

WHIRLPOOL CORP /DE/
Form DEF 14A
March 17, 2005
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant ☒ x

Filed by a Party other than the Registrant ☐ "

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)

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

(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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Notes:

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WHIRLPOOL CORPORATION

Administrative Center

2000 N. M-63

Benton Harbor, Michigan 49022-2692

To Our Stockholders:

It is my pleasure to invite you to attend the 2005 Whirlpool Corporation annual meeting of stockholders to be held on Tuesday, April 19, 2005, 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 five directors and approval of a nonemployee director equity plan, and will transact any other business that may properly come before the meeting. In addition, we will discuss Whirlpool's 2004 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 a summary 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, President

and Chief Executive Officer

March 18, 2005

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NOTICE OF 2005 ANNUAL MEETING OF STOCKHOLDERS

The 2005 annual meeting of stockholders of **WHIRLPOOL CORPORATION** will be held at 120 East Delaware Place, 8th Floor, Chicago, Illinois on Tuesday, April 19, 2005, at 8:00 a.m., Chicago time, for the following purposes:

1. to elect five persons to the Company's Board of Directors;
2. to approve a nonemployee director equity 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 germane to the meeting, during ordinary business hours, for at least ten days prior to the meeting at EquiServe, One North State Street, 11th Floor, Chicago, Illinois 60602.

By Order of the Board of Directors

ROBERT T. KENAGY

Associate General Counsel and

Corporate Secretary

March 18, 2005

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PROXY STATEMENT

INFORMATION ABOUT WHIRLPOOL CORPORATION

Whirlpool is the world's leading manufacturer and marketer of major home appliances. We manufacture in 12 countries and market products in more than 170 countries under major brand names such as *Whirlpool*, *KitchenAid*, *Roper*, *Estate*, *Bauknecht*, *Ignis*, *Brastemp*, *Consul*, and *Acros*. We are also the principal supplier to Sears, Roebuck and Co. of many major appliances marketed under the *Kenmore* brand name. We have approximately 68,000 employees worldwide. Our headquarters are located in Benton Harbor, Michigan, and our address is 2000 N. M-63, Benton Harbor, Michigan 49022-2692. Our telephone number is (269) 923-5000.

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Our 2005 annual meeting of stockholders will be held on Tuesday, April 19, 2005, at 8:00 a.m., Chicago time, at 120 East Delaware Place, 8th Floor, Chicago, Illinois. You are welcome to attend. 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.

Information about this Proxy Statement

We are sending the proxy materials because Whirlpool's Board of Directors 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 February 28, 2005 are entitled to vote at the meeting. There were 66,866,282 outstanding shares of common stock as of the close of business on February 28, 2005. We have no other voting securities. Stockholders are entitled to one vote per share on each matter. This proxy statement and the accompanying proxy form are first being mailed to stockholders on or about March 18, 2005.

Information about Voting

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

1. **By Proxy** If you sign and return the accompanying proxy form, your shares will be voted as you direct on the proxy form. 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 Nonemployee Director Equity Plan (which has been approved by the Board of Directors subject to shareholder approval). You may

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revoke your proxy at any time before it is exercised by providing a written revocation to Whirlpool's Corporate Secretary, Robert T. Kenagy, by providing a proxy with a later date, or 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.

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Whirlpool's Board of Directors has adopted a policy requiring all stockholder votes to be kept permanently confidential and not disclosed except (i) when disclosure is required by law, (ii) when a stockholder expressly consents to disclosure, or (iii) 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 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.

The five directors to be elected at the annual meeting will be elected by a plurality of the votes cast by the stockholders present in person or by proxy and entitled to vote. This means that the five nominees with the most votes will be elected. Votes may be cast for or withheld from each nominee, but a withheld vote or a broker non-vote will have no effect on the outcome of the election. For a stockholder to nominate an individual for director at the 2006 annual meeting, the stockholder must follow the procedures outlined below under the caption "Stockholder Proposals and Director Nominations for 2006 Meeting." Stockholders may also designate a director nominee to be considered by the Board for recommendation to the stockholders in the Company's proxy statement for the 2006 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 in person or represented by proxy at the annual meeting and entitled to vote will be required to approve the Nonemployee Director Equity Plan and 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 is treated as not being entitled to vote on the matter and, therefore, is not 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 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.

DIRECTORS AND NOMINEES FOR ELECTION AS DIRECTORS

We currently have 11 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 of Directors each year. The Board recommends a vote *FOR* the election of each of the directors nominated below.

Nominees for a Term to Expire in 2008

HERMAN CAIN, 59, Chief Executive Officer and President of T.H.E. New Voice, Inc. (leadership consulting). Director of the Company from 1992 to 2003 (when he left the Board to make a bid for political office), and Director of AGCO Corporation, Aquila, Inc., and The Reader's Digest Association, Inc. Mr. Cain was recommended to the Corporate Governance and Nominating Committee by non-management directors who, after reviewing Mr. Cain's qualifications, skills, experience, and past performance on the Board against the

established criteria for nominees, recommended him as a director nominee.

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JEFF M. FETTIG, 48, Chairman of the Board, President and Chief Executive Officer of the Company. Director of the Company since 1999 and director of The Dow Chemical Company.

MILES L. MARSH, 57, former Chairman of the Board and Chief Executive Officer of Fort James Corporation (paper mills). Director of the Company since 1990 and director of GATX Corporation and Morgan Stanley.

PAUL G. STERN, 66, 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). Director of the Company since 1990 and director of The Dow Chemical Company and ManTech International Corporation.

Nominee For A Term To Expire in 2007

MICHAEL D. WHITE, 53, Chairman and Chief Executive Officer of PepsiCo International (beverages and snack foods). Director of the Company since 2004. Mr. White was recommended to the Corporate Governance and Nominating Committee by a third-party search firm. After reviewing his qualifications, skills, and experience against the established criteria for nominees, the Committee recommended and the Board subsequently appointed Mr. White to the Whirlpool Board in June 2004.

Directors Whose Terms Expire in 2007

ALLAN D. GILMOUR, 70, former Vice Chairman of Ford Motor Company (cars and trucks, related parts and accessories, and financial services). Director of the Company since 1990 and director of DTE Energy Company.

MICHAEL F. JOHNSTON, 57, President and Chief Executive Officer of Visteon Corporation (motor vehicle parts & accessories). Director of the Company since 2003 and director of Flowserve Corporation and Visteon Corporation.

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JANICE D. STONEY, 64, former Executive Vice President, US WEST Communications Group, Inc. (telephone communications; retired 1992). Director of the Company since 1987 (except for part of 1994 during a bid for political office) and director of Bridges Investment Fund and Williams Companies Inc.

Directors Whose Terms Expire in 2006

GARY T. DICAMILLO, 54, President and Chief Executive Officer of TAC Worldwide Companies (professional staffing services). Director of the Company since 1997 and director of 3Com Corporation, Pella Corporation, and The Sheridan Group.

KATHLEEN J. HEMPEL, 54, former Vice Chairman and Chief Financial Officer of Fort Howard Corporation (paper mills; retired 1997). Director of the Company since 1994 and director of Actuant Corporation and Oshkosh Truck Corporation.

ARNOLD G. LANGBO, 67, former Chairman of the Board and Chief Executive Officer of Kellogg Company (grain mill products; retired 2000). Director of the Company since 1994 and director of the International Youth Foundation, Johnson & Johnson, and Weyerhaeuser Company.

The directors have served their respective companies indicated above in various executive or administrative positions for at least the past five years, except for Messrs. Cain, DiCamillo, Gilmour, and Johnston. From 1999 to 2000, Mr. Cain was Chief Executive Officer and President of Digital Restaurant Solutions Corporation now known as RetailDNA, LLC (restaurant industry). From 1995 to 2002, Mr. DiCamillo was Chairman of the Board and Chief Executive Officer of Polaroid Corporation (photographic equipment & supplies). Mr. Gilmour returned to Ford Motor Company from 2002 to 2005 after retiring from Ford in 1995. From 1989 to 2000, Mr. Johnston served in various capacities at Johnson Controls, Inc. (automotive systems and building controls), including President E-Business. In addition, Mr. Marsh served as Chairman of the Board and Chief Executive Officer of Fort James Corporation from 1997 to 2000 at which time he left the company.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Number of Meetings. The Board held six meetings during 2004. During 2004, 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.

Attendance at Annual Meetings. All directors properly nominated for election are expected to attend the annual meeting of stockholders. At the 2004 annual meeting of stockholders, all of the directors

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nominated for election (Messrs. Gilmour, Johnston, and David R. Whitwam (former Chairman and Chief Executive Officer, retired June 30, 2004) and Ms. Stoney) attended the annual meeting. In addition, Mr. Fettig, a director and executive officer of Whirlpool, attended the 2004 annual meeting of stockholders.

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. Ten of the Company's eleven directors are nonemployee directors. Although the Board has not adopted categorical standards of materiality for independence purposes (other than those set forth in the New York Stock Exchange listing standards), information provided by the directors and the Company did not indicate any material 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 New York Stock Exchange.

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: coordinate with the Chairman and CEO in establishing the annual agenda and topic items for Board meetings; retain independent advisors on behalf of the Board as the Board may determine is necessary or appropriate; 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 perform such other functions as the independent directors may designate from time to time. Mr. Gilmour currently is serving as the Presiding Director.

Interested parties, including stockholders, may communicate directly with the Presiding Director, 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 Corp., 27 North Wacker Drive, Suite 615, Chicago, Illinois 60606-2800. This address is administered by an independent maildrop business that forwards the mail directly to the addressees. 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. 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. The Company 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."

Audit Committee. The Audit Committee (Mr. Gilmour (Chair), Mr. DiCamillo, Mr. James M. Kilts (a current Board member who is not standing for re-election), Mr. Langbo, Ms. Stoney, and Mr. White)

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provides independent and objective oversight of the Company's accounting functions and internal controls and monitors the objectivity of the Company's financial statements. The Committee assists Board oversight of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, and (4) the performance of the Company's internal audit function and independent auditor. In performing these functions, the Committee has the responsibility to review and discuss the annual audited financial statements and quarterly financial statements and related reports with management and the independent auditor, including the Company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations, to monitor the adequacy of financial disclosure; to retain and terminate the Company's independent auditor and exercise the Committee's 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 auditor; and to review annual reports from the independent auditor regarding its internal quality control procedures. The Committee's charter, which was amended by the Board on August 17, 2004, appears as Exhibit B to this proxy statement.

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 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 New York Stock Exchange listing standards and that Mr. Gilmore 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. The Audit Committee held eleven meetings in 2004.

Human Resources Committee. The Human Resources Committee (Mr. Kilts (Chair), Mr. Langbo, Mr. Marsh, Dr. Stern, and Ms. Stoney) assures the adequacy of the compensation and benefits of the officers and top management of the Company 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. Under its charter, the Committee is comprised solely of three or more independent directors who meet the independence standards under the New York Stock Exchange listing standards. This Committee held three meetings in 2004.

Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee (Mr. DiCamillo (Chair), Ms. Hempel, Mr. Johnston, Mr. Marsh, and Mr. White) provides oversight on the broad range of issues surrounding the composition and operation of the Board of Directors, including identifying individuals qualified to become Board members, recommending to the Board director nominees for the next annual meeting of shareholders, and recommending to the Board a set of corporate governance principles applicable to the Company. 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. The Committee has retained a third party search firm to assist it 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. On an annual basis, the Committee solicits input from the full Board of Directors 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 New York Stock Exchange listing standards. This Committee held five meetings in 2004.

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Code of Ethics. All of the Company's directors and employees, including its Chief Executive Officer, Chief Financial Officer, and other senior financial officers, are required to abide by the Company's long-standing Code of Ethics, augmented to comply with the requirements of the New York Stock Exchange and Securities and Exchange Commission, to ensure that the Company'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 the Company's business. The Company intends to disclose future amendments to, or waivers from, certain provisions of the Code of Ethics for executive officers and directors on the Company's website within four business days following the date of such amendment or waiver.

Available Information. The Company'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 Company's website at 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, MI 49022-2692; (269) 923-4678.

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COMPENSATION OF DIRECTORS

The Board of Directors believes that it is important to attract and retain outstanding nonemployee directors through a competitive compensation program. To that end, in 2004 the Corporate Governance and Nominating Committee, which is responsible for making director compensation recommendations to the Board of Directors, retained Hewitt Associates to evaluate the competitiveness of the Company's compensation program for its nonemployee directors. After evaluating the competitive market data on nonemployee director compensation, Hewitt reported to the Committee that the Company's compensation for its nonemployee directors was substantially below the median of the market and recommended increases in the annual retainer, annual committee chair fees, and equity compensation. After evaluating Hewitt's report, the Committee recommended, and the Board of Directors approved for 2005 (i) an increase in the annual retainer from \$45,000 to \$60,000, (ii) an increase in the additional amount paid to a committee chair from \$2,500 to \$5,000 (\$10,000 for the Chair of the Audit Committee), and (iii) subject to approval by the stockholders on April 19, 2005, a new Nonemployee Director Equity Plan that would replace the existing director equity plans (for additional information on this plan, see the section entitled Proposal to Approve the Nonemployee Director Equity Plan later in this proxy statement). In addition, the Board of Directors adopted an equity ownership guideline for nonemployee directors of four times the annual director cash retainer, with a five year timetable to obtain this objective. In 2004, directors who were not employees of Whirlpool were paid an annual retainer of \$45,000 (\$47,500 if also a committee chair).

Whirlpool has a Nonemployee Director Stock Ownership Plan. In 2004, this plan provided, effective on the date of each annual stockholders meeting, for an automatic grant to each nonemployee director of 400 shares of common stock and an option to purchase 600 shares of common stock if our earnings from continuing operations for the immediately preceding year increased by at least 10% over such earnings for the prior year. The exercise price under each option is the average fair market value (as defined) of the common stock for the third through fifth trading days after the public release of our earnings for such prior year. These options may be exercised for 20 years after issuance (except that they must be exercised within five years after ceasing to be a director and within one year after the death of the director). The exercise price may be paid in cash or common stock. In addition, each nonemployee director is awarded annually 400 shares of phantom common stock, payable on a deferred basis. The shares of phantom common stock earn phantom dividends and the total accumulated phantom stock awards and phantom dividends are converted into Whirlpool's common stock on a one-for-one basis and paid out to the nonemployee director following completion of service on the Board.

Whirlpool also has a Nonemployee Director Treasury Stock Ownership Plan. In 2004, this plan provided, effective on the date of each annual stockholders meeting, for an automatic grant to each nonemployee director of 200 shares of common stock, payable in treasury shares only. No shares of common stock awarded under this plan may be sold within the first six months after they are awarded unless the death of the director occurs during such period.

On December 21, 2004, the Company's Board of Directors approved a new Nonemployee Director Equity Plan. This plan, if approved by the stockholders on April 19, 2005, will replace the plans described in the two preceding paragraphs. If approved, the Nonemployee Director Equity Plan will provide (a) a one time grant of 1,000 shares of common stock upon joining the Board of Directors; (b) an annual grant of stock options valued at \$36,000 with the number of options to be based on dividing \$36,000 by the then current fair market value of the common stock and multiplying the result by 0.35; and (c) 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 value of the common stock of the Company.

A nonemployee director may elect to defer any portion of the annual retainer and annual stock grant until he or she ceases to be a director, at which time payment of any deferred annual retainer is made

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in a lump sum or in monthly or quarterly installments, and payment of any deferred annual stock grant is made as soon as administratively feasible. Interest on deferred amounts accrues quarterly at a rate equal to the prime rate in effect from time to time.

Each director may elect to relinquish all or a portion of the annual fee, 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 irrevocable, 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.

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 retainer times such director's months of service (not to exceed 120) and a related income tax reimbursement payment. We also provide each nonemployee director with travel accident insurance of \$1 million with the premiums paid by the Company, and directors are reimbursed for the related income tax.

For evaluation purposes, appliances sold by us are made available to each nonemployee director for use at home, and the director receives an income tax reimbursement payment to compensate for any additional tax obligation. The cost to Whirlpool of this arrangement in 2004 (based on distributor price of products and delivery, installation, and service charges) did not exceed \$10,000 for any one nonemployee director or \$32,000 for all nonemployee directors as a group.

SECURITY OWNERSHIP

The following table presents the ownership of the only persons known by us as of February 28, 2005 to beneficially own more than 5% of our common stock based upon statements on Schedule 13G filed by such persons with the Securities and Exchange Commission.

Date of 13G Report	Name and Address of Beneficial Owner	Shares Beneficially Owned	Percent of Class
2/14/2005	Barclays Global Investors, NA(1) 45 Fremont Street San Francisco, CA 94105	9,774,754	14.62%
2/10/2005	Dodge & Cox(2) 555 California Street, 40th Floor San Francisco, CA 94104	8,953,110	13.39%
2/11/2005	Pzena Investment Management, LLC(3)	5,908,404	8.84%

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120 West 45th Street, 34th Floor

New York, NY 10036

2/11/2005

Marsh & McLennan Companies, Inc.(4)

1166 Avenue of the Americas

New York, NY 10036

5,904,297

8.83%

-
- (1) Based solely on a Schedule 13G filed with the Securities and Exchange Commission by Barclays Global Investors, NA and the other entities listed below. Barclays Global Investors, NA is the beneficial owner of 7,519,746 shares with sole voting power with respect to 6,738,926 shares and sole dispositive power with respect to 7,519,746 shares. Barclays Global Fund Advisors is the beneficial owner of 915,037 shares with sole voting power with respect to 849,711 shares and sole dispositive power with respect to 915,037 shares. Barclays Global Investors, Ltd. is the beneficial owner with sole voting and dispositive power with respect to 1,282,893 shares. Barclays Global

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- Investors Japan Trust and Banking Company Limited is the beneficial owner with sole voting and sole dispositive power with respect to 54,041 shares. Barclays Life Assurance Company Limited is the beneficial owner with sole voting and dispositive power with respect to 3,037 shares. Barclays Bank PLC, Barclays Capital Securities Limited, Barclays Capital Inc., Barclays Private Bank & Trust (Isle of Man) Limited, Barclays Private Bank and Trust (Jersey) Limited, Barclays Bank and Trust Company Limited, Barclays Bank (Suisse) SA, Barclays Private Bank Limited, BRONCO (Barclays Cayman) Limited, Palomino Limited, and HYMF Limited have neither voting nor dispositive power with respect to any such shares.
- (2) Based solely on a Schedule 13G/A filed with the Securities and Exchange Commission by Dodge & Cox, an investment advisor. Dodge & Cox has sole voting power with respect to 8,418,410 shares, shared voting power with respect to 125,900 shares, and sole dispositive power with respect to all such shares.
- (3) Based solely on a Schedule 13G filed with the Securities and Exchange Commission by Pzena Investment Management, LLC, an investment advisor. Pzena has sole voting power with respect to 3,176,154 shares and sole dispositive power with respect to 5,908,404 shares.
- (4) Based solely on a Schedule 13G/A filed with the Securities and Exchange Commission 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 403,548 shares and shared dispositive power with respect to 5,904,297 shares. Putnam Investment Management, LLC (PIM), a registered investment advisor to the Putnam family of mutual funds, has shared voting power with respect to 173,476 shares and shared dispositive power with respect to 5,420,211 shares. The Putnam Advisory Company, LLC (PAC), a registered investment advisor to Putnam's institutional clients, has shared voting power with respect to 230,072 shares and shared dispositive power with respect to 484,086 shares. Both subsidiaries have dispositive power over the shares as investment managers, but each of the mutual fund's trustees have voting power over the shares held by each fund, and PAC has shared voting power over the shares held by the institutional clients.

Table of Contents**BENEFICIAL OWNERSHIP**

The following table reports beneficial ownership of common stock by each director, nominee for director, Chief Executive Officers and the four other most highly compensated executive officers, and all directors and executive officers of Whirlpool as a group, as of February 28, 2005. 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 N. M-63, Benton Harbor, MI 49022-2692.

	Shares	Shares Under		
	Beneficially	Exercisable		
	Owned(1)	Options(2)	Total	Percentage
Herman Cain	7,045	4,200	11,245	*
Gary T. DiCamillo	5,172	3,000	8,172	*
Jeff M. Fettig	41,058	408,334	449,392	*
Allan D. Gilmour	7,800	5,400	13,200	*
Kathleen J. Hempel	5,800	3,600	9,400	*
Michael F. Johnston	1,000	600	1,600	*
James M. Kilts	4,200	2,400	6,600	*
Arnold G. Langbo	6,107	3,600	9,707	*
Miles L. Marsh	8,180	4,800	12,980	*
Paulo F. M. Periquito	96,138	254,113	350,251	*
Paul G. Stern	7,400	4,800	12,200	*
Janice D. Stoney	6,100	6,000	12,100	*
David L. Swift	5,181	55,591	60,772	*
Michael D. Thieneman	10,881	63,775	74,656	*
Michael A. Todman	10,684	128,928	139,612	*
Michael D. White	1,400	-0-	1,400	*
David R. Whitwam	10,127	660,000	670,127	1.00%
All directors and executive officers as a group (19 persons).	236,294	1,626,705	1,862,999	2.79%

* Represents less than 1% of the outstanding common stock.

(1) Does not include:

- (a) shares subject to currently exercisable options, which information is set forth separately in the second column; or
- (b) 1,465,158 shares held by the Whirlpool 401(k) Trust (but does include 6,681 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) Includes shares subject to options that will become exercisable within 60 days.

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 and the New York Stock Exchange 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, 2004.

Table of Contents**EXECUTIVE COMPENSATION**

The table below provides a summary of annual and long-term compensation for the last three years of the Chief Executive Officers and the four other most highly compensated executive officers of the Company.

SUMMARY COMPENSATION TABLE (2002-2004)

Name	Principal Position	Year	Long-Term Compensation						
			Annual Compensation		Other Annual Comp.(2)	Awards		Payouts	
						Restricted	Securities Underlying Options	LTIP Payouts	All Other Compensation
			Salary	Bonus(1)		Stock Awards (\$)(3)	(#)	(\$)(4)	(\$)(5)
Jeff M. Fettig	Chairman of the Board, President and Chief Executive Officer	2004	\$ 837,500	\$ 700,000	\$ 74,449	\$ 3,864,960	40,000	\$ 499,238	\$ 1,215
		2003	715,833	621,000		-0-	70,000	829,943	513
		2002	661,667	619,000		-0-	70,000	276,264	468
David R. Whitwam	Chairman of the Board and Chief Executive Officer (retired June 30, 2004)	2004	\$ 606,667						
		2003	1,170,833						
		2002	1,119,000						