WHIRLPOOL CORP /DE/
Form DEF 14A
March 12, 2007
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14 (a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement	¨ CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14A-6 (E) (2))
x Definitive Proxy Statement	
¨ Definitive Additional Materials	
¨ Soliciting Material Pursuant to (S) 240.14a-11(c) or (S) 240.14a-12	

WHIRLPOOL CORPORATION

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box) :

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6 (i) (4) and 0-11.

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

(3) Per unit price or other underlying value of transactions 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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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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WHIRLPOOL CORPORATION

Administrative Center

2000 North M-63

Benton Harbor, Michigan 49022-2692

To Our Stockholders:

It is my pleasure to invite you to attend the 2007 Whirlpool Corporation annual meeting of stockholders to be held on Tuesday, April 17, 2007 at 8:00 a.m., Chicago time, at 120 East Delaware Place, 8th Floor, Chicago, Illinois.

The formal notice of the meeting follows on the next page. At the meeting, stockholders will vote on the election of four directors and approval of the Whirlpool Corporation 2007 Omnibus Stock and Incentive Plan, and will transact any other business that may properly come before the meeting. In addition, we will discuss Whirlpool s 2006 performance and the outlook for this year, and answer your questions.

A financial supplement containing important financial information about Whirlpool is contained in Part II of this booklet. We have also mailed with this booklet an annual report that includes summary financial and other important information.

Your vote is important. We urge you to please complete and return the enclosed proxy whether or not you plan to attend the meeting. Promptly returning your proxy will be appreciated, as it will save further mailing expense. You may revoke your proxy at any time prior to the proxy being voted by following the procedures described in Part I of this booklet.

Your vote is important and much appreciated!

JEFF M. FETTIG

Chairman of the Board

and Chief Executive Officer

March 12, 2007

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NOTICE OF 2007 ANNUAL MEETING OF STOCKHOLDERS

The 2007 annual meeting of stockholders of **WHIRLPOOL CORPORATION** will be held at 120 East Delaware Place, 8th Floor, Chicago, Illinois on Tuesday, April 17, 2007, at 8:00 a.m., Chicago time, for the following purposes:

1. to elect four persons to Whirlpool s Board of Directors;
2. to approve the 2007 Omnibus Stock and Incentive Plan; and
3. to transact such other business as may properly come before the meeting.

A list of stockholders entitled to vote at the meeting will be available for examination by any stockholder for any purpose relevant to the meeting during ordinary business hours for at least ten days prior to April 17, 2007 at Computershare Trust Company N.A., 2 North LaSalle Street, Chicago, Illinois 60602.

By Order of the Board of Directors

ROBERT T. KENAGY
Associate General Counsel

and Corporate Secretary March 12, 2007

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PROXY STATEMENT

INFORMATION ABOUT WHIRLPOOL CORPORATION

Whirlpool Corporation is the world s leading manufacturer and marketer of major home appliances. We manufacture in 12 countries and market products in nearly every country around the world under brand names such as *Whirlpool, Maytag, KitchenAid*, *Jenn-Air*, *Roper*, *Estate*, *Admiral, Magic Chef, Amana, Bauknecht, Ignis*, *Brastemp*, *Consul*, and *Acros*. We are also a principal supplier to Sears of many major appliances marketed by Sears under the *Kenmore* brand name. We have approximately 73,000 employees worldwide. Our headquarters are located in Benton Harbor, Michigan, and our address is 2000 North M-63, Benton Harbor, Michigan 49022-2692. Our telephone number is (269) 923-5000.

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Our 2007 annual meeting of stockholders will be held on Tuesday, April 17, 2007, at 8:00 a.m., Chicago time, at 120 East Delaware Place, 8th Floor, Chicago, Illinois. All stockholders as of the record date, or their duly appointed proxies, may attend the meeting. If you attend, please note that you may be asked to present valid picture identification. Please also note that if you hold your shares in street name (that is, through a broker or other nominee), you will need to bring a copy of your voting instruction card or brokerage statement reflecting your stock ownership as of the record date and check in at the registration desk at the meeting. Cameras, recording devices, cell phones, and other electronic devices will not be permitted at the meeting other than those operated by Whirlpool or its designees.

Information about this Proxy Statement

We are sending the proxy materials because Whirlpool s Board is seeking your permission (or proxy) to vote your shares at the annual meeting on your behalf. This proxy statement presents information we are required to provide to you under the rules of the Securities and Exchange Commission. It is intended to help you in reaching a decision on voting your shares of stock. Only stockholders of record at the close of business on March 2, 2007, the record date, are entitled to vote at the meeting. As of March 2, 2007, there were 78,870,770 shares of common stock outstanding and entitled to vote, with each share entitled to one vote. We have no other voting securities. This proxy statement and the accompanying proxy form are first being mailed to stockholders on or about March 16, 2007.

Information about Voting

If your shares of common stock are held in your name, you can vote your shares on matters presented at the annual meeting in one of two ways.

1. By Proxy If you sign and return the accompanying proxy card, your shares will be voted as you direct on the proxy card. If you do not give any direction on the proxy card, the shares will be voted FOR the nominees named for director and FOR approval of the 2007 Omnibus Stock and Incentive Plan. You may revoke

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your proxy at any time before it is exercised (1) by providing a written revocation to Whirlpool s Corporate Secretary, Robert T. Kenagy, (2) by providing a proxy with a later date, or (3) by voting in person at the meeting.

2. In Person You may come to the annual meeting and cast your vote there.

Stockholders whose shares of common stock are held in street name must either direct the record holder of their shares as to how to vote their shares of common stock or obtain a proxy from the record holder to vote at the meeting. Street name stockholders should check the voting instruction cards used by their brokers or nominees for specific instructions on methods of voting, including by telephone or using the Internet. If your shares are held in street name, you must contact your broker or nominee to revoke your proxy.

If you participate in the Whirlpool 401(k) Retirement Plan and hold shares of Whirlpool stock in your plan account as of the record date, you will receive a request for voting instructions from the plan trustee (Vanguard) with respect to your plan shares. If you hold Whirlpool shares outside of the plan, you will vote those shares separately. You are entitled to direct Vanguard how to vote your plan shares. If you do not provide voting instructions to Vanguard within the prescribed time, the Whirlpool shares in your plan account will be voted by Vanguard in the same proportion as the shares held by Vanguard for which voting instructions have been received from other participants in the Plan. You may revoke your previously provided voting instructions by filing with Vanguard either a written notice of revocation or a properly executed proxy bearing a later date prior to the deadline for voting plan shares.

Whirlpool s Board has adopted a policy requiring all stockholder votes to be kept permanently confidential except (1) when disclosure is required by law, (2) when a stockholder expressly consents to disclosure, or (3) when there is a contested election and the proponent filing the opposition statement does not agree to abide by this policy.

Stockholders representing at least 50% of the common stock issued and outstanding as of the record date must be present at the annual meeting, either in person or by proxy, for there to be a quorum at the annual meeting. Abstentions and broker non-votes are counted as present for establishing a quorum. A broker non-vote occurs when a broker or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the broker or nominee does not have discretionary voting power and has not received instructions from the beneficial owner.

For more information on director elections, see Board of Directors and Corporate Governance Majority Voting for Directors; Director Resignation Policy later in this proxy statement. For the election of directors (provided the number of nominees does not exceed the number of directors to be elected), each director must receive the majority of the votes cast with respect to that director (number of shares voted for a director must exceed the number of votes cast against that director). Abstentions and broker non-votes will have no effect on the election of directors. For a stockholder to nominate an individual for director at the 2008 annual meeting, the stockholder must follow the procedures outlined below under the caption

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Stockholder Proposals and Director Nominations for 2008 Meeting. Stockholders may also designate a director nominee to be considered by the Board for recommendation to the stockholders in Whirlpool s proxy statement for the 2008 annual meeting by following the procedures outlined below under the caption Director Nominations to be Considered by the Board.

The affirmative vote of a majority of the outstanding common stock present or represented at the annual meeting and entitled to vote on this matter will be required to approve the 2007 Omnibus Stock and Incentive Plan. Abstentions will have the same effect as a vote against this proposal, while broker non-votes will have no effect for purposes of this proposal.

The affirmative vote of a majority of the outstanding common stock present in person or represented by proxy at the annual meeting and entitled to vote will be required to approve any other matter that may properly come before the meeting. Abstentions will be treated as being present and entitled to vote on the matter and, therefore, will have the effect of votes against the proposal. A broker non-vote will be treated as not being entitled to vote on the matter and, therefore, will not be counted for purposes of determining whether the proposal has been approved.

If any nominee named herein for election as a director is not available to serve, the accompanying proxy will be voted in favor of the remainder of those nominated and may be voted for a substitute person. Whirlpool expects all nominees to be available and knows of no matter to be brought before the annual meeting other than those covered in this proxy statement. If, however, any other matter properly comes before the annual meeting, we intend that the accompanying proxy will be voted thereon in accordance with the judgment of the persons voting such proxy.

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DIRECTORS AND NOMINEES FOR ELECTION AS DIRECTORS

We currently have 14 directors on the Board. The directors are divided into three classes, with each class serving for a three-year period. The stockholders elect approximately one-third of the Board each year. The Board recommends a vote *FOR* the election of each of the directors nominated below.

Nominees for a term to expire in 2010

MICHAEL F. JOHNSTON, 59, Chairman of the Board and Chief Executive Officer of Visteon Corporation (motor vehicle parts and accessories). Whirlpool director since 2003 and director of Flowserve Corporation.

WILLIAM T. KERR, 65, Chairman of the Board of Meredith Corporation (multimedia). Whirlpool director since 2006 after serving eight years on the board of Maytag Corporation. Director of Interpublic Group of Companies, Inc. and Principal Financial Group.

JANICE D. STONEY, 66, former Executive Vice President, US WEST Communications Group, Inc. (telephone communications; retired 1992). Whirlpool director since 1987 (except for part of 1994 during a bid for political office) and director of The Williams Companies, Inc.

MICHAEL D. WHITE, 55, Chief Executive Officer of PepsiCo International and Vice Chairman, PepsiCo, Inc. (beverages and snack foods). Whirlpool director since 2004.

Directors Whose Terms Expire in 2009

GARY T. DICAMILLO, 56, President and Chief Executive Officer of American Crystal, Inc. (professional staffing services). Whirlpool director since 1997 and director of 3Com Corporation, Pella Corporation, and The Sheridan Group, Inc.

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KATHLEEN J. HEMPEL, 56, former Vice Chairman and Chief Financial Officer of Fort Howard Corporation (paper mills; retired 1997). Whirlpool director since 1994 and director of Actuant Corporation and Oshkosh Truck Corporation.

ARNOLD G. LANGBO, 69, former Chairman of the Board and Chief Executive Officer of Kellogg Company (grain mill products; retired 2000). Whirlpool director since 1994 and director of Johnson & Johnson and Weyerhaeuser Company.

DAVID L. SWIFT, 48, President, Whirlpool North America. Whirlpool director since 2006.

MICHAEL A. TODMAN, 49, President, Whirlpool International. Whirlpool director since 2006 and director of Newell Rubbermaid Inc.

Directors Whose Terms Expire in 2008

HERMAN CAIN, 61, Chief Executive Officer and President of THE New Voice, Inc. (leadership consulting). Whirlpool director since 1992 (except from December 2003 to April 2005 during a bid for political office), and director of AGCO Corporation, Aquila, Inc., and The Reader s Digest Association, Inc.

JEFF M. FETTIG, 50, Chairman of the Board and Chief Executive Officer of Whirlpool. Whirlpool director since 1999 and director of The Dow Chemical Company.

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MILES L. MARSH, 59, former Chairman of the Board and Chief Executive Officer of Fort James Corporation (paper mills). Whirlpool director since 1990.

PAUL G. STERN, 68, Partner, Arlington Capital Partners, L.L.P. and Thayer Capital Partners, L.L.P. (private investment companies), and Chairman of Claris Capital Partners (private investment banking). Whirlpool director since 1990 and director of The Dow Chemical Company and ManTech International Corporation.

Director Whose Term Expires in 2007 Who Is Not a Nominee for Re-election

ALLAN D. GILMOUR, 72, former Vice Chairman of Ford Motor Company (cars and trucks, related parts and accessories, and financial services). Whirlpool director since 1990 and director of DTE Energy Company and Universal Technical Institute, Inc.

The directors have served their respective companies indicated above in various executive or administrative positions for at least the past five years, except for Mr. DiCamillo. From 1995 to 2002, Mr. DiCamillo was Chairman of the Board and Chief Executive Officer of Polaroid Corporation (photographic equipment and supplies).

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

During 2006, our Board met eight times and had four committees. The committees consisted of an Audit Committee, a Human Resources Committee, a Corporate Governance and Nominating Committee, and a Finance Committee. Each director attended at least 75% of the total number of meetings of the Board and the Board committees on which he or she served.

All directors properly nominated for election are expected to attend the annual meeting of stockholders. At the 2006 annual meeting of stockholders, all of our directors nominated for election attended the annual meeting. In addition, all other directors, except for Mr. Marsh, attended the 2006 annual meeting of stockholders.

The table below breaks down 2006 committee membership for each committee and each director.

Name	Audit	Human Resources	Corporate Governance & Nominating	Finance
Mr. Cain		X		X
Mr. DiCamillo	X			Chair
Mr. Fettig				
Mr. Gilmour	X		X	
Ms. Hempel			X	X
Mr. Johnston		X	Chair	
Mr. Kerr	X	X		
Mr. Langbo	X			X
Mr. Marsh	X	X		
Dr. Stern		Chair	X	
Ms. Stoney			X	X
Mr. Swift				
Mr. Todman				
Mr. White	Chair	X		
2006 Meetings	11	4	4	3

Audit Committee

The members of the Audit Committee are Mr. White (Chair), Mr. DiCamillo, Mr. Gilmour, Mr. Kerr, Mr. Langbo, and Mr. Marsh. Pursuant to a written charter, the Committee provides independent and objective oversight of our accounting functions and internal controls and monitors the objectivity of our financial statements. The Committee assists Board oversight of:

1. the integrity of our financial statements;

2. our compliance with legal and regulatory requirements;

3. the independent registered public accounting firm s qualifications and independence; and

4. the performance of our internal audit function and independent registered public accounting firm.

In performing these functions, the Committee is responsible for the review and discussion of the annual audited financial statements, quarterly financial statements and related reports with management and the independent registered public accounting firm. These related reports include our disclosures under Management s Discussion and Analysis of Financial Condition and Results of Operations. The Committee also monitors the adequacy of financial disclosure, retains and/or terminates our independent registered public accounting firm and exercises sole authority to review and approve all audit engagement fees and terms and approve in advance the nature, extent, and cost of all internal control-related and permissible non-audit services provided by the independent registered public accounting firm; and reviews annual reports from the independent registered public accounting firm regarding its internal quality control procedures.

Under its charter, the Committee is comprised solely of three or more independent directors who meet the enhanced independence standards for audit committee members set forth in the New York Stock Exchange (NYSE) listing standards (which incorporates the standards set forth in the rules of the Securities and Exchange Commission). The Board has determined that each member of this Committee satisfies the financial literacy qualifications of the NYSE listing standards and that Mr. White satisfies the audit committee financial expert criteria established by the Securities and Exchange Commission and has accounting and financial management expertise as required under the NYSE listing rules.

Human Resources Committee

The members of the Human Resources Committee are Dr. Stern (Chair), Mr. Cain, Mr. Johnston, Mr. Kerr, Mr. Marsh, and Mr. White. Pursuant to a written charter, the Committee assures the adequacy of the compensation and benefits of Whirlpool s officers and top management and compliance with any executive compensation disclosure requirements. In performing these functions, the Committee has sole authority and responsibility to retain and terminate any consulting firm assisting in the evaluation of director, CEO, or senior executive compensation. The Committee has the following duties and responsibilities, among others:

1. reviews and approves corporate goals and objectives relevant to CEO compensation, evaluates the CEO s performance in light of these goals and objectives, and sets the CEO s compensation level based on this evaluation and other relevant business information;

2. determines and approves the compensation and other employment arrangements for Whirlpool s elected officers;

3. makes recommendations to the Board with respect to incentive-compensation and equity-based plans; and

4. determines and approves grants for each individual participant under the stock option plans and administers the stock option plans.

The Committee has the authority to form subcommittees and delegate to those subcommittees certain actions. Under its charter, the Committee is comprised solely of three or more independent directors who meet the independence standards under the NYSE listing standards. For information about the Committee s processes for establishing and overseeing executive compensation refer to Compensation Discussion and Analysis Factors in Determining Target Pay Level and Role of Management in Compensation Decisions.

Corporate Governance and Nominating Committee

The members of the Corporate Governance and Nominating Committee are Mr. Johnston (Chair), Mr. Gilmour, Ms. Hempel, Dr. Stern, and Ms. Stoney. Pursuant to a written charter, the Committee provides oversight on the broad range of issues surrounding the composition and operation of the Board, including:

1. identifying individuals qualified to become Board members;

2. recommending to the Board director nominees for the next annual meeting of stockholders;

3. recommending to the Board a set of corporate governance principles applicable to Whirlpool; and

4. recommending to the Board changes relating to director compensation.

The Committee also provides recommendations to the Board in the areas of Committee selection and rotation practices, evaluation of the overall effectiveness of the Board and management, and review and consideration of developments in corporate governance practices. The Committee retains the sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve the search firm s fees and other retention terms. To assist the Committee in identifying potential director nominees who meet the criteria and priorities established from time to time and facilitate the screening and nomination process for such nominees, the Committee has retained a third party search firm. During 2006, we engaged Heidrick & Struggles to assist the Committee in identifying and soliciting potential candidates to join our Board. On an annual basis, the Committee solicits input from the full Board and conducts a review of the effectiveness of the operation of the Board and Board Committees, including reviewing governance and operating practices and the Corporate Governance Guidelines for Operation of the Board of Directors. Under its charter, the Committee is comprised solely of three or more independent directors who meet the independence standards under the NYSE listing standards.

Finance Committee

The members of the Finance Committee are Mr. DiCamillo (Chair), Mr. Cain, Ms. Hempel, Mr. Langbo, and Ms. Stoney. Pursuant to a written charter, the Committee considers issues impacting our financial structure and makes recommendations to the Board. The Committee develops capital policies and strategies to set an acceptable capital structure, reviews dividend action, risk policy and liquidity management, adequacy of insurance coverage, the annual business plan as it relates to funds flow, capital expenditure and financing requirements, capital investment projects, major financial transactions, and tax and planning strategy and initiatives. The Committee also provides oversight of the Pension Investment Committee with respect to pension plan investment policies and plan funding requirements.

Director Independence

The Corporate Governance and Nominating Committee conducts an annual review of the independence of the members of the Board and its committees and reports its findings to the full Board. Eleven of our 14 directors are nonemployee directors (all except Messrs. Fettig, Swift, and Todman). Although the Board has not adopted categorical standards of materiality for independence purposes (other than those set forth in the NYSE listing standards), information provided by the directors and Whirlpool did not indicate any relationships (e.g., commercial, industrial, banking, consulting, legal, accounting, charitable, or familial), which would impair the independence of any of the nonemployee directors. Based on the report and recommendation of the Corporate Governance and Nominating Committee, the Board has determined that each of its nonemployee directors satisfies the independence standards set forth in the listing standards of the NYSE. Other than the transactions, relationships, and arrangements described in the section entitled Related Person Transactions, there were no other transactions, relationships, or arrangements considered by the Board in determining that a director was independent.

Executive Sessions of Nonemployee Directors and

Communications Between Stockholders and the Board

The Board holds executive sessions of its nonemployee directors generally at each regularly scheduled meeting. The Presiding Director serves as the chairperson for these executive sessions.

The Presiding Director is an independent director elected by the independent directors on the Board. In addition to presiding at executive sessions of nonemployee directors, the Presiding Director has the responsibility to:
(1) coordinate with the Chairman and CEO in establishing the annual agenda and topic items for Board meetings;
(2) retain independent advisors on behalf of the Board as the Board may determine is necessary or appropriate;
(3) assist the Human Resources Committee with the annual evaluation of the Chairman and CEO s performance, and in conjunction with the Chair of the Human Resources Committee, meet with the Chairman and CEO to discuss the results of such evaluation; and (4) perform such other functions as the independent directors may designate from time to time. Mr. Gilmour currently is serving as the Presiding Director.

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Interested parties, including stockholders, may communicate directly with the Chairman of the Audit Committee or the nonemployee directors as a group by writing to those individuals or the group at the following address: Whirlpool Corporation, 27 North Wacker Drive, Suite 615, Chicago, Illinois 60606-2800. This address is administered by an independent maildrop business. If correspondence is received by the Corporate Secretary, it will be forwarded to the appropriate person or persons in accordance with the procedures adopted by a majority of the independent directors of the Board with a copy to the Presiding Director. When reporting a concern, please supply sufficient information so that the matter may be addressed properly. Although you are encouraged to identify yourself to assist Whirlpool in effectively addressing your concern, you may choose to remain anonymous, and Whirlpool will use its reasonable efforts to protect your identity to the extent appropriate or permitted by law.

Corporate Governance Guidelines for Operation of the Board of Directors

Whirlpool is committed to the highest standards of corporate governance. On the recommendation of the Corporate Governance and Nominating Committee, the Board adopted a set of Corporate Governance Guidelines for Operation of the Board of Directors, which, among other things, sets forth the qualifications and other criteria for director nominees. The desired personal and experience qualifications for director nominees is described in more detail below under the caption   Director Nominations to be Considered by the Board.

Majority Voting for Directors; Director Resignation Policy

In December 2006, the Board approved an amendment to Whirlpool s by-laws to require directors to be elected by the majority of the votes cast with respect to such director in uncontested elections (number of shares voted   for   a director must exceed the number of votes cast   against   that director). In a contested election (a situation in which the number of nominees exceeds the number of directors to be elected), directors will be elected by a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. If a nominee who is serving as a director is not elected at the annual meeting, under Delaware law the director would continue to serve on the Board as a   holdover director.   However, under our Board s policy, any director who fails to be elected must offer to tender his or her resignation to the Board. The Board shall nominate for election or re-election as director only candidates who agree to tender, promptly following the annual meeting at which they are elected or re-elected as director, irrevocable resignations that will be effective upon (1) the failure to receive the required vote at the next annual meeting at which they face re-election and (2) Board acceptance of such resignation. In addition, the Board shall fill director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other directors in accordance with this Board policy.

If an incumbent director fails to receive the required vote for re-election, the Corporate Governance and Nominating Committee will act on an expedited basis to determine whether to accept the director s resignation and will submit such recommendation for prompt consideration by the Board. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation. The Corporate Governance and Nominating Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director s resignation.

Code Of Ethics

All of Whirlpool s directors and employees, including its Chief Executive Officer, Chief Financial Officer, and other senior financial officers, are required to abide by our long-standing Code of Ethics, augmented to comply with the requirements of the NYSE and Securities and Exchange Commission, to ensure that Whirlpool s business is conducted in a consistently legal and ethical manner. The Code of Ethics covers all areas of professional conduct, including employment policies, conflicts of interest, fair dealing, and the protection of confidential information, as well as strict adherence to all laws and regulations applicable to the conduct of our business. We intend to disclose future amendments to, or waivers from, certain provisions of the Code of Ethics for executive officers and directors on the Whirlpool website within four business days following the date of any such amendment or waiver.

Director Nominations to Be Considered by the Board

Nominations for the election of directors may be made at times other than at the annual meeting by the Board or by a stockholder entitled to vote in the election of directors. For a nomination to be properly made by any stockholder and be considered for recommendation by the Board to the stockholders and included in our proxy statement for the 2008 annual meeting, written notice of such stockholder s nomination must be given, either by personal delivery or by registered or certified United States mail, postage prepaid, to the Corporate Secretary of Whirlpool (and must be received by the Corporate Secretary) by November 17, 2007. Such notice shall set forth: (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated; (b) a representation that the stockholder is a holder of record of stock of Whirlpool entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (c) a statement whether such person, if elected, intends to tender, promptly following such person s election or re-election, an irrevocable resignation effective upon such person s failure to receive the required vote for re-election at the next meeting at which such person would face re-election and upon acceptance of such resignation by the Board in accordance with the relevant Board policy; (d) such other information regarding each nominee proposed by such stockholder as would be required to be included in a proxy statement filed pursuant to the then current proxy rules of the Securities and Exchange Commission, if the nominee were to be nominated by the Board; and (e) the consent of each nominee to serve as a director of Whirlpool if so elected. In order for a stockholder nomination to be included in the proxy statement, the nominee must meet the selection criteria as determined by the Corporate Governance and Nominating Committee.

Whirlpool evaluates director nominees recommended by stockholders in the same manner in which it evaluates other director nominees. Whirlpool has established through its Corporate Governance and Nominating Committee selection criteria that identify desirable skills and experience for prospective Board members, including those properly nominated by stockholders, and address the issues of diversity and background. The Board, with the assistance of the Corporate Governance and Nominating Committee, selects potential new Board members using the criteria and priorities established from time to time. Desired personal qualifications for potential director nominees include: intelligence, integrity, strength of character, and sense of timing required to assess and challenge the way things are done and recommend alternative solutions to problems; the independence necessary to make an unbiased evaluation of management performance and effectively carry out responsibilities of oversight; an awareness of both the business and social environment in which today s corporation operates; and commitment and a sense of urgency and spirit of cooperation that will enable them to interface with other Board members in directing the future, profitable growth of Whirlpool. Desired experience qualifications for potential director nominees include: at least ten years of experience in a senior executive role with a major business organization and, preferably, be either Chief Executive Officer or Chairman (equivalent relevant experience from other backgrounds such as academic or government, as well as higher potential senior level business executives, may also be considered); proven records of accomplishment and line operating (or equivalent) experience; first-hand experience with international operations; a working knowledge of corporate governance issues and the changing role of the Board; exposure to the numerous programs a corporation employs relative to creating shareholder value, while balancing the needs of all stakeholders; and not be employed by or affiliated with organizations that have competitive lines of business or other conflicts of interest. The composition, skills, and needs of the Board change over time and will be considered in establishing the desirable profile of candidates for any specific opening on the Board.

Available Information

Whirlpool s current Corporate Governance Guidelines, Code of Ethics, and written charters for its Audit, Finance, Human Resources, and Corporate Governance and Nominating Committees are posted on the Whirlpool website: www.whirlpoolcorp.com click on the Governance tab. Stockholders may also request a free copy of these documents from: Larry Venturelli, Investor Relations, Whirlpool Corporation, 2000 North M-63, Mail Drop 2800, Benton Harbor, Michigan 49022-2692; (269) 923-4678.

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NONEMPLOYEE DIRECTOR COMPENSATION

We believe that it is important to attract and retain outstanding nonemployee directors. One way that we achieve this goal is through a competitive compensation program. To that end, in 2005, our Corporate Governance and Nominating Committee, which is responsible for making director compensation recommendations to the Board, worked with Hewitt Associates to evaluate the competitiveness of our compensation program for our directors who are not employees of Whirlpool. After evaluating the competitive market data on nonemployee director compensation, Hewitt recommended modest increases in the annual retainer and annual committee chair fees. In addition, the Committee recommended the implementation of a fee for the Presiding Director, so that we can remain competitive with other large publicly held companies. After evaluating Hewitt s report, the Committee recommended and the Board approved for 2006 (1) an increase in the annual retainer from $60,000 to $75,000, (2) an increase in the additional amount paid to a committee chair from $5,000 to $10,000 ($10,000 to $20,000 for the Audit Committee Chair), and (3) the initiation of a $20,000 annual retainer for the Presiding Director. In addition, the Board has adopted an equity ownership guideline for nonemployee directors under which these directors are encouraged to own Whirlpool stock equal in value to $300,000 (four times the annual director cash retainer), with a five-year timetable to obtain this objective. Only nonemployee directors receive compensation for their services as a director.

The 2006 nonemployee director compensation, by element, was as follows:

Nonemployee Director Compensation Program Table

Type of Compensation	Value
Annual Cash Retainer	$ 75,000
Annual Stock Options Retainer	$ 36,000
Annual Stock Awards Retainer	$ 54,000
Annual Retainer for Committee Chair (in addition to other retainers):	
Audit Committee	$ 20,000
All Other Committees	$ 10,000
Annual Retainer for Presiding Director (in addition to other retainers)	$ 20,000

Nonemployee Director Equity Plan

Our Nonemployee Director Equity Plan provides for (1) a one time grant of 1,000 shares of common stock made at the time a director first joins the Board; (2) an annual grant of stock options valued at $36,000 with the number of options to be based on dividing $36,000 by the product of the then current fair market value of a single share of our common stock multiplied by 0.35; and (3) an annual grant of stock worth $54,000 with the number of shares to be issued to the director determined by dividing $54,000 by the then current fair market

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value of a single share of our common stock. The exercise price under each option granted is the fair market value of the common stock on the last trading day before the annual meeting of stockholders.

These options are exercisable for the earlier of 20 years after grant or two years after a nonemployee director ceases to serve on our Board, or one year in the case of the nonemployee director s death. However, no option is exercisable within the first six months of its term, unless death or disability of the director occurs. In the event that the death or disability of the director does occur and an option is exercised in the first six months of its term, any shares of common stock issued on such exercise may not be sold until the sixth month anniversary of the grant date. Payment of the exercise price may be made in cash or, if permitted by law, Whirlpool common stock, valued at its market price at the time of exercise. All annual grants are made to directors on the date of our annual meeting of stockholders.

Deferral of Annual Retainer and Stock Grants

A nonemployee director may elect to defer any portion of the annual cash retainer and annual stock awards retainer until he or she ceases to be a director. Under this policy, when the director s term ends, any deferred annual retainer will be made in a lump sum or in monthly or quarterly installments. In addition, payment of any deferred annual stock grant will be made as soon as is administratively feasible. Amounts deferred on or before December 31, 2004 accrue interest quarterly at a rate equal to the prime rate in effect from time to time. Amounts deferred after December 31, 2004 may be invested in notional accounts that mirror those available to participants in our U.S. 401(k) plan.

Charitable Program

Each nonemployee director may elect to relinquish all or a portion of the annual cash retainer, in which case Whirlpool may, at its sole discretion, then make an award of up to $1 million to a charitable organization upon the director s death. Under the program, the election to relinquish compensation is irreversible, Whirlpool may decide to purchase insurance or self-fund any charitable contributions made under the program, and Whirlpool may choose to make contributions in the director s name to as many as three charities. Each director may also elect to have a portion of the annual fee used to purchase term life insurance in excess of that described in the next paragraph. There were no costs incurred, or payments made, by Whirlpool in 2006 with respect to this program.

Term Life Insurance

Whirlpool provides each nonemployee director who elects to participate with term life insurance while serving as a director in an amount equal to one-tenth of the director s annual cash retainer times such director s months of service (not to exceed 120) and a related income tax reimbursement payment. Whirlpool pays the premiums to provide each nonemployee director with travel accident insurance of $1 million, and reimburses the director for the related income tax.

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Whirlpool Appliances

For evaluative purposes, we permit nonemployee directors to test Whirlpool products for home use, and reimburse the directors for any income tax payment resulting from any additional tax obligation of this policy. The cost to Whirlpool of this arrangement in 2006 (based on distributor price of products and delivery, installation, and service charges) did not exceed $8,500 for any one nonemployee director or $12,500 for all nonemployee directors as a group.

Business Expenses

The nonemployee directors are reimbursed for their business expenses related to their attendance at Whirlpool meetings, including room, meals and transportation to and from Board and committee meetings (e.g., commercial flights, trains, cars and parking). On rare occasions, a director s spouse may accompany a director when traveling on Whirlpool business. Normally a director will travel to and from Whirlpool Board meetings on Whirlpool corporate or other private aircraft. Directors are also reimbursed for attendance at qualified third-party director education programs.

Nonemployee Director Compensation Table

Name	Fees Earned or Paid in Cash(1) ($)	Stock Awards(2) ($)	Option Awards(3) ($)	Non-equity Incentive Plan Compensation(4) ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(5) ($)	All Other Compensation(6) ($)	Total ($)
Herman Cain	75,000	53,941	36,000			1,715	166,655
Gary T. DiCamillo	85,000	53,941	36,000			1,809	176,750
Allan D. Gilmour	100,932	53,941	36,000			1,606	192,478
Kathleen J. Hempel	77,966	53,941	36,000			1,366	169,272
Michael F. Johnston	84,527	53,941	36,000			557	175,025
William T. Kerr	37,500	79,060	0			144	116,704
Arnold G. Langbo	77,966	53,941	36,000			1,879	169,786
Miles L. Marsh	75,000	53,941	36,000			1,557	166,498
Paul G. Stern	82,027	53,941	36,000			553	172,521
Janice D. Stoney	75,000	53,941	36,000			6,023	170,964
Michael D. White	89,102	53,941	36,000			465	179,507

(1) The aggregate dollar amount of all fees earned or paid in cash for services as a director, including annual Board and committee Chair retainer fees, and committee meeting fees, in each case, before deferrals.

(2) Value of the annual grant of shares of common stock (591 in 2006); the amount is less than $54,000 due to rounding. The value reflects the 2006 financial accounting compensation cost recognized under Financial Accounting Standards Board s Financial Accounting Series Statement 123(R) (revised 2004), Share-Based Payment (FAS 123R). The 2006 compensation cost is equal to the grant date fair value of the stock awards calculated pursuant to FAS 123R because stock awards are not subject to time-based vesting. See Note 12 to the Consolidated Financial Statements contained in the Financial Supplement to this proxy statement for a discussion of the relevant assumptions used in calculating the compensation cost and grant date fair value under FAS 123R. The compensation cost and the grant date fair value of the stock awards for financial reporting purposes likely vary from the actual amount the director receives based on a number of factors, including stock price fluctuations, timing of sale and differences from valuation assumptions. As of

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December 31, 2006, none of our nonemployee directors was deemed to have outstanding restricted stock awards because all stock awards vest immediately.

(3) Value of the annual grant of stock options which generally become exercisable six months after grant and expire either 20 years from the award date or the second anniversary of the date that the director ceases to be a director. The value reflects the 2006 financial accounting compensation cost recognized under FAS 123R. The 2006 compensation cost disclosed in this column is equal to the grant date fair value of the option awards calculated in accordance with FAS 123R because all of the stock options vested during 2006. See Note 12 to the Consolidated Financial Statements contained in the Financial Supplement to this proxy statement for a discussion of the relevant assumptions used in calculating the compensation cost and grant date fair value under FAS 123R. The compensation cost and the grant date fair value of the stock option awards for financial reporting purposes likely vary from the actual amount the director receives based on a number of factors, including stock price fluctuations, timing of vesting and differences from valuation assumptions. As of December 31, 2006, the number of stock options held by each nonemployee director (all of which have fully vested) were:

Herman Cain	1,131
Gary T. DiCamillo	5,720
Allan D. Gilmour	8,120
Kathleen J. Hempel	6,320
Michael F. Johnston	3,320
William T. Kerr	0
Arnold G. Langbo	6,320
Miles L. Marsh	7,520
Paul G. Stern	7,520
Janice D. Stoney	8,720
Michael D. White	2,720

(4) Whirlpool does not have a non-equity incentive plan for nonemployee directors.

(5) Whirlpool does not have a pension plan for nonemployee directors and does not pay above-market or preferential rates on non-qualified deferred compensation for nonemployee directors.

(6) The table below presents an itemized account of All Other Compensation provided in 2006 to the nonemployee directors.

Director	Tax Gross-Ups(a) ($)	Life Insurance Premiums ($)
Herman Cain	1,105	610
Gary T. DiCamillo	1,097	712
Allan D. Gilmour	632	974
Kathleen J. Hempel	548	818
Michael F. Johnston	265	292
William T. Kerr	120	24
Arnold G. Langbo	1,040	839
Miles L. Marsh	615	942
Paul G. Stern	553	0
Janice D. Stoney	5,081	942
Michael D. White	233	232

(a)

Tax reimbursements on income imputed to the director for use of Whirlpool appliances and other products and life insurance premiums paid on behalf of the director by Whirlpool. As discussed above, the cost of providing Whirlpool appliances and other products to directors did not exceed $8,500 for any one nonemployee director or $12,500 for all nonemployee directors as a group.

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SECURITY OWNERSHIP

The following table presents the ownership on December 31, 2006 of the only persons known by us as of February 22, 2007 to beneficially own more than 5% of our common stock based upon statements on Schedule 13G filed by such persons with the SEC.

Schedule 13G Filed On	Name and Address of Beneficial Owner	Shares Beneficially Owned	Percent of Class
2/14/2007	FMR Corp.(1) 82 Devonshire Street Boston, MA 02109	11,749,721	14.97%
2/13/2007	Pzena Investment Management, LLC(2) 120 West 45th Street, 20th Floor New York, NY 10036	8,989,448	11.45%
2/14/2007	PRIMECAP Management Company(3) 225 South Lake Avenue, #400 Pasadena, CA 91101	6,008,500	7.66%
2/13/2007	Marsh & McLennan Companies, Inc.(4) 1166 Avenue of the Americas New York, NY 10036	4,317,468	5.50%
2/14/2007	Vanguard Chester Funds Vanguard Primecap Fund(5) 100 Vanguard Blvd. Malvern, PA 19355	4,000,000	5.10%

(1) Based solely on a Schedule 13G/A filed with the SEC by FMR Corp., (FMR) and Edward C. Johnson, all such shares are beneficially owned by four entities: (a) Fidelity Management & Research Company, a registered investment advisor to various investment companies (Fidelity Funds) and a wholly-owned subsidiary of FMR (FM&RC), (b) Strategic Advisers, Inc. (SA), a wholly-owned subsidiary of FMR and a registered investment advisor, (c) Pyramis Global Advisors Trust Company (PGATC), an indirect wholly-owned subsidiary of FMR and a bank, and (d) Fidelity International Limited (FIL). FM&RC is the beneficial owner of 11,343,120 shares. Mr. Johnson (Chairman of FMR), FMR (through its control of FM&RC) and Fidelity Funds each has sole dispositive power with respect to 11,343,120 shares. Neither Mr. Johnson nor FMR has the sole power to vote or direct the voting of the shares owned directly by Fidelity Funds. The sole voting power of all shares directly owned by Fidelity Funds resides with the Board of Trustees of such funds. SA is the beneficial owner of 1,741 shares. PGATC is the beneficial owner of 64,060 shares. Mr. Johnson and FMR (through its control of PGATC) each has sole dispositive and voting power with respect to 64,060 shares. FIL is the beneficial owner of 340,800 shares. Partnerships controlled predominantly by members of the family of Mr. Johnson, or trusts for their benefit, own shares of FIL voting stock with the right to cast approximately 47% of the total votes which may be cast by all holders of FIL voting stock.

(2) Based solely on a Schedule 13G/A filed with the SEC by Pzena Investment Management, LLC, a registered investment advisor. Pzena has sole voting power with respect to 4,442,077 shares and sole dispositive power with respect to 8,989,448 shares.

(3) Based solely on a Schedule 13G/A filed with the SEC by PRIMECAP Management Company, a registered investment advisor. PRIMECAP has sole voting power with respect to 1,233,200 shares and sole dispositive power with respect to 6,008,500 shares.

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(4) Based solely on a Schedule 13G/A filed with the SEC by Marsh & McLennan Companies, Inc. (MMC), Putnam LLC d/b/a Putnam Investments (PI), a wholly-owned subsidiary of MMC, and the other entities listed below. MMC has neither voting nor dispositive power with respect to any of the shares. PI has shared voting power with respect to 207,698 shares and shared dispositive power with respect to 4,317,468 shares. Putnam Investment Management, LLC (PIM), a registered investment advisor to the Putnam family of mutual funds and The Putnam Advisory Company, LLC (PAC), has shared voting power with respect to 19,032 shares and shared dispositive power with respect to 3,780,372 shares. PAC, a registered investment advisor to Putnam s institutional clients, has shared voting power with respect to 188,666 shares and shared dispositive power with respect to 537,096 shares. Both subsidiaries have dispositive power over the shares as investment managers, but each of the mutual fund s trustees has voting power over the shares held by each fund, and PAC has shared voting power over the shares held by the institutional clients. MMC and PI disclaim beneficial ownership of all such shares.

(5) Based solely on a Schedule 13G filed with the SEC by Vanguard Chester Funds Vanguard Primecap Fund (Vanguard), a registered investment advisor. Vanguard has sole voting power with respect to all shares.

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BENEFICIAL OWNERSHIP

The following table reports beneficial ownership of common stock by each director, nominee for director, the Chief Executive Officer, Chief Financial Officer, and the three other most highly compensated executive officers, and all directors and executive officers of Whirlpool as a group, as of February 22, 2007. Beneficial ownership includes, unless otherwise indicated, all shares with respect to which each director or executive officer, directly or indirectly, has or shares the power to vote or to direct the voting of such shares or to dispose or direct the disposition of such shares. The address of all directors and executive officers named below is c/o Whirlpool Corporation, 2000 North M-63, Benton Harbor, Michigan 49022-2692.

	Shares Beneficially Owned(1)	Deferred Stock Units(2)	Shares Under Exercisable Options(3)	Total(4)	Percentage
Herman Cain	8,557	0	1,131	9,688	*
Gary T. DiCamillo	5,357	4,506	5,720	15,583	*
Jeff M. Fettig	56,534	91,178	409,734	557,446	*
Allan D. Gilmour	9,218	7,198	8,120	24,536	*
Kathleen J. Hempel	7,218	3,982	6,320	17,520	*
Michael F. Johnston	1,000	1,884	3,320	6,204	*
William T. Kerr	2,011	0	2,868	4,879	*
Arnold G. Langbo	7,525	4,877	6,320	18,722	*
Miles L. Marsh	9,942	5,398	7,520	22,860	*
Paulo F. M. Periquito	125,026	36,904	200,784	362,714	*
Paul G. Stern	8,818	6,498	7,520	22,836	*
Janice D. Stoney	6,691	7,841	8,720	23,252	*
David L. Swift	6,789	27,735	6,867	41,391	*
Roy W. Templin	2,059	298	15,764	18,121	*
Michael A. Todman	1,541	28,822	43,682	74,045	*
Michael D. White	2,700	1,458	2,720	6,878	*
All directors and executive officers as a group (20 persons)	289,655	276,008	822,481	1,388,144	1.74%

* Less than 1%.

(1) Does not include 1,562,902 shares held by the Whirlpool 401(k) Trust (but does include 4,194 shares held for the accounts of executive officers); Executive Vice President and Chief Financial Officer Roy W. Templin serves as one of four individual trustees with shared voting and investment powers.

(2) Represents the number of shares of common stock, based on deferrals made into the Deferred Compensation Plan II for Nonemployee Directors or one of the executive deferred savings plans, that we are required to pay to a nonemployee director when the director leaves the Board or to an executive officer when the executive officer is no longer an employee. None of these deferred stock units have voting rights.

(3) Includes shares subject to options that will become exercisable within 60 days of February 22, 2007.

(4) No shares of Whirlpool stock have been pledged as security by any of these individuals.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires Whirlpool s directors and executive officers and persons who own more than 10% of Whirlpool s common stock to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of Whirlpool s common stock. Officers, directors, and greater than 10% stockholders are required by SEC regulation to furnish Whirlpool with copies of all Section 16(a) reports they file. Based solely on review of the copies of such reports furnished to Whirlpool and written representations that no other reports were required, Whirlpool believes that all Section 16(a) filing requirements applicable to its officers, directors, and greater than 10% stockholders were complied with during the fiscal year ended December 31, 2006.

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COMPENSATION DISCUSSION AND ANALYSIS

In this proxy statement, we refer to our Chief Executive Officer, Chief Financial Officer and our other three most highly-compensated executive officers as our named executive officers or NEOs. This section includes information regarding, among other things, the overall objectives and philosophy of our compensation program and each element of compensation we provide to our NEOs. This section should be read in conjunction with the detailed tables under Executive Compensation Tables later in this proxy statement.

The Objectives of Whirlpool s Compensation Program

Whirlpool is dedicated to global leadership and to delivering superior stockholder value. Whirlpool s executive compensation philosophy is designed to support these objectives by attracting and retaining the best management talent and by motivating these employees to achieve business and financial goals that create value for stockholders in a manner consistent with Whirlpool s focus on five enduring values: respect, integrity, diversity and inclusion, teamwork, and the spirit of winning.

To achieve our objectives, we implement a pay for performance philosophy using the following guiding principles:

- compensation should be incentive-driven with both a short- and long-term focus;
- a significant portion of pay should be variable, or at risk ;
- components of compensation should be tied to increasing stockholder value; and
- compensation should be tied to a balanced evaluation of business and individual performance measured against financial, customer, and employee related objectives a balanced scorecard approach.

Factors in Determining Target Pay Level

Whirlpool establishes target pay levels, including base salaries, variable pay, equity compensation, benefits, and perquisites using a market-based approach. Each year, the Human Resources Committee, with the assistance of an independent executive compensation advisor, reviews the group of companies against whom Whirlpool s senior executive pay levels will be compared. Hewitt Associates, an outside human resources consulting firm, has been retained by the Committee as their independent executive compensation advisor to provide data and analysis regarding pay levels for our NEOs and other senior executives. Hewitt Associates specifically provides a recommendation regarding the pay levels of the CEO. Other than the work it performs for the Committee, Hewitt Associates provides minimal compensation consulting services to Whirlpool and its executive officers, such as reviewing our nonemployee director and non-senior management compensation.

The companies listed below comprise our executive compensation comparator group (our comparator group) against whom we compare our pay levels. We have elected to compare the pay of our NEOs to the pay of similarly situated executives in these companies because they have national and international business operations and are similar to Whirlpool in sales volumes, market capitalizations, employment levels, lines of business, and business organization and structure. Companies in the comparator group are recognized for their excellence in the areas of consumer focus and trade partner relations, and for possessing highly complex global supply chains and manufacturing footprints.

3M	Honeywell International Inc.
The Black & Decker Corporation	Illinois Tool Works, Inc.
Caterpillar Inc.	Ingersoll-Rand Company
Cummins Inc.	Kellogg Company
Colgate-Palmolive Company	Motorola, Inc.
Deere & Company	PPG Industries, Inc.
Eastman Kodak Company	Raytheon Company
Eaton Corporation	Sara Lee Corporation
Emerson Electric Co.	Textron, Inc.
The Goodyear Tire & Rubber Company	United Technologies Corporation
H. J. Heinz Company	Xerox Corporation

Publicly disclosed compensation data contained in proxy statements, as well as proprietary surveys purchased from third-party consulting firms are used to acquire market compensation data for companies in the comparator group.

The independent executive compensation advisor to the Committee reviews the market data and recommends appropriate comparisons within the market data for Whirlpool s senior executives, including our NEOs, based on the content, scope, and complexity of each position. To ensure a balanced and accurate review of the market value for each position, the Committee reviews the statistical median market values for each position in addition to size-adjusted median market values based upon the revenue accountability for each position. In addition, median market data adjusted for Whirlpool s market capitalization is reviewed by the Committee, where appropriate.

The market data for each senior executive position is shared with the Committee for review and to support decisions regarding pay adjustments. Whirlpool believes that market data is an important input for setting target pay levels, but other factors, such as career progression and complexity of position, are also considered.

The Committee reviewed tally sheets for our NEOs during their June 2006 meeting in order to gain a better understanding of the accrued value of retirement benefits and the ongoing value of the compensation and benefits package for each of our NEOs. Tally sheets are used by the Committee to ensure that the totality of compensation and benefits received by our NEOs is appropriate as well as to support decisions regarding the ongoing remuneration of our NEOs.

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Role of Management in Compensation Decisions

Management, led by the CEO and Chief Human Resources Officer, periodically makes recommendations to the Committee regarding the establishment and modification of compensation and benefit programs or changes to the compensation package for individuals in Whirlpool s top two organizational levels (individuals designated by management as being in Career Bands 1 and 2). Bands 1 and 2 comprise the top 40 senior executives at Whirlpool. The Committee reviews management s recommendations during their regularly scheduled sessions and may choose to adopt the recommendations or modify them at their sole discretion.

Management recommends the performance metrics to be used in the Performance Excellence Plan (the annual cash incentive program) and the Strategic Excellence Program (the long-term equity-based incentive program for executives). The Committee has authority to adopt or modify these metrics, as well as to determine awards under the incentive programs.

Management may consult with the Committee s independent executive compensation advisor to ensure that proposals and recommendations are aligned with market-competitive practice and adhere to proper standards of corporate governance.

The agenda for Committee meetings is set jointly by the Committee and management. The Chief Human Resources Officer attends all Committee meetings, other than portions of those meetings held in executive session. Materials for Committee meetings are drafted by Whirlpool s human resources department and the independent executive compensation advisor.

Compensation Philosophy

Whirlpool s pay for performance philosophy provides market-competitive total compensation with differentiation based on performance. Whirlpool designs total compensation to be comparable to the median total compensation of similarly situated executives contained in our comparator group when target levels of performance are achieved. We define total compensation as base salary plus short-term and long-term incentives. Our employees are also eligible for market-competitive indirect compensation, such as medical, dental, and retirement benefits, as well as learning and development opportunities.

The compensation disclosed in the Summary Compensation Table and other tables under the section entitled Executive Compensation Tables is consistent with Whirlpool s compensation philosophy.

The following methodology is used to determine the mix of total pay between base salary and incentives, both short- and long-term:

Base Salaries. Whirlpool targets base salaries for senior executives to be at the median value of the comparator group. This aligns with Whirlpool s philosophy that base salaries should be competitive, but that most pay for senior executives should come in the form of variable incentive pay based on performance that benefits stockholders.

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Short-Term Incentives. Short-term incentives at Whirlpool consist of annual cash bonuses paid based on company and individual performance. We set the value of short-term incentives so that, when added to base salary, the value of this total cash payment slightly exceeds the median total cash of the comparator group when target levels of individual and company performance are achieved. Cash incentive targets are established by the Committee for each position and are validated each year based on a review of competitive market data to determine appropriateness.

Long-Term Incentives. We set the value of long-term incentives so that, when added to total cash compensation (base salary plus short-term incentives), the value of this total compensation payment is approximately equal to the median total compensation of the comparator group when target levels of long-term company performance are achieved. Long-term incentives at Whirlpool consist of stock options, restricted stock units, and performance units.

Whirlpool defines stock options as the right to purchase a share of Whirlpool stock at a pre-defined price, also known as the strike price. We provide stock option grants to reward recipients only in the event that Whirlpool s stock price rises above the fair market value on the date of grant, thus aligning the interests of executives with those of shareholders. The strike price under our existing omnibus stock and incentive plans is defined as the average of the high and the low stock price on the date of grant. Subject to shareholder approval of our 2007 Omnibus Stock and Incentive Plan, we will establish the strike price for all future grants as the officially quoted closing price of our common stock on the date of grant. Terms and conditions of stock options are recorded in grant documents and provided to participants.

Restricted stock units are defined as the right to receive a share of Whirlpool stock or equivalent value on a pre-defined date. Restricted stock units are designed to provide executives with an incentive to increase the value of Whirlpool stock, while acting as a retention vehicle for executive talent and providing a vehicle for executives to hold Whirlpool stock in line with ownership guidelines. Grantees of restricted stock units may be eligible to receive dividend equivalents during the vesting period. Terms and conditions of restricted stock units are recorded in grant documents and are provided to participants.

Whirlpool defines performance units as the right to receive a cash payment on a pre-defined date. Performance units provide a long-term cash payout when executives meet or exceed goals related to Whirlpool s strategic long-term objectives.

Restricted stock units and performance units issued to our NEOs as part of our Strategic Excellence Program and described later in this proxy statement are subject to performance criteria that may alter the final number of units granted. Terms and conditions of performance units are recorded in grant documents and provided to participants. The terms

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and conditions of stock options, restricted stock units, and performance units are approved by the Committee and are intended to be compliant with Whirlpool s omnibus stock and incentive plans.

Base Salary

Salary increase guidelines are based on an individual s performance, as well as competitive market reviews conducted with the assistance of the independent executive compensation advisor to the Committee.

Base salary for the CEO and other NEOs is targeted at the median of the base salaries for officers in the comparator group companies. Mr. Fettig s salary was increased from $1,000,000 to $1,100,000 on March 1, 2006. Mr. Templin s salary was increased from $500,000 to $550,000 on March 1, 2006. Messrs. Swift, Todman, and Perquito did not receive salary increases in 2006; however, Messrs. Swift and Todman received salary increases in December 2005 in connection with their promotions. All of these increases generally reflected both moves in market salaries as well as the executives individual performance against specified individual and company performance objectives similar to those used to evaluate performance for purposes of the annual cash incentive payment.

Short-Term Incentives

Consistent with Whirlpool s pay for performance philosophy, salaried employees are eligible to participate in an annual cash incentive opportunity. This program, through which annual cash incentives are delivered, is known as the Performance Excellence Plan (PEP), and provides Whirlpool s employees with an annual incentive designed to focus attention on stockholder value creation, drive performance in support of this goal and other business goals, and reflect individual performance (except for designated executive officers subject to Section 162(m) of the Internal Revenue Code) as measured against financial, customer, and employee related objectives. Target awards are established by the Committee in consideration of Whirlpool s compensation philosophy and are designed to provide total cash compensation that is slightly above the median of the comparator group when target levels of performance are achieved. Target awards for our NEOs are described as a percentage of their base salary earnings during the performance period. Whirlpool s annual cash incentive program is consistent with competitive market practices and ensures significant pay at risk for our NEOs.

Payouts under PEP are determined by performance relative to a combination of company and individual performance objectives. Whirlpool performance includes the Global Balanced Scorecard, as well as Regional Economic Value Added and Market Operating Profit. Included in the Global Balanced Scorecard for 2006 are:

- financial measures revenue growth, earnings, earnings per share, free cash flow, and economic value added;
- customer measures market share, quality, and brand equity progress; and

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employee measures   the strengthening of our talent pipeline, diversity, engagement of our employees, and the effective management of the Whirlpool performance management system.

These performance measures were selected based on the Committee s belief that improving performance against such measures correlates to increasing value to stockholders. The measures for PEP are approved annually by the Committee and reviewed with the Board. The value of company performance, as determined by the Committee, may range from 0% - 200% of the target value.

Individual performance, as determined through Whirlpool s performance management system, is an important input to the final award payouts under PEP. Corporate objectives are set by the CEO and reviewed and approved by the Board and cascaded through leadership discussions to all employees. Each employee is assigned one of five performance ratings based on their results during the performance period, which directly impacts the rewards they will receive, including merit increases and payouts under PEP.

Corporate and individual performance levels are multiplied to determine the final award payout under PEP. This final award payout may range from 0% to 400% of target for each employee, after accounting for individual and company performance. The targets for our NEOs were originally set at challenging, but realistic levels, the achievement of which represents a high level of performance and significant value creation for customers and shareholders.

In addition to PEP, Whirlpool established the Executive Officer Bonus Plan (EOBP) in 1994, which gives the Committee the discretion to grant bonus payouts to designated executive officers in recognition of strong individual performance in the event that the Committee concludes such awards are appropriate. In 2006, no awards were granted under this plan.

Long-Term Incentives

Whirlpool s long-term incentive programs are comprised of the Strategic Excellence Program, the Special Retention Program, and the Career Stock Program, all of which are authorized under one or more of Whirlpool s stockholder-approved omnibus stock and incentive plans. Grants from the Strategic Excellence Program are typically made each year. The long-term incentive programs are intended to provide rewards to executives only if significant additional value is created for stockholders over time. In addition, Whirlpool established the Key Employee Treasury Stock Ownership Plan where awards similar to those established under the omnibus stock and incentive plans may be granted to key management employees by the Committee; for more information about this plan, see the Equity Compensation Plan Information section later in this proxy statement. These stock-based plans are designed to encourage a significant ownership interest to help assure that the interests of the executives are closely aligned to those of other stockholders and to provide incentives for the executives to remain with Whirlpool.

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We have generally followed a practice of making all equity-based grants to employees, including NEOs, on a single date every year. The Committee grants these equity-based awards at its regularly-scheduled meeting in mid-February. This meeting usually occurs about 2 weeks after we release our final earnings for the prior fiscal year, which permits material information regarding our performance for the prior fiscal year to be disclosed to the public before equity-based grants are made to employees. While most of our equity-based awards have historically been made pursuant to our annual grant program, the Committee does retain the discretion to make additional off-cycle awards in connection with promotions, recruitment efforts, or significant accomplishments (such as the successful acquisition and integration of Maytag). Under no circumstances are any stock-based grants intentionally timed to coordinate with the release of material non-public information and Whirlpool does not intentionally time the release of material non-public information to impact the value of any stock-based or other compensation. Stock option exercise prices are set equal to the fair market value of Whirlpool stock on the date of grant. Fair market value under our existing omnibus stock and incentive plans is the average of the high and the low price of Whirlpool stock on the date of grant. Subject to shareholder approval of our 2007 Omnibus Stock and Incentive Plan, we will establish the fair market value for all future grants as the officially quoted closing price of our common stock on the date of grant.

When considering awards to be made under the long-term incentive programs, the Committee evaluates the grantee s scope of responsibility, strategic and operational goals, opportunity to impact Whirlpool s future success, individual performance, and the competitiveness of the award in the marketplace. In 2006, the CEO and other NEOs received awards under our Strategic Excellence Program, but did not receive awards under the Special Retention Program, the Career Stock Program, or the Key Employee Treasury Stock Ownership Plan. The awards that were made to our NEOs in 2006 are reflected in the Summary Compensation Table and Grant of Plan-Based Awards Table. Stock options provide value to our NEOs only if Whirlpool s stock price increases after the grants are made. Excluding Maytag Corp. stock options that were converted into Whirlpool stock options in connection with our acquisition of Maytag Corp., approximately 70% of stock options granted in 2006 were granted to employees other than our NEOs.

Strategic Excellence Program (SEP). SEP provides senior management with incentives to significantly improve Whirlpool s long-term performance and increase stockholder value over time. The compensation opportunities under SEP are tied directly to Whirlpool s financial and strategic performance over a preset period beginning each January 1 and continuing for one year or longer. These measures are established by the Committee at the beginning of each performance period. Final individual awards may be adjusted upward (to a maximum of three times the original grant) or downward (to no award) based on the determination of the Committee. The Committee will make such adjustments after the completion of the performance period based on the Committee s evaluation of Whirlpool s performance against approved performance goals during the period. For 2006, SEP performance measures included the success with which Whirlpool executed the acquisition and integration of Maytag and an EVA target established by the Committee. For participants subject to Section 162(m) of the Internal Revenue Code, the Committee may adjust their

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award downward based on factors the Committee deems appropriate. The targets for our NEOs were set at challenging, but realistic targets in order to drive performance and create stockholder value. After a performance period of one year or longer and a determination of performance by the Committee, awards will be paid in common stock and/or cash unless the Committee had included an additional time-based restriction period of up to two years as part of the original grant. Upon expiration of any time restriction periods, payment will be made in common stock of the registrant and/or cash as appropriate. In combination with other elements of compensation, award sizes are designed to provide competitive total compensation. See the Grant of Plan-Based Awards Table later in this proxy statement for the awards that we granted to our NEOs in 2006.

Under SEP, stock options are also typically granted each year under one or more of Whirlpool s omnibus stock and incentive plans to executive officers and other key management employees. Stock option grants are issued with an exercise price equal to the fair market value of the stock at the time of grant. The option term is ten years and options vest in three equal installments, with the first installment (representing one-third of the number of shares granted) vesting on the first anniversary date of the option grant, one-third of the shares granted vesting on the second anniversary date of the option grant, and the final third of the shares granted vesting on the third anniversary date of the option grant. Stock options granted to our NEOs in 2006 are reflected in the Summary Compensation Table and the Grant of Plan-Based Awards Table.

Special Retention Program (SRP). SRP was established to provide grants of phantom restricted shares of common stock to selected officers as a means of motivating and retaining key leadership talent. In 2006, no grants were made under this program to our NEOs, as the Committee believed that additional grants under this program were not required to meet competitive market conditions.

Career Stock Program. The Career Stock Program was established to provide one-time grants of phantom restricted stock (Career Stock) to select key executives as a means of retaining those executives and encouraging long-term employment. Recipients and award sizes are based on determinations relating to a broad range of factors. In 2006, no grants were made under this program to our NEOs as the Committee believed that additional grants under this program were not required to meet competitive market conditions.

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Stock Ownership Guidelines

In 1995, management adopted, with the Committee s approval, stock ownership guidelines to support the objective of increasing the amount of stock owned by the most senior group of executives. The guidelines for stock ownership are based on an individual s level in the organization and range from seven times base salary for the Chief Executive Officer to one-half times base salary for lower level executives, including those who are not NEOs. Ownership guidelines as a multiple of base salary are listed below:

CEO:	7 times base salary
President:	5 times base salary
Executive Vice Presidents:	4 times base salary

These ownership guidelines are approved by the Committee and are based on a review of competitive market practice as conducted by the independent executive compensation advisor to the Committee, as well as to ensure that our NEOs and other senior Whirlpool leaders have a significant stake in Whirlpool s long-term success. The guidelines require that each executive achieve the required level of stock ownership within five years.

The Committee, as well as Whirlpool s senior leadership, annually reviews progress for each executive on achieving their required level of ownership. During the Committee s most recent review of ownership levels, it was determined that all NEOs had either met their guideline or were on track to meet their guideline during the required timeframe.

Retirement Benefits

NEOs are eligible for retirement benefits designed to provide, in total, a market-competitive level of income replacement upon achieving retirement eligibility by using a combination of qualified and non-qualified plans. Based on broad-based survey data of public companies, Whirlpool targets the median retirement income replacement ratio among similarly situated executives at such companies.

To achieve this competitive position, our NEOs participate in a number of retirement plans, which include plans of a defined contribution type, both qualified and non-qualified, and plans of a defined benefit type, both qualified and non-qualified. Whirlpool believes that it is necessary to provide these programs in order to attract and retain the best management talent in the marketplace.

Our NEOs participate in the following pension plans: the Whirlpool Employees Pension Plan (a qualified plan) and the associated Whirlpool Retirement Restoration Plan (a non-qualified plan), and the Supplemental Executive Retirement Plan (a non-qualified plan). For important information, see the Pension Benefits Table later in this proxy statement. These plans provide a defined benefit upon retirement relative to base salary and PEP incentive earned during the employment period. The formulas for these programs are designed to provide a benefit at the median of the competitive market and support Whirlpool s overall retirement benefit goal of providing a median level of replacement income upon retirement.

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Our NEOs also participate in one qualified defined contribution plan, the Whirlpool 401(k) Retirement Plan, and the following non-qualified defined contribution plans: the Executive Deferred Savings Plan II (which includes the Whirlpool Executive Restoration Plan, also known as the DC Restoration Plan) and its predecessor, the Executive Deferred Savings Plan. For important information, see the Non-Qualified Deferred Compensation Table later in this proxy statement. These plans are defined contribution plans that for 2006 only provide a benefit in the event that eligible employees, including the NEOs, elect to participate in the plans by deferring portions of their base salary, PEP incentive payment, and SEP incentive payment into the plans.

Qualified Defined Contribution Plan

Whirlpool 401(k) Retirement Plan. The Whirlpool 401(k) Retirement Plan provides a defined contribution retirement benefit qualified under section 401(k) of the Internal Revenue Code. This plan offers participants a pre-tax retirement savings vehicle plus employer contributions that encourage participant retirement savings and provide additional assets for employees retirement. Most employees of Whirlpool and Maytag are eligible to participate in this plan, although different levels of employer contributions apply to different groups. Beginning in 2007, for most salaried employees (other than participants in the Whirlpool Employees Pension Plan eligible for retirement by December 31, 2009), this plan provides an automatic employer contribution of 3% of pay and a match of up to 4% of pay, provided that participants contribute at least 5% of pay on a pre-tax basis to the plan, up to certain applicable limits as defined by the IRS. In 2006 and earlier years for most Whirlpool salaried employees, and in 2007-2009 for salaried employees eligible for retirement under the Whirlpool Employees Pension Plan by December 31, 2009, (1) this plan provides a guaranteed match of $.25 for each dollar of employee pre-tax contribution (excluding any employee pre-tax contributions made while the employee was one of our NEOs or an officer designated by Whirlpool under the terms of the plan), up to a maximum employee contribution of 5% of pay on a pre-tax basis to the plan, up to applicable limits as defined by the IRS, and (2) an additional match based on company performance may be made by Whirlpool on employee pre-tax contributions (excluding any employee pre-tax contributions made while the employee was one of our NEOs or an officer designated by Whirlpool under the terms of the plan), up to a maximum employee pre-tax contribution of 5% of pay. For executives eligible to participate in the Whirlpool Supplemental Executive Retirement Plan, pay includes only base salary. For 2006, none of our NEOs received an employer matching or non-elective contribution under this plan.

Non-Qualified Defined Contribution Plans

Whirlpool Corporation Executive Deferred Savings Plans. The Whirlpool Corporation Executive Deferred Savings Plan (EDSP) was designed to provide executives with pre-tax deferral opportunities beyond those offered by the Whirlpool 401(k) Retirement Plan. Participants may no longer make deferrals to EDSP. The Whirlpool Corporation Executive Deferred Savings Plan II (EDSP II) became effective January 1, 2005 to comply with the requirements of new Code Section 409A. EDSP II includes two components: the

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traditional component is known as EDSP II and the new component, which became effective January 1, 2007, is known as the Whirlpool Executive Restoration Plan (the DC Restoration Plan). The traditional EDSP II is designed to provide executives with pre-tax deferral opportunities beyond those offered by the Whirlpool 401(k) Retirement Plan and the DC Restoration Plan. This component allows eligible executives to contribute up to 75% of their base salary, short-term incentives and long-term incentives. The DC Restoration Plan works with the Whirlpool 401(k) Retirement Plan to enable executives to defer funds and receive Whirlpool matching contributions and non-elective contributions using the same formula as the Whirlpool 401(k) Retirement Plan, but without regard to limitations imposed by Code Sections 415, 401(a)(17) and 402(g). For our NEOs who are eligible to participate in the Whirlpool Supplemental Executive Retirement Plan, the DC Restoration Plan treats base salary as the only form of compensation eligible for deferral under the plan. With respect to our NEOs who participate in this plan, distributions under the plan are generally made in a lump sum after a six month waiting period following termination of employment. EDSP and EDSP II (including both the traditional component and the DC Restoration Plan component) are unfunded non-qualified plans that are secured by our general assets. Amounts deferred are credited to recordkeeping accounts for participants, and the recordkeeping balances are credited with earnings and losses measured by investments generally similar to those selected by executives and available in the Whirlpool 401(k) Retirement Plan (other than Whirlpool stock). Participants may not make withdrawals during their employment, except in the event of hardship, as approved by the Human Resources Committee.

See the Non-Qualified Deferred Compensation Table and related discussion for more information on the non-qualified defined contribution plans. All values in the Non-Qualified Deferred Compensation Table have already been earned by the executives and have been deferred through a voluntary enrollment process. These values are unfunded and are paid from Whirlpool s general assets.

Qualified Pension Plan

Whirlpool Employee Pension Plan (WEPP). WEPP provides all eligible employees, which includes most Whirlpool salaried employees, with a defined pension benefit upon reaching early retirement eligibility (currently defined within the plan for salaried employees as age 55 with a minimum of 5 years of service to Whirlpool). Most salaried employees accrue a normal retirement benefit payable at age 65 under the following formula: 2% x years of service x average base salary, with a maximum number of 30 years of service credited under the plan (reduced for early retirement as described at the Pension Benefits Table). Detailed definitions of years of service and average base salary can be found in the narrative discussion accompanying the Pension Benefits Table later in this proxy statement. Years of service for our NEOs equal their actual years of service under this plan. This benefit in this plan has been frozen for all employees effective December 31, 2006 based on their service and pay as of December 31, 2006, except for certain participants eligible to retire on or before December 31, 2009 whose benefit under this plan will be frozen effective December 31, 2009. None of our NEOs are eligible for the delayed freeze date and none of our NEOs are currently eligible for early retirement. See the Pension Benefits Table and related discussion for more information on this plan.

Non-Qualified Pension Plans

Whirlpool Retirement Benefits Restoration Plan. The Whirlpool Retirement Benefits Restoration Plan works with WEPP to provide Whirlpool executives that portion of their retirement benefit which would have been paid under WEPP if the IRS maximum annual benefits limitation and the 401(a)(17) compensation limitation under WEPP had not been applied. Retirement eligibility and benefit formula are the same under this plan as under WEPP, except that in this plan statutory benefit limitations are not applied in calculating benefits under the formula. Benefits under this plan are frozen as of the same dates as benefits under WEPP (described above). We do not allow additional years of service credits to be granted to our NEOs under this plan. With respect to our NEOs who participate in this plan, payments under this plan are generally made in a lump sum after the later of: (1) six months following termination of employment or (2) the participant s reaching age 55. Participants may not make withdrawals during their employment. See the Pension Benefits Table for more information on this plan.

Whirlpool Supplemental Executive Retirement Plan (SERP). SERP is designed to provide Whirlpool executives with additional retirement income in line with competitive practice as a supplement to Whirlpool s broad-based retirement plan. SERP generally provides retirement income based on the average of the highest five payouts received under PEP during the last ten years of employment. The plan provides non-contributory, deferred compensation benefits to Whirlpool executives. The annual benefit formula for SERP is as follows:

2% **x** Years of Service (maximum of 30 years) **x**

Average of the five highest PEP awards received during the last ten years of employment

The NEOs are eligible for benefits under SERP if they terminate employment for any reason except a termination for Cause after early retirement age or normal retirement age, or after completing five years of service, provided they have received one or more PEP awards within the last ten calendar years preceding their termination of employment. Executives may also be eligible for SERP benefits if they terminate employment prior to early retirement age or before completing five years of service due to the existence of a long-term disability.

Normal retirement means retiring on or after the normal retirement age, which is generally the later of the executive s 65th birthday or completion of five years of continuous service. We do not allow additional years of service credits to be granted to our NEOs under this plan. With respect to our NEOs who participate in this plan, payments under this plan are generally made in a lump sum after the later of: (1) six months following termination of employment or (2) the participant s reaching age 55. Participants may not make withdrawals during their employment. See the Pension Benefits Table and related discussion for more information on this plan.

Founder Pension Plan. Mr. Periquito participates in the Founder Pension Plan, a non-U.S. retirement plan. In 2006, the pension asset and obligation attributable to Mr. Periquito were transferred to a private pension fund with Bradesco Bank pursuant to the terms of the Founder Pension Plan. The benefit provided under the Founder Pension Plan is equal to 85% of the participant s monthly base salary upon retirement, less the Public Pension

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benefit limit. Retirement is defined as being age 60 within this plan. The present value shown in the Pension Benefits Table is equal to the total reserve that Whirlpool and Mr. Periquito had set aside to provide pension benefits to Mr. Periquito. Of this total amount, approximately $500,000 is attributable to Mr. Periquito s own contributions. The benefit under this plan is fully accrued and funded. No further contributions are expected to be made to this private pension fund. The reserve will be transferred to Mr. Periquito upon his retirement from Whirlpool and he is able to draw from the reserve prior to and during retirement.

Perquisites

Whirlpool provides a very limited number of perquisites to executives, including financial services, limited use of Whirlpool owned and leased property, product discounts, home security, and executive physicals. The CEO and presidents may also use company aircraft for personal use. Personal use of company aircraft is considered taxable income to the CEO and presidents using the Standard Industry Fare Level method. In addition, as part of a competitive compensation package in Brazil, Mr. Periquito is eligible to receive the use of a company car, reimbursement for a social club, and reimbursement for two personal use commercial airline tickets per year. These perquisites are designed to support a market competitive total compensation package and ensure that Whirlpool derives the most value from our overall compensation expenditure.

Change in Control Severance Program

Whirlpool maintains a change in control severance program for certain executives, including each of our NEOs. This benefit is maintained to ensure that our NEOs are not deterred from exploring opportunities that will result in maximum value for stockholders, including actions that may result in a change in their position or standing within Whirlpool. The value of the severance benefits associated with a change in control of Whirlpool are based on a thorough review of competitive market practice. Whirlpool believes that these benefits are of reasonable value and ultimately benefit stockholders. See the Potential Post-Termination Payments Tables section later in this proxy statement.

Deductibility of Compensation and Related Issues

Section 162(m) of the Internal Revenue Code imposes a $1 million deduction limit on compensation paid to executives named in the compensation section of the proxy statements of public companies, subject to certain transition rules and exceptions for non-discretionary performance based plans approved by stockholders.

The Committee intends to preserve the tax deductibility of executive compensation to the extent practicable while focusing on consistency with its compensation policies, the needs of Whirlpool, and stockholder interests. Whirlpool s stockholders have approved PEP and our omnibus stock and incentive plans that award our long-term incentives to executives. Many of the types of awards authorized in these and other stockholder-approved plans would be considered qualifying performance-based compensation for purposes of Section 162(m). As a result, such awards would not count toward the $1 million deduction limit. However, the

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Committee retains the ability to make payments in one or more of the programs described in this report that may not qualify for tax deductibility under Section 162(m).

In addition, the Committee retains the discretion to reward strong individual performance of designated executive officers under EOBP. The Committee believes this ability to exercise discretion is in the best interest of Whirlpool and its stockholders, and outweighs the need to qualify EOBP so that amounts paid from this plan are exempt from the deductibility limits of Section 162(m). Accordingly, pay for individual performance under EOBP will generally not qualify under Section 162(m) and may not be fully deductible. In 2006, no awards were granted under EOBP.

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HUMAN RESOURCES COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

No member of the Human Resources Committee was at any time during 2006 an officer or employee of Whirlpool and no member of the Committee has formerly been an officer of Whirlpool. In addition, no compensation committee interlocks existed during fiscal year 2006.

HUMAN RESOURCES COMMITTEE REPORT

As detailed in its charter, the Human Resources Committee of Whirlpool s Board oversees our compensation program on behalf of the full Board. In the performance of its oversight function, the Human Resources Committee, among other things, reviewed and discussed with management the Compensation Discussion and Analysis set forth in this proxy statement.

Based upon the review and discussions referred to above, the Human Resources Committee recommended to the Board that the Compensation Discussion and Analysis be included in Whirlpool s Annual Report on Form 10-K for the fiscal year ended December 31, 2006 and Whirlpool s Proxy Statement to be filed in connection with our 2007 Annual Meeting of Stockholders, each of which will be filed with the Securities and Exchange Commission.

HUMAN RESOURCES COMMITTEE

Dr. Paul G. Stern, Chair

Mr. Herman Cain

Mr. Michael F. Johnston

Mr. William T. Kerr

Mr. Miles L. Marsh

Mr. Michael D. White

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EXECUTIVE COMPENSATION TABLES

Summary Compensation Table

The following table includes information regarding our NEOs total compensation earned during the 2006 fiscal year. For more information about the components of total compensation please refer to the following subsections of the Compensation Discussion and Analysis section:

Base Salary for information about salary;

Short-Term Incentives for information about bonus and other non-equity incentives;

Long-Term Incentives for information about stock and option awards;

Retirement Benefits for information about pension and other non-qualified deferred compensation; and

Perquisites for information about all other compensation.

Name and Principal Position	Year	Salary (1) ($)	Bonus ($)	Stock Awards (2) ($)	Option Awards (3) ($)	Non-Equity Incentive Plan Compensation (4) ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (5) ($)	All Other Compensation (6) ($)	Total ($)
Jeff M. Fettig *Chairman of the Board and Chief Executive Officer*	2006	1,083,333	0	2,714,940	737,102	2,300,000	1,290,083	125,156	8,250,614
Roy W. Templin *Executive Vice President and Chief Financial Officer*	2006	541,667	0	800,469	72,104	1,131,250	91,714	3,087	2,640,291
David L. Swift *President,*	2006	700,000	0	1,123,810	187,446	400,000	152,968	190,178	2,754,402

Whirlpool North America									
Michael A. Todman *President, Whirlpool International*	2006	650,000	0	931,664	176,086	825,000	288,651	129,077	3,000,478
Paulo F. M. Periquito *Executive Vice President and President, Whirlpool Latin America*	2006	645,000	75,000(7)	2,107,736	368,283	2,112,375	2,508,000	164,448	7,980,842

(1) Mr. Fettig s salary was increased from $1,000,000 to $1,100,000 on March 1, 2006. Mr. Templin s salary was increased from $500,000 to $550,000 on March 1, 2006. Messrs. Swift, Todman, and Periquito did not receive salary increases in 2006.

(2) Represents the amortized FAS 123R compensation cost recognized by Whirlpool in 2006 for outstanding restricted stock unit awards as of December 31, 2006. Under the new disclosure rules, the compensation expense recognized by Whirlpool in connection with stock awards to retirement-eligible NEOs are accelerated to reflect 100% of the compensation expense. As a result, the aggregate compensation expense for Mr. Periquito associated with stock awards granted in 2006 represents the full compensation expense of stock awards granted in 2006, but only a portion of the

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compensation expense for stock awards granted before 2006. The values contained in this column are comprised of awards granted in 2006 and prior to 2006. See Note 12 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the 2006 fiscal year for a discussion of the relevant assumptions used in calculating the compensation cost. The compensation cost for financial reporting purposes will likely vary from the actual amount the NEO receives based on a number of factors, including stock price fluctuations, timing of sale, and differences from valuation assumptions.

(3) Represents the amortized FAS 123R compensation cost recognized by Whirlpool for unvested stock option awards granted in 2006 and prior to 2006. Under the new disclosure rules, the compensation expense recognized by Whirlpool in connection with option grants to retirement-eligible NEOs are accelerated to reflect 100% of the compensation expense. As a result, the aggregate compensation expense for Mr. Periquito associated with option grants awarded in 2006 represents the full compensation expense of option grants awarded in 2006, but only a portion of the compensation expense for options grants awarded before 2006. See Note 12 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the 2006 fiscal year for a discussion of the relevant assumptions used in calculating the compensation cost. The compensation cost for financial reporting purposes will likely vary from the actual amount the NEO receives based on a number of factors, including stock price fluctuations, timing of vesting, and differences from valuation assumptions.

(4) Represents the actual cash award earned in 2006 under PEP for each of our NEOs and the actual cash award earned in 2006 under SEP for Messrs. Templin and Periquito. Although earned in 2006, the 2006 SEP awards are subject to time-based vesting and will not be paid out until February 19, 2009. The individual PEP and SEP awards that comprise the total value in the Non-Equity Incentive Plan Compensation column above for our NEOs were:

Name	2006 PEP Award (paid out) ($)	2006 SEP Cash Award (earned, but unvested) ($)
Jeff M. Fettig	2,300,000	0
Roy W. Templin	650,000	481,250
David L. Swift	400,000	0
Michael A. Todman	825,000	0
Paulo F. M. Periquito	1,548,000	564,375

(5) Represents the increase in actuarial pension value for each executive in WEPP, DB Restoration, and SERP for Messrs. Fettig, Swift, Todman, and Templin during 2006. The figures for Mr. Periquito represent the change in value in the Founder s Pension Plan in Brazil for which he was eligible to participate during 2006. None of our NEOs received above-market interest on their non-qualified deferred compensation accounts. See Pension Benefits Table.

(6) The following table presents an itemized account of the All Other Compensation column provided in 2006 to our NEOs:

Name	Personal Use of Whirlpool Aircraft(a) ($)	Car & Driver(b) ($)	Airplane Tickets(c) ($)	Other Perquisites and Personal Benefits(d) ($)	Insurance Premiums ($)	Tax Reimbursements(e) ($)	Total ($)
Jeff M. Fettig	80,016	0	0	41,330	3,810	0	125,156
Roy W. Templin	0	0	0	1,227	1,860	0	3,087
David L. Swift	172,931	0	0	12,297	4,950	0	190,178
Michael A. Todman	59,218	0	0	17,331	4,590	47,938	129,077
Paulo F. M. Periquito	0	84,910	14,000	10,153	55,385	0	164,448

(a) Our incremental cost for personal use of Whirlpool aircraft is calculated by multiplying the aircraft s hourly variable operating cost by a trip s flight time, which includes any flight time of an empty return flight. Variable operating costs are based on industry

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standard rates of our variable operating costs, including fuel costs, trip-related maintenance, landing/ramp fees and other miscellaneous variable costs. On certain occasions, a spouse or other family member may accompany one of our NEOs on a flight. No additional operating cost is incurred in such situations under the foregoing methodology. We do not pay our NEOs any amounts in connection with taxes on income imputed to them for personal use of our aircraft.

(b) Represents $25,966 for the incremental use of a car provided by Whirlpool and $58,944 for the incremental use of a driver provided by Whirlpool. We calculated the incremental cost of the driver by using the actual employment cost to Whirlpool and of the car by using the value of (1) the purchase price divided by four (for the expected usage of the car in years) and (2) the annual cost of insurance, maintenance, and documentation (registration with the appropriate agencies).

(c) Represents the cost of two commercial airline tickets for personal use.

(d) Represents the incremental cost to Whirlpool of: Whirlpool products offered at discounted prices; financial planning services; physical examinations at the NEO s choice of several medical facilities; personal use of a hotel room in Chicago that we lease primarily for business purposes, but may be used for personal purposes when unoccupied; and home security. In addition, Mr. Periquito s amount includes the personal use of a social club paid for by Whirlpool. Individually, none of these categories of perquisites or personal benefits exceeded $25,000 for any single NEO.

(e) Represents tax equalization payment we paid on behalf of Mr. Todman, which he incurred while working outside the United States.

(7) Represents additional compensation for increased living costs outside the United States.

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Grant of Plan-Based Awards Table

During the 2006 fiscal year, we granted short- and long-term cash incentives, restricted stock units, and stock options. In addition, due to the successful acquisition and integration of Maytag Corp., we awarded Messrs. Fettig, Templin, Swift, and Todman restricted stock units in recognition of their contribution to the transaction. The table below describes the awards on an award-by-award basis that we granted to our NEOs for the 2006 fiscal year.

Under our 2007 Omnibus Stock and Incentive Plan, if approved by stockholders at the annual meeting, fair market value is defined as the officially quoted closing price of our common stock on the grant date. Previously, our omnibus stock and incentive plans had defined fair market value as the average of the highest and lowest trading price per share of common stock on the grant date. In the following table, we have provided an extra column to show the difference between the average of the highest and lowest trading price per share of our common stock on the grant date (see Exercise or Base Price of Option Awards column) and the closing price on the grant date (see Closing Price column).

For more information about these programs, see Compensation Discussion and Analysis Short-Term Incentives and Compensation Discussion and Analysis Long-Term Incentives.

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Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ($) Threshold	Target	Maximum	Estimated Future Payouts Under Equity Incentive Plan Awards ($) Threshold	Target	Maximum	All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards ($/Share)	Closing Price ($/Share)	Grant Date Fair Value of Stock and Option Awards ($)
Jeff M. Fettig												
PEP Cash(1)		0	1,540,000	3,000,000								
SEP RSUs(2)	2/20/2006				0	27,760	55,520					2,304,635(5)
SEP Stock Options(3)	2/20/2006								83,200	89.16	89.20	1,833,728(6)
Maytag Recognition RSUs(4)	8/12/2006							25,000				1,889,750(5)
Roy W. Templin												
PEP Cash(1)		0	440,000	1,600,000								
SEP Long term cash(7)		0	275,000	550,000								
SEP RSUs(2)	2/20/2006				0	3,084	6,168					256,034(5)
SEP Stock Options(3)	2/20/2006								9,300	89.16	89.20	204,972(6)
Maytag Recognition RSUs(4)	8/12/2006							15,000				1,133,850(5)
David L. Swift												
PEP Cash(1)		0	595,000	2,310,000								
SEP RSUs(2)	2/20/2006				0	6,870	13,740					570,347(5)
SEP Stock Options(3)	2/20/2006								20,600	89.16	89.20	454,024(6)
Maytag Recognition RSUs(4)	8/12/2006							15,000				1,133,850(5)
Michael A. Todman												
PEP Cash(1)		0	552,500	2,145,000								
SEP RSUs(2)	2/20/2006				0	6,379	12,758					529,585(5)
SEP Stock Options(3)	2/20/2006								19,200	89.16	89.20	423,168(6)
Maytag Recognition RSUs(4)	8/12/2006							7,500				566,925(5)
Paulo F. M. Periquito												
PEP Cash(1)		0	516,000	2,064,000								
SEP Long term cash(7)		0	322,500	645,000								
SEP RSUs(2)	2/20/2006				0	3,617	7,234					300,283(5)
SEP Stock Options(3)	2/20/2006								10,335	89.16	89.20	227,783(6)

(1) Represents estimated possible payouts on the grant date for short-term cash awards granted in 2006 under PEP for each of our NEOs. PEP is an annual cash incentive opportunity and, therefore, these awards are earned in the year of grant. See the column captioned Non-Equity

Incentive Plan Compensation in the Summary Compensation Table for the actual payout amounts in 2006 for PEP. See Compensation Discussion and Analysis Short-Term Incentives for additional information about PEP.

(2) Represents estimated possible payouts on the grant date of common stock underlying restricted stock units awarded in 2006 to each of our NEOs as part of their participation in SEP. These awards were earned at the end of our 2006 fiscal year based upon the achievement of certain performance measures, including an EVA target and the successful integration of Maytag. See the column captioned Stock Awards Number of Shares or Units That Have Not Vested in the Outstanding Equity Awards at Fiscal Year-End Table for final payout amount for these awards. Although earned in 2006, these awards are subject to time-based vesting and will not be paid out until February 19, 2009. See Compensation Discussion and Analysis Long-Term Incentives for additional information about SEP.

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(3) Represents stock options issued to each of our NEOs as part of their participation in SEP. These options vest and become exercisable in equal installments on the first, second, and third anniversary of the grant date.

(4) Represents restricted stock units issued to Messrs. Fettig, Swift, Todman, and Templin for their significant contribution to the acquisition and integration of Maytag. These awards, which are payable in Whirlpool stock, vest fully upon the third anniversary of the date of grant.

(5) Represents the grant-date fair value calculated under FAS123R, and as presented in our audited financial statements included in our Annual Report on Form 10-K for the 2006 fiscal year. This grant-date fair value assumes that each participant earns the target award. The ultimate value of the award will depend on the number of shares earned and the price of our common stock on the vesting date.

(6) Represents the grant-date fair value calculated under FAS123R, and as presented in our audited financial statements included in our Annual Report on Form 10-K for the 2006 fiscal year. The fair value of the stock option awards for financial reporting purposes likely will vary from the actual amount ultimately realized by the executive based on a number of factors. These factors include our actual operating performance, stock price fluctuations, differences from the valuation assumptions used, and the timing of exercise or applicable vesting.

(7) Represents estimated possible payouts on the grant date for long-term cash awards granted in 2006 under SEP for Messrs. Templin and Periquito. These awards were earned at the end of our 2006 fiscal year based upon the achievement of certain performance measures, including an EVA target and the successful integration of Maytag. See the column captioned Non-Equity Incentive Plan Compensation in the Summary Compensation Table for the final payout amount for these awards. Although earned in 2006, the 2006 SEP awards are subject to time-based vesting and will not be paid out until February 19, 2009. In 2006, Messrs. Fettig, Swift, and Todman did not receive long-term cash awards as part of their participation in SEP. See Compensation Discussion and Analysis Long-Term Incentives for additional information about SEP.

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Outstanding Equity Awards at Fiscal Year-End Table

Our NEOs had the following types of equity awards outstanding at the end of the 2006 fiscal year: stock option awards granted under our Strategic Excellence Program or our predecessor program; and restricted stock awards granted under our Strategic Excellence Program, Special Retention Program, or Career Stock Program. The predecessor program to the Strategic Excellence Program had substantially the same terms and guidelines as the Strategic Excellence Program. For more information about these programs, see Compensation Discussion and Analysis Long-Term Incentives.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (Exercisable)	Number of Securities Underlying Unexercised Options (Unexercisable) (2)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested ($)
Jeff M. Fettig									
Stock Options (1)									
	20,500	0		45.75	4/15/2007				
	18,000	0		63.13	6/15/2008				
	50,000	0		52.28	4/05/2009				
	64,000	0		52.19	2/14/2010				
	70,000	0		54.07	2/19/2011				
	70,000	0		67.29	2/18/2012				
	70,000	0		49.60	2/17/2013				
	26,667	13,333		72.94	2/16/2014				
	0	83,200		89.16	2/20/2016				
SEP RSUs								27,672(3)	2,297,329(4)

2005								
2006					48,580(5)	4,033,112(6)		
SRP RSUs					68,125(7)	5,655,738(8)		
CSP RSUs					10,000(9)	830,200(10)		
Maytag								
Recognition RSUs					25,000(11)	2,075,500(12)		
Roy W. Templin								
Stock Options (1)								
	10,000	0	62.98	7/01/2013				
	1,776	888	72.94	2/16/2014				
	0	9,300	89.16	2/20/2016				
SEP RSUs								
2005							5,040(3)	418,421(4)
2006					5,397(5)	448,059(6)		
SRP RSUs					20,000(13)	1,660,400(8)		
CSP RSUs								
Maytag								
Recognition								
RSUs					15,000(11)	1,245,300(12)		

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Name	Option Awards: Number of Securities Underlying Unexercised Options (Exercisable)	Number of Securities Underlying Unexercised Options (Unexercisable) (2)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price ($)	Option Expiration Date	Stock Awards: Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That Have Not Vested ($)
David L. Swift									
Stock Options (1)									
	7,181	3,591		72.94	2/16/2014				
	0	20,600		89.16	2/20/2016				
SEP RSUs									
2005								6,760(3)	561,215(4)
2006						12,023(5)	998,108(6)		
SRP RSUs						42,500(14)	3,528,350(8)		
CSP RSUs						15,000(9)	1,245,300(10)		
Maytag Recognition RSUs						15,000(11)	1,245,300(12)		
Michael A. Todman									
Stock Options (1)									
	5,500	0		63.13	6/15/2008				
	22,000	0		54.07	2/19/2011				
	27,000	0		67.29	2/18/2012				
	27,000	0		49.60	2/17/2013				
	6,855	3,427		72.94	2/16/2014				
	0	19,200		89.16	2/20/2016				
SEP RSUs									
2005								6,463(3)	536,558(4)
2006						11,163(5)	926,773(6)		

SRP RSUs					43,875(15)	3,642,503(8)		
CSP RSUs					12,000(9)	996,240(10)		
Maytag Recognition RSUs					7,500(11)	622,650(12)		
Paulo F. M. Periquito								
Stock Options (1)								
	5,000	0	52.19	7/10/2007				
	15,000	0	63.13	6/15/2008				
	33,000	0	52.28	4/05/2009				
	33,000	0	52.19	2/14/2010				
	33,000	0	54.07	2/19/2011				
	33,000	0	67.29	2/18/2012				
	33,000	0	49.60	2/17/2013				
	8,226	4,113	72.94	2/16/2014				
	0	10,335	89.16	2/20/2016				
SEP RSUs								
2005							7,649(3)	635,020(4)
2006					6,330(5)	525,496(6)		
SRP RSUs					18,500(16)	1,535,870(8)		
CSP RSUs					10,000(9)	830,200(10)		
Maytag Recognition RSUs								

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(1) These stock option grants were made under SEP or under our predecessor program. The last two listed stock option entries represent grants from the 2004 SEP and 2006 SEP, respectively.

(2) As shown in the table above, each NEO has two awards with remaining unvested stock options listed in this column. These awards represent grants from the 2004 SEP and 2006 SEP. SEP stock options generally vest and become exercisable in equal installments on the first, second, and third anniversary of the grant date. The table below sets forth the vesting schedule for the remaining unvested stock options for each of our NEOs. As of the last day of our 2006 fiscal year, the awards under the 2004 SEP had only the final vesting date remaining, while the awards under the 2006 SEP had all three vesting dates remaining.

Name	2004 SEP - Vesting Date 3	2006 SEP - Vesting Date 1	2006 SEP - Vesting Date 2	2006 SEP - Vesting Date 3
Jeff M. Fettig	February 16, 2007	February 20, 2007	February 20, 2008	February 20, 2009
Roy W. Templin	February 16, 2007	February 20, 2007	February 20, 2008	February 20, 2009
David L. Swift	February 16, 2007	February 20, 2007	February 20, 2008	February 20, 2009
Michael A. Todman	February 16, 2007	February 20, 2007	February 20, 2008	February 20, 2009
Paulo F. M. Periquito	February 16, 2007	February 20, 2007	February 20, 2008	February 20, 2009

The option exercise price is equal to the fair market value of Whirlpool stock on the date of grant.

(3) Represents the target number of shares of restricted stock that could be earned under our 2005 SEP. The grants from the 2005 SEP have a three-year performance period (2005-2007). The Human Resources Committee will determine whether the performance measures have been achieved after the completion of the 2007 fiscal year. Each of our NEOs has the opportunity to earn up to a maximum number of shares of restricted stock as follows: Mr. Fettig 83,017; Mr. Templin 15,120; Mr. Swift 20,280; Mr. Todman 19,389; Mr. Periquito 22,947.

(4) Represents the target number of shares that could be earned under our 2005 SEP multiplied by the closing price of our common stock on December 29, 2006 (the last trading day of our 2006 fiscal year). The ultimate value of the 2005 SEP awards will depend on the number of shares earned and the price of our common stock on the actual vesting date.

(5) Represents earned, but unvested restricted stock units under our 2006 SEP. The grants from the 2006 SEP had a one-year performance period during the 2006 fiscal year. Although earned in 2006, these restricted stock units are subject to time-based vesting and will not be paid out until February 19, 2009.

(6) Represents earned, but unvested restricted stock units under our 2006 SEP multiplied by the closing price of our common stock on December 29, 2006 (the last trading day of our 2006 fiscal year). The ultimate value of the 2006 SEP will depend on the value of our common stock on the actual vesting date.

(7) Represents earned, but unvested restricted stock units under the Special Retention Program (Special Retention RSUs). Grants from the Special Retention Program are awards aimed at retaining key members of Whirlpool s leadership. Although earned, these restricted stock units are subject to time-based vesting and will not be paid out until July 1, 2007 (22,500), February 19, 2008 (23,125), and July 1, 2011 (22,500).

(8) Represents earned, but unvested Special Retention RSUs multiplied by the closing price of our common stock on December 29, 2006 (the last trading day of our 2006 fiscal year). The ultimate value of these Special Retention RSUs will depend on the value of our common stock on the actual vesting date.

(9) Represents earned, but unvested restricted stock units under the Career Stock Program (Career Stock RSUs). Grants from the Career Stock Program are one time awards, which generally vest over a long period of time in order to encourage the long-term employment of key Whirlpool leadership. Although earned, these Career Stock RSUs are subject to time-based vesting and are not fully paid out until the NEOs

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retire. The remaining unvested awards for Messrs. Fettig and Todman will vest on July 1, 2018 and Mr. Periquito s remaining unvested award will vest upon his retirement. Mr. Swift s remaining unvested awards will vest on November 26, 2010 (10,000) and November 1, 2019 (5,000).

(10) Represents earned, but unvested Career Stock RSUs multiplied by the closing price of our common stock on December 29, 2006 (the last trading day of our 2006 fiscal year). The ultimate value of these Career Stock RSUs will depend on the value of our common stock on the NEO s retirement date.

(11) Represents earned, but unvested restricted stock units granted to Messrs. Fettig, Templin, Swift, and Todman due to the successful acquisition and integration of Maytag Corp. (Maytag Recognition RSUs) in recognition of their contribution to the transaction. Although earned, these Maytag Recognition RSUs are subject to time-based vesting and will not be paid out until August 12, 2009.

(12) Represents earned, but unvested Maytag Recognition RSUs granted to Messrs. Fettig, Templin, Swift, and Todman multiplied by the closing price of our common stock on December 29, 2006 (the last trading day of our 2006 fiscal year). The ultimate value of these Maytag Recognition RSUs will depend on the value of our common stock on the actual vesting date.

(13) Represents earned, but unvested Special Retention RSUs. Although earned, these restricted stock units are subject to time-based vesting and will not be paid out until September 1, 2007 (10,000) and September 1, 2011 (10,000).

(14) Represents earned, but unvested Special Retention RSUs. Although earned, these restricted stock units are subject to time-based vesting and will not be paid out until July 1, 2007 (15,000), November 26, 2008 (12,500), and July 1, 2011 (15,000).

(15) Represents earned, but unvested Special Retention RSUs. Although earned, these restricted stock units are subject to time-based vesting and will not be paid out until July 1, 2007 (15,000), February 19, 2008 (13,875), and July 1, 2011 (15,000).

(16) Represents earned, but unvested Special Retention RSUs. Although earned, these restricted stock units are subject to time-based vesting and will not be paid out until February 19, 2008.

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Option Exercises and Stock Vested Table

The table below describes the option awards exercised by our NEOs listed in the table and their stock awards that vested during 2006. The option awards exercised consist of awards granted under SEP (or the predecessor plan to SEP, which had substantially the same terms and guidelines as SEP). The stock awards that vested consist of awards granted under the:

- 2004 Strategic Excellence Program;
- Career Stock Program, in the case of Mr. Swift; and
- Special Retention Program, in the case of Mr. Periquito.

For more information about these programs, see Compensation Discussion and Analysis Long-Term Incentives.

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (1)**	**Value Realized On Exercise (2) ($)**	**Number of Shares Acquired on Vesting (3)**	**Value Realized on Vesting (4) ($)**
Jeff M. Fettig	17,500	536,361	6,500	572,455
Roy W. Templin	0	0	420	36,989
David L. Swift	27,000	551,951	11,867	1,021,927
Michael A. Todman	0	0	1,620	142,673
Paulo F. M. Periquito	15,000	644,100	26,944	2,376,958

(1) Option awards exercised by Mr. Fettig were granted on June 17, 1996. Option awards exercised by Mr. Swift were granted on February 18, 2002. Option awards exercised by Mr. Periquito were granted on April 15, 1997.

(2) The dollar value realized reflects the total pre-tax value realized by our NEOs (Whirlpool common stock at exercise price minus the exercise price of the option).

(3) Stock awards listed for Mr. Swift represent the vesting of 1,867 shares granted through participation in our 2004 SEP and 10,000 shares granted as part of the Career Stock Program in November 2001. Stock awards listed for Mr. Periquito represent the vesting of 1,944 shares granted through participation in our 2004 SEP and 25,000 shares granted as part of the Special Retention Program in October 2001. For Messrs. Fettig, Templin, and Todman, the shares listed represent the vesting of shares granted through participation in our 2004 SEP only.

(4) The dollar value realized reflects the final pre-tax value received by our NEOs upon the vesting of the stock awards (Whirlpool common stock price on the vesting date).

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Pension Benefits Table

The following table describes the estimated actuarial present value of accrued pension benefits through the end of our 2006 fiscal year for each of our NEOs listed in the table. Among our NEOs, only Mr. Periquito is retirement-eligible as of the last day of our 2006 fiscal year. The number of years of service credited to each NEO equals the NEO s length of service with Whirlpool in all cases. Whirlpool currently has a policy against crediting additional years of service under the following pension plans.

With respect to the Whirlpool Employee Pension Plan, listed in the table below as WEPP, the formula for this benefit is:

2% **x** years of service **x** average base salary

In this formula:

years of service for salaried employees is generally based on hours worked as a salaried employee and also includes hours paid but not worked (such as vacations and holidays), hours of military service required to be recognized under federal law, and hours for up to 24 months of long-term disability;

average base salary generally means the average of base salary in effect during the 60 sequential (but not necessarily consecutive) full calendar months of a participant s last 120 or fewer consecutive full calendar months of service before retirement or other termination of service that will produce the largest average monthly amount; and

the maximum number of years of service credited under the plan is 30 years.

Retirement Benefits under this formula are limited by the Internal Revenue Code. Benefits can be paid to plan participants in a variety of annuity forms or as a lump sum amount. The benefits payable to our NEOs from this plan were frozen as of December 31, 2006.

After reaching age 55 and completing five years of service with Whirlpool, salaried participants in this plan would be eligible for early retirement benefits under the plan. Benefits paid prior to age 65 are reduced. The factors used to determine this reduction vary with the participant s age. For example, for salaried participants whose benefits have vested and who retire from active service at age 55, their retirement benefits are reduced to 55% of the full retirement benefit payable at age 65. None of our NEOs who participate in this plan are eligible for early retirement as of the last day of our 2006 fiscal year.

With respect to the Whirlpool Retirement Benefit Restoration Plan, listed in the table below as DB Restoration, this plan provides benefits that cannot be paid from WEPP due to the limitations imposed by the Internal Revenue Code. The benefits payable to our NEOs from this plan were frozen as of December 31, 2006.

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With respect to the Whirlpool Supplemental Executive Retirement Plan, listed in the table below as SERP, the formula for this benefit is:

2% **x** years of service **x** average of the highest 5 PEP awards received over the last 10 years

In this formula:

years of service has the same meaning as it does under WEPP described above; and

the maximum number of years of service credited under the plan is 30 years.

The actuarial present value of benefits is calculated in accordance with the following assumptions: (1) discount rate: 2006, 5.90%, 2005, 5.65%; (2) assumed retirement age: 65; (3) no pre-retirement decrements; (4) assumed form of payment: lump sum, determined as equal to the present value of the life annuity provided by the plans formulas and calculated based on the plans provisions, including the 30-Year Treasury Yield (assumed to be 5.5%) and the GAR 94 Unisex Mortality Table. The actuarial increase during our 2006 fiscal year of the projected retirement benefits can be found in the Summary Compensation Table in the Change in Pension Value and Non-Qualified Deferred Compensation Earnings column (all amounts reported under that heading represent actuarial increases in our plans). For important information about these plans, see Compensation Discussion and Analysis Retirement Benefits.

Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit ($)	Payments During Last Fiscal Year ($)
Jeff M. Fettig	WEPP	26	508,817	0
	DB Restoration	26	1,596,095	0
	SERP	26	3,035,693	0
Roy W. Templin (1)	WEPP	3	56,461	0
	DB Restoration	3	50,994	0
	SERP	3	84,331	0
David L. Swift	WEPP	5	95,077	0
	DB Restoration	5	161,600	0
	SERP	5	211,099	0
Michael A. Todman	WEPP	14	262,025	0
	DB Restoration	14	417,301	0
	SERP	14	625,823	0
Paulo F. M. Periquito (2)	Private Pension Fund	11	9,138,000	0

(1) Mr. Templin is not yet eligible to receive the value reflected in the table due to the 5-year vesting requirements of each plan listed.

(2) Mr. Periquito achieved the statutory retirement age in Brazil in December 2006. Mr. Periquito s pension has been fully funded and will not accumulate any additional value beyond what is listed in column entitled Present Value of Accumulated Benefits.

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Non-Qualified Deferred Compensation Table

We offer two non-qualified defined contribution deferred compensation plans. Our non-qualified defined contribution retirement benefit plans are the Whirlpool Corporation Executive Deferred Savings Plan and the Whirlpool Corporation Executive Deferred Savings Plan II. For important information about these plans and their respective formulas and components, see Compensation Discussion and Analysis Retirement Benefits.

Name	Executive Contributions in Last FY (1) ($)	Registrant Contributions in Last FY ($)	Aggregate Earnings in Last FY ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE (2) ($)
Jeff M. Fettig	422,321	0	67,529	0	2,144,986
Roy W. Templin	55,100	0	10,897	0	127,088
David L. Swift	121,271	0	13,004	0	322,680
Michael A. Todman	0	0	44,652	0	778,987
Paulo F. M. Periquito (3)	-	-	-	-	-

(1) Executive contributions during the last fiscal year have only been made through deferral of performance-based incentive compensation to the Executive Deferred Savings Plan II.

(2) The following amounts are also being reported as compensation in 2006 in the Summary Compensation Table in the Non-Equity Incentive Plan Compensation and Stock Awards columns: Mr. Fettig $308,295; Mr. Templin $55,100; Mr. Swift $88,528; Mr. Todman $0; and Mr. Periquito $0. The difference between these amounts and the amounts in the Aggregate Balance at Last FYE column represents (a) contributions during prior fiscal years by each NEO from his own compensation to our two non-qualified defined contribution deferred compensation plans and (b) any non-preferential earnings on the accumulated balance during our 2006 and previous fiscal years.

(3) Mr. Periquito, as an executive in Brazil, is not eligible to participate in Whirlpool s non-qualified defined contribution plans.

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Potential Post-Termination Payments Tables

The tables below describe the compensation and benefits payable to each of our NEOs in the following circumstances: involuntary termination by Whirlpool for cause, involuntary termination by Whirlpool without cause, resignation, retirement, death, disability, and change of control (with and without a qualifying termination). The amounts shown assume that termination of employment or a change of control occurred as of December 31, 2006, and estimate certain amounts which would be paid to our NEOs upon the specified event. Due to the number of factors that affect the nature and amounts of compensation and benefits provided upon the events discussed below, the actual amounts paid or distributed may be different. Factors that could greatly affect these amounts include the timing during the year of any such event, Whirlpool s stock price, and the NEO s age.

The tables quantify and the accompanying narrative disclosure describes the compensation and benefits that are paid in addition to compensation and benefits generally available to salaried employees. Examples of compensation and benefits generally available to salaried employees, and thus not included below, are distributions under the Whirlpool 401(k) Retirement Plan, accrued vacation pay, and, in certain circumstances, vested equity.

Involuntary Terminations and Resignation

We provide no additional benefits to any of our NEOs in the event that the NEO resigns from Whirlpool. Also, we do not have employment agreements with any of our NEOs that would provide benefits in the event that we terminate the NEO s employment involuntarily for cause. Upon resignation and involuntary termination for cause, and in accordance with the terms of the long-term incentive awards granted under our incentive programs, our NEOs forfeit all unvested awards, as well as all vested, or partially vested, but unexercised awards. In the event we terminate the employment of an NEO involuntarily without cause, the only benefit the NEO receives is the accelerated vesting and payment of unvested restricted stock units granted under the Career Stock Program.

Retirement

Among our NEOs, only Mr. Periquito is retirement-eligible as of the last day of our 2006 fiscal year, and, thus, he may take a full distribution of his pension plan benefit at any time. Since the other NEOs are not retirement-eligible, if these NEOs chose to retire as of the last day of our 2006 fiscal year, the effect of that retirement would be the same as if the NEO had resigned, as described immediately above. Since none of our NEOs (other than Mr. Periquito) is retirement-eligible, the following quantification of estimated compensation and benefits payable at retirement, as well as the accompanying narrative disclosure, assume that each of our NEOs was retirement-eligible as of the end of our 2006 fiscal year.

In the event of retirement, our NEOs would be entitled to a mix of short- and long-term incentives. The possible short-term incentive payout would consist of a prorated cash payout at target under PEP for the fiscal year in which the NEO retires. The proration is proportional to the number of days worked during the performance period out of the total days of the performance period.

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The possible long-term incentive payouts consist of accelerated vesting of unvested, or partially unvested, restricted stock awards, performance units, and stock options under SEP and restricted stock units under the Career Stock Program. Performance units are payable in cash. The presently unvested, or partially unvested, SEP awards that remain outstanding are from fiscal years 2004, 2005, and 2006. At the first regularly-scheduled Human Resources Committee meeting following the completion of the applicable performance period, the Human Resources Committee reviews certain performance measures and determines whether the NEO has earned the award. The award then vests according to a specified vesting schedule.

The 2004 SEP cash and restricted stock awards were granted for a one-year performance period of our 2004 fiscal year. The final unvested portion of this cash and restricted stock award vested on February 19, 2007, but was unvested as of the last day of our 2006 fiscal year.

The 2005 SEP cash and restricted stock awards were granted for a three-year performance period (2005-2007) and no determination has been made as to whether our NEOs have earned this SEP grant. As a result, a retirement-eligible NEO would become eligible to receive a prorated benefit, in cash and restricted stock, if the NEO was at least 18 months into the performance period prior to retirement. In the case of the 2005 SEP awards, as of the last day of our 2006 fiscal year, each NEO has completed 24 months of the performance period. Therefore, a retirement-eligible NEO would receive a prorated benefit, in cash and restricted stock, upon retirement. This payment would consist of cash and restricted stock prorated at target under the 2005 SEP. The proration is proportional to the number of days worked during the performance period out of the total days of the performance period.

The 2006 SEP award was granted for a one-year performance period. The Human Resources Committee met on February 19, 2007 and determined that our NEOs earned their 2006 SEP awards. However, as of the last day of our 2006 fiscal year, no determination had been made as to whether our NEOs had earned this SEP grant. As a result, a retirement-eligible NEO would become eligible to receive a prorated benefit, in cash and restricted stock, if the NEO was at least six months into the performance period prior to retirement. In the case of the 2006 SEP awards, as of the last day of our 2006 fiscal year, each NEO would have completed the full 12 months of the performance period. However, since the Human Resources Committee would not yet have met to determine whether our NEOs earned their 2006 SEP awards and the actual amount of these awards would not be known, a retirement-eligible NEO would receive a payout at target, in cash and restricted stock, upon retirement. If the NEO is terminated at any time prior to the end of the fiscal year, the NEO would receive a prorated payout, in cash and restricted stock, upon retirement. The proration is proportional to the number of days worked during the performance period out of the total days of the performance period.

In addition, upon the retirement of a retirement-eligible NEO, the NEO would receive accelerated vesting of all applicable unvested stock option awards granted under SEP. Unvested stock options under SEP that are accelerated upon the retirement of a retirement-eligible NEO must be exercised within two years or the unexercised stock options will be cancelled.

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With respect to unvested restricted stock awards granted under the Career Stock Program, the benefit a retirement-eligible NEO would receive upon retirement would depend on the NEO s place in the vesting timeline of the award. For the purposes of the table below and consistent with our assumption that each of our NEOs are retirement-eligible, we include a value showing the full vesting of unvested awards under the Career Stock Program. In reality, even a retirement-eligible NEO might not receive this full vesting treatment. This determination would likely vary depending on the NEO s age, tenure with Whirlpool, the number of years since the grant date, and the vesting schedule described in the individual award agreement.

Our NEOs would forfeit any applicable unvested restricted stock awards granted in connection with the acquisition of Maytag (Maytag Recognition RSUs) or under the Career Stock Program and the Special Retention Program.

Death and Disability

Upon the death or disability of one our NEOs, with respect to the accelerated vesting of unvested, or partially unvested, SEP cash awards, restricted stock awards, and stock options, the same analysis applies under these two scenarios as would apply in the case of the retirement of a retirement-eligible NEO, as described immediately above.

Unlike the treatment in the case of retirement, the benefit upon death or disability consists of the accelerated vesting of all unvested restricted stock awards under the Career Stock Program without regard to the place in the vesting schedule.

Just as in the event of a retirement-eligible NEO s retirement, in the case of disability or death, the NEO forfeits any applicable unvested Maytag Recognition RSUs and unvested restricted stock awards granted under the Special Retention Program.

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The following table shows the possible payouts to each of our NEOs for the specified type of employment termination. As detailed above, the values for the retirement portion of the table assume that our NEOs were retirement-eligible as of the last day of the 2006 fiscal year and also assumes that our NEOs were eligible for the full vesting of any unvested restricted stock awards under the Career Stock Program. As a result of these assumptions, the benefit conferred to our NEOs upon retirement is identical to the benefit conferred in the event of a disability. In addition, the amounts under Retirement and Disability Total in the table below are identical to the amounts under Death Total in the table below for each of the NEOs other than Mr. Periquito. In the event that Mr. Periquito dies, his designated beneficiaries would receive a life insurance benefit equal to 36 times his monthly base salary. This benefit is unique to Mr. Periquito and, thus, the incremental benefit paid out in the event of his death varies by the amount of this benefit from the payout in the event of his retirement or disability. The designated beneficiaries of our other NEOs would receive the same life insurance benefits generally available to all salaried employees and, thus, there is no additional incremental benefit paid out in the event that they die.

	RESIGNATION	INVOLUNTARY TERMINATION		RETIREMENT AND DISABILITY										DEATH
				Short-Term Incentives	Long-Term Incentives									
Name	Resignation ($)	With Cause ($)	Without Cause (1) ($)	2006 PEP ($)	2004 SEP RSUs ($)	2005 SEP RSUs ($)	2006 SEP RSUs ($)	2004 SEP Cash ($)	2005 SEP Cash ($)	2006 SEP Cash ($)	SEP Stock Options ($)	Career Stock Program ($)	TOTAL ($)	TOTAL (2) ($)
Jeff M. Fettig	0	0	830,200	1,540,000	539,630	1,531,553	2,304,635	0	1,166,667	0	134,397	830,200	8,047,082	8,047,082
Roy W. Templin	0	0	0	440,000	34,868	278,947	256,034	30,600	212,500	275,000	8,951	0	1,536,900	1,536,900
David L. Swift	0	0	1,245,300	595,000	154,998	374,143	570,347	136,125	285,000	0	36,197	1,245,300	3,397,110	3,397,110
Michael A. Todman	0	0	996,240	552,500	134,492	357,706	529,585	118,125	272,500	0	34,544	996,240	2,995,692	2,995,692
Paulo F. M. Periquito	0	0	830,200	516,000	161,391	423,347	300,283	141,750	322,500	322,500	41,459	830,200	3,059,430	4,994,430

(1) Represents the benefit of accelerated vesting of unvested restricted stock units under the Career Stock Program.

(2) For Mr. Periquito, represents the total benefit in the Retirement and Disability portion of the table and the added special life insurance benefit described above. All other NEOs receive the same life insurance benefits generally available to all salaried employees and, thus, no additional amounts are reflected in the table above.

Change in Control

We have agreements with Messrs. Fettig, Templin, Swift, Todman, and Periquito that take effect only in the event of a change in control. A change in control in accordance with these agreements is generally defined to include the acquisition by any person or group of 25% or more of Whirlpool s voting securities, a change in the composition of the Board such that the existing Board or persons who were approved by a majority of directors or their successors on the existing Board no longer constitute a majority, and approval by the stockholders of an acquisition or liquidation of Whirlpool.

Upon the occurrence of a change in control, our NEOs receive full accelerated vesting of previously unvested, or partially unvested, long-term incentives. These long-term incentives include:

- cash, restricted stock, and stock options under SEP from fiscal years 2004, 2005, and 2006;
- restricted stock awards under the Career Stock Program;

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- restricted stock awards under the Special Retention Program; and

- restricted stock awards in connection with our acquisition of Maytag.

In addition to the accelerated vesting of these awards, our NEOs may be entitled to receive an additional lump-sum payment in an amount sufficient to cover the full cost of any excise tax and the NEO s city, state, and federal income, employment, and excise taxes on this additional payment and on such iterative payments such that the NEO is made entirely whole for the impact of the excise tax. The excise tax gross-up represents a benefit actually paid out by Whirlpool in connection with the occurrence of a change in control, whereas the accelerated vesting of long-term incentives provides a benefit to our NEOs, but does not necessarily reflect amounts that we pay out in the event of a change in control. The following table shows the possible payouts to our NEOs triggered solely upon the occurrence of a change in control.

CHANGE IN CONTROL ONLY

	Long-Term Incentives										Excise Tax Gross-Up	TOTAL
Name	SEP Stock Options ($)	2004 SEP RSUs ($)	2005 SEP RSUs ($)	2006 SEP RSUs ($)	2004 SEP Cash ($)	2005 SEP Cash ($)	2006 SEP Cash ($)	CSP RSUs ($)	Maytag Recognition RSUs ($)	SRP RSUs ($)	($)	($)
Jeff M. Fettig	134,397	539,630	2,297,329	2,304,635	0	1,750,000	0	830,200	2,075,500	5,655,738	3,915,133	19,502,562
Roy W. Templin	8,951	34,868	418,421	256,034	30,600	318,750	275,000	0	1,245,300	1,660,400	1,041,955	5,290,279
David L. Swift	36,197	154,998	561,215	570,347	136,125	427,500	0	1,245,300	1,245,300	3,528,350	1,619,532	9,524,864
Michael A. Todman	34,544	134,492	536,558	529,585	118,125	408,750	0	996,240	622,650	3,642,503	0	7,023,447
Paulo F. M. Periquito	41,459	161,391	635,020	300,283	141,750	483,750	322,500	830,200	0	1,535,870	0	4,452,223

Additional benefits are payable to our NEOs after a change in control, but only after a qualifying termination occurs. Qualifying terminations include: involuntary termination of the NEO by Whirlpool; voluntary termination by the NEO for good reason, as defined in the agreement; voluntary termination by the NEO during, and only during, the 13th month after the change in control; or a material breach of the change in control agreement by Whirlpool.

Cash severance arising from these change in control agreements is paid out in a lump sum payment equal to:

- the executive s unpaid base salary;

- vacation pay equal to twice the annual accrual rate appropriate for the NEO, based on the NEO s length of service with Whirlpool;

- unreimbursed business expenses;

all other items earned by and owed to the executive through and including the date of the termination;

the higher of 3 times the NEO s base salary on the date of the termination or the NEO s base salary at any time during the 12 months prior to the change in control;

- the higher of 3 times current target bonus opportunity (in terms of a percentage of base salary) under PEP or the NEO s highest target bonus opportunity at any time during the 12 months prior to the change in control; and

- the higher of the NEO s pro rata target bonus opportunity (in terms of a percentage of Base Salary) under PEP or the highest target bonus opportunity at any time during the 12 months prior to the change in control, or the actual bonus earned through the date of the termination under PEP based on the NEO s current level of goal achievement.

The amount of cash severance will be offset by any other severance-type payments the NEO may be eligible or entitled to receive from any other sources.

Our NEOs are also entitled to receive continued benefits for 36 months in connection with a termination after a change in control. These benefits include certain health, life, and short- and long-term disability insurance benefits. The severance benefits provided to the NEOs in the event of a change in control include an amount, payable at the same time and in the same form as if paid from the qualified and non-qualified defined benefit pension plans, equal to the additional benefits to which the NEO would be entitled under our qualified or nonqualified defined benefit pension plans if:

- the NEO s benefits had fully vested;

- the number of years of credited service was increased by 3 years; and

- the NEO s age was equal to the NEO s actual age plus 3 years for purposes of determining retirement eligibility and early retirement reduction factors.

The continuation of the NEO s benefits will be calculated at the same cost and at the same level of coverage as in effect on the date of termination.

Mr. Periquito s change in control agreement differs slightly due to certain cost of living adjustments that are factored into his cash severance. In addition, Mr. Periquito s continued benefits differ from those benefits for other NEOs as described above and include: a designated automobile, special life insurance, and hospital, medical, dental, and pharmaceutical assistance.

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The following table shows the possible payouts to our NEOs triggered solely after a qualifying termination subsequent to the occurrence of a change in control. The amount shown in the Total column for the Change in Control After Qualifying Termination portion includes the amount shown in the Total column for the Change in Control Only table immediately above, which is also included in the second column of the table below.

	CHANGE IN CONTROL ONLY	QUALIFYING TERMINATION AFTER CHANGE IN CONTROL					
		Cash Compensation					
Name	TOTAL (S)	Severance Payments ($)	Annual Incentives ($)	Health, Welfare and Other Benefits ($)	Enhanced Pension Benefits ($)	Incremental Excise Tax Gross-Up ($)	TOTAL ($)
Jeff M. Fettig	19,502,562	7,920,000	1,540,000	36,192	600,773	5,093,047	34,692,574
Roy W. Templin	5,290,279	2,970,000	440,000	33,618	352,503	1,914,815	11,001,215
David L. Swift	9,524,864	3,885,000	595,000	34,320	276,247	2,416,427	16,731,858
Michael A. Todman	7,023,447	3,607,500	552,500	31,854	279,675	3,058,941	14,553,917
Paulo F. M. Periquito	4,452,223	3,708,000	516,000	244,050	0	0	8,920,273

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RELATED PERSON TRANSACTIONS

Policy for Evaluating Related Person Transactions

The Board has adopted a written policy relating to the Corporate Governance and Nominating Committee s review and approval of transactions with related persons that are required to be disclosed in proxy statements by SEC regulations (related person transactions). A related person is defined under the applicable SEC regulation and includes our directors, executive officers, and 5% or more beneficial owners of our common stock. The Corporate Secretary administers procedures adopted by the Board with respect to related person transactions and the Committee reviews and approves all such transactions. At times, it may be advisable to initiate a transaction before the Committee has evaluated it, or a transaction may begin before discovery of a related person s participation. In such instances, management consults with the Chairman of the Committee to determine the appropriate course of action. Approval of a related person transaction requires the affirmative vote of the majority of disinterested directors on the Committee. In approving any related person transaction, the Committee must determine that the transaction is fair and reasonable to Whirlpool. The Committee periodically reports on its activities to the Board. The written policy relating to the Committee s review and approval of related person transactions is available on our website under Corporate Governance. All of the related person transactions described under the heading Related Person Transactions below have been approved by the Corporate Governance and Nominating Committee pursuant to this policy.

Related Person Transactions

On September 9, 2005, Whirlpool entered into an agreement with Harbor Shores Community Redevelopment Inc. (Harbor Shores), a not-for-profit entity, whereby Whirlpool Corporation agreed to loan up to $12 million to Harbor Shores, secured by a mortgage on real estate owned by Harbor Shores. As of December 31, 2006, all funds had been loaned under this agreement. Membership interests in Harbor Shores are held by three U.S. not-for-profit entities, including Whirlpool Foundation. Certain current and former members of the Whirlpool Corporation management team are involved in the Harbor Shores project, including Whirlpool s current CFO and its former CEO, both of whom are trustees and officers of Harbor Shores. None of these individuals re