits on shares of common stock outstanding on May 2, 1997, July 26, 1996, and May 1, 1995, respectively. All share and per share data has been retroactively adjusted for the increased shares resulting from these stock splits.

</FN>

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT  
WOLVERINE WORLD WIDE, INC.

NAME	STATE OR COUNTRY OF INCORPORATION OR ORGANIZATION
Aquadilla Shoe Corporation	Michigan
BSI Shoes, Inc.	Michigan
Brooks France, S.A.	France
Dominican Wolverine Shoe Company Limited	Cayman Islands
Frolic de Mexico S.A. de C.V.	Mexico
Spartan Shoe Company Limited	Cayman Islands
Hush Puppies Retail, Inc. d/b/a Little Red Shoe House	Michigan
Hush Puppies Factory Direct	
Wolverine Design Center, Inc.	Michigan
Hy-Test, Inc.	Michigan
Wolverine Procurement, Inc.	Michigan
Wolverine Sourcing, Inc.	Michigan
Hush Puppies Canada Footwear, Ltd.	Canada
Hush Puppies (UK) Ltd.	England
Wolverine Outdoors, Inc.	Michigan
Wolverine Russia, Inc.	Michigan
Merrell Europe Ltd.	England
Wolverine de Costa Rica, S.A.	Costa Rica
Canada North Footwear Group, Inc.	Canada

All of the subsidiaries of the Registrant are wholly owned.

EXHIBIT 23--CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-8 Nos. 33-63689, 33-55213, 33-64854, 33-23195, 33-23196, 2-92600 and 2-68548) pertaining to various stock option and incentive plans of Wolverine World Wide, Inc. of our report dated February 6, 1998, with respect to the consolidated financial statements and schedule of Wolverine World Wide, Inc. and subsidiaries included in the Annual Report on Form 10-K for the fiscal year ended January 3, 1998.

Grand Rapids, Michigan  
March 30, 1998

/s/ Ernst & Young LLP

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 GEOFFREY B. BLOOM; TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; 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 January 3, 1998, 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 31, 1998

/S/ GEOFFREY B. BLOOM

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 GEOFFREY B. BLOOM; TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; 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 January 3, 1998, 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 26, 1998

/S/ DANIEL T. CARROLL

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 GEOFFREY B. BLOOM; TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; 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 January 3, 1998, 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

February 2, 1998

/S/ 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 GEOFFREY B. BLOOM; TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; 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 January 3, 1998, 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

February 3, 1998

/S/ 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 GEOFFREY B. BLOOM; TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; 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 January 3, 1998, 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

February 2, 1998

/S/ 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 GEOFFREY B. BLOOM; TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; 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 January 3, 1998, 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 31, 1998

/S/ 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 GEOFFREY B. BLOOM; TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; 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 January 3, 1998, 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 26, 1998

/S/ TIMOTHY J. O'DONOVAN

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 GEOFFREY B. BLOOM; TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; 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 January 3, 1998, 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 29, 1998

/S/ JOSEPH A. PARINI

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 GEOFFREY B. BLOOM; TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; 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 January 3, 1998, 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

February 1, 1998

/S/ JOAN PARKER

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 GEOFFREY B. BLOOM; TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; 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 January 3, 1998, 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 31, 1998

/S/ ELIZABETH A. SANDERS

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 GEOFFREY B. BLOOM; TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; 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 January 3, 1998, 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 28, 1998

/S/ 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 GEOFFREY B. BLOOM; TIMOTHY J. O'DONOVAN; STEPHEN L. GULIS, JR.; BLAKE W. KRUEGER; 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 January 3, 1998, 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 31, 1998

/S/ STEPHEN L. GULIS, JR.

<ARTICLE>

5

<LEGEND> THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS OF WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES FOR THE PERIOD ENDED JANUARY 3, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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<NET-INCOME>	41,539
<EPS-PRIMARY>	1.00
<EPS-DILUTED>	.96



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<LEGEND> THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE UNAUDITED CONSOLIDATED CONDENSED FINANCIAL STATEMENTS OF WOLVERINE WORLD WIDE, INC., AND SUBSIDIARIES FOR THE PERIOD ENDED SEPTEMBER 6, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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<PERIOD-TYPE>

OTHER

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JAN-03-1998

<PERIOD-START>

DEC-29-1996

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SEP-06-1997

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<INVENTORY>

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<PP&E>

149,182

<DEPRECIATION>

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<COMMON>

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419,336

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419,336

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292,220

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<PERIOD-END>	JUN-14-1997
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<PERIOD-START>	DEC-31-1995
<PERIOD-END>	SEP-07-1996
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<INVENTORY>	124,362
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<SALES>	298,461
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<CGS>	205,808
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<PERIOD-START>	DEC-31-1995
<PERIOD-END>	JUN-15-1996
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<COMMON>	28,537
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<OTHER-SE>	184,945
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<TOTAL-REVENUES>	177,995
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<PERIOD-START>	DEC-31-1995
<PERIOD-END>	MAR-23-1996
<CASH>	8,920
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<INVENTORY>	106,162
<CURRENT-ASSETS>	228,315
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<COMMON>	18,866
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<PERIOD-START>	JAN-01-1995
<PERIOD-END>	DEC-30-1995
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<DEPRECIATION>	62,846
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