

WOLVERINE WORLD WIDE INC /DE/

Form DEF 14A

March 18, 2002

Table of Contents

**SCHEDULE 14A
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION**

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

Filed by the registrant

Filed by a party other than the registrant

Check the appropriate box:

Preliminary proxy statement
Commission Only (as permitted by Rule 14a-6(e)(2)).

Confidential, For Use of the

Definitive proxy statement.

Definitive additional materials.

Soliciting material pursuant to Rule 14a-12.

Wolverine World Wide, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of filing fee (check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

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(3) Filing Party:

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Table of Contents

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

NOTICE OF ANNUAL MEETING

To our Stockholders:

You are invited to attend Wolverine's annual meeting of stockholders at Wolverine's headquarters located at 9341 Courtland Drive, N.E., Rockford, Michigan, on Thursday, April 25, 2002, at 10 a.m. local time. At the meeting, we will:

- (1) Elect three directors for three-year terms expiring in 2005.
- (2) Vote on the proposed Amended and Restated Executive Short-Term Incentive Plan (Annual Bonus Plan).
- (3) Vote on the proposed Amended and Restated Executive Long-Term Incentive Plan (3-Year Bonus Plan).
- (4) Vote on the proposed Amended and Restated Directors' Stock Option Plan.
- (5) Vote on the proposed Amended and Restated Outside Directors' Deferred Compensation Plan.
- (6) Vote on ratification of the Board of Directors' appointment of Ernst & Young LLP as independent auditors for the current fiscal year.
- (7) Conduct such other business as may properly come before the meeting.

You can vote at the meeting and any adjournment of the meeting if you were a stockholder of record on March 1, 2002. A list of stockholders entitled to vote at the meeting will be available for review by Wolverine stockholders at the office of Blake W. Krueger, Executive Vice President, General Counsel and Secretary of Wolverine, located at 9341 Courtland Drive, N.E., Rockford, Michigan, during ordinary business hours for the 10-day period before the meeting.

A copy of the Annual Report to Stockholders for the year ended December 29, 2001, is enclosed with this Notice. The following proxy statement and enclosed proxy card are being sent to stockholders on and after March 15, 2002.

By Order of the Board of Directors

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

March 15, 2002

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

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

TABLE OF CONTENTS

Proxy Statement

Wolverine s Board of Directors

Amended And Restated Executive Long-Term Incentive Plan (3-Year Bonus Plan)

Amended and Restated Directors Stock Option Plan

Amended and Restated Outside Directors Deferred Compensation Plan

Ownership of Wolverine Stock

Executive Compensation

Employment Agreements and Termination of Employment and Change In Control Arrangements

Compensation Committee Report on Executive Compensation

Selection of Auditors

Audit Committee Report

Related Matters

Appendix A

AUDIT COMMITTEE CHARTER

Appendix B

AMENDED AND RESTATED EXECUTIVE SHORT-TERM INCENTIVE PLAN

Appendix C

AMENDED AND RESTATED EXECUTIVE LONG-TERM INCENTIVE PLAN

Appendix D

AMENDED AND RESTATED DIRECTORS STOCK OPTION PLAN

Definitive Proxy Statement

Table of Contents

WOLVERINE WORLD WIDE, INC.

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

ANNUAL MEETING OF STOCKHOLDERS

April 25, 2002

Proxy Statement

Time and Place

You are invited to attend the annual meeting of stockholders of Wolverine World Wide, Inc. that will be held on April 25, 2002, at Wolverine's headquarters located at 9341 Courtland Drive, N.E., Rockford, Michigan, at 10:00 a.m. local time.

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

Purpose of the Meeting

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

election of three directors for three-year terms expiring in 2005;
approval of the Amended and Restated Executive Short-Term Incentive Plan (Annual Bonus Plan);
approval of the Amended and Restated Executive Long-Term Incentive Plan (3-Year Bonus Plan);
approval of the Amended and Restated Directors' Stock Option Plan;
approval of the Amended and Restated Outside Directors' Deferred Compensation Plan;
ratification of the appointment of Ernst & Young LLP as independent auditors for Wolverine for its current fiscal year; and
such other business as may properly come before the meeting.

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

How to Vote Your Shares

You may vote at the meeting or by proxy if you were a stockholder of record of Wolverine at the close of business on March 1, 2002. Wolverine now offers the convenience of voting by mail-in proxy, by telephone or by the Internet. See the enclosed proxy for voting instructions. Each stockholder is entitled to one vote per share on each matter presented.

As of March 1, 2002, there were 41,537,669 shares of Wolverine common stock issued and outstanding (excluding 4,021,919 shares of treasury stock).

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

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

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

Quorum and Required Vote

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

Table of Contents

A plurality of the shares voting is required to elect directors. This means that if there are more nominees than positions to be filled, the nominees who receive the most votes will be elected. In counting votes on the election of directors, abstentions, broker non-votes and other shares not voted will be counted as not voted. These shares will be deducted from the total shares of which a plurality is required.

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

Election of Directors

As recommended by the Governance Committee, the Board of Directors proposes that the following nominees be elected as directors for terms expiring at the 2005 annual meeting:

Donald V. Fites

Phillip D. Matthews
Paul D. Schrage

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

Wolverine's Board of Directors currently consists of 12 directors. Daniel T. Carroll, whose term expires at this year's annual meeting, is retiring after 23 years of service as a director. After this year's annual meeting the Board of Directors will consist of 11 directors.

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

Biographical information as of December 31, 2001, for each nominee and each current director who will continue to serve after the annual meeting is presented below. Except as otherwise indicated, all have had the same principal positions and employment for over five years.

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

Wolverine's Board of Directors

Nominees for Terms Expiring in 2005

DONALD V. FITES (age 68) has been a director since 1999. From 1990 until 1999, Mr. Fites was Chairman and Chief Executive Officer of Caterpillar Inc., a manufacturer of construction, mining and agricultural machinery and engines. Mr. Fites also is a director of AK Steel Holding Corporation; AT&T Wireless Services; ExxonMobil Corporation; Oshkosh Truck Corporation; and Georgia-Pacific Corporation.

PHILLIP D. MATTHEWS (age 63) has been a director since 1981. Mr. Matthews is Lead Director of Wolverine and was formerly Chairman of the Board of Wolverine from 1993 until 1996. Mr. Matthews is Chairman of the Board of Worldwide Restaurant Concepts, Inc., a national restaurant chain. Mr. Matthews is also a general partner in Hayden Capital Investments LLC, a private investment firm. From 1991 until 1997, Mr. Matthews was Chairman of Reliable Company, a coin-operated laundry

Table of Contents

equipment company servicing the multi-unit housing industry. Mr. Matthews is also a director of Washington Mutual, Inc. and Worldwide Restaurant Concepts, Inc.

PAUL D. SCHRAGE (age 66) has been a director since 1997. Mr. Schrage was Senior Executive Vice President and Chief Marketing Officer of McDonald's Corporation, a worldwide restaurant franchisor and operator and was employed at that company from 1967 until 1997. Mr. Schrage is also a director of Lands End, Inc.; Aid Association for Lutherans; Compact Industries, Inc.; and Foodland Supermarket Ltd.

Continuing Directors Terms Expiring in 2004

GEOFFREY B. BLOOM (age 60) has been a director since 1987. Mr. Bloom is Chairman of the Board of Wolverine and has served in that capacity since 1996. Until his retirement in April 2000, Mr. Bloom was also Chief Executive Officer of Wolverine. Mr. Bloom was previously President and Chief Executive Officer from 1993 until 1996 and Chief Operating Officer from 1987 until 1993. Mr. Bloom is also a director of Coachmen Industries, Inc. and Comshare, Inc.

DAVID T. KOLLAT (age 63) has been a director since 1992. Mr. Kollat is President and Chairman of 22, Inc., a company specializing in research and management consulting for retailers and consumer goods manufacturers. Mr. Kollat is also a director of The Limited, Inc.; Cooker Restaurant Corporation, Inc.; Cone Mills Corporation; Big Lots, Inc.; and Select Comfort Corporation.

DAVID P. MEHNEY (age 62) has been a director since 1977. Mr. Mehney is President of The KMW Group, Inc., a distributor of medical and marine products.

TIMOTHY J. O DONOVAN (age 56) has been a director since 1993. Mr. O Donovan is Chief Executive Officer and President of Wolverine and has served in that capacity since April 2000. Before April 2000, Mr. O Donovan was Chief Operating Officer and President since 1996. Before 1996, Mr. O Donovan was Executive Vice President of Wolverine.

Continuing Directors Terms Expiring in 2003

ALBERTO L. GRIMOLDI (age 60) has been a director since 1994. Mr. Grimoldi is Chairman of Grimoldi, S.A., a shoe manufacturer and retailer in Argentina. He has held that position since 1986. Mr. Grimoldi is also a founding member and has been Vice Chairman of Banco Privado de Inversiones, S.A., an Argentinean investment bank, since 1994. Mr. Grimoldi was previously a member of the Advisory Board of Ford Motor Company in Argentina. Mr. Grimoldi has also held various positions in the Argentinean government.

JOSEPH A. PARINI (age 70) has been a director since 1987. He is Chairman of the Board and an officer of EFW, Inc., a designer and manufacturer of avionics systems for global markets, and has held that position since January 1997. He is also President of Internet Systems, Inc., a manufacturer of weather instrumentation systems, and has held that position since January 1997. Mr. Parini was previously President and Chief Executive Officer of Elbit Systems, Inc., a designer, manufacturer and marketer of infrared, telecommunications and medical instrumentation, as well as defense products, from 1990 until 1996.

JOAN PARKER (age 66) has been a director since 1981. Ms. Parker is a Senior Partner with J. Walter Thompson, an international advertising firm. Ms. Parker has held that position since September 1995. From September 1995 until December 1995, Ms. Parker was also the sole proprietor of Parker & Associates, a public relations firm. From 1994 until September 1995, she was Executive Vice President and a director of N. W. Ayer & Partners, an international advertising firm, and Executive Vice President and Managing Director of the Ayer Public Relations Division of N. W. Ayer & Partners.

ELIZABETH A. SANDERS (age 56) has been a director since 1994. Ms. Sanders is the principal of The Sanders Partnership, a management consulting practice. Ms. Sanders has held that position since

Table of Contents

1990. Ms. Sanders was previously Vice President of Nordstrom, Inc., a retailer. Ms. Sanders is also a director of Wal-Mart Stores, Inc.; Washington Mutual, Inc.; Advantica Restaurant Group, Inc.; and Wellpoint Health Networks, Inc.

Board Committees and Meetings

The Board of Directors has four standing committees: the Audit Committee, the Compensation Committee, the Executive Committee and the Governance Committee.

Audit Committee. The Audit Committee:

oversees Wolverine's financial reporting process on behalf of the Board;
recommends the selection of independent auditors;
approves the nature and scope of services to be performed by the independent auditors and reviews the range of their fees for such services;
and
reviews Wolverine's internal accounting controls, the results of the annual audit, and policies and practices regarding compliance with laws and conflicts of interest.

Directors who are employees of Wolverine or its subsidiaries may not serve on the Audit Committee. Messrs. Carroll (until this year's annual meeting), Grimoldi, Kollat and Parini currently serve on the Audit Committee. Mr. Parini is Chairman of this committee. It met three times in 2001.

Wolverine's Board of Directors has adopted a written charter for the Audit Committee. The written charter is attached as Appendix A to this proxy statement. All members of the Audit Committee are independent from Wolverine and its management under the rules and standards of the New York Stock Exchange.

Compensation Committee. The Compensation Committee:

reviews and recommends the timing and amount of compensation for the Chief Executive Officer and other key employees, including salaries, bonuses and other benefits;
administers Wolverine's stock option and other equity-based incentive plans;
recommends retainer and attendance fees for directors who are not employees of Wolverine or any of its subsidiaries (outside directors); and
reviews for adequacy and competitiveness the compensation plans and awards as they relate to the Chief Executive Officer and other key employees.

Messrs. Fites, Matthews, Mehney and Schrage and Ms. Sanders currently serve on the Compensation Committee. Mr. Matthews is Chairman of this committee. It met three times during 2001.

Executive Committee. The Executive Committee exercises all powers and authority of the Board of Directors during periods between board meetings. Messrs. Bloom, Fites, Grimoldi, Matthews, O'Donovan and Parini currently serve on the Executive Committee. Mr. Matthews is Chairman of this committee. It did not meet during 2001.

Governance Committee. The Governance Committee:

interviews each potential nominee and recommends suitable candidates for nomination to the Board of Directors;
reviews the appropriate skills and characteristics of Board members;
reviews and evaluates the performance of the Board and the directors;
reviews and reports on all matters generally relating to corporate governance; and
recommends the officers of Wolverine for election by the Board.

Messrs. Kollat, Mehney and Schrage and Ms. Parker and Sanders currently serve on the Governance Committee. Mr. Mehney is Chairman of this committee. It met two times during 2001.

During the 2001 fiscal year, the Board of Directors held five regular and no special meetings. Each of the directors attended at least 75% or more of the aggregate of the total number of full Board meetings and the total number of meetings of committees on which he or she served (during the periods that he or she served).

Stockholder Nominations

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The Governance Committee will consider nominees for election to the Board of Directors submitted by stockholders. Nominations may be made by a stockholder entitled to vote for the election of directors if, and only if, the stockholder submits advance notice of the proposed nomination and the notice is received by the Secretary of Wolverine not less than 50 nor more than 75 days before the annual meeting. However, if the first to occur of the notice of the meeting or public disclosure is given or made to stockholders less than 65 days before the annual meeting, the notice of the proposed nomination must be received not later than the close of business on the 15th day after the day on which the notice of the date

Table of Contents

of the meeting was mailed or the public disclosure was made, whichever occurs first. Each notice submitted by a stockholder must set forth each nominee's name, age, business address, residence address and principal occupation and employment, the class and number of shares of common stock beneficially owned by each nominee, and any other information concerning each nominee required to be included in a proxy statement soliciting proxies for the election of the nominee under the rules of the Securities and Exchange Commission. In addition, the notice must state the name, record address and the class and number of shares of common stock beneficially owned by the stockholder submitting the notice. If the chairman of the meeting determines that a nomination was not made in accordance with these procedures, he or she must announce that determination at the meeting and the nomination will be disregarded.

Compensation of Directors

Wolverine paid each outside director an annual retainer of \$23,000 plus \$1,000 per day for attendance at each regular meeting of the Board of Directors and \$1,000 per day for attendance at each committee meeting. In addition, Wolverine paid the chairmen of the Audit, Compensation and Governance Committees annual fees of \$3,500. Directors who are also employees of Wolverine or any of its subsidiaries receive no annual retainer and are not compensated for attendance at Board or committee meetings. Wolverine also reimburses directors for expenses associated with attending Board and committee meetings.

Under the Directors' Stock Option Plan approved by stockholders in 1994, as amended, each newly appointed or elected outside director is granted an option to purchase shares of common stock with a market value on the date of his or her initial election or appointment of \$250,000. On the date of each annual meeting after his or her initial appointment or election, each outside director is granted an option to purchase shares with a market value on the annual meeting date of \$65,000. The exercise price of options granted under this plan is 100% of the market value of common stock on the date each option is granted. The term of each option may not exceed 10 years. Options were granted under this plan to all outside directors on April 26, 2001. Of the amount initially authorized, options to purchase 60,478 shares of common stock remain and may be granted under the plan.

The Board of Directors has adopted, subject to stockholder approval at this year's annual meeting, the Amended and Restated Directors' Stock Option Plan. This amended and restated plan would extend the term of the plan, replenish the number of shares of Wolverine common stock available for stock options under the Plan and adjust the method of calculating the number of stock options to be distributed. A more detailed description of the Amended and Restated Directors' Stock Option Plan is provided below under a separate heading.

In 1996, Wolverine adopted the Outside Directors' Deferred Compensation Plan (the 1996 Deferred Compensation Plan), a supplemental nonqualified deferred compensation plan for directors who are not employees of Wolverine or its subsidiaries. The plan permits all outside directors to defer 25%, 50%, 75% or 100% of their directors' fees. Amounts deferred are credited on the books of Wolverine to an account established for that director as if the amounts had been invested to purchase shares of common stock using the market price of common stock on the date such fees would have been payable (phantom stock). The value of the account will increase or decrease during the deferral period corresponding to changes in the market value of common stock. The accumulated value of a director's account under the plan is paid in cash upon termination of service as a director in a single lump-sum or annual installments over a period of up to 10 years.

Upon adoption of the 1996 Deferred Compensation Plan, Wolverine terminated its previously existing Director Retirement Plan (Director Retirement Plan) and provided for the conversion of the expected benefits payable under the Director Retirement Plan. Only outside directors who continued to serve as directors at the close of the annual meeting of stockholders on April 17, 1996 (continuing directors), received an award of phantom stock units representing additional retirement income under the 1996 Deferred Compensation Plan. Except for the continuing directors, no future outside director will receive retirement awards under the 1996 Deferred Compensation Plan. To approximate as nearly as possible the expected benefits that otherwise would have been payable to continuing directors under the Director Retirement Plan if it had remained in effect, on April 17, 1996, Wolverine awarded to each continuing director a number of phantom stock units having a market value equal to the present value (determined by an actuary) of the expected benefits payable under the Director Retirement Plan. In

Table of Contents

addition, to approximate as nearly as possible the minimum service requirements imposed under the Director Retirement Plan, phantom stock units that represent awards of retirement income are subject to delayed vesting provisions. Cash equal to the accumulated value of all phantom stock units representing retirement awards credited to a director's account will be payable upon termination of service as a director. Payments will be made in 10 annual installments beginning the month following termination of service as a director.

Upon a change in control as defined in the 1996 Deferred Compensation Plan, all amounts credited to a director's account (both for deferred fees and retirement income) will be distributed to the director in a single lump-sum. For purposes of the 1996 Deferred Compensation Plan, change in control is defined as:

failure of the individuals who were directors at the time the 1996 Deferred Compensation Plan was adopted and those whose election or nomination to the Board of Directors was approved by a three-quarters vote of the directors then still in office who were directors at the time the 1996 Deferred Compensation Plan was adopted, or whose election or nomination was so approved, to constitute a majority of the Board of Directors;

acquisition by certain persons or groups of 20% or more of the common stock or combined outstanding voting power (excluding certain transactions);

approval by the stockholders of a reorganization, merger or consolidation (excluding certain permitted transactions); or

approval by the stockholders of a complete liquidation or dissolution of Wolverine or the sale or disposition of all or substantially all of the assets of Wolverine (excluding certain permitted transactions).

The Board of Directors has adopted, subject to stockholder approval at this year's annual meeting, the Amended and Restated Outside Directors Deferred Compensation Plan (the Restated Deferred Compensation Plan). The only significant change in the Restated Deferred Compensation Plan is that all future payouts would be made in Wolverine's common stock rather than cash. Subject to appropriate adjustments for future stock splits and other similar capital adjustments, phantom stock units would be converted to Wolverine's common stock at a one-to-one ratio on each distribution date. Under the 1996 Deferred Compensation Plan, phantom stock units are converted to cash based on a formula that takes into account the average market value of Wolverine common stock over the one-year period preceding the payout.

Mr. Matthews serves as Lead Director of Wolverine. For his service as Lead Director, Mr. Matthews received \$60,000 for the period from May 2000 through April 2001, and \$46,000 for the period from May 2001 through April 2002. These payments were in lieu of the annual director retainer fee of \$23,000.

In April 2000, Mr. Bloom relinquished his role as Chief Executive Officer of Wolverine but continues to serve as Chairman of the Board of Directors. In addition to his duties as Chairman, Mr. Bloom also agreed to provide consulting services to Wolverine regarding its operations and strategic direction during a transition period. For these services, Mr. Bloom received \$250,000 for the period from May 2000 through April 2001, and \$175,000 for the period from May 2001 through April 2002. These payments were in lieu of all other director compensation and Mr. Bloom did not participate in the Directors' Stock Option Plan or the 1996 Deferred Compensation Plan and did not receive an annual retainer, fees for Board or Committee meeting attendance or other compensation. The scope of Mr. Bloom's services and his compensation will be reviewed annually by the Board of Directors.

Amended and Restated Executive Short-Term Incentive Plan (Annual Bonus Plan)

The Board of Directors believes that Wolverine's short-term interests are best advanced by aligning the interests of its key employees with the interests of its stockholders. Therefore, to provide incentives and rewards for achievement of short-term business unit goals, on February 15, 2002, the Board of Directors adopted, subject to stockholder approval, the Amended and Restated Executive Short-Term Incentive Plan (Annual Bonus Plan) (the Restated Annual Bonus Plan). The Restated Annual Bonus Plan would amend and restate the existing Executive Short-Term Incentive Plan (Annual Bonus Plan), which was approved by the stockholders at the 1997 Annual Meeting of Stockholders (the 1997 Annual Plan).

Table of Contents

The Restated Annual Bonus Plan differs from the 1997 Annual Plan in two significant ways: it would extend the term of the 1997 Annual Plan to the first meeting of stockholders in 2007, and provide greater flexibility to the Compensation Committee in establishing performance goals. Under the Restated Annual Bonus Plan, the Compensation Committee would have a greater ability to link performance goals to more specific corporate performance criteria using one or more of the objective factors listed in the plan. The term of the 1997 Annual Plan expires at this year's Annual Meeting of Stockholders unless extended by the Restated Annual Bonus Plan.

The Restated Annual Bonus Plan is designed to provide executive officers, senior corporate and divisional officers and other key employees with the opportunity for bonuses based on the performance of the business unit or units to which the employee is assigned. The Restated Annual Bonus Plan is intended to provide performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended, and would be interpreted and administered to achieve that purpose. Wolverine intends to continue its established practice of paying annual incentive bonuses to officers and key management employees based on individual performance goals. Participants in the Restated Annual Bonus Plan may also receive cash or other bonuses from Wolverine under other bonus programs. No payment under any such other arrangement may be contingent upon failure to satisfy the criteria for payment of an incentive bonus under the Restated Annual Bonus Plan.

The following is a summary of the principal features of the Restated Annual Bonus Plan and is qualified in its entirety by reference to the terms of the Restated Annual Bonus Plan set forth in Appendix B to this proxy statement.

The Restated Annual Bonus Plan is effective as of February 15, 2002. Adoption of the Restated Annual Bonus Plan by the Board of Directors and payment of bonuses pursuant to the Restated Annual Bonus Plan for 2002 are contingent upon stockholder approval. In the absence of such approval, the Restated Annual Bonus Plan would be void.

The Restated Annual Bonus Plan would be administered by the Compensation Committee of the Board of Directors (the "Compensation Committee") or such other committee as the Board designates to administer the Restated Annual Bonus Plan. The Compensation Committee would consist of at least two members and all of its members would be non-employee directors as defined in Rule 16b-3 issued under the Securities Exchange Act of 1934 and outside directors as defined in the regulations issued under Section 162(m) of the Internal Revenue Code. Except as limited by the Restated Annual Bonus Plan, the Compensation Committee would have all of the express and implied powers and duties set forth in the Restated Annual Bonus Plan and would have full authority and discretion to interpret the Restated Annual Bonus Plan and to make all other determinations considered necessary or advisable for the administration of the Restated Annual Bonus Plan. The Compensation Committee could adopt such other rules, policies and forms for the administration, interpretation and implementation of the Restated Annual Bonus Plan as it considered advisable. All determinations, interpretations and selections made by the Compensation Committee regarding the Restated Annual Bonus Plan would be final and conclusive.

For each fiscal year, the Compensation Committee would select the executive officers (currently eight persons), senior corporate and divisional officers and other key employees (currently approximately 253 persons) who would be participants for the year. The Compensation Committee could limit the number of executive officers and senior corporate and divisional officers and other key employees who would be participants for a fiscal year. Selection as a participant for a fiscal year by the Compensation Committee would be limited to that fiscal year. An eligible executive officer, senior corporate or divisional officer or other key employee would be a participant for a fiscal year only if designated as a participant by the Compensation Committee for such fiscal year. The amount of bonus any individual would receive under the Restated Annual Bonus Plan would depend upon corporate and/or business unit performance for each fiscal year and is not presently determinable. If the Restated Annual Bonus Plan had been in effect for Wolverine's 2001 fiscal year and each individual named below had been designated to participate in the Restated Annual Bonus Plan at the level at which each such person has been designated to participate for Wolverine's 2001 fiscal year, and assuming that the Compensation Committee used the same performance criteria, the following benefits would have been paid under the Restated Annual Bonus Plan in 2001.

Table of Contents**New Plan Benefits****Amended and Restated Executive Short-Term Incentive Plan (Annual Bonus Plan)**

Name and Position	Dollar Value
Steven M. Duffy, Executive Vice President	\$ 58,867
V. Dean Estes, Vice President	141,893
Stephen L. Gulis, Jr., Executive Vice President, Chief Financial Officer and Treasurer	68,322
Blake W. Krueger, Executive Vice President, General Counsel and Secretary	83,090
Timothy J. O'Donovan, Chief Executive Officer and President	204,965
Executive Group	619,321
Non-Executive Director Group	0
Non-Executive Officer Employee Group	2,204,983

Executive officers, senior corporate and divisional officers and other key employees of Wolverine may be considered to have an interest in the Restated Annual Bonus Plan because they may be designated as participants in the Restated Annual Bonus Plan.

The Compensation Committee would preestablish performance goals for each participant in the manner and within the time limits specified below. A target bonus goal would be established by the Compensation Committee, expressed as a percentage of the participant's base salary or a specified dollar amount. The Compensation Committee would then establish incentive bonus levels, expressed as a percentage of the target bonus, that would be paid to the participant at specified levels of performance by Wolverine, a subsidiary, division, or profit center. The term "incentive bonus," as used in the Restated Annual Bonus Plan, would mean an annual bonus awarded and paid to a participant for services to Wolverine during a fiscal year that is based upon achievement of pre-established financial objectives by Wolverine. The Compensation Committee would also establish any specific conditions under which an incentive bonus could be reduced or forfeited (but not increased).

The incentive bonus levels described above could be expressed as either: (i) a matrix of percentages of the target bonus that would be paid at specified levels of performance; or (ii) a mathematical formula that determines the percentage of the target bonus that would be paid at varying levels of performance.

Under the 1997 Annual Plan, performance is determined by reference to profits and sales of Wolverine and/or its operating divisions or profit centers. Performance of Wolverine under the 1997 Annual Plan could be measured by: (i) achievement by Wolverine of specified, absolute levels of company-wide profit before taxes, provided that such levels were greater than zero and substantially uncertain when specified; (ii) achievement by Wolverine of specified absolute levels of company-wide sales, provided that such levels were greater than zero and substantially uncertain when specified; (iii) achievement by a Wolverine operating division or profit center of specified, absolute levels of profit before taxes, provided that such levels were greater than zero and substantially uncertain when specified; (iv) achievement by a Wolverine operating division or profit center of specified, absolute levels of sales, provided that such levels were greater than zero and substantially uncertain when specified; or (v) any combination of the performance measures described above.

Under the Restated Annual Bonus Plan, performance of Wolverine and/or its subsidiaries, operating divisions or profit centers would be determined by reference to one or more of the following objectively determinable factors, as selected by the Compensation Committee: net earnings, net earnings before taxes, operating income, revenues, net sales, net sales and other operating income, return on sales, return on equity, earnings per share, total stockholder return, economic value added measurements, return on assets, return on invested capital or any of the foregoing before the effect of acquisitions, divestitures, accounting changes, restructuring or other special charges. These factors could be measured against pre-determined levels or Wolverine's relative performance.

Table of Contents

when compared to a pre-established peer group. Wolverine believes that the list of factors that would be used to measure performance under the Restated Annual Bonus Plan provides more flexibility to the Compensation Committee to establish relevant, objective factors for measuring short-term performance than the list contained in the 1997 Annual Plan.

Payment of an incentive bonus to a participant for a fiscal year under the Restated Annual Bonus Plan would be entirely contingent upon achievement of the performance levels established by the Compensation Committee. All determinations to be made by the Compensation Committee for a fiscal year would be made by the Committee during the first 90 days of each fiscal year. An incentive bonus would be based solely upon objective criteria, from which an independent third party with knowledge of the facts could determine whether the performance goal or range of goals were met and from that determination could calculate the incentive bonus to be paid. Although the Compensation Committee would have authority to exercise reasonable discretion to interpret the Restated Annual Bonus Plan and the criteria it would specify pursuant to the Restated Annual Bonus Plan, it could not amend or waive such criteria after the 90th day of a fiscal year. The Compensation Committee would have no authority or discretion to increase any incentive bonus or to construct, modify or apply the measurement of performance in a manner that would directly or indirectly increase the incentive bonus for any participant for any fiscal year above the amount determined by the applicable objective standards established within the first 90 days of the fiscal year.

The incentive bonus for each eligible participant for a fiscal year would be determined on the basis of the target bonus and performance criteria established by the Compensation Committee for the fiscal year. The Compensation Committee would determine, and would certify in writing prior to payment of the incentive bonus, that performance for the fiscal year satisfied the criteria established by the Compensation Committee for the year. The incentive bonus for any participant for a fiscal year would not, in any event, exceed \$1,500,000. The incentive bonus of each participant would be paid to the participant by Wolverine as soon as feasible following the final determination and certification by the Compensation Committee of the amount payable.

The incentive bonus otherwise payable to a participant for a fiscal year would be adjusted as follows. If a participant ceased to be a participant before the end of any fiscal year and more than six months after the beginning of such fiscal year because of death, normal or early retirement under Wolverine's retirement plan, as then in effect, or total disability under Wolverine's long-term disability plan, an award would be paid to the participant or the participant's beneficiary after the end of such fiscal year prorated as follows: the award, if any, for such fiscal year would be equal to 100% of the incentive bonus that the participant would have received if the participant had been a participant during the entire fiscal year, multiplied by the ratio of the participant's full months as a participant during that fiscal year to the 12 months in that fiscal year. Despite the above, the Compensation Committee would have discretion to reduce or eliminate any incentive bonus otherwise payable pursuant to the Restated Annual Bonus Plan. If an employee ceased to be a participant during any fiscal year, or prior to actual receipt of the award for a previous fiscal year, because of the participant's termination of employment for any reason other than described above, the participant would not be entitled to any award for such fiscal year.

The Board of Directors could terminate the Restated Annual Bonus Plan at any time or could from time to time amend the Restated Annual Bonus Plan as it considered proper and in the best interests of Wolverine. No termination or amendment could impair the validity of, or the obligation of Wolverine to pay, any incentive bonus awarded for any fiscal year prior to the year in which the termination or amendment was adopted or, if later, was effective. No amendment adopted after the first 90 days of a fiscal year could directly or indirectly increase any incentive bonus for that fiscal year. Except as otherwise provided in the Restated Annual Bonus Plan and the applicable objective criteria established pursuant to the Restated Annual Bonus Plan for determining the amount of any incentive bonus for a fiscal year, no incentive bonuses would be payable for the fiscal year in which the Restated Annual Bonus Plan was terminated, or, if later, in which the termination was effective.

Subject to earlier termination by the Board of Directors, the Restated Annual Bonus Plan would terminate without action by the Board of Directors as of the date of the first meeting of stockholders held in 2007, unless reapproved by the stockholders. If reapproval occurred, the Restated Annual Bonus Plan would terminate as of the date of the first meeting of stockholders occurring in the fifth year following

Table of Contents

reapproval or any subsequent reapproval. If the Restated Annual Bonus Plan terminates due to lack of reapproval by the stockholders, no incentive bonuses would be awarded for the fiscal year in which the plan terminates.

A vote of the stockholders holding a majority of the shares present in person or represented by proxy and entitled to vote on this proposal is required to approve the Restated Annual Bonus Plan. For purposes of counting votes on this proposal, abstentions will be counted as voted against the proposal. Broker non-votes will not be counted as voted on the proposal, and the number of shares of which a majority is required will be reduced by the number of shares not voted. The New York Stock Exchange has advised Wolverine that this proposal is considered to be a routine matter. Therefore, shares of common stock held by New York Stock Exchange member organizations, or their nominees, may be voted without specific instructions from the beneficial owners of such shares. If the Restated Annual Bonus Plan is not approved by the stockholders, no incentive bonuses will be paid under the Restated Annual Bonus Plan to the Chief Executive Officer or any of the four most highly compensated executive officers (other than the Chief Executive Officer).

Your Board of Directors recommends that you vote FOR approval of the Amended and Restated Executive Short-Term Incentive Plan (Annual Bonus Plan).

Amended And Restated Executive Long-Term Incentive Plan (3-Year Bonus Plan)

The Board of Directors believes that Wolverine's long-term interests are best advanced by aligning the interests of its key employees with the interests of its stockholders. Therefore, to provide incentives and rewards for longer-term planning and decision-making and the achievement of longer-term corporate performance goals, on February 15, 2002, the Board of Directors adopted, subject to stockholder approval, the Amended and Restated Executive Long-Term Incentive Plan (3-Year Bonus Plan) (the "Restated Long-Term Plan"). The Restated Long-Term Plan would amend and restate the existing Long-Term Incentive Plan (3-Year Bonus Plan) that was approved by the stockholders at the 1997 Annual Meeting of Stockholders (the "1997 Long-Term Plan"). The Restated Long-Term Plan differs from the 1997 Long-Term Plan in three significant ways: it would extend the term of the 1997 Long-Term Plan to the first meeting of stockholders in 2007; it would provide more flexibility to the Compensation Committee in establishing performance goals; and it would raise the maximum amount payable to any participant with respect to any three-year period from \$1,000,000 (excluding the 20% increase in the incentive bonus payable in restricted stock) to \$1,500,000. Under the Restated Long-Term Plan, the Compensation Committee would have a greater ability to link performance goals to more specific corporate performance criteria using one or more of the objective factors listed in the plan. The 1997 Long-Term Plan expires at this year's Annual Meeting of Stockholders unless extended by the Restated Long-Term Plan.

The Restated Long-Term Plan is designed to provide executive officers and key management employees the opportunity for additional compensation based upon the achievement of corporate financial performance goals over a three-year period. The primary purposes of the Restated Long-Term Plan are to provide a significant incentive to substantially improve the longer-term performance of Wolverine and to foster cooperation among all business units. The target financial performance goals are ambitious in nature and generally require achievements which provide a significant challenge to management. The Restated Long-Term Plan is intended to provide performance-based compensation under Section 162(m) of the Internal Revenue Code and would be interpreted and administered to achieve that purpose. Wolverine intends to continue its established practice of paying incentive bonuses to officers and key management employees based on individual performance goals. Participants in the Restated Long-Term Plan may also receive cash or other bonuses from Wolverine under other bonus programs. No payment under any such other arrangement may be contingent upon failure to satisfy the criteria for payment of an incentive bonus under the Restated Long-Term Plan.

The following is a summary of the principal features of the Restated Long-Term Plan and is qualified in its entirety by reference to the terms of the Restated

Table of Contents

Long-Term Plan as set forth in Appendix C to this proxy statement.

The Restated Long-Term Plan is initially effective as of February 15, 2002. Adoption of the Restated Long-Term Plan by the Board of Directors and payment of bonuses pursuant to the Restated Long-Term Plan are contingent upon stockholder approval. In the absence of such approval, the Restated Long-Term Plan would be void.

The Restated Long-Term Plan would be administered by the Compensation Committee, or such other committee as the Board designates to administer the Restated Long-Term Plan. The Compensation Committee would consist of at least two members and all of its members would be non-employee directors as defined in Rule 16b-3 issued under the Securities Exchange Act and outside directors as defined in the regulations issued under Section 162(m) of the Internal Revenue Code. Except as limited by the Restated Long-Term Plan, the Compensation Committee would have all of the express and implied powers and duties set forth in the Restated Long-Term Plan and would have full authority and discretion to interpret the Restated Long-Term Plan and to make all other determinations considered necessary or advisable for the administration of the Restated Long-Term Plan. The Compensation Committee could adopt such other rules, policies and forms for the administration, interpretation and implementation of the Restated Long-Term Plan as it considered advisable. All determinations, interpretations and selections made by the Compensation Committee regarding the Restated Long-Term Plan would be final and conclusive.

The primary concept of the Restated Long-Term Plan is to establish financial performance goals for each overlapping three-year time period for Wolverine. Performance periods would begin every fiscal year and end three full fiscal years later.

For each three-year period, the Compensation Committee would select the executive officers (currently seven persons) and other key management employees (currently approximately 27 persons) who would be participants for the three-year period. The Compensation Committee could limit the number of executive officers and key management employees who would be participants for a three-year period. Selection as a participant for a three-year period by the Compensation Committee would be limited to that three-year period. An eligible executive officer or key management employee would be a participant for a three-year period only if designated as a participant by the Compensation Committee for such three-year period. The amount of bonus any individual would receive under the Restated Long-Term Plan would depend upon corporate performance for each three-year performance period and is not presently determinable. If the Restated Long-Term Plan had been in effect for Wolverine's 1999-2001 performance period and each individual named below had been designated to participate in the Restated Long-Term Plan at the level at which each such person has been designated to participate for Wolverine's 2002-2004 performance period, and assuming that the Compensation Committee used the same performance criteria as used for the 1999-2001 performance period, the following benefits would have been paid under the Restated Long-Term Plan in 2001.

New Plan Benefits**Amended and Restated Executive Long-Term Incentive Plan (3-Year Bonus Plan)**

Name and Position	Dollar Value
Steven M. Duffy, Executive Vice President	\$ 0
V. Dean Estes, Vice President	0
Stephen L. Gulis, Jr., Executive Vice President, Chief Financial Officer and Treasurer	0
Blake W. Krueger, Executive Vice President, General Counsel and Secretary	0
Timothy J. O'Donovan, Chief Executive Officer and President	0
Executive Group	0
Non-Executive Director Group	0
Non-Executive Officer Employee Group	0

Table of Contents

Executive officers and other key management employees of Wolverine may be considered to have an interest in the Restated Long-Term Plan because they may be designated as participants in the Restated Long-Term Plan.

The Compensation Committee would preestablish performance goals for each participant in the manner and within the time limits specified in the Restated Long-Term Plan. For each participant in each three-year period, the Compensation Committee would specify a target bonus goal established by the Compensation Committee, expressed as a specified dollar amount or as a percentage of the participant's average annual earned salary, and incentive bonus levels, expressed as a percentage of the target bonus, that would be paid to the participant at specified levels of performance. The term "incentive bonus," as used in the Restated Long-Term Plan, would mean a bonus awarded and paid to a participant for services to Wolverine during a three-year period that is based upon achievement of preestablished financial objectives by Wolverine. The Compensation Committee could also establish any specific conditions under which an incentive bonus would be reduced or forfeited (but not increased).

The incentive bonus levels described above could be expressed either as (i) a matrix of percentages of the target bonus that would be paid at specified levels of performance; or (ii) a mathematical formula that determines the percentage of the target bonus that would be paid at varying levels of performance.

Under the 1997 Long-Term Plan, performance is determined by reference to the earnings per share of Wolverine. For purposes of the 1997 Long-Term Plan, the definition of "earnings per share" means Wolverine's net after-tax earnings per share of common stock after all expenses and taxes, except for any special one-time charges.

Under the Restated Long-Term Plan, performance of Wolverine and/or its subsidiaries, operating divisions, or profit centers would be determined by reference to one or more of the following objectively determinable factors, as selected by the Compensation Committee: net earnings, net earnings before taxes, operating income, revenues, net sales, net sales and other operating income, return on sales, return on equity, earnings per share, total stockholder return, economic value added measurements, return on assets, return on invested capital or any of the foregoing before the effect of acquisitions, divestitures, accounting changes, restructuring or other special charges. These factors could be measured against pre-determined levels or Wolverine's relative performance when compared to a pre-established peer group. Wolverine believes that the list of factors that would be used to measure performance under the Restated Long-Term Plan provides more flexibility to the Compensation Committee to establish relevant, objective factors for measuring long-term performance than contained in the 1997 Long-Term Plan.

Payment of an incentive bonus to a participant for a three-year period under the Restated Long-Term Plan would be entirely contingent upon the performance goals established by the Compensation Committee, the satisfaction of which would be substantially uncertain when established by the Compensation Committee for the three-year period. All determinations to be made by the Compensation Committee for a three-year period would be made by the Compensation Committee during the first 90 days of each three-year period. An incentive bonus would be based solely upon objective criteria, from which an independent third party with knowledge of the facts could determine whether the performance goals or range of goals were met and from that determination could calculate the incentive bonus to be paid. Although the Compensation Committee would have authority to exercise reasonable discretion to interpret the Restated Long-Term Plan and the criteria it would specify pursuant to the Restated Long-Term Plan, it could not amend or waive such criteria after the 90th day of a three-year period. The Compensation Committee would have no authority or discretion to increase any incentive bonus or to construct, modify or apply the measurement of performance in a manner that would directly or indirectly increase the incentive bonus for any participant for any three-year period above the amount determined by the applicable objective standards established within the first 90 days of the three-year period.

The incentive bonus for each eligible participant for a three-year period would be determined on the basis of the target bonus and performance criteria established by the Compensation Committee for the three-year period. The Compensation Committee would determine, and would certify in writing prior to payment of any incentive bonus, that Wolverine's performance for the three-year period satisfied the criteria established by the Compensation Committee for the three-year period.

The incentive bonus otherwise payable to a participant for a three-year period would be adjusted as follows. If

Table of Contents

a participant ceased to be a participant before the end of any three-year period and more than 12 months after the beginning of such three-year period because of death, normal or early retirement under Wolverine's retirement plan, as then in effect, or total disability under Wolverine's long-term disability plan, an award would be paid to the participant or the participant's beneficiary after the end of such three-year period prorated as follows: the award, if any, for such three-year period would be equal to 100% of the incentive bonus that the participant would have received if the participant had been a participant during the entire performance period multiplied by the ratio of the participant's full months as a participant during that performance period to the total number of months in that performance period. The award, if any, would only be made in the form of a cash payout and no shares of restricted stock would be awarded. Despite the above, the Compensation Committee would have discretion to reduce or eliminate any incentive bonus otherwise payable pursuant to the Restated Long-Term Plan. If an employee ceased to be a participant during any three-year period(s), or prior to actual receipt of the award for a previous period because of the participant's termination of employment for any reason other than described above, the participant would not be entitled to any award for such three-year period. If a participant continued in Wolverine's employment but no longer was approved by the Compensation Committee to participate in future three-year periods, the participant would be eligible for a prorated award determined in the same manner set forth above. Despite the above, the Compensation Committee would have discretion to reduce or eliminate any incentive bonus otherwise payable pursuant to the Restated Long-Term Plan.

Each participant would receive part of his or her incentive bonus in cash and part in restricted stock according to the terms of the Restated Long-Term Plan. Each active participant would receive a cash payment equal to 50% of his or her incentive bonus. Wolverine would make the cash payment as soon as feasible following final determination and certification by the Compensation Committee of the amount payable. Each participant would also receive a grant of restricted stock on the same date the cash payment is made. The number of shares of restricted stock a participant would receive would equal 70% of the incentive bonus divided by the market value of Wolverine's common stock on the date of grant, rounded to the nearest whole share. The restrictions imposed on the restricted stock would lapse in three equal annual installments commencing one year following the grant date. Each award of restricted stock would be evidenced by a restricted stock agreement containing such terms and conditions, including vesting schedules, consistent with the provisions of the Restated Long-Term Plan. The incentive bonus payable to any participant with respect to any three-year period would not, in any event, exceed \$1,500,000, exclusive of the 20% increase in the amount of the incentive bonus payable in restricted stock.

The Board of Directors could terminate the Restated Long-Term Plan at any time or could from time to time amend the Restated Long-Term Plan as it considered proper and in the best interests of Wolverine. No termination or amendment could impair the validity of, or the obligation of Wolverine to pay, any incentive bonus awarded for any three-year period ending prior to the year in which the termination or amendment was adopted or, if later, was effective. No amendment adopted after the first 90 days of a performance period could directly or indirectly increase the amount of any incentive bonus, or alter the objective criteria in a manner which would increase any incentive bonus, for that three-year period. Except as otherwise provided in the Restated Long-Term Plan and the applicable objective criteria established pursuant to the Restated Long-Term Plan for determining the amount of any incentive bonus for a three-year period, no incentive bonuses would be payable for the three-year period in which the Restated Long-Term Plan was terminated or, if later, in which the termination was effective.

Subject to earlier termination by the Board of Directors, the Restated Long-Term Plan would terminate without action by the Board of Directors as of the date of the first meeting of the stockholders in 2007, unless reapproved by the stockholders at that meeting or any earlier meeting. If reapproval occurs, the Restated Long-Term Plan would terminate as of the date of the first meeting of the stockholders in the fifth year following reapproval and each subsequent reapproval unless reapproved on or before the termination date. If the Restated Long-Term Plan terminates under this provision due to lack of reapproval by the stockholders, incentive bonuses would be paid for the three-year periods already commenced before the date of termination of the Restated Long-Term Plan, except for the three-year period that initially began in the year in which the Restated Long-Term Plan terminates.

Table of Contents

A vote of the stockholders holding a majority of the shares present in person or represented by proxy and entitled to vote on this proposal is required to approve the Restated Long-Term Plan. For purposes of counting votes on this proposal, abstentions will be counted as voted against the proposal. Broker non-votes will not be counted as voted on the proposal, and the number of shares of which a majority is required will be reduced by the number of shares not voted. The New York Stock Exchange has advised Wolverine that this proposal is considered to be a routine matter. Therefore, shares of common stock held by New York Stock Exchange member organizations, or their nominees, may be voted without specific instructions from the beneficial owners of such shares. If the Restated Long-Term Plan is not approved by the stockholders, no incentive bonuses will be paid under the Restated Long-Term Plan to the Chief Executive Officer or any of the four most highly compensated executive officers (other than the Chief Executive Officer).

Your Board of Directors recommends that you vote FOR approval of the Amended and Restated Executive Long-Term Incentive Plan (3-Year Bonus Plan).

Amended and Restated Directors Stock Option Plan

The Board of Directors believes that stock options, which return no monetary value to a recipient unless the stockholders as a whole benefit from an increase in the stock price, are an especially effective means of aligning the interests of Wolverine's directors with the interests of its stockholders. Therefore, to attract and retain the services of experienced and knowledgeable non-employee directors, who are not eligible for awards under most of Wolverine's stock plans, and to provide additional incentive for Wolverine's non-employee directors to promote the best interests of Wolverine and its stockholders, on February 15, 2002, the Board of Directors adopted, subject to stockholder approval, the Amended and Restated Directors Stock Option Plan (the Restated Directors Stock Option Plan). The Restated Directors Stock Option Plan is intended to amend and restate the 1994 Directors Stock Option Plan (the 1994 Directors Stock Option Plan), which was adopted and approved by the stockholders at the 1994 Annual Meeting of Stockholders. Because the 1994 Directors Stock Option Plan has only 60,478 authorized shares remaining for future options, the Board of Directors believes that the adoption and implementation of the Restated Directors Stock Option Plan, making additional shares available for options to non-employee directors, is now advisable.

The following is a summary of the principal features of the Restated Directors Stock Option Plan. The summary is qualified in its entirety by reference to the terms of the Restated Directors Stock Option Plan as set forth in Appendix D to this proxy statement.

Two key features of the Restated Directors Stock Option Plan are:

400,000 additional shares of common stock would be available for stock option grants under the Restated Directors Stock Option Plan, subject to certain anti-dilution and other adjustments; and

the exercise price for all stock options issuable under the Restated Directors Stock Option Plan must be 100% of the fair market value of common stock on the date of grant.

The stock options granted under the Restated Directors Stock Option Plan would be nonqualified stock options. Only directors of Wolverine who are not also employees of Wolverine or any of its subsidiaries would be eligible to participate in the Restated Directors Stock Option Plan unless excluded from participation by the Compensation Committee pursuant to an individual agreement or arrangement. On April 25, 2002, the date of the 2002 annual meeting of stockholders, there would be nine non-employee directors who would become participants in the Restated Directors Stock Option Plan upon approval of the plan by the stockholders. Additional individuals may become non-employee directors in the future and may thereafter participate in the Restated Directors Stock Option Plan. The Restated Directors Stock Option Plan would not be qualified under Section 401(a) of the Internal Revenue Code and would not be subject to the Employee Retirement Income Security Act of 1974, as amended.

The Restated Directors Stock Option Plan would be administered by the Compensation Committee. The Compensation Committee would interpret the provisions of the Restated Directors Stock Option Plan and supervise its administration. However, because stock options would be granted automatically

Table of Contents

each year and the term, exercise price, number of options to be granted, and other material features of the stock options would be fixed, the Compensation Committee would exercise limited discretion with respect to stock option grants under the Restated Directors' Stock Option Plan.

The Restated Directors' Stock Option Plan provides that an option to purchase a number of shares of Wolverine's common stock that have a market value equal to three times the annual director retainer fee then in effect would be automatically granted on April 25, 2002, and on the date of each succeeding annual meeting of Wolverine's stockholders to each person who is a non-employee director at the close of each annual meeting. For 2002 grants, this amount is \$69,000. Under the 1994 Directors' Stock Option Plan (which would be amended and replaced by the proposed plan), non-employee directors receive, on the date of each annual meeting, an option to purchase a number of shares of Wolverine's common stock equal to a set dollar amount, currently \$65,000. If the Restated Directors' Stock Option Plan is approved by stockholders, the 60,478 shares remaining under the 1994 Directors' Stock Option Plan would be used for awards under the Restated Directors' Stock Option Plan in amounts and under the terms of the plan as restated. These shares would be in addition to the 400,000 shares that the Restated Directors' Stock Option Plan authorizes.

In addition to the annual option grant under the Restated Directors' Stock Option Plan, each non-employee director would receive a one-time award on the date of his or her initial election or appointment as a director an option to purchase a number of shares of Wolverine common stock that have a market value equal to six times the annual director retainer fee then in effect. For a new director elected or appointed to the Board in 2002, this amount would be \$138,000. Under the 1994 Directors' Stock Option Plan, non-employee directors receive on the date of their initial appointment or election an option to purchase a number of shares of Wolverine's common stock equal to a set dollar amount, currently \$250,000. The number of shares awarded pursuant to automatic grants, along with the exercise prices, would be subject to adjustment in the event of a stock split, stock dividend, merger or any other similar change in the corporate structure or shares of Wolverine.

The Compensation Committee would set forth the terms of individual grants of stock options in stock option agreements containing such terms and conditions, consistent with the provisions of the Restated Directors' Stock Option Plan, as the Compensation Committee considers appropriate. Wolverine would receive no consideration upon the grant of stock options. The option price per share would be 100% of the market value of the common stock on the date of grant. Market value is the mean of the highest and lowest sale prices of shares of Wolverine's common stock on the New York Stock Exchange on the grant date or, if the New York Stock Exchange is closed on the grant date, the last preceding date on which the New York Stock Exchange was open for trading and on which shares of common stock were traded. On March 1, 2002, the market value of Wolverine's common stock was \$15.645 per share.

The term of each stock option would not exceed 10 years from the grant date. Options generally would be exercisable for limited periods of time in the event an option holder retired, died, became disabled or otherwise ceased to be a director of Wolverine. Stock options granted to participants under the Restated Directors' Stock Option Plan generally could not be transferred except by will or by the laws of descent and distribution. There would be no specified limit on the number of options that could be granted to any individual participant under the Restated Directors' Stock Option Plan, except that pursuant to the formula in the plan itself a new non-employee director would be granted an initial option for a number of shares of Wolverine common stock that have a market value equal to six times the annual director retainer fee then in effect, and each continuing non-employee director would be limited to an annual grant of options for a number of shares of Wolverine common stock that have a market value equal to three times the annual director retainer fee then in effect.

Because the number of non-employee directors, the annual director retainer fee, and the market value of the common stock on the date of each annual meeting cannot presently be determined, the benefits or amounts that will be received by the non-employee directors under the Restated Directors' Stock Option Plan also are not determinable. However, if the Restated Directors' Stock Option Plan had been in effect for Wolverine's 2001 fiscal year, the benefits under the Restated Directors' Stock Option Plan would have been as follows:

Table of Contents**New Plan Benefits****Amended and Restated Directors Stock Option Plan**

Name and Position	Dollar Value at March 1, 2002(1)	Number of Securities Underlying Options
Non-Executive Director Group (10 persons)(2)	\$ 0	40,190(3)
All Other Directors and Employees	0	0

- (1) The dollar value of a stock option is determined by calculating the spread between the exercise price of the option and the current value of Wolverine's common stock. There is no spread based on the exercise price of the options listed in this table and the market value of Wolverine's common stock as of March 1, 2002.
- (2) Mr. Bloom is not included in this group because his consulting agreement precludes him from participating in the Restated Directors Stock Option Plan.
- (3) Includes stock options to purchase 4,019 shares of Wolverine's common stock for each of the 10 persons who were non-employee directors as of December 29, 2001.

Non-employee directors of Wolverine may be considered to have an interest in the Restated Directors Stock Option Plan because they would receive automatic grants of stock options under the Restated Directors Stock Option Plan.

Under current federal income tax laws, neither Wolverine nor the non-employee directors would recognize any income or deduction at the time a stock option was granted. When a non-employee director exercised a stock option granted under the Restated Directors Stock Option Plan, he or she would recognize self-employment income in the year of exercise equal to the difference between the stock option price and the fair market value of the shares acquired on the date of exercise. Wolverine would receive a corresponding deduction of this amount for federal income tax purposes. The optionee's tax basis in the shares acquired would be increased by the amount of self-employment income recognized. Sale of the stock after exercise would result in recognition of short- or long-term capital gain or loss.

The Board of Directors could from time to time amend the Restated Directors Stock Option Plan as it considered proper and in the best interests of Wolverine, except that the Restated Directors Stock Option Plan could not be amended more than once every six months other than to comply with changes in the Internal Revenue Code, the Employee Retirement Income Security Act, or the rules under those statutes. In addition, without stockholder approval, no amendment could become effective that would require stockholder approval pursuant to the rules of the New York Stock Exchange or any other exchange upon which Wolverine's common stock is traded. No termination, amendment or modification could become effective with respect to any outstanding stock option without the prior written consent of the non-employee director holding the stock option unless such termination, amendment or modification operated solely to the benefit of the non-employee director.

Subject to stockholder approval, the Restated Directors Stock Option Plan would take effect on April 25, 2002 and, unless terminated earlier by the Board of Directors, the Restated Directors Stock Option Plan would terminate on April 24, 2012. No stock option could be granted under the Restated Directors Stock Option Plan after that date.

Wolverine intends to register shares covered by the Restated Directors Stock Option Plan under the Securities Act of 1933 before any stock options may be exercised and to file a listing application to cover the shares with the New York Stock Exchange.

A vote of the stockholders holding a majority of the shares present in person or represented by proxy and entitled to vote on this proposal is required to approve the adoption of the Restated Directors Stock Option Plan. For purposes of counting votes on this proposal, abstentions will be counted as voted against the proposal. Broker non-votes will not be counted as voted on the proposal, and the number of shares of which a majority is required will be reduced by the number of shares not voted. The New York Stock Exchange has advised Wolverine that this proposal is

Table of Contents

considered to be a routine matter. Therefore, shares of common stock held by New York Stock Exchange member organizations, or their nominees, may be voted without specific instructions from the beneficial owners of such shares. If the Restated Directors' Stock Option Plan is not approved by stockholders, no awards under the Restated Directors' Stock Option Plan will be made.

Your Board of Directors recommends that you vote FOR approval of the Amended and Restated Directors' Stock Option Plan.

Amended and Restated Outside Directors' Deferred Compensation Plan

The Board of Directors believes that Wolverine's long-term interests are best advanced by aligning the interests of its directors with the interests of its stockholders. Therefore, to attract and retain the services of experienced and knowledgeable non-employee directors and to provide additional incentive for Wolverine's non-employee directors to promote the best interests of Wolverine and its stockholders, on February 15, 2002, the Board of Directors adopted, subject to stockholder approval, the Amended and Restated Outside Directors' Deferred Compensation Plan (the Restated Deferred Compensation Plan). The Restated Deferred Compensation Plan would allow non-employee directors to continue to defer their directors' fees for retirement benefits, the future value of which would be directly tied to the value of Wolverine common stock. The Restated Deferred Compensation Plan is intended to amend and restate the 1996 Deferred Compensation Plan. The Restated Deferred Compensation Plan would continue in effect until amended. The primary change that the Restated Deferred Compensation Plan would make to the 1996 Deferred Compensation Plan is that benefit distributions would be made in shares of Wolverine common stock rather than cash. Upon stockholder approval, all future distributions of benefits, including those that Wolverine began to pay in annual cash installments before the Restated Deferred Compensation Plan became effective, would be made in shares of Wolverine common stock.

The following is a summary of the principal features of the Restated Deferred Compensation Plan. The summary is qualified in its entirety by reference to the terms of the Restated Deferred Compensation Plan as set forth in Appendix E to this proxy statement.

The Restated Deferred Compensation Plan would be administered and interpreted by the Compensation Committee, or such other committee as the Board of Directors designates. The Restated Deferred Compensation Plan would be an unfunded, supplemental nonqualified deferred compensation plan. Only directors who are not employees of Wolverine or its subsidiaries would be eligible to participate in the Restated Deferred Compensation Plan unless excluded from participation by the Compensation Committee pursuant to an individual agreement or arrangement. The Restated Deferred Compensation Plan would permit all non-employee directors to defer 25%, 50%, 75% or 100% of their directors' fees. Except for newly eligible directors, elections to defer fees from any calendar year would be required to be made before the beginning of that calendar year. Elections would not be revocable once the year of the election begins and could only be revoked or modified as to future years if the revocation or modification occurred before the start of any such calendar year. Newly eligible directors would have 90 days from the date of eligibility to elect to participate in the Restated Deferred Compensation Plan, and such participation would only begin after the election is made. If a newly eligible director does not elect to participate within the first 90 days of eligibility, he or she would have to wait until the next calendar year to participate.

Amounts deferred under the Restated Deferred Compensation Plan would be credited on the books of Wolverine to an account established for that director as a number of stock units equal to the cash amount of deferred director's fees divided by the market value of Wolverine common stock on the date the deferred director's fees would have been payable. The number of stock units in each director's account would be increased upon each payment of a cash dividend by an amount of stock units equal to the amount of cash that would have been payable to a stockholder owning the number of shares of Wolverine common stock represented by stock units credited to a director's account divided by the market value of Wolverine common stock on the date of payment of the dividend.

Upon termination of service by a participating director or a change in control of Wolverine, stock units within the plan would be converted to Wolverine common stock at a one-to-one ratio (with cash in lieu of

Table of Contents

fractional shares) and distributed to the participant. Under the 1996 Deferred Compensation Plan, distributions are made in cash in an amount determined by a formula that converts stock units to cash based on the average market value of Wolverine common stock during the 12 months preceding distribution. The Board of Directors believes that the Restated Deferred Compensation Plan provides a more direct link to stock price performance by providing for distributions in the form of shares of common stock.

Distributions of Wolverine common stock to a participant after termination of service as a director under the Restated Deferred Compensation Plan would be made according to the method of distribution selected by the participant. Participating directors could elect either: (i) a single lump-sum distribution; (ii) installment distributions in not more than 10 annual installments; or (iii) a lump-sum distribution or installment distributions that would be distributed following termination of service and commencing either (a) when the participant retires from his or her principal employment, (b) in January of the year following termination of service or retirement from his or her principal employment, or (c) at such age selected by the director not to exceed 70. If, on the date of distribution, the market value of the Wolverine common stock to be distributed is less than \$5,000, the distribution would occur as a lump-sum distribution despite the participating director's election. If a change in control of Wolverine (as defined below) triggers the distribution, the distribution would occur immediately despite the participating director's election. The Restated Deferred Compensation Plan defines a change in control as:

failure of the individuals who were directors at the time the Restated Deferred Compensation Plan was adopted and those whose election or nomination to the Board of Directors was approved by a three-quarters vote of the directors then still in office who were directors at the time the Restated Deferred Compensation Plan was adopted, or whose election or nomination was so approved, to constitute a majority of the Board of Directors;

acquisition by certain persons or groups of 20% or more of the common stock or combined outstanding voting power (excluding certain transactions);

approval by the stockholders of a reorganization, merger or consolidation (excluding certain permitted transactions); or

approval by the stockholders of a complete liquidation or dissolution of Wolverine or the sale or disposition of all or substantially all of the assets of Wolverine (excluding certain permitted transactions).

If a participant dies before distribution of all benefits due under the Restated Deferred Compensation Plan, the remaining benefits would be distributed to the beneficiary previously selected by the participant. In the absence of a properly selected beneficiary, the remaining benefits would be distributed to the surviving spouse, or if there is no surviving spouse, to the participant's estate. Unless otherwise elected by the participant before death, such distributions would continue in the time and manner of distributions before the participant's death. Wolverine would reduce the amount of benefits distributed to a participant's beneficiary by an amount equal to the generation-skipping transfer tax and interest, if any, that is payable by Wolverine.

The right to receive Wolverine common stock (and cash in lieu of fractional shares) equal to the number of stock units credited to the participating director's account is fully vested. Subject to adjustment for a stock split, stock dividend, recapitalization, merger, consolidation, combination, exchange of shares or any other change in the corporate structure or shares of Wolverine, the Restated Deferred Compensation Plan limits the number of shares of Wolverine's common stock available for distribution under the Restated Deferred Compensation Plan to 400,000 shares. Benefits to be received by or allocated to the participants under the Restated Deferred Compensation Plan are not determinable because director participation is optional and the future value of Wolverine's common stock is not determinable. Benefits that would have been received or allocated to the participants under the Restated Deferred Compensation Plan had the plan been in effect for Wolverine's last fiscal year are also not determinable because director participation is optional and no benefits were distributed to the non-executive director group under the 1996 Deferred Compensation Plan during Wolverine's last fiscal year.

Non-employee directors of Wolverine may be considered to have an interest in the Restated Deferred Compensation Plan because they may elect to participate in the Restated Deferred Compensation Plan.

Upon adoption of the 1996 Deferred Compensation Plan, Wolverine terminated its previously existing Director Retirement Plan and provided for the conversion of the expected benefits payable under the Director Retirement Plan. To approximate as nearly as

Table of Contents

possible the expected benefits that otherwise would have been payable to continuing directors under the Director Retirement Plan if it had remained in effect, on April 17, 1996, Wolverine awarded to each continuing director a number of retirement stock units under the 1996 Deferred Compensation Plan having a market value equal to the present value (determined by an actuary) of the expected benefits payable under the Director Retirement Plan. Only non-employee directors as of April 17, 1996, received retirement stock units as a conversion of benefits under the Director Retirement Plan. No individual who became a director after that date has received retirement awards under the 1996 Deferred Compensation Plan or will receive retirement awards under the Restated Deferred Compensation Plan. In addition, to approximate as nearly as possible the minimum service requirements imposed under the Director Retirement Plan, retirement stock units representing awards of retirement income are separately accounted for and are subject to delayed vesting provisions.

Except as discussed in the preceding and following paragraphs, retirement stock units under the Restated Deferred Compensation Plan would be accounted for, accumulate, and be converted to Wolverine common stock upon distribution in the same manner as other stock units. Under the Restated Deferred Compensation Plan, retirement stock units vest and would be distributed differently than other stock units. The right to receive distributions of common stock (and cash in lieu of fractional shares) for retirement stock units vests at the rate of 50% after five years of total service and 10% per year of total service thereafter. Upon a change in control of Wolverine or a director attaining age 65 or becoming unable to fulfill his or her duties as a director due to death or disability, however, all right to receive distributions of common stock (and cash in lieu of fractional shares) for retirement stock units would vest immediately. The distribution of Wolverine common stock (and cash in lieu of fractional shares) based on retirement stock units would occur in 10 annual installments upon termination of service as a director of Wolverine. A distribution to a participating director triggered by a change in control of Wolverine would occur in a single lump-sum.

A vote of the stockholders holding a majority of the shares present in person or represented by proxy and entitled to vote on this proposal is required to approve the Restated Deferred Compensation Plan. For purposes of counting votes on this proposal, abstentions will be counted as voted against the proposal. Broker non-votes will not be counted as voted on the proposal, and the number of shares of which a majority is required will be reduced by the number of shares not voted. The New York Stock Exchange has advised Wolverine that this proposal is considered to be a routine matter. Therefore, shares of common stock held by New York Stock Exchange member organizations, or their nominees, may be voted without specific instructions from the beneficial owners of such shares. If the Restated Deferred Compensation Plan is not approved by the stockholders, no shares of Wolverine common stock will be issued under the Restated Deferred Compensation Plan and the 1996 Deferred Compensation Plan would continue in effect.

Your Board of Directors recommends that you vote FOR approval of the Amended and Restated Outside Directors Deferred Compensation Plan.

Table of Contents

Ownership of Wolverine Stock

Five Percent Stockholders

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

Five Percent Stockholders
Amount and Nature of Beneficial
Ownership of Common Stock
