

WHIRLPOOL CORP /DE/
Form DEF 14A
March 11, 2004
Table of Contents

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

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))

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)

Edgar Filing: WHIRLPOOL CORP /DE/ - Form DEF 14A

Payment of Filing Fee (Check the appropriate box) :

No fee required.

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

(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:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Notes:

Reg. (S) 240.14a-101

SEC 1913 (3 99)

Table of Contents

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 2004 Whirlpool Corporation annual meeting of stockholders to be held on Tuesday, April 20, 2004, at 1:30 p.m., Chicago time, at The Madison Room, 181 W. Madison Street, 7th Floor, Chicago, Illinois.

The formal notice of the meeting follows on the next page. At the meeting, stockholders will vote on the re-election of four directors and renewal of the Company's Performance Excellence Plan, and will transact any other business that may properly come before the meeting. In addition, we will discuss Whirlpool's 2003 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!

DAVID R. WHITWAM

Chairman of the Board

and Chief Executive Officer

March 11, 2004

Table of Contents

NOTICE OF 2004 ANNUAL MEETING OF STOCKHOLDERS

The 2004 annual meeting of stockholders of **WHIRLPOOL CORPORATION** will be held at The Madison Room, 181 W. Madison Street, 7th Floor, Chicago, Illinois on Tuesday, April 20, 2004, at 1:30 p.m., Chicago time, for the following purposes:

1. to re-elect four persons to the Company's Board of Directors;
2. to approve the renewal of Whirlpool's Performance Excellence 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 11, 2004

Table of Contents**TABLE OF CONTENTS**

	<u>Page</u>
<u>Part I Proxy Statement</u>	
<u>Information about Whirlpool Corporation</u>	1
<u>Information About the Annual Meeting and Voting</u>	1
<u>Directors and Nominees for Re-Election as Directors</u>	2
<u>Board of Directors and Corporate Governance</u>	4
<u>Compensation of Directors</u>	8
<u>Security Ownership</u>	9
<u>Beneficial Ownership</u>	11
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	11
<u>Executive Compensation</u>	12
<u>Stock Option Grants and Related Information</u>	13
<u>Stock Option Exercises and Holdings</u>	14
<u>Long-Term Incentive Awards</u>	14
<u>Agreements With Executive Officers</u>	14
<u>Retirement Benefits</u>	14
<u>Human Resources Committee Interlocks and Insider Participation</u>	16
<u>Human Resources Committee Report on Compensation Awards</u>	16
<u>Performance Graph</u>	20
<u>Proposal to Renew the Performance Excellence Plan</u>	21
<u>Equity Compensation Plan Information</u>	24
<u>Miscellaneous</u>	25
<u>Matters Relating to Auditors</u>	25
<u>Stockholder Proposals and Director Nominations for 2005 Meeting</u>	27
<u>Director Nominations to be Considered by the Board</u>	27
<u>Exhibit A Whirlpool Corporation Performance Excellence Plan</u>	A-1
<u>Exhibit B Audit Committee Charter</u>	B-1
<u>Part II Financial Supplement</u>	
<u>Table of Contents</u>	F-1
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	F-2
<u>Consolidated Statements of Operations</u>	F-18
<u>Consolidated Balance Sheets</u>	F-19
<u>Consolidated Statements of Cash Flows</u>	F-20
<u>Consolidated Statements of Changes in Stockholders' Equity</u>	F-21
<u>Notes to Consolidated Financial Statements</u>	F-22
<u>Eleven-Year Consolidated Statistical Review</u>	F-48
<u>Reports of Independent Auditors and Management</u>	F-50
<u>Schedule II Valuation and Qualifying Accounts</u>	F-52

Table of Contents

PROXY STATEMENT

INFORMATION ABOUT WHIRLPOOL CORPORATION

Whirlpool is the world's leading manufacturer and marketer of major home appliances. We manufacture in 13 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 2004 annual meeting of stockholders will be held on Tuesday, April 20, 2004, at 1:30 p.m., Chicago time, at The Madison Room, 181 W. Madison Street, 7th 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 27, 2004 are entitled to vote at the meeting. There were 68,806,248 outstanding shares of common stock as of the close of business on February 27, 2004. 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 11, 2004.

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 a proposal to renew the Performance Excellence Plan. You may revoke your proxy at any time before it is exercised by providing a

Edgar Filing: WHIRLPOOL CORP /DE/ - Form DEF 14A

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.

Table of Contents

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 four directors to be re-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 four 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 2005 annual meeting, the stockholder must follow the procedures outlined below under the caption "Stockholder Proposals and Director Nominations for 2005 Meeting." Stockholders may also nominate a director to be considered by the Board for recommendation to the stockholders in the Company's proxy statement for the 2005 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 proposal to renew the Performance Excellence Plan to extend the term of the plan to December 31, 2008. 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 RE-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 re-election of each of the directors nominated below.

Nominees for a Term to Expire in 2007

ALLAN D. GILMOUR, 69, 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.

Table of Contents

MICHAEL F. JOHNSTON, 56, President and Chief Operating Officer of Visteon Corporation (automotive systems). Director of the Company since 2003 and director of Flowserve Corporation and Visteon Corporation. Mr. Johnston 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. Johnston to the Whirlpool Board in October 2003.

JANICE D. STONEY, 63, former Executive Vice President, US WEST Communications Group, Inc. (telecommunications products and services; 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.

DAVID R. WHITWAM, 62, Chairman of the Board and Chief Executive Officer of the Company. Director of the Company since 1985 and director of Convergys Corporation and PPG Industries, Inc.

Directors Whose Terms Expire in 2005

JEFF M. FETTIG, 47, President and Chief Operating Officer of the Company. Director of the Company since 1999 and director of The Dow Chemical Company.

JAMES M. KILTS, 56, Chairman of the Board and Chief Executive Officer of The Gillette Company (consumer products). Director of the Company since 1999 and director of Delta Air Lines, Inc. and The May Department Stores Company.

MILES L. MARSH, 56, former Chairman of the Board and Chief Executive Officer of Fort James Corporation (consumer paper products). Director of the Company since 1990 and director of GATX Corporation and Morgan Stanley.

Table of Contents

PAUL G. STERN, 65, Partner, Thayer Capital Partners, L.L.P. and Arlington Capital Partners, L.L.P. (private investment companies). Director of the Company since 1990 and director of The Dow Chemical Company.

Directors Whose Terms Expire in 2006

GARY T. DICAMILLO, 53, 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, 53, former Vice Chairman and Chief Financial Officer of Fort Howard Corporation (paper products; retired 1997). Director of the Company since 1994 and director of Actuant Corporation, Kennametal Inc., Oshkosh Truck Corporation, and A.O. Smith Corporation.

ARNOLD G. LANGBO, 66, former Chairman of the Board and Chief Executive Officer of Kellogg Company (cereal and other 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. DiCamillo, Gilmour, Johnston, and Kilts. From 1995 to 2002, Mr. DiCamillo was Chairman of the Board and Chief Executive Officer of Polaroid Corporation (imaging products). Mr. Gilmour returned to Ford Motor Company in 2002 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. Mr. Kilts was Chief Executive Officer and President of Nabisco Holdings Corp. (food products) from 1998 to 2000. 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 seven meetings during 2003. During 2003, 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 2003 annual meeting of stockholders, all of the directors nominated for election (Messrs. DiCamillo and Langbo and Ms. Hempel) attended the annual meeting.

Table of Contents

In addition, Messrs. Whitwam and Fettig, both of whom are directors and executive officers of Whirlpool, attended the 2003 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. Nine of the Company's eleven directors are non-employee 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 non-employee directors. Based on the report and recommendation of the Corporate Governance and Nominating Committee, the Board has determined that each of its non-employee directors satisfies the independence standards set forth in the new listing standards of the New York Stock Exchange.

Executive Sessions of Non-Employee Directors and Communications Between Stockholders and the Board. The Board holds executive sessions of its non-employee 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 non-employee 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 non-employee 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." The current guidelines and the written charters for each committee described below appear on our website at www.whirlpoolcorp.com; click on the "Governance" tab, and then "Board of Directors."

Audit Committee. The Audit Committee (Mr. Gilmour (Chair), Mr. DiCamillo, Mr. Kilts, Mr. Langbo, and Ms. Stoney) provides independent and objective oversight of the Company's accounting functions

Table of Contents

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 auditors. 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 independent auditors, 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 auditors 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 non-audit services provided by independent auditors; and to review annual reports from the independent auditors regarding their internal quality control procedures. The Committee's charter, which was amended by the Board on December 16, 2003, appears as Exhibit B to this proxy statement.

Under its charter, the Committee can be comprised of three to five independent directors who meet the new 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 seven meetings in 2003.

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 can be comprised of three to five independent directors. This Committee held three meetings in 2003.

Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee (Mr. DiCamillo (Chair), Ms. Hempel, Mr. Johnston, and Mr. Marsh) 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 assistance to the Board and the Chairman 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 can be comprised of three to five independent directors. This Committee held six meetings in 2003.

Table of Contents

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, recently augmented to comply with the new requirements of the New York Stock Exchange and Securities and Exchange Commission, to insure 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 full text of the Code of Ethics is published on our website at www.whirlpoolcorp.com; click on the Governance tab, and then Code of Ethics. 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 five business days following the date of such amendment or waiver.

Table of Contents

COMPENSATION OF DIRECTORS

In 2003, directors who were not employees of Whirlpool were paid an annual retainer of \$45,000 (\$47,500 if a committee chair). A nonemployee director may elect to defer any portion of director compensation until he or she ceases to be a director, at which time payment is made in a lump sum or in monthly or quarterly installments. 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 a director in an amount equal to one-tenth of the annual director's fee 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 us, 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 2003 (based on distributor price of products and delivery, installation, and service charges) did not exceed \$13,000 for any one nonemployee director or \$40,000 for all nonemployee directors as a group.

Whirlpool also has a Nonemployee Director Stock Ownership Plan. This plan provides, 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.

Lastly, Whirlpool also has a Nonemployee Director Treasury Stock Ownership Plan. This plan provides, 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.

Table of Contents**SECURITY OWNERSHIP**

The following table presents the ownership of the only persons known by us as of February 23, 2004 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
2/17/2004	Barclays Global Investors, NA(1) 45 Fremont Street, 17th Floor San Francisco, CA 94105	10,515,125	15.33%
2/10/2004	AXA Financial Inc.(2) 1290 Avenue of the Americas New York, NY 10104	8,013,201	11.68%
2/13/2004	Dodge & Cox(3) One Sansome Street, 35th Floor San Francisco, CA 94104	7,445,660	10.85%
2/13/2004	Marsh & McLennan Companies, Inc.(4) 1166 Avenue of the Americas New York, NY 10036	6,242,784	9.10%

- (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 8,626,278 shares with sole voting and dispositive power with respect to 7,564,989 shares. Barclays Global Fund Advisors is the beneficial owner of 301,502 shares with sole voting and dispositive power with respect to 299,754 shares. Barclays Global Investors, Ltd. is the beneficial owner of 1,498,296 shares with sole voting power with respect to 1,493,696 shares and sole dispositive power with respect to 1,498,296 shares. Barclays Global Investors Japan Trust and Banking Company Limited is the beneficial owner with sole voting and dispositive power with respect to 55,537 shares. Barclays Life Assurance Company Limited is the beneficial owner with sole voting and dispositive power with respect to 3,337 shares. Barclays Bank PLC is the beneficial owner with sole voting and dispositive power with respect to 28,197 shares. Barclays Capital Securities Limited is the beneficial owner with sole voting and dispositive power with respect to 1,978 shares. 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, and Barclays Private Bank 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 AXA Assurances I.A.R.D. Mutuelle, AXA Assurances Vie Mutuelle, AXA Courtage Assurance Mutuelle, AXA and AXA Financial Inc. (on behalf of its two subsidiaries Alliance Capital Management L.P. (Alliance), and The Equitable Life Assurance Society of the United States (Equitable)). Each reporting person listed above is deemed to have sole voting power with respect to 4,497,037 shares,

Edgar Filing: WHIRLPOOL CORP /DE/ - Form DEF 14A

shared voting power with respect to 744,766 shares, sole dispositive power with respect to 8,012,101 shares, and shared dispositive power with respect to 1,100 shares. Of the 8,013,201 shares reported in the Schedule 13G/A, (a) 8,009,760 shares are owned by Alliance, acquired solely for investment purposes on behalf of client discretionary investment advisory accounts, (b) 2,341 shares are owned by Equitable, acquired solely for investment purposes, and (c) 1,100 shares are owned by AXA Entity or Entities, acquired solely for investment purposes. Alliance has sole voting power with respect to 4,495,196 shares, shared voting power with respect to 744,766 shares, and sole dispositive power with respect to 8,009,760 shares. Equitable has sole voting

Table of Contents

- power with respect to 1,841 shares and sole dispositive power with respect to 2,341 shares. AXA Entity or Entities have shared dispositive power with respect to 1,100 shares.
- (3) 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 6,981,160 shares, shared voting power with respect to 77,000 shares, and sole dispositive power with respect to all such shares.
- (4) Based solely on a Schedule 13G/A filed with the Securities and Exchange Commission by Marsh & McLennan (MMC) and Putnam LLC d/b/a Putnam Investments (PI), a wholly-owned subsidiary of MMC, and the other entities listed below. PI has shared voting power with respect to 502,106 shares and shared dispositive power with respect to 6,242,784 shares. Putnam Investment Management, LLC (PIM), a registered investment advisor to the Putnam family of mutual funds, has shared voting power with respect to 289,536 shares and shared dispositive power with respect to 5,730,570 shares. The Putnam Advisory Company, LLC (PAC), a registered investment advisor to Putnam s institutional clients, has shared voting power with respect to 212,570 shares and shared dispositive power with respect to 512,214 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 the PAC has shared voting power over the shares held by the institutional clients. MMC has neither voting nor dispositive power with respect to any of the shares.

Table of Contents**BENEFICIAL OWNERSHIP**

The following table reports beneficial ownership of common stock by each director, nominee for director, the Chief Executive Officer and the four other most highly compensated executive officers, and all directors and executive officers of Whirlpool as a group, as of February 23, 2004. 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 Beneficially Owned(1)	Shares Under		Percentage
		Exercisable Options(2)	Total	
Gary T. DiCamillo	4,469	2,400	6,869	*
Jeff M. Fettig	37,989	373,000	410,989	*
Allan D. Gilmour	7,200	4,800	12,000	*
Kathleen J. Hempel	5,200	3,000	8,200	*
Michael F. Johnston	-0-	-0-	-0-	*
James M. Kilts	3,600	1,800	5,400	*
Arnold G. Langbo	5,507	3,000	8,507	*
Miles L. Marsh	7,409	4,200	11,609	*
Paulo F. M. Periquito	90,922	233,500	324,422	*
Paul G. Stern	6,800	4,200	11,000	*
Janice D. Stoney	5,500	5,400	10,900	*
David L. Swift	3,688	67,000	70,688	*
Michael A. Todman	10,102	112,000	122,102	*
David R. Whitwam	140,712	660,000	800,712	1.17%
All directors and executive officers as a group (16 persons).	346,093	1,547,800	1,893,893	2.76%

* 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) 1,352,131 shares held by the Whirlpool 401(k) Trust (but does include 21,601 shares held for the accounts of executive officers).

(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, 2003.

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 Officer and the four other most highly compensated executive officers of the Company.

SUMMARY COMPENSATION TABLE (2001-2003)

Name	Principal Position	Year	Annual Compensation		Other Annual Comp.(1)	Long-Term Compensation		
			Salary	Bonus		Awards Options (#)	Payouts LTIP Payouts (\$)(2)	All Other Compensation (\$)(3)
David R. Whitwam	Chairman and Chief Executive Officer	2003	\$ 1,170,833	\$ 1,370,000	\$ 0	150,000	\$ 1,772,183	\$ 31,284
		2002	1,119,000	1,360,000	0	125,000	643,842	31,284
		2001	1,089,000	1,320,000	0	120,000	1,353,927	20,382
Jeff M. Fettig	President and Chief Operating Officer	2003	\$ 715,833	\$ 621,000	\$ 0	70,000	\$ 829,943	\$ 513
		2002	661,667	619,000	0	70,000	276,264	468
	2001	616,667	629,000	0	70,000	553,779	312	
Paulo F. M. Periquito	Executive Vice	2003	\$ 597,504	\$ 470,000	\$ 234,229	33,000	\$ 2,438,804	\$ 30,580
	President and	2002	575,000	552,000	165,024	33,000	230,243	23,001
		2001	512,504	1,698,087(4)	185,312	33,000	470,223	23,302
	President, Latin America							
David L. Swift	Executive Vice							
	President, North American Region	2003	\$ 508,333	\$ 415,000	\$ 0	30,000	\$ 618,409	\$ 3,330
		2002	475,000	576,000(5)	0	27,000	235,245	2,220
2001	48,580	400,000(5)	0	25,000	329,798	90		
Michael A. Todman	Executive Vice	2003	\$ 495,833					
	President and	2002	475,000					
		2001	374,542					
President, Whirlpool Europe								