

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission file number 1-3932

WHIRLPOOL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)
2000 North M-63, Benton Harbor, Michigan
(Address of principal executive offices)

38-1490038
(I.R.S. Employer Identification No.)
49022-2692
(Zip Code)

Registrant's telephone number, including area code (269) 923-5000

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$1.00 per share	Chicago Stock Exchange and New York Stock Exchange
7 ³ / 4 % Debentures due 2016	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933. Yes
No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one)

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer (Do not check if a smaller reporting company)

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting stock of the registrant held by stockholders not including voting stock held by directors and executive officers of the registrant and certain employee plans of the registrant (the exclusion of such shares shall not be deemed an admission by the registrant that any such person is an affiliate of the registrant) at the close of business on June 30, 2008 (the last business day of the registrant's most recently completed second fiscal quarter) was \$4,463,875,204.

On February 13, 2009, the registrant had 73,550,839 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following documents are incorporated herein by reference into the Part of the Form 10-K indicated:

<u>Document</u>	<u>Part of Form 10-K into which incorporated</u>
The registrant's proxy statement for the 2009 annual meeting of stockholders (the "Proxy Statement")	Part III

PART I

ITEM 1. Business.

Whirlpool Corporation, the world's leading manufacturer and marketer of major home appliances, was incorporated in 1955 under the laws of Delaware as the successor to a business that traces its origin to 1898. Whirlpool manufactures products in 12 countries under 13 principal brand names and markets products in nearly every country around the world. Whirlpool's geographic segments consist of North America, Europe, Latin America, and Asia. As of December 31, 2008, we had approximately 70,000 employees.

As used herein, and except where the context otherwise requires, "Whirlpool," "we," "us," and "our" refer to Whirlpool Corporation and its consolidated subsidiaries.

Products and Markets

Whirlpool manufactures and markets a full line of major appliances and related products, primarily for home use. Our principal products are laundry appliances, refrigerators, cooking appliances, dishwashers, and mixers and other small household appliances. We also produce hermetic compressors for refrigeration systems.

For each class of products which accounted for 10% or more of our consolidated net sales over the last three years, the following table lists the total net sales of each class.

Class of Similar Products	Percent in	Year ended December 31 (millions of dollars)		
	2008	2008	2007	2006
Home Laundry Appliances	30%	\$ 5,760	\$ 5,678	\$ 5,474
Home Refrigerators and Freezers	31%	5,825	5,833	5,341
Home Cooking Appliances	17%	3,128	2,995	2,909
Other	22%	4,194	4,902	4,356
Net Sales	100%	\$ 18,907	\$ 19,408	\$ 18,080

In North America, Whirlpool markets and distributes major home appliances and portable appliances under a variety of brand names. In the United States, we market and distribute products under the *Whirlpool*, *Maytag*, *KitchenAid*, *Jenn-Air*, *Roper*, *Estate*, *Admiral*, *Magic Chef*, *Amana*, and *Inglis* brand names primarily to retailers, distributors, and builders. In Canada, we market and distribute major home appliances under the *Inglis*, *Admiral*, *Whirlpool*, *Maytag*, *Jenn-Air*, *Magic Chef*, *Amana*, *Roper*, *Estate*, and *KitchenAid* brand names. In Mexico, we market and distribute major home appliances under the *Whirlpool*, *Maytag*, *Acros*, *KitchenAid*, and *Supermatic* brand names. We sell some products to other manufacturers, distributors, and retailers for resale in North America under those manufacturers' and retailers' respective brand names. We have manufacturing facilities in the United States and Mexico.

Whirlpool is a major supplier to Sears of laundry, refrigerator, dishwasher, and trash compactor home appliances. Sears markets some of the products that we supply to them under its *Kenmore* brand name. Sears is also a major outlet for our *Whirlpool*, *Maytag*, *KitchenAid*, *Jenn-Air*, and *Amana* brand products. In 2008, approximately 11% of our consolidated net sales were attributable to sales to Sears. More information regarding Whirlpool's relationship with Sears can be found under the caption "Forward-Looking Perspective" in the "Management's Discussion and Analysis" contained in the Financial Supplement to this Report.

In Europe, we market and distribute our major home appliances under the *Whirlpool*, *Maytag*, *Amana*, *Bauknecht*, *Ignis*, *Laden*, and *Polar* brand names, and major and portable appliances under the *KitchenAid* brand name. In addition to our extensive operations in Western Europe, we have sales subsidiaries in Russia, Ukraine, Hungary, Poland, the Czech Republic, Slovakia, Greece, Romania, Bulgaria, Latvia, Estonia, Lithuania, Croatia, Morocco, and Turkey, with representative offices in Ukraine, Kazakhstan, Slovenia, Serbia and Montenegro. Whirlpool markets a full line of products under the *Whirlpool*, *KIC*, and *Ignis* brand names in South Africa.

Whirlpool's European operations also sell products carrying the *Whirlpool*, *Bauknecht*, and *Ignis* brand names to distributors and dealers in Africa and the Middle East. Whirlpool has manufacturing facilities in France, Germany, Italy, Poland, Slovakia, South Africa, and Sweden.

In Latin America, we market and distribute our major home appliances under the *Whirlpool*, *Maytag*, *KitchenAid*, *Brastemp*, *Consul*, and *Eslabon de Lujo* brand names. We manage appliance sales and distribution in Brazil, Argentina, Chile, and Peru through our Brazilian subsidiary, and in Bolivia, Paraguay, and Uruguay through our distributors. We manage appliance sales and distribution in Central American countries, the Caribbean, Venezuela, Colombia, Guatemala, and Ecuador through our Brazilian subsidiary and through distributors. In Latin America, Whirlpool has manufacturing facilities in Brazil.

In Asia, we have organized the marketing and distribution of our major home appliances into five operating groups: (1) China, which includes mainland China; (2) Hong Kong and Taiwan; (3) India, which includes Bangladesh, Sri Lanka, Nepal, and Pakistan; (4) Oceania, which includes Australia, New Zealand, and Pacific Islands; and (5) Southeast Asia, which includes Thailand, Singapore, Malaysia, Indonesia, Vietnam, the Philippines, Korea, and Japan. We market and sell our products in Asia under the *Whirlpool*, *Maytag*, *KitchenAid*, *Amana*, and *Jenn-Air* brand names by a combination of direct sales to appliance retailers and chain stores and through full-service distributors to a large network of retail stores. In Asia, we have manufacturing facilities in China and India.

Competition

Competition in the home appliance industry is intense. In addition to traditional competitors such as Electrolux, GE, and Kenmore, there are expanding foreign competitors such as LG, Bosch Siemens, Samsung, Fisher & Paykel, and Haier. Moreover, the U.S. customer base is characterized by large, sophisticated trade customers who have many choices and demand competitive products, services, and prices. In most major markets throughout the world, 2008 was a challenging year with continued rising costs in the areas of metals, oil-based materials, such as resins, and transportation. In addition, in 2008 we experienced significant macroeconomic challenges including instability in the financial markets. These challenges have impacted the global economy, the capital markets, our operating costs and global demand for our products. Competition in our markets is based upon a wide variety of factors, including cost, selling price, distribution, performance, innovation, product features, quality, and other financial incentives. These financial incentives include cooperative advertising, co-marketing funds, sales person incentives, volume rebates, and terms. We believe that we can best compete in the current environment by increasing productivity, improving quality, lowering costs, focusing on research and development including introducing new products through innovation, building strong brands, enhancing trade customer and consumer value with our product offerings, continuing to expand our global footprint, expanding trade distribution channels, and taking other efficiency-enhancing measures.

Other Information

We are generally not dependent upon any one source for raw materials or purchased components essential to our business. In areas where a single supplier is used, alternative sources are generally available and can be developed within the normal manufacturing environment. Some unanticipated costs may be incurred in transitioning to a new supplier if a prior single supplier relationship was abruptly interrupted or terminated. There has been continued significant cost pressure in some areas, such as metals and oil-based materials, during most of the year. In the later part of the year, costs in most of these areas started to show signs of relief. We believe such raw materials and components will be available in adequate quantities to meet anticipated production schedules.

The patents we presently own are considered, in the aggregate, to be valuable. Also, Whirlpool is the owner of a number of trademarks in the U.S. and foreign countries. The most important trademarks that we own in North America are *Whirlpool*, *Maytag*, *KitchenAid*, *Estate*, *Roper*, *Admiral*, *Amana*, *Jenn-Air*, and *Acros*. The

most important trademarks that we own in Europe are *Whirlpool*, *Bauknecht*, and *Ignis*. In Latin America, the most important trademarks that we own are *Whirlpool*, *Brastemp*, and *Consul*. The most important trademark that we own in Asia is *Whirlpool*. We receive royalties from licensing our trademarks to third parties to sell and service certain products bearing the *Whirlpool*, *Maytag*, *KitchenAid*, *Jenn-Air*, *Admiral*, *Amana*, and *Magic Chef* brand names.

Expenditures for Whirlpool-sponsored research and development relating to new products and the improvement of existing products were approximately \$436 million in 2008, \$421 million in 2007, and \$375 million in 2006.

Our manufacturing facilities are subject to numerous laws and regulations designed to protect or enhance the environment, many of which require federal, state, or other governmental licenses and permits with regard to wastewater discharges, air emissions, and hazardous waste management. Our policy is to comply with all such laws and regulations. Where laws and regulations are less restrictive, we have established and are following our own standards consistent with our commitment to environmental responsibility.

We believe that we are in compliance in all material respects with all presently applicable federal, state, local, and other governmental provisions relating to environmental protection in the countries in which we have manufacturing operations. Compliance with these environmental laws and regulations has not had a material effect on capital expenditures, earnings, or our competitive position. Capital expenditures and expenses for manufacturing operations directly attributable to compliance with these environmental provisions worldwide amounted to approximately \$31 million in 2008, \$28 million in 2007 and \$33 million in 2006. We estimate that in 2009, environmental capital expenditures and expenses for manufacturing operations will be approximately \$32 million. Capital expenditures and expenses for product related environmental activities were not material in any of the past three years and are not expected to be material in 2009.

The entire major home appliance industry, including Whirlpool, must contend with the adoption of stricter governmental energy and environmental standards. These standards will be phased in over the next several years and include the general phase-out of ozone depleting chemicals used in refrigeration, energy standards rulemakings for selected major appliances, regulatory restrictions on the materials content specified for use in our products by some jurisdictions, and mandated recycling of our products at the end of their useful lives. Compliance with these various standards, as they become effective, will require some product redesign. However, we believe, based on our understanding of the current state of proposed regulations, that we will be able to develop, manufacture, and market products that comply with these regulations.

State and federal environmental protection agencies have notified us of our possible involvement in a number of "Superfund" sites in the United States. However, based upon our evaluation of the facts and circumstances relating to these sites along with the evaluation of our technical consultants, we do not presently anticipate any material adverse effect upon our earnings, financial condition, or competitive position arising out of the resolution of these matters or the resolution of any other known governmental proceeding regarding environmental protection matters.

For information about the challenges and risks associated with our foreign operations, see "Risks Relating to Our Business" under Item 1A below.

For certain other financial information concerning our business segments and foreign and domestic operations, see Note 14 to the Consolidated Financial Statements contained in the Financial Supplement to this report.

For information on our global restructuring plans, see Note 11 to the Consolidated Financial Statements contained in the Financial Supplement to this report.

For information on product recalls, see Note 7 to the Consolidated Financial Statements contained in the Financial Supplement to this report.

Maytag Acquisition

On March 31, 2006, we completed our acquisition of Maytag. The aggregate purchase price for Maytag was approximately \$1.9 billion, including approximately \$848 million of cash and approximately 9.7 million shares of Whirlpool common stock. Maytag had consolidated net sales for the year ended December 31, 2005 of approximately \$4.9 billion. With the acquisition, Whirlpool added an array of home appliance brands including *Maytag*, *Jenn-Air*, *Amana*, *Magic Chef*, and *Admiral*. We are realizing cost savings from all areas across the value chain including product manufacturing and marketing, global procurement, logistics, infrastructure and support areas, product research and development, and asset utilization. In 2007, we completed the sale of all Maytag adjacent businesses which were not part of the core appliance business.

Executive Officers of the Registrant

The following table sets forth the names and ages of our executive officers on February 11, 2009, the positions and offices they held on that date, and the year they first became executive officers:

<u>Name</u>	<u>Office</u>	<u>First Became an Executive Officer</u>	<u>Age</u>
Jeff M. Fettig	Director, Chairman of the Board and Chief Executive Officer	1994	51
Michael A. Todman	Director and President, Whirlpool North America	2001	51
Marc R. Bitzer	Executive Vice President and President, U.S. Operations	2006	44
Bracken Darrell	Executive Vice President and President, Whirlpool Europe	2009	46
Jose A. Drummond	Executive Vice President and President, Whirlpool S.A.	2008	44
Paulo F. M. Periquito	President, Whirlpool International	1997	62
David T. Szczupak	Executive Vice President, Global Product Organization	2008	53
Roy W. Templin	Executive Vice President and Chief Financial Officer	2004	48

Each of the executive officers named above was elected to serve in the office indicated until the first meeting of the Board of Directors following the annual meeting of stockholders in 2009 and until his successor is chosen and qualified or until his earlier resignation or removal. Each of our executive officers has held the position set forth in the table above or has served Whirlpool in various executive or administrative capacities for at least the past five years, except for Mr. Szczupak and Mr. Darrell. Prior to joining Whirlpool in July of 2008, Mr. Szczupak for the previous two years served as Chief Operating Officer of Dura Automotive Systems, Inc. and before joining Dura in 2006, worked for Ford Motor Company for 22 years in various leadership roles. Mr. Darrell, prior to joining Whirlpool in September 2008, for the previous six years held various executive positions with The Procter & Gamble Company, the most recent being President of Braun, a Procter & Gamble division.

Available Information

Financial results and investor information (including Whirlpool's Form 10-K, 10-Q, and 8-K reports) are accessible at Whirlpool's website: www.whirlpoolcorp.com—click on "Investors" and then click on "SEC Filings." Copies of our Form 10-K, 10-Q, and 8-K reports, as well as amendments to them, are available free of charge through our website on the same day they are filed with, or furnished to, the Securities and Exchange Commission.

ITEM 1A. Risk Factors.

This report contains statements referring to Whirlpool that are not historical facts and are considered “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which are intended to take advantage of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, are based on current projections about operations, industry conditions, financial condition and liquidity. Words that identify forward-looking statements include words such as “may,” “will,” “should,” “plan,” “predict,” “potential,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “believe,” “may impact,” “on track,” and words and terms of similar substance used in connection with any discussion of future operating or financial performance, a merger, or our businesses. In addition, any statements that refer to expectations, projections, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Those statements are not guarantees and are subject to risks, uncertainties, and assumptions that are difficult to predict. Therefore, actual results could differ materially and adversely from these forward-looking statements. These risks and uncertainties include, but are not limited to, the following:

Risks Relating to Our Business

Changes in economic conditions could adversely affect demand for our products . A number of economic factors, including, but not limited to, gross domestic product, availability of consumer credit, interest rates, consumer confidence and debt levels, retail trends, housing starts, sales of existing homes, the level of mortgage refinancing, and foreign currency exchange rates, generally affect demand for our products. Higher unemployment rates, higher fuel and other energy costs, and higher tax rates adversely affect demand. The decline in economic activity and conditions in the United States and the other markets in which we operate has, and may continue to, adversely affect our financial condition and results of operations for the foreseeable future.

The global financial crisis could adversely affect our business and financial performance. The ongoing global financial crisis has tightened credit markets and lowered liquidity levels. Lower credit availability may increase borrowing costs. Some of our suppliers are experiencing serious financial problems due to reduced access to credit and lower revenues. Financial duress may prompt some of our suppliers to seek to renegotiate supply terms with us, reduce production or file for bankruptcy protection. Our customers may be unable to obtain financing to purchase products and meet their payment obligations to us. In addition, the financial crisis could result in the insolvency of one or more of our customers. The occurrence of any or all of these events may adversely affect our operations, earnings, cash flows and/or financial position.

The loss of or substantial decline in sales to any of our key trade customers, which include Sears, Lowe’s, Home Depot, Casas Bahia, Best Buy, Ikea, major buying groups, and builders, could adversely affect our financial performance. We sell to a sophisticated customer base of large trade customers that have significant leverage as buyers over their suppliers. Most of our products are not sold through long-term contracts, which facilitates the trade customers’ ability to change volume among suppliers. As the trade customers continue to become larger, they may seek to use their position to improve their profitability by various means, including improved efficiency, lower pricing, and increased promotional programs. If we are unable to meet their requirements, our volume growth and financial results could be negatively affected. We have been a major supplier of home appliances to Sears for many years. In 2008, 2007, and 2006, approximately 11%, 12% and 14%, respectively, of our consolidated net sales were attributable to sales to Sears of OEM and Whirlpool brand products. The loss of, or substantial decline in volume of, sales to Sears, Lowe’s, Home Depot, Casas Bahia, Best Buy, Ikea, major buying groups or builders, or any other trade customers to which we sell a significant amount of products, could adversely affect our financial performance. Additionally, if these trade customers lose market share, this loss could negatively impact our financial performance.

We face intense competition in the home appliance industry and failure to successfully compete may negatively affect our business and financial performance. Each of our business segments operates in a highly

competitive business environment and faces intense competition from a growing number of competitors, many of which have strong consumer brand equity. Several of these competitors, such as LG, Samsung, Bosch Siemens and General Electric are large, well-established companies that rank among the Global Fortune 150 and have demonstrated a commitment to success in the global market. Competition in the global market is based on a number of factors including performance, innovation, product features and design, quality, cost, selling price, distribution, and financial incentives, such as cooperative advertising, co-marketing funds, sales person incentives, volume rebates, and terms. In the past, our competitors, especially global competitors with low-cost sources of supply outside the United States, have aggressively priced their products and/or introduced new products in order to increase market share. If we are unable to successfully compete in this highly competitive environment, our business and financial performance could be negatively affected.

Foreign currency fluctuations may affect our financial performance. We generate a significant portion of our revenue and incur a significant portion of our expenses in currencies other than the U.S. dollar. Changes in the exchange rates of functional currencies of those operations affect the U.S. dollar value of our revenue and earnings from our foreign operations. Recent extreme volatility in the foreign exchange markets has increased our risk. We use currency forwards and options to manage our foreign currency transaction exposures. We cannot completely eliminate our exposure to foreign currency fluctuations, which may adversely affect our financial performance. In addition, because our consolidated financial results are reported in dollars, if we generate sales or earnings in other currencies the translation of those results into dollars can result in a significant increase or decrease in the amount of those sales or earnings.

Litigation may adversely affect us. We face an inherent business risk of exposure to product liability claims in the event that the use of any of our products results in personal injury or property damage. In the event that any of our products proves to be defective, we may need to recall or redesign such products. There can be no guarantee that insurance coverage against certain product liability claims will continue to be available on acceptable terms or that such coverage will be adequate for liabilities we incur. We also face certain class action litigation regarding allegedly defective products that insurance does not cover. A successful claim in excess of, or outside of, our available insurance coverage may have a material adverse effect on our financial performance. In addition, any claim or product recall that results in significant adverse publicity may negatively affect our business, financial condition, or results of operations.

We regularly engage in investigations of potential quality and safety issues as part of our ongoing effort to deliver quality products to our customers. We are currently investigating a limited number of potential quality and safety issues, including a supplier-related quality and potential product safety problem that may affect 1 million appliances manufactured between 2001 and 2003. Actual costs of these issues and any future issues depend upon several factors, including the number of consumers who respond to a particular recall, repair and administrative costs, whether the cost of any corrective action is borne initially by Whirlpool or the supplier, and, if initially borne by Whirlpool, whether we will be successful in recovering our costs from the supplier. The actual costs incurred as a result of these issues and any future issues could have a material adverse effect on our business, financial condition or results of operations.

An inability to effectively execute and manage our business objectives could adversely affect our financial performance. The highly competitive nature of our industry requires that we effectively execute and manage our business including our global operating platform initiative. Our global operating platform initiative aims to reduce costs, drive productivity and quality improvements, and accelerate our rate of innovation. Our inability to effectively control costs and drive productivity improvements could affect our profits. In addition, our failure to provide high-quality, innovative products could adversely affect our ability to maintain or increase our sales. If we failed in this way, it could negatively affect our revenues and overall financial performance. Additionally, our success is dependent on anticipating changes in customer preferences and on successful new product and process development and product relaunches in response to such changes. Our future results and our ability to maintain or improve our competitive position will depend on our capacity to gauge the direction of our key markets and upon our ability to successfully and timely identify, develop, manufacture, market, and sell new or improved products in these changing markets.

Fluctuations and volatility in the cost of raw materials and purchased components could adversely affect our profits. The primary materials used to produce and manufacture our products are steel, oil, plastic resins, and base metals, such as aluminum, copper, zinc, and nickel. On a global and regional basis, the sources and prices of those materials and components are susceptible to significant price fluctuations due to supply/demand trends, transportation costs, government regulations and tariffs, changes in currency exchange rates, price controls, the economic climate, and other unforeseen circumstances. Material cost inflation is expected to be approximately \$200 million in 2009, largely driven by increases in base metals, such as copper, aluminum, zinc and nickel, as well as component parts and steel. Continued significant increases in these and other costs in the future could materially affect our profits.

The ability of suppliers to deliver parts, components and manufacturing equipment to our manufacturing facilities, including our ability to manufacture without disruption, could affect our global business performance. We use a wide range of materials and components in the global production of our products and use numerous suppliers to provide materials and components. We generally do not have guaranteed supply arrangements with our suppliers and some key parts may be available only from a single supplier or a limited group of suppliers. Our operations and operations at suppliers' facilities are subject to disruption for a variety of reasons, including, but not limited to, work stoppages, fire, earthquake, flooding, or other natural disasters. Such disruption could interrupt our ability to manufacture certain products. Any significant disruption could negatively impact our revenue and earnings performance.

Significant differences between actual results and estimates of the amount of future funding for our pension plans and postretirement health care benefit programs, and significant changes in funding assumptions or significant increases in funding obligations due to regulatory changes, could adversely affect our financial results. We have both funded and unfunded noncontributory defined benefit pension plans that cover most of our North American employees and certain foreign employees. We also have unfunded postretirement health care benefit plans for eligible retired employees. The Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code govern the funding obligations for our U.S. pension plans, which are our principal pension plans. Our U.S. defined benefit plans were frozen as of December 31, 2006 for substantially all participants. For 2007 and beyond, Whirlpool employees may participate in an enhanced defined contribution plan.

As of December 31, 2008, our projected benefit obligations under our pension plans and postretirement health care benefit programs exceeded the fair value of plan assets by an aggregate of approximately \$2,425 million (\$1,521 million of which was attributable to pension plans and \$904 million of which was attributable to postretirement health care benefits). Estimates for the amount and timing of the future funding obligations of these pension plans and postretirement health care benefit plans are based on various assumptions. These assumptions include the discount rates, expected long-term rate of return on plan assets, and health care cost trend rates. These assumptions are subject to change based on interest rates on high quality bonds, stock and bond market returns, and health care cost trend rates. Significant differences in results or significant changes in assumptions may materially affect our postretirement obligations and related future contributions and expense.

Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our products, services, and brands. We consider our intellectual property rights, including patents, trademarks, trade secrets, and licensing agreements, to be a significant and valuable aspect of our business. We attempt to protect our intellectual property rights through a combination of patent, trademark, copyright, and trade secret laws, as well as licensing agreements and third party nondisclosure and assignment agreements. Our failure to obtain or adequately protect our trademarks, products, new features of our products, or our processes may diminish our competitiveness.

We have applied for patent protection in the United States and other jurisdictions with respect to certain innovations and new products, product features, and processes. We cannot be assured that the U.S. Patent and Trademark Office or any other jurisdiction will approve any of our patent applications. Additionally, the patents we own could be challenged, invalidated, or others could design around our patents and the patents may not be of

sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Further, the laws of certain foreign countries in which we do business or contemplate doing business in the future do not recognize intellectual property rights or protect them to the same extent as United States law. As a result, these factors could weaken our competitive advantage with respect to our products, services, and brands in foreign jurisdictions, which could adversely affect our financial performance.

Moreover, while we do not believe that any of our products infringe the valid intellectual property rights of third parties, others may assert intellectual property rights that cover some of our technology, brands, products, or services. Any litigation regarding patents or other intellectual property could be costly and time-consuming and could divert the attention of our management and key personnel from our business operations. Claims of intellectual property infringement might also require us to enter into costly license agreements. We also may be subject to significant damages or injunctions against development and sale of certain products.

If we cannot manage the additional challenges of our international operations, our financial performance may suffer. For the year ended December 31, 2008, we derived approximately 43% of our net sales from outside of North America (which includes Canada and Mexico), including 21% in Europe, 19% in Latin America, and 3% in Asia. We expect that international sales will continue to account for a significant percentage of our net sales in the foreseeable future. Accordingly, we face numerous risks associated with conducting international operations, any of which could negatively affect our financial performance. These risks include the following:

- changes in foreign country regulatory requirements;
- various import/export restrictions and the availability of required import/export licenses;
- imposition of foreign tariffs and other trade barriers;
- political, legal, and economic instability;
- foreign currency exchange rate fluctuations;
- inflation;
- work stoppages and disruptions in the shipping of imported and exported products;
- government price controls;
- extended payment terms and the ability to collect accounts receivable; and
- the ability to repatriate cash.

Additionally, we are subject to the Foreign Corrupt Practices Act, which may place us at a competitive disadvantage to foreign companies that are not subject to similar regulations.

Terrorist attacks, armed conflicts, natural disasters, and epidemics could affect our domestic and international sales, disrupt our supply chain, and impair our ability to produce and deliver our products. Such events could directly impact our physical facilities or those of our suppliers or customers, both in the United States and elsewhere.

We are subject to, and could be further subject to, governmental investigations or actions by other third parties. We are subject to various federal, foreign and state laws, including antitrust laws, violations of which can involve civil or criminal sanctions. On February 17, 2009, we received a grand jury subpoena from the U.S. Department of Justice requesting documents relating to an antitrust investigation of the global compressor industry. Whirlpool subsidiaries in Brazil and Italy were visited on the same day by competition authorities seeking similar information. This investigation, or additional claims or investigations by private plaintiffs or other governmental agencies, could adversely affect our business. In 2008, sales of compressors represented approximately 6% of our global net sales.

A deterioration in labor relations could negatively impact our global business. As of December 31, 2008, we had approximately 70,000 employees. Of those employees, various labor unions with separate collective

bargaining agreements represent approximately 60%. Our current collective bargaining agreements generally have three year terms. Due to the large number of collective bargaining agreements, we are periodically in negotiations with certain of the unions representing our employees. We cannot be assured that at some point we will not be subject to employee work stoppages and, if such events were to occur, that there would not be a material adverse effect on our business, financial condition, or results of operations. Further, we cannot be assured that we will be able to renew the various collective bargaining agreements on the same or similar terms, or at all, which could also affect our business, financial condition, or results of operations.

Our ability to attract, develop and retain executives and other qualified employees is crucial to our results of operations and future growth . We depend upon the continued services and performance of our key executives, senior management and skilled personnel, particularly our professionals with experience in our business and operations and the home appliance industry. We cannot be sure that any of these individuals will continue to be employed by us. A lengthy period of time is required to hire and develop replacement personnel when skilled personnel depart Whirlpool. An inability to hire, develop and retain a sufficient number of qualified employees could materially hinder our business by, for example, delaying our ability to bring new products to market or impairing the success of our operations.

Environmental and health and safety laws and regulations may adversely affect Whirlpool. We are subject to various laws and regulations relating to the protection of the environment and human health and safety. We incur and will continue to incur capital and other expenditures to comply with these regulations. These types of costs could negatively affect our financial performance. Additionally, we could be subjected to future liabilities, fines or penalties or the suspension of product production for failing to comply with environmental regulations. Cleanup obligations that might arise at any of our manufacturing sites or the imposition of more stringent environmental laws in the future could adversely affect us.

ITEM 1B . *Unresolved Staff Comments.*

None.

ITEM 2 . *Properties.*

Our principal executive offices are located in Benton Harbor, Michigan. On December 31, 2008, our principal manufacturing operations were carried on at 40 locations worldwide, 27 of which are located in 11 countries outside the United States, primarily in the Europe region, and to a lesser extent in Asia, Latin America, and Mexico. Whirlpool occupied a total of approximately 69.4 million square feet devoted to manufacturing, service, administrative offices, warehouse, distribution, and sales space. Over 31.9 million square feet of such space is occupied under lease. In general, all facilities are well maintained, suitably equipped, and in good operating condition.

ITEM 3 . *Legal Proceedings.*

Information with respect to legal proceedings can be found under the heading “ *Legal Contingencies* ” in Note 7 to the Consolidated Financial Statements contained in the Financial Supplement to this report.

ITEM 4 . *Submission of Matters to a Vote of Security Holders.*

There were no matters submitted to a vote of security holders in the fourth quarter of 2008.

PART II

ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Whirlpool's common stock is traded on the New York Stock Exchange and the Chicago Stock Exchange. As of February 13, 2009, the number of holders of record of Whirlpool common stock was approximately 14,456.

High, low, and closing sales prices (as reported on the New York Stock Exchange composite tape) for Whirlpool's common stock for each quarter during the years 2008 and 2007 are set forth below:

<u>Market Price</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
4Q2008	\$ 83.05	\$ 30.19	\$ 41.35
3Q2008	\$ 91.87	\$ 58.22	\$ 79.29
2Q2008	\$ 92.59	\$ 61.73	\$ 61.73
1Q2008	\$ 98.00	\$ 67.19	\$ 86.78
4Q2007	\$ 94.89	\$ 72.15	\$ 81.63
3Q2007	\$ 116.79	\$ 72.10	\$ 89.10
2Q2007	\$ 118.00	\$ 84.17	\$ 111.20
1Q2007	\$ 96.77	\$ 83.21	\$ 84.91

Cash dividends declared on Whirlpool common stock for each quarter during the years 2008 and 2007 are set forth in Note 15 to the Consolidated Financial Statements contained in the Financial Supplement to this report.

During the March 2008 quarter, Whirlpool purchased approximately 1.1 million shares of Whirlpool common stock under a \$500 million share repurchase program authorized by our Board of Directors on June 15, 2004. At March 31, 2008, there were no remaining funds authorized under this program.

On April 23, 2008, our Board of Directors authorized a new share repurchase program of up to \$500 million. Share repurchases are made from time to time on the open market as conditions warrant. During 2008, we repurchased 1.9 million shares at an aggregate purchase price of \$150 million under this program. There were no repurchases during the December 2008 quarter. At December 31, 2008, there were \$350 million remaining funds authorized under this program.

ITEM 6. Selected Financial Data.

The selected financial data for the five years ended December 31, 2008 with respect to the following line items are shown under the "Five Year Selected Financial Data" contained in the Financial Supplement to this report: total net sales, earnings from continuing operations, earnings from continuing operations per share of common stock, dividends declared per share of common stock, total assets, and long-term debt. See the material incorporated herein by reference in response to Item 7 of this report for a discussion of the effects on such data of business combinations and other acquisitions, disposition and restructuring activity, accounting changes, earnings of foreign affiliates, and other significant activity impacting or affecting the comparability of reported amounts.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

See "Management's Discussion and Analysis" contained in the Financial Supplement to this report.

ITEM 7A. *Quantitative and Qualitative Disclosures about Market Risk.*

Information with respect to market risk can be found under the caption “Market Risk” in “Management’s Discussion and Analysis” contained in the Financial Supplement to this report.

ITEM 8. *Financial Statements and Supplementary Data.*

Whirlpool’s Consolidated Financial Statements are contained in the Financial Supplement to this report. Supplementary financial information regarding quarterly results of operations (unaudited) for the years ended December 31, 2008 and 2007 is set forth in Note 15 to the Consolidated Financial Statements. For a list of financial statements and schedules filed as part of this report, see the Table of Contents to the Financial Supplement to this report on page F-1.

ITEM 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure .*

None.

ITEM 9A. *Controls and Procedures.*

Disclosure controls and procedures. Whirlpool maintains disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) that are designed to provide reasonable assurance that information required to be disclosed in our filings under the Securities Exchange Act is recorded, processed, summarized, and reported within the periods specified in the rules and forms of the Securities and Exchange Commission and that such information is accumulated and communicated to Whirlpool’s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Prior to filing this report, we completed an evaluation under the supervision and with the participation of Whirlpool management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2008. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2008.

Management’s report on internal control over financial reporting . Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 and the rules and regulations adopted pursuant thereto, we included a report of management’s assessment of the effectiveness of its internal control over financial reporting as part of this report. Management’s report is included in the Consolidated Financial Statements contained in the Financial Supplement to this report under the caption entitled “Management’s Report on Internal Control Over Financial Reporting” and is incorporated herein by reference.

There were no changes in our internal control over financial reporting that occurred during the fourth quarter of 2008 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. *Other Information.*

There was no information required to be disclosed in a report on Form 8-K during the fourth quarter of 2008 that was not previously reported.

PART III

ITEM 10. *Directors, and Executive Officers and Corporate Governance.*

Information regarding our executive officers is included in Item 1 of Part I of this report.

Information regarding the background of the directors, matters related to the Audit Committee, and Section 16(a) compliance can be found under the captions “Directors and Nominees for Election as Directors,” “Board of Directors and Corporate Governance—Audit Committee,” and “Section 16(a) Beneficial Ownership Reporting Compliance” in the Proxy Statement, which is incorporated herein by reference.

There have been no material changes to the procedures through which stockholders may recommend nominees to our Board of Directors since March 3, 2008, which is the date of our last proxy statement.

We have adopted a code of ethics that applies to all of our employees, officers and directors, including our principal executive officer, principal financial officer and principal accounting officer (controller). The text of our code of ethics is posted on our website: www.whirlpoolcorp.com—scroll over the “Responsibility” dropdown menu and click on “Governance,” then scroll down to the “Whirlpool Corporation Code of Ethics” section. Whirlpool intends to disclose future amendments to, or waivers from, certain provisions of the code of ethics for executive officers and directors on the website within four business days following the date of such amendment or waiver. Stockholders may request a free copy of the code of ethics from:

Greg Fritz
Investor Relations
Whirlpool Corporation
2000 North M-63
Mail Drop 2800
Benton Harbor, MI 49022-2692
Telephone: (269) 923-2641

Whirlpool has also adopted Corporate Governance Guidelines and written charters for its Audit, Finance, Human Resources and Corporate Governance and Nominating Committees, all of which are posted on our website: www.whirlpoolcorp.com—scroll over the “Responsibility” dropdown menu and then over “Governance,” click on “Board of Directors,” and then click on “Board of Directors Committee Charters.” Stockholders may request a free copy of the charters and guidelines from the address or telephone number set forth above.

ITEM 11. *Executive Compensation.*

Information with respect to compensation of our executive officers and directors can be found under the captions “Nonemployee Director Compensation,” “Compensation Discussion and Analysis,” “Human Resources Committee Interlocks and Insider Participation,” and “Executive Compensation Tables” in the Proxy Statement, which is incorporated herein by reference. See also the information under the caption “Human Resources Committee Report” in the Proxy Statement, which is incorporated herein by reference; however, such information is only “furnished” hereunder and not deemed “soliciting material” or “filed” with the Securities and Exchange Commission or subject to Regulation 14A or 14C or to the liabilities of Section 18 of the Securities Exchange Act of 1934.

ITEM 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.*

Information with respect to the security ownership of any person that we know to beneficially own more than 5% of Whirlpool stock and by each Whirlpool director, each Whirlpool named executive officer, and all directors and executive officers as a group, can be found under the captions “Security Ownership” and “Beneficial Ownership” in the Proxy Statement, which is incorporated herein by reference.

Information relating to securities authorized under equity compensation plans can be found under the caption “Equity Compensation Plan Information” in the Proxy Statement, which is incorporated herein by reference.

ITEM 13. *Certain Relationships and Related Transactions, and Director Independence.*

Information regarding certain relationships and related transactions can be found under the caption “Related Person Transactions” in the Proxy Statement, which is incorporated herein by reference.

ITEM 14. *Principal Accounting Fees and Services .*

Information relating to our auditors and the Audit Committee’s pre-approval policies can be found under the caption “Matters Relating to Independent Registered Public Accounting Firm” in the Proxy Statement, which is incorporated herein by reference.

PART IV

ITEM 15. *Exhibits, Financial Statement Schedules.*

(a) The following documents are filed as a part of this report:

1. The financial statements and related notes, and reports of management and the independent registered public accounting firm, listed in the Table of Contents to the Financial Supplement to this report. Individual financial statements of the registrant’s affiliated foreign companies, accounted for by the equity method, have been omitted since no such company individually constitutes a significant subsidiary.

2. “Schedule II—Valuation and Qualifying Accounts” contained in the Financial Supplement to this report. Certain schedules for which provisions are made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

3. The exhibits listed in the “Exhibit Index” attached to this report.

<u>Signature</u>		<u>Title</u>
<u>P AUL G. S TERN *</u> Paul G. Stern	Director	
<u>J ANICE D. S TONEY *</u> Janice D. Stoney	Director	
<u>M ICHAE L D. W HITE *</u> Michael D. White	Director	
*By: <u>/ s / J EFF M. F ETTIG</u> Jeff M. Fettig	Attorney-in-Fact	February 19, 2009

WHIRLPOOL CORPORATION
Financial Supplement
to 2008 Annual Report on Form 10-K and
to 2009 Proxy Statement
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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management Discussion and Analysis should be read in connection with the Consolidated Financial Statements, Notes to the Consolidated Financial Statements and Selected Financial Data included in this Financial Supplement to the Form 10-K. Also, certain references to particular information in the Notes to the Consolidated Financial Statements are made to assist readers.

EXECUTIVE OVERVIEW

Whirlpool Corporation ("Whirlpool") is the world's leading manufacturer of major home appliances with revenues of \$18.9 billion and net earnings of \$418 million for the year ended December 31, 2008. We are a leading producer of major home appliances in North America and Latin America and have a significant presence in markets throughout Europe and India. We have received worldwide recognition for accomplishments in a variety of business and social efforts, including leadership, diversity, innovative product design, business ethics, social responsibility and community involvement. We conduct our business through four reportable segments, which we define based on geography. Our reportable segments consist of North America (57% of revenue), Europe (21% of revenue), Latin America (19% of revenue), and Asia (3% of revenue).

Our global branded consumer products strategy over the past several years has been to introduce innovative new products, increase brand customer loyalty, expand our presence in foreign markets, enhance our trade management platform, improve total cost and quality by expanding and leveraging our global operating platform and where appropriate, make strategic acquisitions and investments.

We monitor country-specific economic factors such as gross domestic product, consumer confidence, retail trends, housing starts and completions, sales of existing homes and mortgage interest rates as key indicators of industry demand. In addition to profitability, we also focus on country, brand, product and channel sales when assessing and forecasting financial results.

During 2008, we experienced significant macroeconomic challenges including instability in the financial markets. These challenges have impacted the global economy, the capital markets, our operating costs and global demand for our products. The results of these challenges include continued higher material and oil-related costs, liquidity strain on our suppliers, decreased consumer confidence and reduced consumer discretionary spending. We expect these conditions to continue in the foreseeable future.

Competition in the home appliance industry is intense in all global markets we serve. In addition to our traditional competitors such as Electrolux, GE, and Kenmore in North America, there has been an emergence of strong global competitors such as LG, Bosch Siemens, Samsung, and Haier. In each geographic region, our customer base is consolidated and characterized by large, sophisticated trade customers who have many choices and demand for competitive products, services and prices. We believe that our acquisition of Maytag Corporation ("Maytag") on March 31, 2006, coupled with productivity and cost controls, new innovative product introductions, and improved product price/mix will enhance our ability to respond to these competitive conditions.

FACTORS AFFECTING COMPARABILITY

On March 31, 2006, we completed the acquisition of Maytag. Maytag's reported consolidated net sales for the year ended December 31, 2005 were approximately \$4.9 billion. With the acquisition, we added an array of home appliance brands including *Maytag*, *Jenn-Air* and *Amana*. The aggregate purchase price for Maytag was approximately \$1.9 billion, including approximately \$848 million of cash and approximately 9.7 million shares of common stock. The results of Maytag's operations have been included in our Consolidated Financial Statements as of April 1, 2006.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS—(CONTINUED)**

During 2007 and 2006, we completed certain divestitures associated with businesses acquired with the Maytag acquisition. For additional information about discontinued operations, see Note 2 of the Notes to the Consolidated Financial Statements.

RESULTS OF OPERATIONS

For the year ended December 31, 2008, consolidated net sales were \$18.9 billion. Consolidated net earnings from continuing operations were \$418 million, or \$5.50 per diluted share, decreasing from \$647 million or \$8.10 per diluted share for the year ended December 31, 2007. The decrease in net sales and earnings reflects lower appliance industry demand resulting primarily from weaker economies within our North America and Europe regions and higher material and oil-related costs. We experienced a 10.4% and 2.0% decrease in unit sales during 2008 in North America and Europe, respectively. These decreases were partially offset by improved product price/mix. Our results included \$60 million of gains associated with asset sales in 2008, compared to \$72 million of asset sale gains in the previous year.

Despite the above mentioned global economic challenges, particularly impacting our international business in the second half of 2008, sales from our international businesses were higher in 2008 compared to the prior year driven primarily by an increase in units sold, improved product price/mix and favorable foreign currency.

Consolidated Net Sales

The table below summarizes by region consolidated net sales and units sold:

<u>Millions of dollars</u>	<u>2008</u>	<u>Change</u>	<u>2007</u>	<u>Change</u>	<u>2006</u>
Consolidated Net Sales					
North America	\$10,781	(8.1)%	\$11,735	0.8%	\$11,642
Europe	4,016	4.4	3,848	12.1	3,432
Latin America	3,704	7.8	3,437	27.7	2,692
Asia	593	6.5	557	21.9	457
Other/Eliminations	(187)	—	(169)	—	(143)
Consolidated	<u>\$18,907</u>	<u>(2.6)</u>	<u>\$19,408</u>	<u>7.3</u>	<u>\$18,080</u>
<u>In thousands</u>	<u>2008</u>	<u>Change</u>	<u>2007</u>	<u>Change</u>	<u>2006</u>
Units Sold					
North America	27,210	(10.4)%	30,352	(6.4)%	32,413
Europe	13,365	(2.0)	13,641	3.5	13,177
Latin America	8,777	5.7	8,303	18.8	6,987
Asia	2,703	5.7	2,558	9.0	2,346
Other/Eliminations	(1)	—	(3)	—	(42)
Consolidated	<u>52,054</u>	<u>(5.1)</u>	<u>54,851</u>	<u>—</u>	<u>54,881</u>

Consolidated net sales decreased 2.6% compared to 2007 due mainly to lower unit shipments, which were partially offset by a favorable impact of foreign currency and slight increases in the average unit selling price. We define the average unit selling price as the amount that results from dividing consolidated net sales by units sold. Excluding the impact of foreign currency, consolidated net sales decreased 5.1% compared to the prior year. Consolidated net sales for 2007 increased 7.3% compared to 2006 due to strong international sales, higher global average unit selling prices and a full year's contribution from the acquisition of Maytag. Excluding currency fluctuations and the impact of the acquisition of Maytag, 2007 sales were essentially equal to 2006.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS—(CONTINUED)**

Significant regional trends were as follows:

- North America net sales decreased in 2008 by 8.1% compared to 2007 primarily due to a 10.4% decrease in units sold. The decline in units sold is primarily due to decreased industry demand resulting from a continued weak U.S. economy in 2008. Partially offsetting the decrease in units sold is a 2.5% increase in the average unit selling price primarily due to better product price/mix, new product introductions and product innovation, and higher market share in 2008 compared to 2007. North America net sales increased in 2007 compared to 2006 by 0.8% due to a 7.6% increase in the average unit selling price offset by a 6.4% decrease in units sold. The decrease in volume reflects reduced industry volume, lower OEM shipments and lower market share. The reduction in volume in the U.S. was partially offset by higher demand in Canada and Mexico and a higher average unit selling price due to product innovation and better product price/mix. Excluding the impact of the Maytag acquisition, North America sales decreased 5%.
- Europe net sales increased in 2008 by 4.4% compared to 2007, primarily due to a 6.5% higher average unit selling price resulting from favorable foreign currency and better product price/mix, partially offset by a decrease in unit volume due to lower market demand in the second half of the year. Excluding the impact of foreign currency, Europe net sales decreased 3.1% in 2008. Net sales increased 12.1% in 2007 as compared to 2006 primarily due to favorable foreign currency, a higher average unit selling price and higher volume. The increase in sales due to price was a result of an 8.3% higher average unit selling price as compared to 2006. The increase in volume was driven by strong *Whirlpool* brand performance and the positive impact of new product offerings. Excluding the impact of foreign currency, Europe net sales increased 2.9% in 2007.
- Latin America net sales increased 7.8% in 2008 as compared to 2007, primarily due to an increase in volume of 5.7% and an increase in the average unit selling price due to the favorable impact of foreign currency. The increase in volume is due to continued growth in the appliance industry, increased market share and favorable economic conditions throughout the region. Excluding the impact of foreign currency, Latin America net sales increased 1.7% in 2008. Net sales increased 27.7% in 2007 as compared to 2006 primarily due to higher volume and a favorable impact from changes in foreign currency. As compared to 2006, the total number of units sold increased 18.8%. The increase in volume growth is a result of strong growth in the appliance industry, increased market share, strong economic conditions throughout the region and cost based pricing. Excluding the impact of foreign currency, Latin America net sales increased 15.9% in 2007.

Contributing to higher sales in 2008 compared to 2007 and 2006 are increases in BEFIEX credits monetized. During the years ended December 31, 2008, 2007 and 2006, we monetized \$168 million, \$131 million and \$52 million of BEFIEX credits, respectively. We expect to continue recognizing credits as they are monetized. As of December 31, 2008, \$542 million of BEFIEX credits remain.

- Asia net sales increased 6.5% in 2008 as compared to 2007 primarily due to a 5.7% increase in units sold. The increase in volume is due to continued growth in the appliance industry, primarily in India. Excluding the impact of foreign currency, Asia net sales increased 9.7% in 2008. Net sales increased 21.9% in 2007 as compared to 2006 due to a higher average unit selling price, increased volume and a favorable impact from changes in the value of foreign currency. The increase in sales due to price is a result of an 11.8% higher average unit selling price as compared to 2006. These increases are driven by the impact of successful new product introductions, improved product price/mix and continued growth within India, the segment's largest market. Excluding the impact of foreign currency, Asia net sales increased 12.9% in 2007.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS—(CONTINUED)**

Gross Margin

The consolidated gross margin percentage in 2008 decreased compared to 2007 due primarily to higher material and oil-related costs and lower productivity. This decrease was partially offset by improved product price/mix.

The table below summarizes gross margin percentages by region:

	2008	Change	2007	Change	2006
North America	10.0%	(2.5)pts	12.5%	(0.7)pts	13.2%
Europe	14.0	(2.6)	16.6	0.4	16.2
Latin America	21.2	0.4	20.8	1.6	19.2
Asia	18.2	3.0	15.2	(0.1)	15.3
Consolidated	13.3	(1.6)	14.9	0.2	14.7

Significant regional trends were as follows:

- North America gross margin decreased in 2008 compared to 2007 primarily due to higher material and oil-related costs, lower industry demand and lower productivity. Additionally, margin was positively impacted by certain asset sale gains totaling \$31 million and postretirement curtailments totaling \$15 million, which were more than offset by \$42 million in higher reserves for LIFO resulting from inflation and a \$32 million charge related to product liability. For additional information about product liability, see Note 7 of the Notes to the Consolidated Financial Statements. These decreases were partially offset by improved product price/mix. We expect gross margin to continue to be challenged by a continued slowing U.S. economy and a difficult cost environment in the foreseeable future. North America gross margin decreased in 2007 compared to 2006 primarily due to higher material- and oil-related costs and lower industry demand. This decrease was partially offset by favorable efficiencies as a result of synergies realized from the acquisition of Maytag, productivity improvements, product innovation and an improved product mix as compared to 2006.
- Europe gross margin decreased in 2008 compared to 2007 due primarily to lower productivity and industry demand, which were partially offset by improved product price/mix. Also contributing to lower gross margin were gains from asset sales of \$9 million compared with \$47 million recognized in 2007. Lower gains in 2008 associated with asset sales were partially offset by gains of \$5 million from insurance proceeds. Gross margin improved in 2007 compared to 2006 as higher volumes, continued productivity improvements and innovative product offerings more than offset higher material and oil-related costs. The sale of certain assets also contributed to higher gross margin.
- Latin America gross margin increased in 2008 compared to 2007 due primarily to improvements in product price/mix, productivity and regional tax incentives associated primarily with BEFIEX, which combined to more than offset higher material and oil-related costs. Gross margin increased in 2007 versus 2006, due primarily to continued higher volumes, productivity improvements, cost based price increases and regional tax incentives which combined to more than offset higher material and oil-related costs and the unfavorable impact of foreign currency.
- Asia gross margin increased in 2008 as compared to 2007 due to improvements in product price/mix, productivity, inventory transition costs and volume, which more than offset higher material and oil-related costs. Gross margin decreased slightly in 2007 as compared to 2006, due to higher material and oil-related costs and inventory transition costs which were mitigated by productivity improvements, improved product price/mix and higher volumes.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS—(CONTINUED)**

Selling, General and Administrative

The table below summarizes selling, general and administrative expenses as a percentage of sales by region:

<u>Millions of dollars</u>	As a %		As a %		As a %	
	<u>2008</u>	<u>of Sales</u>	<u>2007</u>	<u>of Sales</u>	<u>2006</u>	<u>of Sales</u>
North America	\$ 851	7.9%	\$ 791	6.7%	\$ 837	7.2%
Europe	414	10.3	391	10.2	363	10.6
Latin America	306	8.3	277	8.1	279	10.4
Asia	98	16.5	91	16.3	81	17.7
Corporate/Other	129	—	186	—	192	—
Consolidated	<u>\$1,798</u>	9.5	<u>\$1,736</u>	8.9	<u>\$1,752</u>	9.7

In 2008, consolidated selling, general and administrative expenses, as a percent of consolidated net sales, increased as compared to 2007 primarily due to lower sales volume and higher brand investment, partially offset by lower infrastructure costs and \$20 million in gains associated with asset sales. Additionally, this increase was impacted by a \$12 million operating tax credit recorded by our Latin America region during the third quarter of 2007. In 2007, consolidated selling, general and administrative expenses, as a percent of consolidated net sales, decreased as compared to 2006, primarily due to higher sales volume, acquisition efficiencies and administrative cost reductions.

Restructuring

Restructuring initiatives resulted in charges of \$149 million, \$61 million and \$55 million in 2008, 2007, and 2006, respectively, reflecting ongoing efforts to optimize our global operating platform. These charges are included in restructuring in our Consolidated Statements of Income and primarily consist of charges to restructure the cooking platform in Latin America, shift refrigeration and dishwasher capacity to lower cost regions in Europe and North America, restructure the laundry platform in North America and Europe and reorganize the salaried workforce throughout Europe and North America.

On October 27, 2008, management committed to a workforce reduction plan whereby we will reduce our employee base worldwide between the fourth quarter of 2008 and the beginning of 2010. For additional information about restructuring, see Note 11 of the Notes to the Consolidated Financial Statements.

Interest and Sundry Income (Expense)

Interest and sundry expense for 2008 increased by \$37 million from expense of \$63 million in 2007 to expense of \$100 million in 2008. Higher expense in 2008 was primarily due to the impact of foreign currency and an impairment charge of \$9 million in our Europe segment associated with an available for sale investment, partially offset by higher interest income. Interest and sundry expense for 2007 increased by \$61 million from expense of \$2 million to expense of \$63 million compared to 2006. The results in 2006 include a \$31 million gain on the sale of an investment while 2007 expense includes a \$17 million increase in legal reserves as well as higher non-income based taxes.

Interest Expense

Interest expense in 2008 was consistent as compared to 2007 as higher debt levels were offset by lower interest rates. Interest expense in 2007 increased \$1 million as compared to 2006. For nine months in 2006, we incurred higher debt levels associated with debt assumed and issued for the Maytag acquisition which was offset by lower debt levels at lower interest rates during 2007.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS—(CONTINUED)**

Gain on Sale of Investment

During 2007, we sold approximately 9 million shares, or 7%, of Whirlpool of India Limited and recorded a gain of approximately \$7 million. This sale was executed to satisfy a change in the Stock Exchange Board of India listing standards and regulations. Following the sale of stock, our ownership interest in Whirlpool of India Limited is 75%.

Income Taxes

The effective income tax rate was a benefit of 81.7% in 2008, and tax expense of 14.5% and 20.4% in 2007 and 2006, respectively. The rates and changes in rates are primarily due to a decline in profitability and energy tax credits generated in the U.S. in 2008 as well as a combination of certain discrete items recognized during the year, dispersion of global income, tax credit availability, and tax planning activities. At the end of each interim period, we make our best estimate of the effective tax rate expected to be applicable for the full fiscal year and the impact of discrete items, if any, and adjust the quarterly rate, as necessary. The decrease in the effective tax rate for the year ended December 31, 2008 resulted in an increase in earnings per diluted share of \$3.11 as compared to the prior year. For additional information about our consolidated tax provision, see Note 12 of the Notes to the Consolidated Financial Statements.

Earnings from Continuing Operations

Earnings from continuing operations were \$418 million in 2008 versus \$647 million and \$486 million in 2007 and 2006, respectively, due to the factors described above.

<u>Millions of dollars, except per share data</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Earnings from continuing operations	\$ 418	\$ 647	\$ 486
Diluted earnings from continuing operations per share	5.50	8.10	6.35

Discontinued Operations

We classified the Hoover floor-care, Dixie-Narco vending systems, and Jade commercial and residential businesses as discontinued operations during 2006. The decision to divest these businesses allowed us to focus on our core appliance business. For additional information about discontinued operations, see Note 2 of the Notes to the Consolidated Financial Statements.

Net Earnings

Net Earnings were \$418 million in 2008 versus \$640 million and \$433 million in 2007 and 2006, respectively, due to the factors described above. Earnings were impacted by \$7 million and \$53 million in losses from discontinued operations for 2007 and 2006, respectively.

<u>Millions of dollars, except per share data</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net Earnings	\$ 418	\$ 640	\$ 433
Diluted net earnings per share	5.50	8.01	5.67

FORWARD-LOOKING PERSPECTIVE

We have continued to experience intensified macroeconomic challenges in North America and are now experiencing similar macroeconomic challenges in the European market. These conditions are primarily related to higher than expected material and oil-related costs and decreased consumer demand for our products.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS—(CONTINUED)**

For the year ended December 31, 2009, we currently estimate earnings per diluted share from continuing operations to be in the range of \$3.00 to \$4.00, and free cash flow for the year to be from \$300 to \$400 million. Within North America and Europe we expect industry demand to decline 10% and 8% in 2009, respectively, while Latin America and Asia are currently expected to be flat to down 5% for the year. Material cost inflation is expected to be approximately \$200 million in 2009, largely driven by increases in component parts, steel and base metals, such as copper, aluminum, zinc and nickel. We expect to offset these higher costs with productivity improvements, new product introductions, previously implemented cost-based price adjustments, improved product price/mix and administrative and infrastructure cost reductions. Our innovation product pipeline continues to grow and drive higher average sales values, consumer and trade response to our new product offerings has been positive, and we continue to accelerate our global branded consumer products strategy of delivering relevant innovation to markets worldwide.

The table below reconciles projected 2009 cash provided by continuing operations determined in accordance with generally accepted accounting principles (GAAP) in the United States to free cash flow, a non-GAAP measure. Management believes that free cash flow provides shareholders with a relevant measure of liquidity and a useful basis for assessing Whirlpool's ability to fund its activities and obligations. There are limitations to using non-GAAP financial measures, including the difficulty associated with comparing companies that use similarly named non-GAAP measures whose calculations may differ from our calculations. We define free cash flow as cash provided by continuing operations after capital expenditures and proceeds from the sale of assets/businesses. The projections shown here are based upon many estimates and are inherently subject to change based on future decisions made by management and the board of directors of Whirlpool, and significant economic, competitive and other uncertainties and contingencies.

<u>Millions of dollars</u>	<u>2009 Outlook</u>		
Cash provided by continuing operating activities	\$ 700	–	\$ 800
Capital expenditures	(450)	–	(500)
Proceeds from sale of assets/businesses	50	–	100
Free cash flow	<u>\$ 300</u>	–	<u>\$ 400</u>

Agreements with trade customers

We enter into agreements with our trade customers from time to time in the ordinary course of business. Most of our products are not sold through long-term agreements. Most trade customers have the ability to change volume among suppliers.

We regularly negotiate with major trade customers and manufacturers regarding supply arrangements for future periods beyond the current year. Sears is a major trade customer for both our OEM and Whirlpool branded products, which accounted for approximately 11%, 12% and 14% of our consolidated net sales for 2008, 2007 and 2006, respectively. The products and volumes we supply and the revenues we obtain may be significantly different in the future than those which currently exist and there is the potential for such sales to be less than 10% of our consolidated net sales for the full year 2009. Based on current supply arrangements, we anticipate maintaining a significant, but reduced, level of OEM volume beginning in 2010. In the past, when faced with a potential volume reduction from any one particular segment of our trade distribution network, we generally have been able to offset such decline through increased sales throughout our broad distribution network. We expect to continue to grow our own brand sales, supported by significant innovation, through our full distribution trade network and execution of our brand-focused value creation strategy.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS—(CONTINUED)**

FINANCIAL CONDITION AND LIQUIDITY

Our objective is to finance our business through operating cash flow and the appropriate mix of long-term and short-term debt. By diversifying the maturity structure, we avoid concentrations of debt, reducing liquidity risk. We have varying needs for short-term working capital financing as a result of the nature of our business. The volume and timing of refrigeration and air conditioning production impacts our cash flows and consists of increased production in the first half of the year to meet increased demand in the summer months.

The funding markets have been volatile in recent quarters and we have experienced negative global economic trends. To succeed in this environment we are aggressively taking steps to further reduce all areas of cost, production capacity, working capital and capital expenditures. As a result of the global volatility and challenging economic trends, we decided to exit the commercial paper market during the December 2008 quarter and initiated borrowing under our \$2.2 billion committed bank line of credit, provided by a syndicate of highly-rated banks. This facility matures in December 2010. Outside the U.S., short-term funding is provided by bank borrowings on uncommitted lines of credit.

We expect borrowings under our \$2.2 billion revolving credit facility will increase to an amount up to \$1.2 billion over the course of this year based upon our current business plans and normal seasonal working capital requirements. Borrowings on our revolving credit facility are being utilized for general corporate purposes, are used to ensure daily liquidity and may be borrowed and repaid from time to time. Amounts borrowed on our revolving credit facility up to \$1.1 billion bear interest at LIBOR + 0.475%, and if amounts borrowed exceed \$1.1 billion, total borrowings bear interest at LIBOR + 0.60%.

Given the generally negative and highly volatile global economic climate and the challenges and uncertainties in the global credit markets, we are proactively taking steps to assure flexibility in future credit availability. We believe that our operating cash flow, together with access to sufficient sources of liquidity, will be adequate to meet our ongoing funding requirements. We are in compliance with the financial covenants of debt agreements with lenders for all periods presented. For a description of financing arrangements that had an effect on our liquidity, see Note 6 of the Notes to the Consolidated Financial Statements.

Defined Benefit Plans

On August 1, 2008, we amended certain retiree medical benefits associated with our Newton, Iowa manufacturing facility to be consistent with those benefits provided by the Whirlpool Corporation Group Benefit Plan. This amendment resulted in a reduction in the postretirement benefit obligation of \$229 million with a corresponding increase to other comprehensive income, net of tax, within equity of our Consolidated Balance Sheet at December 31, 2008. For additional information on our defined benefit plans, see Note 13 of the Notes to the Consolidated Financial Statements.

Share Repurchase Program

In June 2004, our Board of Directors authorized a share repurchase program of up to \$500 million. During 2007, we repurchased 3.8 million shares at an aggregate purchase price of \$368 million and during the three months ended March 31, 2008, we repurchased 1.1 million shares at an aggregate purchase price of \$97 million under this program. At March 31, 2008, there were no remaining funds authorized under this program.

On April 23, 2008, our Board of Directors authorized a new share repurchase program of up to \$500 million. Share repurchases are made from time to time on the open market as conditions warrant. During 2008, we repurchased 1.9 million shares at an aggregate purchase price of \$150 million under this program. At December 31, 2008, there were \$350 million remaining funds authorized under this program.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS—(CONTINUED)**

Sources and Uses of Cash

We expect to meet our cash needs for 2009 from cash flows from continuing operations, cash and equivalents and financing arrangements. Our cash and equivalents were \$146 million at December 31, 2008 as compared to \$201 million at December 31, 2007.

Cash Flows from Operating Activities of Continuing Operations

Cash provided by continuing operating activities in 2008 was \$327 million, a decrease of \$600 million compared to the year ended December 31, 2007. Cash provided by continuing operations for 2008 reflects lower cash earnings primarily from our North America and Europe segments as compared to 2007. Cash provided by continuing operations also reflects lower accounts payable due to adjusting volume based on demand and higher pension contributions. The above decreases in cash flows were partially offset by a decrease in accounts receivable and lower restructuring spending. Cash provided by continuing operating activities in 2007 was \$927 million, an increase of \$47 million compared to the year ended December 31, 2006. Cash provided by continuing operations for 2007 reflected higher earnings primarily from our Latin America and Europe segments as compared to 2006. Cash provided by continuing operations also reflected cash consumed from increased inventories as a result of lower than anticipated demand in North America during the fourth quarter of 2007 as well as support for higher sales volumes in Latin America and product transitions in the U.S. The increased inventory balances in 2007 were more than offset by improved trade receivable collections, improved accounts payable terms as well as lower global taxes. Cash provided by continuing operations was negatively impacted by increased spending associated with a Maytag dishwasher recall.

Cash Flows from Investing Activities of Continuing Operations

Cash used in investing activities from continuing operations was an outflow of \$433 million in 2008 compared to an outflow of \$331 million last year. The increase in cash used in investing activities was primarily due to the prior year receipt of proceeds from the sale of certain Maytag discontinued businesses of \$100 million, lower proceeds from the sale of assets in 2008, and higher capital spending. Cash used in investing activities from continuing operations in 2007 was an outflow of \$331 million compared to an outflow of \$1.2 billion during 2006. The decrease was primarily due to cash disbursed to acquire Maytag, net of cash acquired of \$797 million and the purchase of minority interest shares of a Brazil subsidiary in the amount of \$53 million during 2006. Offsetting cash used in investing activities from continuing operations were proceeds received from the sale of certain Maytag discontinued businesses of \$100 million.

The goal of our global operating platform is to enhance our competitive position in the global home appliance industry by reducing costs, driving productivity and quality improvements, and accelerating our rate of innovation. We plan to continue our comprehensive worldwide effort to optimize our regional manufacturing facilities, supply base, product platforms and technology resources to better support our global products, brands and customers. We intend to make additional investments to improve our competitiveness in fiscal 2009. Capital spending is expected to be between \$450 and \$500 million in 2009 in support of our investment in innovative product technologies and our global operating platform initiatives.

Cash Flows from Financing Activities of Continuing Operations

Cash provided by financing activities from continuing operations was an inflow of \$141 million in the year ended December 31, 2008 compared to an outflow of \$696 million for the year ended December 31, 2007. The current year reflects proceeds received related to the issuance of \$500 million of 5.5% notes due March 1, 2013 and the repayment of \$125 million of 9.1% debentures. Net proceeds of short-term borrowings were \$101 million

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS—(CONTINUED)**

for the year ended December 31, 2008 compared to net repayments of \$243 million in the prior year. During 2008, we repurchased stock totaling \$247 million, paid dividends to common stockholders totaling \$128 million and received proceeds from the issuance of common stock related to option exercises of \$21 million. Cash used in financing activities from continuing operations was an outflow of \$696 million in the year ended December 31, 2007 compared to an inflow of \$29 million for the year ended December 31, 2006. Net repayments of short-term borrowings were \$243 million for the year ended December 31, 2007 compared to borrowings of \$381 million in 2006. Cash flows from financing activities in 2006 also reflected short-term debt issued to pay our maturing \$300 million Eurobond principal and proceeds of long-term debt which replaced commercial paper borrowings initially issued to finance the acquisition of Maytag. Repayments of long-term debt reflect the maturity of Whirlpool and Maytag debt. During the year ended December 31, 2007 we also repurchased stock totaling \$368 million, paid dividends to common stockholders totaling \$134 million and received proceeds from the issuance of common stock related to option exercises of \$68 million.

OFF-BALANCE SHEET ARRANGEMENTS

Whirlpool has guarantee arrangements in place in a Brazilian subsidiary. As a standard business practice in Brazil, the subsidiary guarantees customer lines of credit at commercial banks, supporting purchases from Whirlpool, following its normal credit policies. If a customer were to default on its line of credit with the bank, the subsidiary would be required to satisfy the obligation with the bank, and the receivable would revert back to the subsidiary. As of December 31, 2008 and 2007, these amounts totaled \$203 million and \$331 million, respectively. Our only recourse related to these agreements is legal or administrative collection efforts directed against the customer.

CONTRACTUAL OBLIGATIONS AND FORWARD-LOOKING CASH REQUIREMENTS

The following table summarizes our expected cash outflows resulting from financial contracts and commitments:

<u>Millions of dollars</u>	<u>Payments due by period</u>				
	<u>Total</u>	<u>2009</u>	<u>2010 & 2011</u>	<u>2012 & 2013</u>	<u>Thereafter</u>
Long-term debt obligations ⁽¹⁾	\$2,782	\$336	\$ 891	\$ 653	\$ 902
Operating lease obligations	582	150	205	126	101
Purchase obligations ⁽²⁾	1,082	288	592	194	8
Other long-term liabilities ⁽³⁾	93	93	—	—	—
Total ⁽⁴⁾⁽⁵⁾	<u>\$4,539</u>	<u>\$867</u>	<u>\$1,688</u>	<u>\$ 973</u>	<u>\$ 1,011</u>

(1) Interest payments related to long-term debt are included in the table above. For additional information about our debt, see Note 6 of the Notes to the Consolidated Financial Statements.

(2) Purchase obligations include our "take-or-pay" contracts with materials vendors and minimum payment obligations to other suppliers.

(3) Other long-term liabilities include our expected 2009 U.S. pension and foreign pension fund contributions in the amount of \$93 million. Required contributions for future years depend on certain factors that cannot be determined at this time.

(4) The table does not include short-term credit facility borrowings of \$393 million. For additional information about short-term borrowings, see Note 6 of the Notes to the Consolidated Financial Statements.

(5) Not included in the above table are tax payments associated with uncertain tax positions as we are unable to estimate the period of payment.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS—(CONTINUED)**

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the U.S. ("GAAP") requires management to make certain estimates and assumptions. We periodically evaluate these estimates and assumptions, which are based on historical experience, changes in the business environment and other factors that management believes to be reasonable under the circumstances. Actual results may differ materially from these estimates.

Pension and Other Postretirement Benefits

Accounting for pensions and other postretirement benefits involves estimating the costs of future benefits and attributing the cost over the employee's expected period of employment. The determination of our obligation and expense for these costs requires the use of certain assumptions. Those assumptions include, among other assumptions, the discount rate, expected long-term rate of return on plan assets and health care cost trend rates. These assumptions are subject to change based on interest rates on high quality bonds, stock and bond markets and medical cost inflation, respectively. As permitted by GAAP, actual results that differ from our assumptions are accumulated and amortized over future periods and therefore, generally affect our recognized expense and accrued liability in such future periods. While we believe that our assumptions are appropriate given current economic conditions and actual experience, significant differences in results or significant changes in our assumptions may materially affect our pension and other postretirement obligations and related future expense. As required by Statements of Financial Accounting Standards ("SFAS") No. 87, SFAS No. 106 and SFAS No. 132 (R) as amended by SFAS No. 158, our pension and other postretirement benefit obligations as of December 31, 2008 and preliminary retirement benefit costs for the 2009 fiscal year were prepared using the assumptions that were determined as of December 31, 2008. The following table summarizes the sensitivity of our December 31, 2008 retirement obligations and 2009 retirement benefit costs of our U.S. plans to changes in the key assumptions used to determine those results:

Millions of dollars Change in assumption	Estimated increase (decrease) in 2009 pension cost	Estimated increase (decrease) in Projected Benefit Obligation for the year ended December 31, 2008	Estimated increase (decrease) in 2009 Other Postretirement Benefits cost	Estimated increase (decrease) in Other Postretirement Benefit Obligation for the year ended December 31, 2008
0.25% increase in discount rate	\$ (3.4)	\$ (91.9)	\$ 0.5	\$ (17.3)
0.25% decrease in discount rate	3.8	98.6	(0.2)	18.6
0.25% increase in long-term return on assets	(6.3)	—	—	—
0.25% decrease in long-term return on assets	6.3	—	—	—
0.50% increase in discount rate	(6.6)	(183.8)	0.9	(34.5)
0.50% decrease in discount rate	7.5	200.0	1.0	37.2
0.50% increase in long-term return on assets	(12.7)	—	—	—
0.50% decrease in long-term return on assets	12.7	—	—	—
1.00% increase in medical trend rates	—	—	7.0	51.7
1.00% decrease in medical trend rates	—	—	(3.6)	(47.9)

These sensitivities may not be appropriate to use for other years' financial results. Furthermore, the impact of assumption changes outside of the ranges shown above may not be approximated by using the above results. For additional information about our pension and other postretirement benefit obligations, see Note 13 of the Notes to the Consolidated Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS—(CONTINUED)

Income Taxes

We estimate our income taxes in each of the taxing jurisdictions in which we operate. This involves estimating actual current tax expense together with assessing any temporary differences resulting from the different treatment of certain items, such as the timing for recognizing expenses, for tax and accounting purposes in accordance with SFAS No. 109, "Accounting for Income Taxes." These differences may result in deferred tax assets and liabilities, which are included in our Consolidated Balance Sheets. We are required to assess the likelihood that deferred tax assets, which include net operating loss carryforwards and deductible temporary differences, are expected to be realizable in future years. Realization of our net operating loss and tax credit deferred tax assets is supported by specific tax planning strategies and considers projections of future profitability. If recovery is not more likely than not, we provide a valuation allowance based on estimates of future taxable income in the various taxing jurisdictions, and the amount of deferred taxes that are ultimately realizable. If future taxable income is lower than expected or if tax planning strategies are not available as anticipated, we may record additional valuation allowances through income tax expense in the period such determination is made. Likewise, if we determine that we are able to realize our deferred tax assets in the future in excess of net recorded amounts, an adjustment to the deferred tax asset will increase income in the period such determination is made. As of December 31, 2008 and 2007, we had total deferred tax assets of \$2,212 million and \$1,658 million, respectively, net of valuation allowances of \$147 million and \$72 million, respectively. Our effective tax rate has ranged from (81.7)% to 33.9% over the past five years and has been influenced by tax credits, audit settlements and adjustments, tax planning strategies, enacted legislation, and dispersion of global income. A 1.0% increase in our effective tax rate would have decreased 2008 earnings by approximately \$2.5 million. Future changes in the effective tax rate will be subject to several factors, including enacted laws, tax planning strategies, and business profitability.

In addition, we operate within multiple taxing jurisdictions and are subject to audit in these jurisdictions. These audits can involve complex issues, which may require an extended period of time to resolve. For additional information about income taxes, see Notes 1 and 12 of the Notes to the Consolidated Financial Statements.

BEFIEX Credits

Our Brazilian operations earned tax credits under the Brazilian government's export incentive program. These credits reduce Brazilian federal excise taxes on domestic sales, resulting in an increase in the operations' recorded net sales. Based on a recalculation of available credits and a favorable court decision in the fourth quarter of 2005, we were able to recognize approximately \$168 million, \$131 million and \$52 million of export credits during 2008, 2007 and 2006, respectively. As of December 31, 2008, approximately \$542 million of export credits remain. We recognize credits as they are monetized. BEFIEX credits are not subject to income taxes.

Product Recalls

The establishment of a liability for product recalls is periodically required and is impacted by several factors such as customer response rate, consumer options, field repair costs, inventory repair costs, extended warranty costs, communication structure and other miscellaneous costs such as legal, logistics and consulting. The customer response rate, which represents an estimate of the total number of units to be serviced as a percentage of the total number of units affected by the recall, is the most significant factor in estimating the total cost of each recall. This rate reflects several factors, including the type of product, the year manufactured, age of the product sold and current and past experience factors. Differences between our assumptions and actual experience could have a material impact on our product recall reserves. For additional information about product recalls, see Note 7 of the Notes to the Consolidated Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS—(CONTINUED)

Warranty Obligations

The estimation of warranty obligations is determined in the same period that revenue from the sale of the related products is recognized. The warranty obligation is based on historical experience and reflects our best estimate of expected costs at the time products are sold. Warranty accruals are adjusted for known or anticipated warranty claims as new information becomes available. Future events and circumstances could materially change our estimates and require adjustments to the warranty obligations. New product launches require a greater use of judgment in developing estimates until historical experience becomes available. For additional information about warranty obligations, see Note 7 of the Notes to the Consolidated Financial Statements.

Goodwill and Intangible Valuations

We sell products under a number of trademarks, many of which we developed. Trademark development costs are expensed as incurred. We also purchase trademark assets and goodwill in acquisitions. Upon acquisition, the purchase price is first allocated to identifiable assets and liabilities, including trademark assets, based on estimated fair value, with any remaining purchase price recorded as goodwill. Trademarks and goodwill are considered indefinite lived intangible assets and as such are not amortized. We test indefinite lived intangibles for impairment as of November 30 each year.

Intangible Valuations

In assessing the fair value of trademarks, we utilize a relief from royalty method. If the carrying amount of a trademark exceeds its fair value, an impairment loss is recognized in an amount equal to the excess. Considerable judgment is necessary to estimate revenue growth rates by trademark which are based on the best available market information and are consistent with our internal forecasts and operating plans. Estimated royalty rate assumptions are based on the capacity of the trademarks to generate economic returns, and royalty rates contained in publicly available third party licensing agreements. For additional information about indefinite lived intangible assets, see Note 3 of the Notes to the Consolidated Financial Statements.

Goodwill Valuations

Goodwill is evaluated using a two-step impairment test at the reporting unit level. The first step of the goodwill impairment test compares the book value of a reporting unit, including goodwill, with its fair value, as determined by its discounted cash flows. If the book value of a reporting unit exceeds its fair value, we perform the second step of the impairment test to determine the amount of goodwill impairment loss to be recorded. In the second step, we determine an implied fair value of the reporting unit's goodwill by allocating the fair value of the reporting unit to all of the assets and liabilities other than goodwill (including any unrecognized intangible assets). The difference between the total fair value of the reporting unit and the fair value of all the assets and liabilities other than goodwill is the implied fair value of that goodwill. The amount of impairment loss is equal to the excess of the book value of the goodwill over the implied fair value of that goodwill.

We determine fair value based on a discounted cash flow model which is an accepted valuation technique. Considerable management judgment is necessary to evaluate the impact of operating and macroeconomic changes and to estimate future cash flows. Assumptions used in our impairment evaluations, such as forecasted growth rates and our cost of capital, are based on the best available market information and are consistent with our internal forecasts and operating plans. Additionally, in assessing goodwill impairment for the North America reporting unit, we considered the implied control premium and concluded the implied control premium was reasonable based on other recent market transactions. Changes in these estimates or a continued decline in general economic conditions could change our conclusion regarding an impairment of goodwill and potentially result in a non-cash impairment loss in a future period.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS—(CONTINUED)

The discount rate and revenue long-term growth assumptions are two significant assumptions utilized in our calculation of the present value of cash flows used to estimate fair value of the reporting units. The estimated fair values of the reporting units have historically exceeded the carrying value of such reporting units by a substantial amount. We performed a sensitivity analysis on the discount rates and revenue long-term growth assumptions. In estimating sensitivity, either the discount rate could increase by 50 basis points or the revenue long-term growth rate could decline to zero and our reporting units would continue to have a fair value in excess of carrying value. These assumptions could be adversely impacted by certain of the risks discussed in "Risk Factors" in Item 1A of this report. For additional information about goodwill, see Note 3 of the Notes to the Consolidated Financial Statements.

NEW ACCOUNTING PRONOUNCEMENTS

In March 2008, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an Amendment of FASB No. 133," ("SFAS 161"). SFAS 161 is intended to improve transparency in financial reporting by requiring enhanced disclosures of an entity's derivative instruments and hedging activities and their effects on the entity's financial position, financial performance, and cash flows. SFAS 161 applies to all derivative instruments within the scope of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," ("SFAS 133"). SFAS 161 also applies to non-derivative hedging instruments and all hedged items designated and qualifying under SFAS 133. SFAS 161 is effective prospectively for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. SFAS 161 encourages, but does not require, comparative disclosures for periods prior to its initial adoption. We will adopt SFAS 161 on January 1, 2009 and are currently evaluating the potential impact on our financial statements when implemented.

In February 2008, the FASB issued FASB Staff Position ("FSP") 157-2, "Effective Date of FASB Statement No. 157" ("FSP 157-2"). FSP 157-2 delays the effective date of SFAS No. 157 for all non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), until the beginning of the first quarter of fiscal 2009. We adopted SFAS No. 157 for financial assets and liabilities on January 1, 2008. For additional information regarding SFAS 157, see Note 4 of the Notes to the Consolidated Financial Statements.

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations," ("SFAS 141(R)"). SFAS 141(R) requires us to continue to follow the guidance in SFAS 141 for certain aspects of business combinations, with additional guidance provided defining the acquirer, the accounting for transaction costs and contingent consideration, recognizing and measuring the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree, assets and liabilities arising from contingencies, defining a bargain purchase and recognizing and measuring goodwill or a gain from a bargain purchase. In addition, under SFAS 141(R), adjustments associated with changes in tax contingencies that occur after the measurement period, not to exceed one year, are recorded as adjustments to income. This statement is effective for all business combinations for which the acquisition date is on or after the beginning of an entity's first fiscal year that begins after December 15, 2008; however, the guidance in this standard regarding the treatment of income tax contingencies is retrospective to business combinations completed prior to January 1, 2009. We will adopt SFAS 141(R) for any business combinations occurring at or subsequent to January 1, 2009.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements," an Amendment of ARB No. 51, "Consolidated Financial Statements," ("SFAS 160"). SFAS 160 establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS—(CONTINUED)**

in the consolidated entity that should be reported as equity in the consolidated financial statements. This statement is effective as of the beginning of an entity's first fiscal year that begins after December 15, 2008 with retrospective application. We will adopt SFAS 160 beginning January 1, 2009 and are currently evaluating the potential impact on our financial statements when implemented.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value in GAAP and expands disclosures about fair value measurements. The expanded disclosures in this statement about the use of fair value to measure assets and liabilities should provide users of financial statements with better information about the extent to which fair value is used to measure recognized assets and liabilities, the inputs used to develop the measurements, and the effect of certain of the measurements on earnings (or changes in net assets) for the period. We adopted SFAS 157 for financial assets and liabilities on January 1, 2008. For additional information regarding SFAS 157, see Note 4 of the Notes to the Consolidated Financial Statements.

MARKET RISK

We have in place an Enterprise Risk Management process that involves systematic risk identification and mitigation covering the categories of Enterprise, Strategic, Financial, Operation and Compliance and Reporting risk. The Enterprise Risk Management process receives Board of Directors and Management oversight, drives risk mitigation decision-making and is fully integrated into our internal audit planning and execution cycle.

We are exposed to market risk from changes in foreign currency exchange rates, domestic and foreign interest rates, and commodity prices, which can affect our operating results and overall financial condition. We manage exposure to these risks through our operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. Derivative financial instruments are viewed as risk management tools and are not used for speculation or for trading purposes. Derivative financial instruments are contracted with a diversified group of investment grade counterparties to reduce exposure to nonperformance on such instruments.

We use foreign currency forward contracts, currency options and currency swaps to hedge the price risk associated with firmly committed and forecasted cross-border payments and receipts related to ongoing business and operational financing activities. Foreign currency contracts are sensitive to changes in foreign currency exchange rates. At December 31, 2008, a 10% unfavorable exchange rate movement in each currency in our portfolio of foreign currency contracts would have resulted in an incremental unrealized loss of approximately \$25 million, while a 10% favorable shift would have resulted in an incremental unrealized gain of approximately \$29 million. Consistent with the use of these contracts to neutralize the effect of exchange rate fluctuations, such unrealized losses or gains would be offset by corresponding gains or losses, respectively, in the re-measurement of the underlying exposures.

We enter into commodity swap contracts to hedge the price risk associated with firmly committed and forecasted commodities purchases that are not fixed directly through supply contracts. As of December 31, 2008, a 10% favorable or unfavorable shift in commodity prices would have resulted in an incremental \$15 million gain or a \$24 million loss related to these contracts.

We utilize interest rate swaps to hedge our interest rate risk. As of December 31, 2008, a 10% shift in interest rates would have resulted in an incremental \$1 million gain or loss related to these contracts.

In January 2009, Standard & Poor's and Fitch Ratings lowered our senior unsecured debt rating from "BBB" to "BBB-" and our short-term corporate credit and commercial paper ratings from "A-2" to "A-3" and

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS—(CONTINUED)**

“F-2 to F-3”, respectively, based on weakened operating performance and the pullback in discretionary consumer spending. Also in January 2009, Moody’s Investor Services lowered our senior unsecured rating from “Baa2” to “Baa3” and our commercial paper ratings from “Prime-2” to “Prime-3” based on weakening appliance industry demand. These rating adjustments may result in higher interest costs if we were to seek additional financing in the capital markets. See Note 6 of the Notes to the Consolidated Financial Statements for additional information on financing arrangements.

OTHER MATTERS

The Brazilian Constitution provides a general basis for recognizing tax credits on the purchase of raw materials used in production (“IPI tax credit”). Certain raw materials that are exempt or have a zero tax basis in the production process qualify for these IPI tax credits. Based on legal precedent, in 2003 and 2004, we recognized tax credits in an aggregate amount of \$25 million adjusted for currency. No credits were recognized in 2005 through 2008. The Brazilian tax authority has challenged the recording of IPI tax credits. The Brazilian Supreme Court, which rules on a case by case basis, ruled adversely against another taxpayer in an IPI tax credit case. That ruling is not yet final.

Our case is being defended at an administrative level. Our potential exposure ranges from zero to \$60 million comprised of \$25 million in taxes, \$18 million in interest and \$17 million in penalties. It is not possible to determine the outcome of these legal proceedings with certainty and as such, we have not accrued a liability for this exposure at December 31, 2008. In December 2008, the Brazilian government announced a special program providing for extended payment terms and reductions in penalties and interest to encourage taxpayers to resolve disputed IPI amounts. We have not made a decision about participation. Under the program, as announced, we have until March 31, 2009 to decide.

In 1989, a Brazilian affiliate (now a subsidiary) brought an action against a financial institution in Brazil seeking a “Declaration of Non-Enforceability of Obligations” relating to loan documentation entered into without authority by a senior officer of the affiliate. In September 2000, an adverse decision in the declaratory action became final. In 2001, the financial institution began a collection action and we responded with a counterclaim. The lower court dismissed the counterclaim in 2002 and the Superior Court confirmed the lower court decision in December 2005. The Superior Court dismissed our counterclaim in 2007. In late 2008, the lower court issued a decision in the collection action in favor of the financial institution in the amount of 283 million Brazilian Real (approximately \$121 million U.S., based on recent exchange rates), plus judicial adjustments, which could be significant. We have appealed this decision. Based on our outside counsel’s assessment of the case, the amount previously accrued for our estimated exposure for this litigation remains unchanged. However, the amount of the final award, if any, may be materially different than the amount we have accrued.

We currently expect to undertake a corrective action to address a supplier-related quality and potential product safety problem that may affect 1 million appliances manufactured between 2001 and 2003. We have accrued \$31.5 million for this matter based on our estimate of the costs of the action. Actual costs will depend upon several factors, including the number of consumers who respond to a particular recall, repair and administrative costs, whether the cost of any such corrective action is borne initially by Whirlpool or the supplier, and, if initially borne by Whirlpool, whether we will be successful in recovering our costs from the supplier. We continue to work with the Consumer Product Safety Commission to determine whether other appliances may be affected, and there can be no assurance that the number of units and related costs will not increase. In addition, we could incur other costs arising out of this problem that cannot currently be estimated but could be material.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS—(CONTINUED)**

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by us or on our behalf. Certain statements contained in this annual report, including those within the forward-looking perspective section within this Management's Discussion and Analysis, and other written and oral statements made from time to time by us or on our behalf do not relate strictly to historical or current facts and may contain forward-looking statements that reflect our current views with respect to future events and financial performance. As such, they are considered "forward-looking statements" which provide current expectations or forecasts of future events. Such statements can be identified by the use of terminology such as "anticipate," "believe," "estimate," "expect," "intend," "may," "could," "possible," "plan," "project," "will," "forecast," and similar words or expressions. Our forward-looking statements generally relate to our growth strategies, financial results, product development, and sales efforts. These forward-looking statements should be considered with the understanding that such statements involve a variety of risks and uncertainties, known and unknown, and may be affected by inaccurate assumptions. Consequently, no forward-looking statement can be guaranteed and actual results may vary materially.

This document contains forward-looking statements that speak only as of this date. Whirlpool disclaims any obligation to update these statements. Forward-looking statements in this document may include, but are not limited to, statements regarding expected earnings per share, cash flow, productivity and material and oil-related prices. Many risks, contingencies and uncertainties could cause actual results to differ materially from Whirlpool Corporation's forward-looking statements. Among these factors are: (1) changes in economic conditions which affect demand for our products, including the strength of the building industry and the level of interest rates; (2) the effects of the global economic crisis on our customers, suppliers and the availability of credit; (3) Whirlpool's ability to continue its relationship with significant trade customers, including Sears Holding Corporation in North America (accounting for approximately 11% of Whirlpool's 2008 consolidated net sales of \$18.9 billion) and the ability of these trade customers to maintain or increase market share; (4) intense competition in the home appliance industry reflecting the impact of both new and established global competitors, including Asian and European manufacturers; (5) the ability of Whirlpool to manage foreign currency fluctuations; (6) litigation including product liability and product defect claims; (7) the ability of Whirlpool to achieve its business plans, productivity improvements, cost control, leveraging of its global operating platform, and acceleration of the rate of innovation; (8) fluctuations in the cost of key materials (including steel, oil, plastic, resins, copper and aluminum) and components and the ability of Whirlpool to offset cost increases; (9) the ability of suppliers of critical parts, components and manufacturing equipment to deliver sufficient quantities to Whirlpool in a timely and cost-effective manner; (10) health care cost trends and regulatory changes that could increase future funding obligations for pension and post retirement benefit plans; (11) Whirlpool's ability to obtain and protect intellectual property rights; (12) global, political and/or economic uncertainty and disruptions, especially in Whirlpool's significant geographic regions, including uncertainty and disruptions arising from natural disasters or terrorist attacks; (13) the effects of governmental investigations or related actions by third parties; (14) the impact of labor relations; (15) our ability to attract, develop and retain executives and other qualified employees; (16) the cost of compliance with environmental and health and safety regulations.

We undertake no obligation to update any forward-looking statement, and investors are advised to review disclosures in our filings with the Securities and Exchange Commission. It is not possible to foresee or identify all factors that could cause actual results to differ from expected or historic results. Therefore, investors should not consider the foregoing factors to be an exhaustive statement of all risks, uncertainties, or factors that could potentially cause actual results to differ from forward-looking statements. Additional information concerning these and other factors can be found in "Risk Factors" in Item 1A of this report.

WHIRLPOOL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
Year Ended December 31
(Millions of dollars, except per share data)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net sales	\$18,907	\$19,408	\$18,080
Expenses			
Cost of products sold	16,383	16,517	15,420
Selling, general and administrative (exclusive of intangible amortization)	1,798	1,736	1,752
Intangible amortization	28	31	30
Restructuring costs	149	61	55
Operating profit	<u>549</u>	<u>1,063</u>	<u>823</u>
Other income (expense)			
Interest and sundry income (expense)	(100)	(63)	(2)
Interest expense	(203)	(203)	(202)
Gain on sale of investment	<u>—</u>	<u>7</u>	<u>—</u>
Earnings from continuing operations before income taxes and other items	246	804	619
Income taxes	<u>(201)</u>	<u>117</u>	<u>126</u>
Earnings from continuing operations before equity earnings and minority interests	447	687	493
Equity in income (loss) of affiliated companies	<u>—</u>	<u>(18)</u>	<u>1</u>
Minority interests	<u>(29)</u>	<u>(22)</u>	<u>(8)</u>
Earnings from continuing operations	418	647	486
Loss from discontinued operations, net of tax of \$0, \$3 and \$26 for the years ended December 31, 2008, 2007 and 2006, respectively	<u>—</u>	<u>(7)</u>	<u>(53)</u>
Net earnings available to common stockholders	<u>\$ 418</u>	<u>\$ 640</u>	<u>\$ 433</u>
Per share of common stock			
Basic earnings from continuing operations	\$ 5.57	\$ 8.24	\$ 6.47
Discontinued operations, net of tax	<u>—</u>	<u>(0.09)</u>	<u>(0.71)</u>
Basic net earnings	<u>\$ 5.57</u>	<u>\$ 8.15</u>	<u>\$ 5.76</u>
Diluted earnings from continuing operations	\$ 5.50	\$ 8.10	\$ 6.35
Discontinued operations, net of tax	<u>—</u>	<u>(0.09)</u>	<u>(0.68)</u>
Diluted net earnings	<u>\$ 5.50</u>	<u>\$ 8.01</u>	<u>\$ 5.67</u>
Dividends	<u>\$ 1.72</u>	<u>\$ 1.72</u>	<u>\$ 1.72</u>
Weighted-average shares outstanding (in millions)			
Basic	75.1	78.5	75.1
Diluted	76.0	79.9	76.5

The accompanying notes are an integral part of these Consolidated Financial Statements

WHIRLPOOL CORPORATION
CONSOLIDATED BALANCE SHEETS
(Millions of dollars, except per share data)

	December 31, 2008	December 31, 2007
Assets		
Current assets		
Cash and equivalents	\$ 146	\$ 201
Accounts receivable, net of allowance for uncollectible accounts of \$66 and \$83 at December 31, 2008 and December 31, 2007, respectively	2,103	2,604
Inventories	2,591	2,665
Prepaid Expenses	110	89
Deferred income taxes	580	324
Other current assets	514	672
Total current assets	6,044	6,555
Other assets		
Goodwill, net	1,728	1,760
Other intangibles, net of accumulated amortization of \$96 and \$68 at December 31, 2008 and December 31, 2007, respectively	1,821	1,854
Other assets	954	628
Total other assets	4,503	4,242
Property, plant and equipment		
Land	74	84
Buildings	1,186	1,226
Machinery and equipment	7,549	7,861
Accumulated depreciation	(5,824)	(5,959)
Total property, plant and equipment	2,985	3,212
Total assets	\$ 13,532	\$ 14,009
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 2,805	\$ 3,260
Accrued expenses	530	633
Accrued advertising and promotions	440	497
Employee compensation	306	444
Notes payable	393	298
Current maturities of long-term debt	202	127
Other current liabilities	887	634
Total current liabilities	5,563	5,893
Noncurrent liabilities		
Long-term debt	2,002	1,668
Postretirement benefits	822	1,061
Pension benefits	1,505	725
Other liabilities	567	682
Total noncurrent liabilities	4,896	4,136
Commitments and contingencies (see Note 7)		
Minority interests	67	69
Stockholders' equity		
Common stock, \$1 par value, 250 million shares authorized, 104 million and 103 million shares issued at December 31, 2008 and December 31, 2007, respectively, 73 million and 76 million shares outstanding at December 31, 2008 and December 31, 2007, respectively	104	103
Additional paid-in capital	2,033	1,993
Retained earnings	3,993	3,703
Accumulated other comprehensive income (loss)	(1,259)	(270)
Treasury stock, 31 million shares and 27 million shares at December 31, 2008 and December 31, 2007, respectively	(1,865)	(1,618)
Total stockholders' equity	3,006	3,911
Total liabilities and stockholders' equity	\$ 13,532	\$ 14,009

The accompanying notes are an integral part of these Consolidated Financial Statements

WHIRLPOOL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Year ended December 31
(Millions of dollars)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Operating activities of continuing operations			
Net earnings	\$ 418	\$ 640	\$ 433
Loss from discontinued operations	—	7	53
Earnings from continuing operations	418	647	486
Adjustments to reconcile earnings from continuing operations to cash provided by operating activities from continuing operations:			
Depreciation and amortization	597	593	550
Gain on disposition of assets	(60)	(65)	(4)
Gain on sale of investment	—	(7)	—
Gain on disposition of businesses	—	—	(32)
Increase in LIFO inventory reserve	42	9	10
Equity in losses of affiliated companies, less dividends received	—	18	5
Changes in assets and liabilities, net of business acquisitions:			
Accounts receivable	300	181	50
Inventories	(174)	(194)	(118)
Accounts payable	(250)	105	44
Restructuring charges, net of cash paid	33	(82)	(80)
Taxes deferred and payable, net	(256)	10	(154)
Accrued pension	(123)	(70)	53
Employee compensation	(84)	(24)	25
Other	(116)	(194)	45
Cash provided by continuing operating activities	<u>327</u>	<u>927</u>	<u>880</u>
Investing activities of continuing operations			
Capital expenditures	(547)	(536)	(576)
Proceeds from sale of assets	119	130	86
Proceeds from sale of businesses	—	—	36
Proceeds from sale of Maytag adjacent businesses	—	100	110
Purchase of minority interest shares	—	—	(53)
Acquisitions of businesses, net of cash paid	—	—	(797)
Other	(5)	(25)	—
Cash used in investing activities of continuing operations	<u>(433)</u>	<u>(331)</u>	<u>(1,194)</u>
Financing activities of continuing operations			
Proceeds from borrowings of long-term debt	545	3	757
Purchase of treasury stock	(247)	(368)	—
Repayments of long-term debt	(131)	(17)	(1,046)
Dividends paid	(128)	(134)	(130)
Net proceeds (repayments) from short-term borrowings	101	(243)	381
Common stock issued	21	68	54
Other	(20)	(5)	13
Cash provided by (used in) financing activities of continuing operations	<u>141</u>	<u>(696)</u>	<u>29</u>
Cash provided by (used in) discontinued operations			
Operating activities	—	6	8
Investing activities	—	—	(3)
Cash provided by discontinued operations	<u>—</u>	<u>6</u>	<u>5</u>
Effect of exchange rate changes on cash and equivalents	(90)	33	18
Decrease in cash and equivalents	(55)	(61)	(262)
Cash and equivalents at beginning of year	201	262	524
Cash and equivalents at end of year	<u>\$ 146</u>	<u>\$ 201</u>	<u>\$ 262</u>
Supplemental disclosure of cash flow information			
Cash paid for interest	\$ 200	\$ 204	\$ 225
Cash paid for taxes	76	39	173

The accompanying notes are an integral part of these Consolidated Financial Statements

WHIRLPOOL CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Year ended December 31
(Millions of dollars)

	Total	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock/ Additional Paid- in-Capital	Common Stock
Balances, December 31, 2005	\$1,745	\$ 2,902	\$ (862)	\$ (387)	\$ 92
Comprehensive income					
Net earnings	433	433	—	—	—
Other comprehensive income (See Note 9)	333	—	333	—	—
Comprehensive income	<u>766</u>				
SFAS No. 158 transition adjustment	(114)	—	(114)	—	—
Common stock issued	1,016	—	—	1,006	10
Dividends declared on common stock	(130)	(130)	—	—	—
Balances, December 31, 2006	3,283	3,205	(643)	619	102
Comprehensive income					
Net earnings	640	640	—	—	—
Other comprehensive income (See Note 9)	373	—	373	—	—
Comprehensive income	<u>1,013</u>				
Adoption of FIN48	(8)	(8)	—	—	—
Common stock repurchased	(368)	—	—	(368)	—
Common stock issued	125	—	—	124	1
Dividends declared on common stock	(134)	(134)	—	—	—
Balances, December 31, 2007	3,911	3,703	(270)	375	103
Comprehensive income					
Net earnings	418	418	—	—	—
Other comprehensive loss (See Note 9)	(989)	—	(989)	—	—
Comprehensive loss	<u>(571)</u>				
Common stock repurchased	(247)	—	—	(247)	—
Common stock issued	41	—	—	40	1
Dividends declared on common stock	(128)	(128)	—	—	—
Balances, December 31, 2008	<u>\$3,006</u>	<u>\$ 3,993</u>	<u>\$ (1,259)</u>	<u>\$ 168</u>	<u>\$ 104</u>

The accompanying notes are an integral part of these Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

General Information

Whirlpool Corporation, a Delaware corporation, is the world's leading manufacturer and marketer of major home appliances. We manufacture appliances in 12 countries under 13 principal brand names in 4 geographic segments and market products in nearly every country around the world. Our Consolidated Financial Statements include all majority-owned subsidiaries. All intercompany transactions have been eliminated upon consolidation.

Use of Estimates

We are required to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying notes. Actual results could differ materially from those estimates.

Revenue Recognition

Sales are recorded when title passes to the customer. The point at which title passes is determined by the shipping terms. For the majority of our sales, title is transferred to the customer as soon as products are shipped. For a portion of our sales, title is transferred to the customer upon receipt of products at the customer's location. Allowances for estimated returns are made on sales of certain products based on historical return rates for the products involved.

Accounts Receivable and Allowance for Doubtful Accounts

We carry accounts receivable at sales value less an allowance for doubtful accounts. On a periodic basis, we evaluate accounts receivable and establish an allowance for doubtful accounts based on a combination of specific customer circumstances, credit conditions and the history of write-offs and collections. We evaluate items on an individual basis when determining accounts receivable write-offs. Our policy is not to charge interest on trade receivables after the invoice becomes past due. A receivable is considered past due if payments have not been received within agreed upon invoice terms.

Freight and Warehousing Costs

We classify freight and warehousing costs within cost of products sold within our Consolidated Statements of Income.

Cash and Equivalents

All highly liquid debt instruments purchased with an initial maturity of three months or less are considered cash equivalents.

Inventories

Inventories are stated at first-in, first-out ("FIFO") cost, except U.S. production inventories, which are stated at last-in, first-out ("LIFO") cost, and Brazilian inventories, which are stated at average cost. Costs do not exceed realizable values. See Note 5 for additional information about inventories.

Goodwill and Other Intangibles

Goodwill and other intangible assets are accounted for in accordance with Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets" which requires that we evaluate goodwill and other indefinite lived intangible assets for impairment on an annual basis (or whenever

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

events occur which may indicate possible impairment). Goodwill impairment is determined by comparing the fair value of a reporting unit to its carrying amount. If the fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired.

Definite lived intangible assets are amortized over the estimated useful life ranging from 6 to 18 years. See Note 3 for additional information about goodwill and intangible assets.

Accounts Payable Outsourcing

We offer our suppliers access to a payables presentment and settlement service (PPS) provided by a third party processor. This service allows our suppliers to view scheduled Whirlpool payments online, enabling them to better manage their cash flow and reduce payment processing costs. Independent of Whirlpool, the PPS provider also allows suppliers to sell their receivables to financial institutions at the sole discretion of both the supplier and the financial institution. We have no economic interest in the sale of these receivables and no direct relationship with financial institutions concerning this service. All of our obligations, including amounts due, remain to our suppliers as stated in our supplier agreements. As of December 31, 2008 and 2007, approximately \$119 million and \$13 million, respectively, of our total accounts payable is available for this purpose and approximately \$72 million and \$6 million, respectively, has been sold by suppliers to participating financial institutions.

Research and Development Costs

Research and development costs are charged to expense as incurred. Such costs were \$436 million, \$421 million and \$375 million in 2008, 2007 and 2006, respectively.

Advertising Costs

Advertising costs are charged to expense when the advertisement is first communicated. Such costs were \$336 million, \$321 million and \$316 million in 2008, 2007 and 2006, respectively.

Discontinued Operations

We present the results of operations, financial position and cash flows of operations that have either been sold or that meet the “held for sale accounting” and certain other criteria as discontinued operations. See Note 2 for additional information about discontinued operations.

Foreign Currency Translation

The functional currency for our international subsidiaries and affiliates is typically the local currency. Certain international subsidiaries primarily utilize the U.S. dollar and Euro as the functional currency.

Long-Lived Assets

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is computed using the straight-line method based on the estimated useful lives of the assets. Depreciation expense for property, plant and equipment was \$569 million, \$562 million and \$520 million in 2008, 2007 and 2006, respectively. The estimated useful lives for major asset classifications are as follows:

<u>Asset Classification</u>	<u>Estimated Useful Life</u>
Buildings	25 to 50 years
Machinery and equipment	3 to 10 years
Computer/Software	1 to 8 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

We classify gains and losses associated with asset dispositions in the same line item as the underlying depreciation of the disposed asset in the Consolidated Statements of Income. Net gains recognized in cost of products sold include \$16 million, \$51 million and \$1 million for 2008, 2007, and 2006, respectively. Net gains recognized in selling, general, and administrative expense include \$19 million, \$14 million and \$3 million for 2008, 2007, and 2006, respectively.

In accordance with SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets” (“SFAS 144”), we record impairment losses on long-lived assets when events and circumstances indicate the assets may be impaired and the estimated future cash flows generated by those assets are less than their carrying amounts.

Derivative Financial Instruments

We use derivative instruments designated as cash flow and fair value hedges to manage our exposure to the volatility in material costs, foreign currency and interest rates on certain debt instruments. Derivative instruments are accounted for in accordance with SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities,” as amended, which requires us to fair value our derivative instruments periodically. Changes in the fair value of derivative assets or liabilities (i.e., gains or losses) are recognized depending upon the type of hedging relationship and whether a hedge has been designated. For those derivative instruments that qualify for hedge accounting, we designate the hedging instrument, based upon the exposure being hedged, as a cash flow hedge, fair value hedge, or a hedge of a net investment in a foreign operation. Changes in fair value of derivative instruments that do not qualify for hedge accounting are recognized immediately in current earnings. See Note 8 for additional information about hedges and derivative financial instruments.

Income Taxes

We account for income taxes in accordance with SFAS No. 109, “Accounting for Income Taxes” (“SFAS 109”). Under SFAS No. 109, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of the respective assets and liabilities, using enacted tax rates in effect for the year in which the differences are expected to reverse. Judgment is required in determining and evaluating our income tax provisions. We establish provisions for income taxes when, based on the technical merits of the uncertain tax position, it is not more likely than not to be substantiated on a review by tax authorities. We evaluate and adjust these accruals in light of changing facts and circumstances. For additional information about income taxes, see Note 12.

Stock Based Compensation

Effective January 1, 2006, we adopted the fair value recognition provisions of SFAS No. 123(R), “Share-Based Payments”, using the modified-prospective-transition method. Under that transition method, compensation cost includes: (1) compensation cost for all share-based payments granted prior to, but not yet vested as of, January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123, and (2) compensation cost for all share-based payments granted subsequent to January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123(R). The resulting costs are recognized straight-line over the period during which an employee is required to provide service in exchange for the awards (usually the vesting period of the awards). See Note 10 for additional information about stock based compensation.

BEFIEX Credits

Our Brazilian operations earned tax credits under the Brazilian government’s export incentive program. These credits reduce Brazilian federal excise taxes on domestic sales, resulting in an increase in the operations’ recorded net sales. Based on a recalculation of available credits and a favorable court decision in the fourth

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

quarter of 2005, we were able to recognize approximately \$168 million, \$131 million and \$52 million of export credits during 2008, 2007 and 2006, respectively. As of December 31, 2008, approximately \$542 million of export credits remain. We recognize credits as they are monetized. See Note 12 for additional information about how these credits impact our effective tax rate which are included in “Foreign government tax incentive” in the rate reconciliation of our effective tax rate.

Reclassifications

We reclassified certain other prior period amounts in our Consolidated Financial Statements to be consistent with current period presentation. The effect of these reclassifications is not material.

New Accounting Standards

In March 2008, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 161, “Disclosures about Derivative Instruments and Hedging Activities, an Amendment of FASB No. 133,” (“SFAS 161”). SFAS 161 is intended to improve transparency in financial reporting by requiring enhanced disclosures of an entity’s derivative instruments and hedging activities and their effects on the entity’s financial position, financial performance, and cash flows. SFAS 161 applies to all derivative instruments within the scope of SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities,” (“SFAS 133”). SFAS 161 also applies to non-derivative hedging instruments and all hedged items designated and qualifying under SFAS 133. SFAS 161 is effective prospectively for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. SFAS 161 encourages, but does not require, comparative disclosures for periods prior to its initial adoption. We will adopt SFAS 161 on January 1, 2009 and are currently evaluating the potential impact on our financial statements.

In February 2008, the FASB issued FASB Staff Position (“FSP”) 157-2, “Effective Date of FASB Statement No. 157” (“FSP 157-2”). FSP 157-2 delays the effective date of SFAS No. 157 for all non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), until the beginning of the first quarter of fiscal 2009. We adopted SFAS 157 for financial assets and liabilities on January 1, 2008. For additional information regarding SFAS 157, see Note 4.

In December 2007, the FASB issued SFAS No. 141(R), “Business Combinations,” (“SFAS 141(R)”). SFAS 141(R) requires us to continue to follow the guidance in SFAS 141 for certain aspects of business combinations, with additional guidance provided defining the acquirer, the accounting for transaction costs and contingent consideration, recognizing and measuring the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree, assets and liabilities arising from contingencies, defining a bargain purchase and recognizing and measuring goodwill or a gain from a bargain purchase. In addition, under SFAS 141(R), adjustments associated with changes in tax contingencies that occur after the measurement period, not to exceed one year, are recorded as adjustments to income. This statement is effective for all business combinations for which the acquisition date is on or after the beginning of an entity’s first fiscal year that begins after December 15, 2008; however, the guidance in this standard regarding the treatment of income tax contingencies is retrospective to business combinations completed prior to January 1, 2009. We will adopt SFAS 141(R) for any business combinations occurring at or subsequent to January 1, 2009.

In December 2007, the FASB issued SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements,” an Amendment of ARB No. 51, “Consolidated Financial Statements,” (“SFAS 160”). SFAS 160 establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. This

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

statement is effective as of the beginning of an entity's first fiscal year that begins after December 15, 2008 with retrospective application. We will adopt SFAS 160 on January 1, 2009 and are currently evaluating the potential impact on our financial statements when implemented

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value in GAAP and expands disclosures about fair value measurements. The expanded disclosures in this statement about the use of fair value to measure assets and liabilities should provide users of financial statements with better information about the extent to which fair value is used to measure recognized assets and liabilities, the inputs used to develop the measurements, and the effect of certain of the measurements on earnings (or changes in net assets) for the period. We adopted SFAS 157 for financial assets and liabilities on January 1, 2008. For additional information regarding SFAS 157, see Note 4.

(2) DISCONTINUED OPERATIONS AND BUSINESS DISPOSITION

Discontinued Operations

On March 31, 2006, we completed the acquisition of Maytag. The results of Maytag's operations have been included in our Consolidated Financial Statements beginning April 1, 2006. The following businesses acquired as part of the acquisition of Maytag were divested. Divesting these businesses allows us to focus on the core appliance business.

Amana commercial

On September 6, 2006, we sold the Amana commercial microwave business to Aga Foodservice Inc. for approximately \$49 million. Revenues and costs for this business were classified as a component of discontinued operations during the second quarter of 2006. Due to our continuing involvement with the Amana commercial microwave business as an OEM supplier, we reclassified the operating results related to Amana commercial microwave business into continuing operations during the third quarter of 2006.

Dixie-Narco

On October 23, 2006, we completed the sale of the Dixie-Narco vending systems business to Crane Co. for approximately \$46 million. The difference between the proceeds received and the net book value of the assets recorded was an adjustment to goodwill.

Hoover

On January 31, 2007, we completed the sale of the Hoover floor-care business to Techtronic Industries, Co., Ltd. for approximately \$107 million. The difference between the proceeds received and the net book value of the assets recorded was an adjustment to goodwill.

Jade

On April 2, 2007, we completed the sale of the Jade commercial and residential products businesses to Middleby Corporation. The difference between the proceeds received and the net book value of the assets recorded was an adjustment to goodwill.

As part of the sale of each of the above operations, we retained certain liabilities associated with pension benefits and, in the case of Hoover, postretirement medical benefits for currently retired Hoover employees. In addition, with respect to the sale of the Dixie-Narco vending systems business, we retained certain environmental liabilities. For additional information about pension and postretirement benefits see Note 13.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The associated results of operations and cash flows related to the discontinued operations have been separately reported as of and for the years ended December 31, 2007 and December 31, 2006.

The following table includes certain income statement information related to the results of the Dixie-Narco, Hoover and Jade businesses:

<u>Millions of dollars</u>	<u>Year Ended</u> <u>December 31,</u>	
	<u>2007</u>	<u>2006</u>
Net sales	\$ 43	\$443
Loss before income taxes	(10)	(79)
Income tax benefit	3	26
Loss from discontinued operations, net of tax	<u>\$ (7)</u>	<u>\$ (53)</u>

Business Disposition

On August 10, 2006, our Latin America region sold the remaining 30% interest in an equity investment. Proceeds from the sale were approximately \$31 million. A pre-tax gain of \$30 million was recognized and classified as interest and sundry income (expense) in the Consolidated Statements of Income.

(3) GOODWILL AND OTHER INTANGIBLES

Goodwill

Goodwill and indefinite lived intangibles are subject to an annual impairment analysis performed during the fourth quarter of each year by reporting unit. We determine the fair value of each reporting unit using discounted cash flows. Our reporting units include: North America, Europe, Multibras and Embraco (which combined is our Latin America reportable operating segment), and Asia. We performed the annual impairment tests and determined there is no impairment for any period presented.

The following table summarizes the net carrying amount of goodwill:

<u>Reporting unit—Millions of dollars</u>	<u>December 31,</u>	
	<u>2008</u>	<u>2007</u>
North America	\$1,724	\$1,755
Embraco	4	5
Total	<u>\$1,728</u>	<u>\$1,760</u>

The changes in the carrying amounts for goodwill since December 31, 2007 are due primarily to adjustments of certain Maytag exit, relocation and employee termination excess reserves and pre-acquisition uncertain tax positions.

Other Intangible Assets

The following table summarizes the net carrying amount of other intangible assets:

<u>Millions of dollars</u>	<u>December 31,</u>		<u>Estimated</u> <u>Useful Life</u>
	<u>2008</u>	<u>2007</u>	
Trademarks	\$1,511	\$1,516	Indefinite life
Customer relationships	242	258	18 years
Patents and other agreements	68	80	6 to 10 years
Total other intangibles assets, net	<u>\$1,821</u>	<u>\$1,854</u>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Amortization expense for each of the years 2009-2012 is estimated to be \$30 million and for 2013 is estimated to be \$22 million.

(4) FAIR VALUE MEASUREMENTS

As described in Note 1, we adopted SFAS 157 on January 1, 2008. SFAS 157, among other things, defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. SFAS 157 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, SFAS 157 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets and liabilities measured at fair value are based on one or more of three valuation techniques noted in SFAS 157. The three valuation techniques are identified in the table below and are as follows:

- (a) Market approach—prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities
- (b) Cost approach—amount that would be required to replace the service capacity of an asset (replacement cost)
- (c) Income approach—techniques to convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing and excess earnings models)

Assets and liabilities measured at fair value on a recurring basis are as follows:

<u>Millions of dollars</u>	December 31,	Quoted Prices In Active Markets for	Significant Other Observable Inputs	Significant Unobservable Inputs	Valuation Technique
	2008	Identical Assets (Level 1)	(Level 2)	(Level 3)	
Available for sale investments	\$ 17	\$ 17	\$ —	\$ —	(a)
Net derivative contracts	(234)	—	(234)	—	(a)

During the December 2008 quarter, we recorded an impairment charge of \$9 million in our Europe segment associated with an available for sale investment. The impairment charge was recorded in interest and sundry income (expense) in our Consolidated Statements of Income for the year ended December 31, 2008.

There were no changes in our valuation techniques used to measure fair values on a recurring and nonrecurring basis as a result of adopting SFAS 157.

(5) INVENTORIES

<u>December 31—Millions of dollars</u>	<u>2008</u>	<u>2007</u>
Finished products	\$2,213	\$2,232
Work in process	49	52
Raw materials	515	525
	2,777	2,809
Less excess of FIFO cost over LIFO cost	(186)	(144)
Total inventories	<u>\$2,591</u>	<u>\$2,665</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The decrease in inventories, when compared to December 31, 2007, is driven primarily by the impact of changes in foreign currency and an increased excess of FIFO cost over LIFO cost.

LIFO inventories represent approximately 43% and 42% of total inventories at December 31, 2008 and 2007, respectively. During the December 2008 quarter, we increased our excess of FIFO cost over LIFO cost adjustment due to the impact of higher materials costs and lower productivity during 2008.

(6) FINANCING ARRANGEMENTS

Debt

The following table summarizes our debt at December 31, 2008 and 2007:

<u>Millions of dollars</u>	<u>2008</u>	<u>2007</u>
Debentures—9.1%, maturing 2008	\$ —	\$ 125
Variable rate notes, maturing through 2009	200	200
Senior note—8.6%, maturing 2010	325	325
Senior note—6.125%, maturing 2011	300	299
Medium-term note—5.5%, maturing 2013	499	—
Maytag medium-term note—6.5%, maturing 2014	102	103
Maytag medium-term note—5.0%, maturing 2015	190	189
Senior note—6.5%, maturing 2016	249	249
Debentures—7.75%, maturing 2016	243	243
Other (various maturing through 2016)	96	62
	<u>2,204</u>	<u>1,795</u>
Less current maturities	202	127
Total long-term debt, net of current maturities	<u>\$2,002</u>	<u>\$1,668</u>

The following table summarizes the contractual maturities of our debt, including current maturities, at December 31, 2008:

<u>Millions of dollars</u>	
2009	\$ 202
2010	382
2011	308
2012	9
2013	507
Thereafter	796
Total debt	<u>\$2,204</u>

On February 1, 2008 our 9.1% debentures became due and we repaid the remaining balance of \$125 million.

On February 28, 2008 we completed the issuance of \$500 million 5.50% Notes due March 1, 2013 (“Notes”). The Notes were issued under an existing shelf registration statement filed with the Securities and Exchange Commission. We pay interest semiannually on March 1 and September 1. The Notes contain a provision which requires Whirlpool to make an offer to purchase the Notes at a purchase price equal to 101% of the principal amount plus any accrued and unpaid interest if certain change of control events occur. The Notes are also subject to customary non-financial covenants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

We are in compliance with financial covenant requirements at December 31, 2008 and 2007.

The fair value of long-term debt (including current maturities) was \$2,037 million and \$1,879 million as of December 31, 2008 and 2007, respectively, and was estimated using discounted cash flow analysis based on incremental borrowing rates for similar types of borrowing arrangements.

Notes Payable

Notes payable consist of the following:

<u>December 31—Millions of dollars</u>	<u>2008</u>	<u>2007</u>
Payable to banks	\$393	\$164
Commercial paper	—	134
Total notes payable	\$393	\$298

Notes payable consist of short term borrowings payable to banks and commercial paper used to fund working capital requirements. The fair value of our notes payable approximates the carrying amount due to the short maturity of these obligations. The weighted-average interest rate on notes payable was 3.8% and 5.6% for the years ended December 31, 2008 and 2007, respectively.

We have Credit Facilities which provide a \$2.2 billion 5-year credit facility maturing on December 1, 2010, and include a \$100 million letter of credit subfacility. Borrowings under the Credit Facilities are available to us and designated subsidiaries for general corporate purposes, including commercial paper support. Subsidiary borrowings under these facilities, if any, are guaranteed by us. Interest under the Credit Facilities accrues at a variable annual rate based on the LIBOR plus a margin dependent on our credit rating at that time. The Credit Facilities require us to meet certain leverage and interest coverage requirements. At December 31, 2008 and 2007, borrowings of \$247 million and \$0, respectively, were outstanding under these credit agreements and are included within notes payable in the table above. We are in compliance with financial covenant requirements at December 31, 2008 and 2007.

Whirlpool Financial Corporation

Whirlpool Financial Corporation (“WFC”) is a legal entity with assets consisting primarily of leveraged leases. WFC and Whirlpool are parties to a support agreement. Pursuant to the agreement, if at the close of any quarter WFC’s net earnings available for fixed charges (as defined) for the preceding twelve months is less than a stipulated amount, we are required to make a cash payment to WFC equal to the insufficiency within 60 days of the end of the quarter. We were not required to make any payments under this agreement during 2008, 2007, or 2006. The support agreement may be terminated by either WFC or us upon 30 days notice provided that certain conditions are met. We have also agreed to maintain ownership of at least 70% of WFC’s voting stock.

(7) COMMITMENTS AND CONTINGENCIES

Guarantees

We have guarantee arrangements in a Brazilian subsidiary. As a standard business practice in Brazil, the subsidiary guarantees customer lines of credit at commercial banks to support purchases following its normal credit policies. If a customer were to default on its line of credit with the bank, our subsidiary would be required to satisfy the obligation with the bank, and the receivable would revert back to the subsidiary. At December 31, 2008 and December 31, 2007, the guaranteed amounts totaled \$203 million and \$331 million, respectively. Our only recourse with respect to these arrangements would be legal or administrative collection efforts directed against the customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

We provide guarantees of indebtedness and lines of credit for various consolidated subsidiaries. The maximum amount of credit facilities available under these lines for consolidated subsidiaries totaled \$1.3 billion and \$1.5 billion at December 31, 2008 and December 31, 2007. Our total outstanding bank indebtedness from guarantees totaled \$364 million and \$115 million at December 31, 2008 and December 31, 2007, respectively.

As of May 16, 2008, we guaranteed a \$50 million five year revolving credit facility between certain financial institutions and a not-for-profit entity in connection with a community and economic development project (“Harbor Shores”). The fair value of the guarantee is nominal. The purpose of Harbor Shores is to stimulate employment and growth in the areas of Benton Harbor and St. Joseph, Michigan. In the event of default, we must satisfy the guarantee of the credit facility up to the amount borrowed at the date of default. For additional information about Harbor Shores see our 2008 Proxy Statement for the annual meeting of shareholders filed with the Securities and Exchange Commission on March 3, 2008.

Warranty Reserves

Product warranty reserves are established in the same period that revenue from the sale of the related products is recognized. The amounts of those reserves are based on established terms and our best estimate of the amounts necessary to settle future and existing claims on products sold as of the balance sheet date. During 2007, we re-evaluated the cost of a voluntary recall of certain *Maytag* and *Jenn-Air* brand dishwashers that were associated with inventory from the acquisition of Maytag. As such, we increased the warranty liability as a purchase accounting adjustment in the opening balance sheet at March 31, 2006 with a corresponding increase to recorded goodwill. This amount is included in “Acquisition” in the table below.

The following represents a reconciliation of the changes in product warranty reserves for the periods presented:

<u>Millions of dollars</u>	<u>2008</u>	<u>2007</u>
Balance at January 1	\$ 226	\$ 284
Acquisition	—	53
Warranties issued during the period	417	423
Settlements made during the period	(411)	(546)
Other changes	(17)	12
Balance at December 31	<u>\$ 215</u>	<u>\$ 226</u>
Current portion	\$ 174	\$ 172
Non-current portion	41	54
Total	<u>\$ 215</u>	<u>\$ 226</u>

Product warranty reserves are included within other current liabilities and other noncurrent liabilities in our Consolidated Balance Sheets at December 31, 2008 and 2007.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Operating Lease Commitments

At December 31, 2008, we had noncancelable operating lease commitments totaling \$582 million. The annual future minimum lease payments are summarized by year in the table below:

<u>Millions of dollars</u>	
2009	\$150
2010	114
2011	91
2012	68
2013	58
Thereafter	101
Total noncancelable operating lease commitments	<u>\$582</u>

Our rent expense was \$201 million, \$183 million and \$154 million for the years 2008, 2007 and 2006, respectively.

Purchase Obligations

Our expected cash outflows resulting from purchase obligations are summarized by year in the table below:

<u>Millions of dollars</u>	
2009	\$ 288
2010	320
2011	272
2012	123
2013	71
Thereafter	8
Total purchase obligations	<u>\$1,082</u>

Legal Contingencies

The Brazilian Constitution provides a general basis for recognizing tax credits on the purchase of raw materials used in production (“IPI tax credit”). Certain raw materials that are exempt or have a zero tax basis in the production process qualify for these IPI tax credits. Based on legal precedent, in 2003 and 2004, we recognized tax credits in an aggregate amount of \$25 million adjusted for currency. No credits were recognized in 2005 through 2008. The Brazilian tax authority has challenged the recording of IPI tax credits. The Brazilian Supreme Court, which rules on a case by case basis, ruled adversely against another taxpayer in an IPI tax credit case. That ruling is not yet final. Our case is being defended at an administrative level. Our potential exposure ranges from zero to \$60 million comprised of \$25 million in taxes, \$18 million in interest and \$17 million in penalties. It is not possible to determine the outcome of these legal proceedings with certainty and as such, we have not accrued a liability for this exposure at December 31, 2008.

In 1989, a Brazilian affiliate (now a subsidiary) brought an action against a financial institution in Brazil seeking a “Declaration of Non-Enforceability of Obligations” relating to loan documentation entered into without authority by a senior officer of the affiliate. In September 2000, an adverse decision in the declaratory action became final. In 2001, the financial institution began a collection action and we responded with a counterclaim. The lower court dismissed the counterclaim in 2002 and the Superior Court confirmed the lower court decision in December 2005. The Superior Court dismissed our counterclaim in 2007. In late 2008, the lower court issued a

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

decision in the collection action in favor of the financial institution in the amount of 283 million Brazilian Real (approximately \$121 million U.S., based on recent exchange rates), plus judicial adjustments, which could be significant. We have appealed this decision. Based on our outside counsel's assessment of the case, the amount previously accrued for our estimated exposure for this litigation remains unchanged. However, the amount of the final award, if any, may be materially different than the amount we have accrued.

On February 17, 2009, we received a grand jury subpoena from the U.S. Department of Justice requesting documents relating to an antitrust investigation of the global compressor industry. Whirlpool subsidiaries in Brazil and Italy were visited on the same day by competition authorities seeking similar information. We intend to cooperate with these investigations. It is not possible at this time to predict the likely outcome or impact of these investigations.

We are currently defending a number of class action suits in federal and state courts alleging breach of warranty, fraud and violation of state consumer protection acts. There are no allegations of any personal injury or property damage. However, unspecified compensatory damages are being sought. We believe these suits are without merit. We intend to vigorously defend these actions.

We are involved in various other legal actions arising in the normal course of business. Management, after taking into consideration legal counsel's evaluation of such actions, is of the opinion that the outcome of these matters will not have a material adverse effect, if any, on our Consolidated Financial Statements.

Product Recalls

We regularly engage in investigations of potential quality and safety issues as part of our ongoing effort to deliver quality products to customers. We are currently investigating a limited number of potential quality and safety issues. As necessary, we undertake to effect repair or replacement of appliances in the event that an investigation leads to the conclusion that such action is warranted.

We currently expect to undertake a corrective action to address a supplier-related quality and potential product safety problem that may affect 1 million appliances manufactured between 2001 and 2003. We have accrued \$31.5 million for this matter based on our current estimate of the costs of the action.

On March 21, 2007, we announced a voluntary recall related to approximately 250,000 *Maytag* brand front-load washing machines. The cost of this recall will be paid by the OEM supplier.

On February 1, 2007, Maytag Corporation announced a voluntary recall of approximately 2.3 million Maytag and Jenn-Air brand dishwashers. We originally estimated the cost of the recall to be \$82 million, which we recorded as an assumed liability in our purchase price allocation related to the acquisition of Maytag, with a corresponding increase to recorded goodwill. As of September 30, 2008, we had revised this estimate to \$102 million due to an anticipated increase in the response rate. The incremental increase of \$20 million was charged to cost of products sold in our Consolidated Statements of Income during 2008. Of this \$102 million accrual, we have approximately \$7 million remaining at December 31, 2008.

(8) HEDGES AND DERIVATIVE FINANCIAL INSTRUMENTS

We are exposed to market risk from changes in foreign currency exchange rates, domestic and foreign interest rates, and commodity prices. Fluctuations in these rates and prices can affect our operating results and financial condition. We manage the exposure to these market risks through operating and financing activities and through the use of derivative financial instruments. We do not enter into derivative financial instruments for speculative or trading purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Using derivative markets means assuming counterparty credit risk. Counterparty credit risk relates to the loss we could incur if a counterparty defaulted on a derivative contract. We primarily deal with investment-grade counterparties and monitor the overall credit risk and exposure to individual counterparties. We do not anticipate nonperformance by any counterparties. The amount of counterparty credit exposure is the unrealized gains on such derivative contracts. We do not require, nor do we post, collateral or security on such contracts.

The following table summarizes our outstanding derivative contracts at December 31, 2008 and 2007:

<u>Exposure</u>	<u>Derivative</u>	<u>Notional Amount in Millions of dollars</u>		<u>Hedge Type</u>	<u>Term</u>
		<u>2008</u>	<u>2007</u>		
Forecasted cross currency cash flows	Foreign exchange forwards/options	\$ 1,831	\$ 2,023	Cash flow or fair value hedge	Various, up to 18 months
Non-functional currency asset/liability	Foreign exchange forwards/options	\$ 1,130	\$ 1,154	Undesignated	Various, up to 11 months
Raw material purchases	Commodity swaps	\$ 217	\$ 294	Cash flow or fair value hedge	Various, up to 35 months
Raw material purchases	Commodity swaps	\$ 45	\$ 23	Undesignated	Various, up to 11 months
Floating rate debt	Interest rate swap	\$ 50	\$ 50	Cash flow hedge	2009
Fixed rate debt	Interest rate swaps	\$ —	\$ 100	Fair value hedge	2008
Floating rate debt	Interest rate swaps	\$ —	\$ 150	Cash flow hedge	2008

Forecasted cross currency cash flows relate primarily to foreign currency denominated expenditures and intercompany financing agreements, royalty agreements and dividends. Non-functional currency asset and liability hedges are undesignated but relate primarily to short term payables and receivables and intercompany loans. Commodity swaps relate to raw material purchases (for example, copper and aluminum) used in the manufacturing process. Unrealized gains and losses relating to these foreign exchange forwards/options and commodity swaps were a loss of \$233 million and a loss of \$3 million at December 31, 2008 and 2007, respectively.

An interest rate swap with a notional amount of \$50 million maturing in 2009 is designated and accounted for as a cash flow hedge on future cash payments. The fair value of this contract was a loss of \$1 million and \$0.5 million as of December 31, 2008 and 2007, respectively. During 2008, certain interest rate swaps matured associated with fixed and floating rate debt with notional amounts of \$100 million and \$150 million, respectively.

Gains and losses related to the ineffective portion of our hedging instruments were immaterial for the years ended December 31, 2008, 2007 and 2006.

The amount of unrealized loss on derivative instruments included in accumulated other comprehensive income related to contracts maturing, and expected to be realized during 2009 is \$141 million at December 31, 2008.

During November and December 2008, we cash settled certain foreign currency derivative contracts prior to their scheduled settlement dates. As a result of these transactions, we received \$82 million in cash, which represented the fair value of these contracts at the date of settlement. In accordance with SFAS 133, effective gains of \$82 million were recorded in accumulated other comprehensive income until the hedged forecasted transactions affect earnings. These gains will then be recorded as a reduction in cost of products sold on our

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Consolidated Statements of Income. Approximately \$10 million in gains were recorded into earnings during the December 2008 quarter. There was no ineffectiveness related to these settled foreign currency derivative contracts.

(9) STOCKHOLDERS' EQUITY

Repurchase Program

In June 2004, our Board of Directors authorized a share repurchase program of up to \$500 million. During 2007, we repurchased 3.8 million shares at an aggregate purchase price of \$368 million and during the three months ended March 31, 2008, we repurchased 1.1 million shares at an aggregate purchase price of \$97 million under this program. At March 31, 2008, there were no remaining funds authorized under this program.

On April 23, 2008, our Board of Directors authorized a new share repurchase program of up to \$500 million. Share repurchases are made from time to time on the open market as conditions warrant. During 2008, we repurchased 1.9 million shares at an aggregate purchase price of \$150 million under this program. At December 31, 2008, there were \$350 million remaining funds authorized under this program.

Comprehensive Income

Comprehensive income primarily includes (1) our reported net earnings, (2) foreign currency translation, (3) changes in the effective portion of our open derivative contracts designated as cash flow hedges, (4) changes in our unrecognized pension and other postretirement benefit obligations (post adoption of SFAS 158) and (5) changes in fair value of our available for sale securities.

The following table shows the components of accumulated other comprehensive income at December 31, 2008, 2007 and 2006, and the activity for the years then ended:

<u>Millions of dollars</u>	<u>Foreign Currency</u>	<u>Derivative Instruments</u>	<u>Additional Minimum Pension Liability</u>	<u>Unrecognized Pension and Postretirement Liability</u>	<u>Marketable Securities</u>	<u>Total</u>
Balance at December 31, 2005	\$ (545)	\$ —	\$ (317)	\$ —	\$ —	\$ (862)
Additional minimum pension liability adjustments	—	—	194	—	—	194
Unrealized gain	173	52	—	—	—	225
Tax effect	(4)	(4)	(78)	—	—	(86)
Net of tax	169	48	116	—	—	333
Adoption of SFAS 158, net	—	—	201	(315)	—	(114)
Balance at December 31, 2006	(376)	48	—	(315)	—	(643)
Unrealized gain (loss)	309	(69)	—	—	17	257
SFAS 158	—	—	—	225	—	225
Tax effect	(34)	4	—	(79)	—	(109)
Net of tax	275	(65)	—	146	17	373
Balance at December 31, 2007	(101)	(17)	—	(169)	17	(270)
Unrealized loss	(458)	(150)	—	—	(10)	(618)
SFAS 158	—	—	—	(726)	—	(726)
Tax effect	34	47	—	274	—	355
Net of tax	(424)	(103)	—	(452)	(10)	(989)
Balance at December 31, 2008	\$ (525)	\$ (120)	\$ —	\$ (621)	\$ 7	\$(1,259)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Net Earnings per Share

Diluted net earnings per share of common stock include the dilutive effect of stock options and other share-based compensation plans. For the years ended December 31, 2008, 2007 and 2006, a total of approximately 2,728,410 options, 1,709,000 options and 2,021,000 options, respectively, were excluded from the calculation of diluted earnings per share because their exercise prices would render them anti-dilutive.

Basic and diluted earnings per share from continuing operations were calculated as follows:

<u>Millions of dollars and shares</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Numerator for basic and diluted earnings per share—earnings from continuing operations	<u>\$ 418</u>	<u>\$ 647</u>	<u>\$ 486</u>
Denominator for basic earnings per share—weighted-average shares	75.1	78.5	75.1
Effect of dilutive securities—stock-based compensation	<u>0.9</u>	<u>1.4</u>	<u>1.4</u>
Denominator for diluted earnings per share—adjusted weighted-average shares	<u>76.0</u>	<u>79.9</u>	<u>76.5</u>

Preferred Stock Purchase Rights

Rights to repurchase preferred stock under the Rights Agreement dated April 12, 1998 expired on May 22, 2008 pursuant to the terms of the Rights Agreement.

(10) STOCK OPTION AND INCENTIVE PLANS

We sponsor several share-based employee incentive plans. Share-based compensation expense for grants awarded under these plans was \$30 million, \$40 million and \$37 million in 2008, 2007, and 2006, respectively. Related income tax benefits recognized in earnings were \$11 million, \$15 million and \$14 million in 2008, 2007, and 2006, respectively.

Unrecognized compensation cost related to non-vested stock option and RSU awards as of December 31, 2008 and December 31, 2007 totaled \$38 million and \$54 million, respectively. The cost of these non-vested awards is recognized over the estimated requisite service period. The weighted-average remaining vesting period of the non-vested awards is approximately 22 months.

Share-Based Employee Incentive Plans

On April 17, 2007, our shareholders approved the 2007 Omnibus Stock and Incentive Plan (“2007 OSIP”). This plan was previously adopted by our Board of Directors on February 20, 2007 and provides for the issuance of stock options, performance stock units, performance shares, restricted stock and restricted stock equivalents with terms of no more than 10 years. We have reserved 3,000,000 shares of common stock for issuance, as authorized under this plan, of which 2,208,245 remain available for issuance at December 31, 2008.

The 2007 OSIP replaced the 1998, 2000 and 2002 OSIPs (“Old Plans”). The Old Plans will remain in existence solely for the purpose of addressing the rights of holders of already granted existing awards. Prior to the approval of the 2007 OSIP, we granted 453,620 options, with an exercise price of \$94.47 and a 10-year term and 256,527 restricted stock units in 2007. No additional awards will be granted under the Old Plans. Any shares subject to outstanding awards granted under the old plans that subsequently lapse, expire, are forfeited or are cancelled are available for grant under the 2007 OSIP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Stock Options

Eligible employees receive stock options as a portion of their total compensation. Such options generally become exercisable over a three-year period, expire 10 years from the date of grant and are subject to forfeiture upon termination of employment.

We use the Black-Scholes option-pricing model to measure the fair value of stock options granted to employees. Granted options have exercise prices equal to the market price of Whirlpool common stock on the grant date. The principal assumptions utilized in valuing options include: (1) risk-free interest rate—an estimate based on the yield of U.S. zero coupon securities with a maturity equal to the expected life of the option; (2) expected volatility—an estimate based on the historical volatility of Whirlpool common stock for a period equal to the expected life of the option; and (3) expected option life—an estimate based on historical experience. Based on the results of the model, the weighted-average fair values of stock options granted during the years ended December 31, 2008, 2007, and 2006 were \$21.03, \$22.54, \$22.07, respectively, using the following assumptions:

<u>Weighted Average Black-Scholes Assumptions</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Risk-free interest rate	3.0%	4.7%	4.6%
Expected volatility	28.1%	22.6%	25.6%
Expected dividend yield	2.0%	1.9%	2.1%
Expected option life	5 years	5 years	5 years

Stock Option Activity

The following table summarizes stock option activity during the years ended December 31, 2008, 2007, and 2006:

	<u>2008</u>		<u>2007</u>		<u>2006</u>	
	<u>Number of Options</u>	<u>Average Exercise Price</u>	<u>Number of Options</u>	<u>Average Exercise Price</u>	<u>Number of Options</u>	<u>Average Exercise Price</u>
<u>Thousands of shares, except per share data</u>						
Outstanding at January 1	4,304	\$ 90.71	5,013	\$ 84.97	3,733	\$ 60.37
Granted	698	85.32	457	94.48	2,249	117.56
Exercised	(399)	60.38	(1,052)	63.19	(871)	63.11
Canceled or expired	(466)	131.72	(114)	106.10	(98)	90.20
Outstanding at December 31	<u>4,137</u>	<u>\$ 87.81</u>	<u>4,304</u>	<u>\$ 90.71</u>	<u>5,013</u>	<u>\$ 84.97</u>
Exercisable at December 31	<u>3,214</u>	<u>\$ 87.39</u>	<u>3,564</u>	<u>\$ 90.70</u>	<u>4,488</u>	<u>\$ 79.47</u>

During the year ended December 31, 2006, we granted 2,249,000 stock options of which 1,778,000 relate to Maytag options that were converted to Whirlpool options on the date of the Maytag acquisition at a weighted average grant price of \$125.10.

The total intrinsic value of stock options exercised was \$10 million, \$39 million and \$20 million for the years ended December 31, 2008, 2007 and 2006, respectively. The related tax benefits were \$3 million, \$15 million and \$8 million in 2008, 2007 and 2006, respectively. Cash received from the exercise of stock options was \$21 million, \$68 million, and \$54 million for the years ended December 31, 2008, 2007 and 2006, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The fair value of stock options vested was \$7 million, \$5 million and \$32 million for the years ended December 31, 2008, 2007, and 2006, respectively. Of the \$32 million that vested in 2006, \$27 million related to the acquisition of Maytag.

The table below summarizes additional information related to stock options outstanding at December 31, 2008:

<u>Options in thousands</u>	Outstanding Net	
	<u>of Expected Forfeitures</u>	<u>Options Exercisable</u>
Number of options	3,975	3,214
Weighted-average exercise price	\$ 87.72	\$ 87.39
Weighted-average remaining contractual term, in years	5.0	4.2

The aggregate intrinsic value of options outstanding (net of expected forfeitures) and options exercisable was nominal at December 31, 2008.

Restricted Stock Units

Eligible employees receive Restricted Stock Units (“RSU”) as a portion of their total compensation. RSU awards vest over various time periods depending upon the program, but generally vest from three years to seven years and convert to unrestricted common stock at the conclusion of the vesting period. All or a portion of an award may be canceled if employment is terminated before the end of the relevant vesting period. Certain awards accrue dividend equivalents on outstanding RSUs (in the form of additional RSUs) based on dividends declared on Whirlpool common stock. We measure compensation cost based on the closing market price of Whirlpool common stock at the grant date.

The following table summarizes RSU activity during the year ended December 31, 2008:

<u>RSUs in thousands</u>	<u>Number of RSUs</u>	<u>Weighted- Average Grant Date Fair Value</u>
Non-vested, December 31, 2007	1,499	\$ 87.55
Granted	310	55.83
Canceled	(524)	77.61
Vested and transferred to unrestricted	(177)	71.86
Non-vested, December 31, 2008	<u>1,108</u>	<u>\$ 77.66</u>

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, with the number of options to be determined by dividing \$36,000 by the product of the fair market value of a single share of our common stock on the final trading day before the annual meeting of stockholders multiplied by 0.35; and (3) an annual grant of stock, with the number of shares to be issued to the director determined by dividing \$54,000 by the average fair market value of a single share of our common stock for the final three trading days before the grant. 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.

(11) RESTRUCTURING CHARGES

Under our ongoing global operating platform initiatives, we implemented certain restructuring initiatives to strengthen our leadership position in the global appliance industry. We plan to continue a comprehensive worldwide effort to optimize our regional manufacturing facilities, supply base, product platforms and technology resources to support our global brands and customers.

We incurred total restructuring charges of \$149 million, \$61 million, \$55 million during the years ended December 31, 2008, 2007, 2006 respectively. These charges are included in restructuring in our Consolidated Statements of Income and other long-term liabilities on our Consolidated Balance Sheets and primarily consist of charges to restructure the cooking platform in Latin America, shift refrigeration and dishwasher capacity to lower cost regions in Europe and North America, restructure the laundry platform in North America and Europe and reorganize the salaried workforce throughout Europe and North America.

On October 27, 2008, management committed to a workforce reduction plan whereby we will reduce our employee base worldwide beginning during the fourth quarter of 2008 and through the beginning of 2010. We expect to incur approximately \$110 million in employee termination costs, \$19 million in asset impairment costs and \$1 million in other associated costs for a total of \$130 million that will be incurred as a result of this workforce reduction. During the December 2008 quarter we incurred charges of \$64 million associated with this workforce reduction, which are included in the \$149 million in total restructuring charges discussed above. As of December 31, 2008, approximately \$66 million of these workforce reduction costs remain, of which \$51 million will result in future cash expenditures.

Our 2008 restructuring initiatives are reducing our overall workforce by approximately 5,000 employees and contractors worldwide through the beginning of 2010. We expect to incur additional costs of \$39 million in our Europe region, \$7 million in our Latin America region, \$18 million in our North American region and \$2 million in corporate expenses through the beginning of 2010 related to these initiatives. For additional information about restructuring charges by business segment, see Note 14.

Maytag integration restructuring accruals resulted from the closing of the Newton, Iowa, Herrin, Illinois and Searcy, Arkansas laundry manufacturing plants as well as the former headquarters and other administrative offices during 2006. The costs accrued are recorded in other long-term liabilities on our Consolidated Balance Sheets with a corresponding initial amount recorded to goodwill. As of March 31, 2008, we revised our estimate and reduced certain Maytag exit, relocation and employee termination accruals which resulted in a corresponding decrease to goodwill. No additional revisions were made during the remainder of 2008.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

A summary of our restructuring liability balance and full year restructuring activity for 2008, 2007, 2006 is as follows:

<u>Millions of dollars</u>	<u>January 1,</u> <u>Balance</u>	<u>Maytag</u> <u>Acquisition</u>	<u>Charge to</u> <u>Earnings</u>	<u>Cash</u> <u>Paid</u>	<u>Non-Cash</u>	<u>Revision of</u> <u>Estimate</u>	<u>Translation</u>	<u>December 31,</u> <u>Balance</u>
2008								
Termination costs	\$ 56	\$ —	\$ 134	\$ (86)	\$ —	\$ (21)	\$ (1)	\$ 82
Non-employee exit costs	44	—	15	(12)	(18)	(7)	—	22
Total	<u>\$ 100</u>	<u>\$ —</u>	<u>\$ 149</u>	<u>\$ (98)</u>	<u>\$ (18)</u>	<u>\$ (28)</u>	<u>\$ (1)</u>	<u>\$ 104</u>
2007								
Termination costs	\$ 128	\$ —	\$ 34	\$ (95)	\$ —	\$ (13)	\$ 2	\$ 56
Non-employee exit costs	49	—	27	(30)	(18)	16	—	44
Total	<u>\$ 177</u>	<u>\$ —</u>	<u>\$ 61</u>	<u>\$ (125)</u>	<u>\$ (18)</u>	<u>\$ 3</u>	<u>\$ 2</u>	<u>\$ 100</u>
2006								
Termination costs	\$ 15	\$ 134	\$ 26	\$ (100)	\$ —	\$ 51	\$ 2	\$ 128
Non-employee exit costs	4	35	29	(15)	(20)	16	—	49
Total	<u>\$ 19</u>	<u>\$ 169</u>	<u>\$ 55</u>	<u>\$ (115)</u>	<u>\$ (20)</u>	<u>\$ 67</u>	<u>\$ 2</u>	<u>\$ 177</u>

(12) INCOME TAXES

Income tax expense is as follows:

<u>Year ended December 31—Millions of dollars</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Current:			
Federal	\$ 9	\$ (28)	\$ 125
State and local	14	8	(7)
Foreign	66	128	68
	<u>89</u>	<u>108</u>	<u>186</u>
Deferred:			
Federal	(309)	28	(112)
State and local	(31)	3	1
Foreign	50	(22)	51
	<u>(290)</u>	<u>9</u>	<u>(60)</u>
Total income tax (benefit) expense	<u>\$ (201)</u>	<u>\$ 117</u>	<u>\$ 126</u>

Domestic and foreign earnings (loss) before income taxes and other items are as follows:

<u>Year ended December 31—Millions of dollars</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Domestic	\$ (433)	\$ 103	\$ 231
Foreign	679	701	388
Total earnings (loss) from continuing operations before income tax and other items	<u>\$ 246</u>	<u>\$ 804</u>	<u>\$ 619</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Reconciliations between tax expense at the U.S. federal statutory income tax rate of 35% and the consolidated effective income tax rate for earnings from continuing operations before income taxes and other items are as follows:

<u>Year ended December 31</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Income tax rate computed at U.S. federal statutory rate	35.0%	35.0%	35.0%
U.S. foreign tax credits	(73.9)	(2.2)	(5.3)
U.S. tax on foreign dividends and subpart F income	66.6	0.7	2.9
U.S. government tax incentives	(42.6)	(3.7)	(10.2)
Foreign government tax incentive	(34.5)	(7.6)	(2.7)
Deductible interest on capital	(13.4)	(2.7)	(3.1)
Foreign tax rate differential	(9.4)	(1.4)	1.6
Settlement of global tax audits	(8.6)	2.7	2.6
State and local taxes, net of federal tax benefit	(6.7)	1.0	0.3
Real estate donations	—	(1.1)	—
Medicare Part D subsidy	—	(0.6)	(1.1)
Impact of tax rate changes	0.7	1.9	—
Valuation allowances	2.1	(7.1)	0.3
Foreign withholding taxes	4.7	1.9	2.3
Other items, net	<u>(1.7)</u>	<u>(2.3)</u>	<u>(2.2)</u>
Effective tax rate	<u>(81.7)%</u>	<u>14.5%</u>	<u>20.4%</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and the amounts used for income tax purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Significant components of our deferred tax liabilities and assets from continuing operations are as follows:

<u>December 31—Millions of dollars</u>	<u>2008</u>	<u>2007</u>
Deferred tax liabilities		
Property, plant and equipment	\$ 229	\$ 262
Financial services leveraged leases	22	25
Pensions	17	17
Software costs	12	17
LIFO inventory	86	81
Intangibles	633	633
Other	164	163
Total deferred tax liabilities	1,163	1,198
Deferred tax assets		
Postretirement obligations	470	492
Inventory prepayments	323	—
Pensions	439	189
Restructuring costs	28	30
Product warranty accrual	75	85
Receivable and inventory allowances	57	46
Capital loss carryforwards	—	19
Loss carryforwards	306	286
Employee payroll and benefits	87	128
Foreign tax credit carryforwards	4	102
U.S. general business credit carryforwards	175	88
Hedging	109	2
Accrued expenses	68	128
Other	218	135
Total deferred tax assets	2,359	1,730
Valuation allowances for deferred tax assets	(147)	(72)
Deferred tax assets, net of valuation allowances	2,212	1,658
Net deferred tax assets	<u>\$1,049</u>	<u>\$ 460</u>

At December 31, 2008, we have net operating loss carryforwards of \$1,380 million, \$789 million of which do not expire, with substantially all of the remaining expiring in various years through 2013. As of December 31, 2008, we had \$4 million of foreign tax credit carryforwards and \$175 million of U.S. general business credit carryforwards available to offset future payments of federal income taxes, expiring between 2016 and 2028.

We routinely review the future realization of deferred tax assets based on projected future reversal of taxable temporary differences, available tax planning strategies and projected future taxable income. We have recorded a valuation allowance to reflect the net estimated amount of certain deferred tax assets associated with net operating loss and other deferred tax assets we believe will be realized. Our recorded valuation allowance of \$147 million at December 31, 2008 consists of \$86 million of net operating loss carryforwards and \$61 million of other deferred tax assets. We believe that it is more likely than not that we will realize the benefit of existing deferred tax assets, net of valuation allowances mentioned above.

We have historically reinvested all unremitted earnings of our foreign subsidiaries and affiliates. We plan to distribute approximately \$147 million of foreign earnings over the next several years. This distribution is forecasted to result in tax benefits which have not been recorded because of their contingent nature. There has

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

been no deferred tax liability provided on the remaining amount of unremitted earnings of \$1.8 billion at December 31, 2008. Should we make a distribution out of the \$1.8 billion of unremitted earnings, we would be subject to additional U.S. taxes (subject to an adjustment for foreign tax credits) and withholding taxes payable to the various foreign countries. It is not practicable to estimate the amount of the deferred tax liability associated with these unremitted earnings.

On October 3, 2008, The Emergency Economic Stabilization Act of 2008 (the “Act”) was signed into law. The Act includes a wide-range of provisions that are intended to ensure that conservation and efficiency are a central component to the United States energy strategy. Among the many provisions of this legislation are manufacturers’ tax credits for the accelerated U.S. production of super-efficient clothes washers, refrigerators and dishwashers that meet or exceed certain Energy Star thresholds for energy and water conservation levels as set by the U.S. Department of Energy (“Energy Credit”). The tax credits apply to eligible production during the 2008 to 2010 calendar years provided the production of qualifying product in any individual year exceeds a rolling two year baseline of production. We have historically, and will continue to, invest over 2% of our annual sales in research and development to provide innovative and energy efficient products that meet these standards for our customers. As a result, during the December 2008 quarter and in future periods through 2010 we expect to record a tax credit benefit under the provisions of the Act related to the production of qualifying appliances. Including the Energy Credit, total general business tax credits recorded during 2008 reduced our effective tax rate by 43%.

We are in various stages of audits by certain governmental tax authorities. We establish liabilities for the difference between tax return provisions and the benefits recognized in our financial statements. Such amounts represent a reasonable provision for taxes ultimately expected to be paid, and may need to be adjusted over time as more information becomes known.

We adopted FIN 48 “Accounting for Uncertainty in Income Taxes—an interpretation of FASB 109” (“FIN 48”) on January 1, 2007, at which time the total amount of gross unrecognized tax benefit on the Consolidated Balance Sheet was \$166 million. Upon adoption of FIN 48, we recognized a \$2 million increase in the liability for unrecognized tax benefits and a \$2 million decrease in federal benefit related to state uncertain tax positions. The increase has been accounted for as a reduction to retained earnings in the amount of \$8 million and a reduction to goodwill in the amount of \$4 million. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

<u>Millions of dollars</u>	<u>2008</u>	<u>2007</u>
Balance, January 1	\$ 189	\$ 166
Additions for tax positions of the current year	4	36
Additions for tax positions of the prior year	2	20
Reductions for tax positions of prior years for:		
Changes in judgment	(39)	(28)
Settlements during the period	(37)	(4)
Lapses of applicable statute of limitation	—	(1)
Balance, December 31	<u>\$ 119</u>	<u>\$ 189</u>

Included in the liability for unrecognized tax benefits at December 31, 2008 and 2007 are \$119 and \$141 million, respectively, of unrecognized tax benefits that if recognized would impact the effective tax rate, net of \$16 million and \$16 million, respectively, of federal benefits related to state uncertain tax positions.

We recognize charges related to interest and penalties for unrecognized tax benefits as a component of income tax expense. As of December 31, 2008 and 2007, we have accrued interest and penalties of \$25 and \$40 million, respectively. Interest and penalties are not included in the tabular rollforward of unrecognized tax benefits above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

We file income tax returns in the U.S. federal, various state, local and foreign jurisdictions. We are no longer subject to any significant U.S. federal, state, local or foreign income tax examinations by tax authorities for years before 2006. The Internal Revenue Service commenced an examination of our U.S. income tax returns for 2006 and 2007 in the fourth quarter of 2008 that is anticipated to be completed during early 2010. It is reasonably possible that certain unrecognized tax benefits of \$1 million could be settled with the related jurisdictions during the next 12 months.

(13) PENSION AND POSTRETIREMENT MEDICAL BENEFITS PLANS

We have funded and unfunded noncontributory defined benefit pension plans that cover substantially all of our North American employees and certain European, Asian and Brazilian employees. The formula for U.S. salaried employees covered under the defined benefit plan sponsored by Whirlpool was based on years of service and final average salary, while the formula for U.S. hourly employees covered under the defined benefit plans sponsored by Whirlpool was based on specific dollar amounts for each year of service. There were multiple formulas for employees covered under the defined benefit plan sponsored by Maytag, including a cash balance formula. The U.S. plans are frozen for the majority of participants. An enhanced defined contribution plan is being provided to affected employees subsequent to the pension plan freezes and is not classified within the net periodic benefit cost.

The U.S. qualified defined benefit pension plans provide that in the event of a plan termination within five years (36 months for the defined benefit plan sponsored by Maytag) following a change in control of Whirlpool, any assets held by the plans in excess of the amounts needed to fund accrued benefits would be used to provide additional benefits to plan participants. A change in control generally means either a change in the majority of the incumbent Board of Directors or an acquisition of 25% (30% for purposes of the Whirlpool Production Employees Retirement Plans and 20% for purposes of the defined benefit plan sponsored by Maytag) or more of the voting power of Whirlpool's outstanding stock.

We provide postretirement health care benefits for eligible retired U.S. employees. Eligible retirees include those who were full-time employees with 10 years of service who attained age 55 while in service with us and those union retirees who met the eligibility requirements of their collective bargaining agreements. In general, the postretirement health care plans are contributory with participants' contributions adjusted annually and generally include cost-sharing provisions that limit our exposure for recent and future retirees. The plans are unfunded. We reserve the right to modify the benefits. We provide no significant postretirement medical benefits to non-U.S. employees.

Amended Plans

On August 1, 2008, certain retiree medical benefits for the retirees and remaining active participants associated with our Newton, Iowa manufacturing facility were amended (Newton Amendment), effective January 1, 2009, to be consistent with those benefits provided by the Whirlpool Corporation Group Benefit Plan. The result of this amendment was a reduction in the postretirement benefit obligation of \$229 million with a corresponding increase to other comprehensive income, net of tax.

In conjunction with the Newton Amendment, we initiated legal proceedings with certain retirees and the United Automobile, Aerospace, and Agricultural Implement Workers of America to seek a declaratory judgment that Whirlpool has the right to change retiree medical benefits after July 31, 2008, the expiration date of the collective bargaining agreement. In response, a similar group of retirees has initiated legal proceedings against Whirlpool asserting the above benefits are vested. We believe the outcome of the legal proceedings against Whirlpool will not have a material adverse effect on our Consolidated Financial Statements.

In December of 2007, The Maytag Corporation Employees Retirement Plan was amended to cease all benefit accruals effective December 31, 2007 for the production plant in Amana, Iowa. An enhanced defined

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

contribution benefit was provided to eligible affected employees subsequent to the effective date of the plan amendment. Also, effective for retirements on and after January 1, 2008, a retirement supplement of \$300 per month will be provided for 24 months following the retirement of eligible Amana hourly employees retiring during the term of the current union agreement. The effect of this amendment was to increase the PBO at December 31, 2007 by approximately \$2 million.

In July of 2007, we announced certain changes to the Whirlpool Retiree Healthcare Plan that took effect on January 1, 2008 and January 1, 2009. These changes include an adjustment to the Retiree Health Savings Account (RHSA) credit received by certain groups of heritage Maytag and heritage Whirlpool employees, the substitution of post-65 drug coverage with a credit or adjusted notional account that may be used to offset the cost of Medicare Part D premiums or other employer-sponsored medical coverage for certain groups of heritage Maytag and heritage Whirlpool retirees; and the replacement of certain heritage Maytag retiree medical plans with PPO coverage offered under the Whirlpool Retiree Healthcare Plan. As a result of these changes, we recognized a reduction in our long-term post-employment obligation of \$82 million. An additional \$46 million reduction in the long-term post-employment benefit obligation was realized as a result of a change in discount rate consistent with the July 1, 2007 remeasurement date. The offsetting credit was recorded, net of the related deferred tax asset, as an increase in accumulated other comprehensive income.

The U.S. heritage Whirlpool and Maytag pension plans were amended to cease benefit accruals for the majority of salaried and non-union participants effective December 31, 2006. For heritage Whirlpool salaried employees who are eligible to retire before January 1, 2010, the plan freeze will be effective December 31, 2009. The Whirlpool Production Employees Retirement Plans (“WPERP”) at Fort Smith and LaVergne, which cover union employees, were amended to cease all benefit accruals effective June 30, 2007 and January 31, 2007, respectively. An enhanced defined contribution plan is being provided to affected employees subsequent to the plan freezes.

The Pension Protection Act of 2006 required changes in the basis for calculating lump sum payments effective January 1, 2008. The effect of these changes reduced the projected benefit obligation (“PBO”) at December 31, 2007 by approximately \$39 million.

401(k) Defined Contribution Plan

We maintain a 401(k) defined contribution plan covering substantially all U.S. employees. Our matching contributions for most employees are based on the level of individual participants’ contributions and, for certain domestic union hourly and certain salaried Whirlpool employees who are eligible to retire on or before December 31, 2009, are based on annual operating results and the level of individual participants’ contributions. We also make automatic company contributions for eligible employees in an amount equal to 3% of the employee’s eligible pay. Our contributions amounted to the following amounts:

<u>Millions of dollars</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
401 (k) Company contributions	\$70	\$68	\$29

Adoption of SFAS No. 158

On December 31, 2006, we adopted the recognition and disclosure provisions of SFAS No. 158 “Employers Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of SFAS Nos. 87, 88, 106 and 132R” (“SFAS 158”). SFAS 158 requires that we recognize the funded status of our defined benefit pension plans and other postretirement plans on our Consolidated Balance Sheet as of December 31, 2006, with a corresponding adjustment to accumulated other comprehensive income, net of tax. The adjustment to accumulated other comprehensive income at adoption represents the net unrecognized actuarial losses and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

unrecognized prior service costs and credits, which were previously netted against the plans' funded status in our Consolidated Balance Sheets pursuant to the provisions of SFAS 87, "Employers' Accounting for Pensions" and SFAS 106. These amounts will be subsequently recognized as net periodic (benefit) cost pursuant to our accounting policy for amortizing such amounts. Actuarial gains and losses that arise in subsequent periods and are not recognized as net periodic (benefit) cost in the same periods will be recognized as a component of other comprehensive income. These gains and losses will be subsequently recognized as a component of net periodic (benefit) cost on the same basis as the amounts recognized in accumulated other comprehensive loss at adoption of SFAS 158.

The incremental effects of adopting SFAS 158 on our Consolidated Balance Sheet at December 31, 2006 are presented in the following table:

<u>Millions of dollars</u>	Before Adopting	Adjustments to	After Adopting
	SFAS 158	Adopt SFAS 158	SFAS 158
Assets			
Noncurrent benefit asset	\$ 12	\$ (12)	\$ —
Intangible asset	38	(38)	—
Deferred tax asset	115	63	178
Liabilities			
Current benefit liability	—	113	113
Noncurrent benefit liability	2,031	14	2,045
Stockholders' Equity			
Accumulated other comprehensive loss	(201)	(114)	(315)

We use a December 31 measurement date for our pension and postretirement benefit plans.

Obligations and Funded Status at End of Year

<u>Millions of dollars</u>	U.S. Pension Benefits		Foreign Pension Benefits		Other Postretirement Benefits	
	2008	2007	2008	2007	2008	2007
	Funded Status					
Fair value of plan assets	\$ 2,212	\$ 3,062	\$ 156	\$ 180	\$ —	\$ —
Benefit obligations	3,547	3,580	342	393	904	1,151
Funded status	<u>\$ (1,335)</u>	<u>\$ (518)</u>	<u>\$ (186)</u>	<u>\$ (213)</u>	<u>\$ (904)</u>	<u>\$ (1,151)</u>
Amounts recognized in the statement of financial position						
Noncurrent asset	\$ —	\$ —	\$ 3	\$ 13	\$ —	\$ —
Current liability	(12)	(8)	(7)	(10)	(82)	(90)
Noncurrent liability	(1,323)	(510)	(182)	(216)	(822)	(1,061)
Amount recognized	<u>\$ (1,335)</u>	<u>\$ (518)</u>	<u>\$ (186)</u>	<u>\$ (213)</u>	<u>\$ (904)</u>	<u>\$ (1,151)</u>
Amounts recognized in accumulated other comprehensive income (pre-tax)						
Net actuarial loss	\$ 1,187	\$ 275	\$ 41	\$ 31	\$ 75	\$ 131
Prior service (credit)/cost	(23)	(23)	4	4	(290)	(150)
Transition (asset)/obligation	—	—	(1)	(1)	1	1
Amount recognized	<u>\$ 1,164</u>	<u>\$ 252</u>	<u>\$ 44</u>	<u>\$ 34</u>	<u>\$ (214)</u>	<u>\$ (18)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The PBO and fair value of plan assets for pension plans with a PBO in excess of plan assets at December 31, 2008 and 2007 were as follows:

Millions of dollars	U.S. Pension Benefits		Foreign Pension Benefits	
	2008	2007	2008	2007
PBO	\$ 3,547	\$ 3,580	\$ 275	\$ 280
Fair value of plan assets	2,212	3,062	85	55

The PBO, ABO and fair value of plan assets for pension plans with an ABO in excess of plan assets at December 31, 2008 and 2007 were as follows:

Millions of dollars	U.S. Pension Benefits		Foreign Pension Benefits	
	2008	2007	2008	2007
PBO	\$ 3,547	\$ 3,580	\$ 213	\$ 274
ABO	3,537	3,559	204	259
Fair value of plan assets	2,212	3,062	27	50

Change in Benefit Obligation

Millions of dollars	U.S. Pension Benefits		Foreign Pension Benefits		Other Postretirement Benefits	
	2008	2007	2008	2007	2008	2007
Benefit obligation, beginning of year	\$ 3,580	\$ 3,777	\$ 393	\$ 360	\$ 1,151	\$ 1,304
Service cost	14	25	7	7	21	22
Interest cost	211	215	22	19	66	73
Plan participants' contributions	—	—	2	2	18	16
Actuarial (gain)/loss	52	(19)	(3)	(23)	(56)	(80)
Gross benefits paid	(305)	(381)	(30)	(26)	(113)	(112)
less: federal subsidy on benefits paid	—	—	—	—	5	5
Plan amendments	1	(37)	—	—	(182)	(82)
Acquisitions/divestitures	—	—	—	(1)	—	—
New plans	—	—	9	23	—	1
Curtailments	—	—	(17)	—	—	—
Settlements	(6)	—	(1)	(1)	—	—
Foreign currency exchange rates	—	—	(40)	33	(6)	4
Benefit obligation, end of year	<u>\$ 3,547</u>	<u>\$ 3,580</u>	<u>\$ 342</u>	<u>\$ 393</u>	<u>\$ 904</u>	<u>\$ 1,151</u>
ABO, end of year	<u>\$ 3,537</u>	<u>\$ 3,559</u>	<u>\$ 326</u>	<u>\$ 374</u>	<u>\$ —</u>	<u>\$ —</u>

Weighted-Average Assumptions Used to Determine Benefit Obligation at End of Year

	U.S. Pension Benefits		Foreign Pension Benefits		Other Postretirement Benefits	
	2008	2007	2008	2007	2008	2007
Discount rate	6.05%	6.15%	1.5-13.2%	3.5-11.3%	5.95%	6.05%
Rate of compensation increase	4.5%	4.5/3.0%	2.0-7.1%	2.0-7.1%	—	—
Health care cost trend rate						
Initial rate	—	—	—	—	8.00%	8.50%
Ultimate rate	—	—	—	—	5.00%	5.00%
Years to ultimate	—	—	—	—	6	7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Change in Plan Assets

<u>Millions of dollars</u>	<u>U.S. Pension Benefits</u>		<u>Foreign Pension Benefits</u>		<u>Other Postretirement Benefits</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	Fair value of plan assets, beginning of year	\$ 3,062	\$ 3,146	\$ 180	\$ 137	\$ —
Actual return on plan assets	(633)	222	(15)	(3)	—	—
Employer contribution	94	75	32	25	95	96
Plan participants' contributions	—	—	2	2	18	16
Gross benefits paid	(305)	(381)	(30)	(26)	(113)	(112)
Acquisitions/divestitures	—	—	—	—	—	—
New plans	—	—	9	31	—	—
Settlements	(6)	—	(1)	—	—	—
Foreign currency exchange rates	—	—	(21)	14	—	—
Fair value of plan assets, end of year	<u>\$ 2,212</u>	<u>\$ 3,062</u>	<u>\$ 156</u>	<u>\$ 180</u>	<u>\$ —</u>	<u>\$ —</u>

U.S. Pension Plan Asset Allocation

<u>Millions of dollars</u>	<u>Target Allocation</u>	<u>Percentage of Plan Assets</u>		
		<u>2009</u>	<u>2008</u>	<u>2007</u>
Asset Category				
Equity securities	60%	53%	64%	
Debt securities	40	47	36	
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	

In the U.S., the expected rate of return on plan assets was determined by using the historical asset returns for publicly traded equity and fixed income securities tracked from 1927 through 2008 and the historical returns for private equity. The historical equity returns were adjusted downward to reflect future expectations. This adjustment was based on published academic research. The expected returns are weighted by the targeted asset allocations. The resulting weighted-average return was rounded to the nearest quarter of one percent.

Foreign Pension Plan Asset Allocation

<u>Millions of dollars</u>	<u>Target Allocation</u>	<u>Percentage of Plan Assets</u>		
		<u>2009</u>	<u>2008</u>	<u>2007</u>
Asset Category				
Equity securities	33%	33%	41%	
Debt securities	50	52	50	
Other	17	15	9	
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	

For foreign pension plans, the expected rate of return on plan assets was determined by observing historical returns in the local fixed income and equity markets and computing the weighted average returns with the weights being the asset allocation of each plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Components of Net Periodic Benefit Cost

Millions of dollars	U.S. Pension Benefits			Foreign Pension Benefits			Other Postretirement Benefits		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Service cost	\$ 14	\$ 25	\$ 82	\$ 7	\$ 7	\$12	\$ 21	\$ 22	\$ 21
Interest cost	211	215	197	22	19	18	66	73	66
Expected return on plan assets	(240)	(251)	(224)	(11)	(10)	(8)	—	—	—
Amortization:									
Actuarial loss/(gain)	12	16	26	1	1	1	1	4	13
Prior service cost/(credit)	—	5	9	1	1	1	(25)	(13)	(8)
Transition obligation	—	—	—	—	—	1	—	—	—
Curtailement loss/(gain)	1	14	6	(7)	—	(5)	(17)	—	—
Settlement loss	2	—	—	—	—	—	—	—	—
One-time benefit (credit)/charge for new plan	—	—	—	—	(8)	—	—	1	—
Net periodic benefit cost	<u>\$ —</u>	<u>\$ 24</u>	<u>\$ 96</u>	<u>\$ 13</u>	<u>\$ 10</u>	<u>\$20</u>	<u>\$ 46</u>	<u>\$ 87</u>	<u>\$ 92</u>

During 2008, we recognized a curtailment gain of \$7 million related to the conversion of our Mexico defined benefit plan to a defined contribution plan. Additionally, we recognized a curtailment gain of \$17 million in our U.S. postretirement health care plan as a result of the reduction in force announced on October 27, 2008. See Note 11 for additional information regarding our restructuring initiatives.

During 2007 and 2006 we recognized curtailment losses of \$14 million and \$6 million, respectively, related to amendments to cease all benefit accruals in our WPERPs for Fort Smith and LaVergne. Additionally, as a result of a change in law in Italy, we recognized a curtailment gain of \$5 million in 2006.

We acquired Maytag on March 31, 2006, and the pension and postretirement net periodic cost has been reflected from that date forward.

Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income (Pre-Tax) in 2008

Millions of dollars	U.S. Pension	Foreign Pension	Other Postretirement
	Benefits	Benefits	Benefits
Curtailement effects	\$ (1)	\$ (9)	\$ 17
Settlements	(2)	—	—
Current year actuarial loss/(gain)	926	21	(55)
Amortization of actuarial loss	(12)	(1)	(1)
Current year prior service cost/(credit)	1	—	(182)
Amortization of prior service (cost)/credit	—	(1)	25
Amortization of transition obligation/(asset)	—	—	—
Total recognized in other comprehensive income (pre-tax)	<u>\$ 912</u>	<u>\$ 10</u>	<u>\$ (196)</u>
Total recognized in net periodic benefit costs and other comprehensive income (pre-tax)	<u>\$ 912</u>	<u>\$ 23</u>	<u>\$ (150)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

Weighted-Average Assumptions Used to Determine Net Periodic Cost

	U.S. Pension Benefits			Foreign Pension Benefits			Other Postretirement Benefits		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Discount rate	6.15%	5.85%	5.60/6.05%	3.50-11.30%	3.00-11.30%	4.00-11.30%	6.05/6.55%	5.75/6.15%	5.50/6.05%
Expected long- term rate of return on plan assets	8.25%	8.50%	8.50%	4.50-11.30%	4.50-11.30%	4.50-11.30%	—	—	—
Rate of compensation increase	4.50/3.00%	4.50/3.00%	4.50%	2.00-7.10%	2.00-7.10%	2.50-7.10%	—	—	—
Health care cost trend rate									
Initial rate	—	—	—	—	—	—	8.50%	9.00%	9.00%
Ultimate rate	—	—	—	—	—	—	5.00%	5.00%	5.00%
Years to ultimate	—	—	—	—	—	—	7	4	4

Additional Information

Estimated Pre-Tax Amounts that will be amortized from Accumulated Other Comprehensive Income into Net Period Pension Cost in 2009

<u>Millions of dollars</u>	U.S. Pension	Foreign Pension	Other Postretirement
	Benefits	Benefits	Benefits
Actuarial (gain)/loss	\$ 32	\$ 3	\$ —
Prior service (credit)/cost	—	—	(33)
Total	\$ 32	\$ 3	\$ (33)

Estimated impact of one percentage-point change in assumed health care cost trend rate

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one percentage point change in assumed health care cost trend rates would have the following effects:

<u>Millions of dollars</u>	One Percentage	One Percentage
	Point Increase	Point Decrease
Effect on total of service and interest cost	\$ 5	\$ (5)
Effect on postretirement benefit obligations	54	(50)

Funding Policy

Our funding policy is to contribute to our U.S. pension plans amounts sufficient to meet the minimum funding requirement as defined by employee benefit and tax laws, plus additional amounts which we may determine to be appropriate. In certain countries other than the U.S., the funding of pension plans is not common practice. We have several unfunded non-U.S. pension plans. We pay for retiree medical benefits as they are incurred.

Expected Employer Contributions to Funded Plans

<u>Millions of dollars</u>	U.S. Pension	Foreign Pension
	Benefits	Benefits
2009	\$ 80	\$ 13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

The \$80 million expected to be contributed to the U.S. pension plans during 2009 represents required contributions to our funded U.S. pension plans.

The \$13 million expected to be contributed to the foreign pension plans during 2009 represents contributions to our funded foreign pension plans.

Expected Benefit Payments

<u>Millions of dollars</u>	U.S. Pension	Foreign Pension	<u>Other Postretirement Benefits</u>	
	<u>Benefits</u>	<u>Benefits</u>	<u>Gross</u>	<u>Expected Federal Subsidy</u>
2009	\$ 318	\$ 18	\$ 85	\$ (3)
2010	264	18	88	(3)
2011	260	20	90	(3)
2012	258	22	88	(4)
2013	257	23	85	(4)
2014-2018	1,290	127	385	(23)

(14) BUSINESS SEGMENT INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated on a regular basis by the chief operating decision maker, or decision making group, in deciding how to allocate resources to an individual segment and in assessing performance.

We identify such segments based upon geographical regions of operations because each operating segment manufactures home appliances and related components, but serves strategically different markets. The chief operating decision maker evaluates performance based upon each segment's operating income, which is defined as income before interest and sundry income (expense), interest expense, income taxes, minority interests and restructuring costs. Total assets by segment are those assets directly associated with the respective operating activities. The "Other/Eliminations" column primarily includes corporate expenses, assets and eliminations as well as all other restructuring and discontinued operations. Intersegment sales are eliminated within each region with the exception of compressor sales out of Latin America, which are included in Other/Eliminations.

Sales activity with Sears, a North American major home appliance retailer, represented 11%, 12% and 14% of consolidated net sales in 2008, 2007, and 2006, respectively. Related receivables were 13% and 16% of consolidated trade receivables as of December 31, 2008 and 2007, respectively.

We conduct business in two countries that individually comprised over 10% of consolidated net sales and/or total assets within the last three years. The United States represented 48%, 53%, 63% of net sales for 2008, 2007, and 2006, respectively, while Brazil totaled 16%, 12%, 9% for 2008, 2007, and 2006, respectively. As a percentage of total assets, the United States accounted for 51%, and 51% at the end of 2008 and 2007, respectively. Brazil accounted for 10% and 15% of total assets at the end of 2008 and 2007, respectively.

As described above, our chief operating decision maker reviews each operating segment's performance based upon operating income which excludes restructuring costs. These restructuring costs are included in operating profit on a consolidated basis and included in the Other/Eliminations column in the tables below. For 2008, the operating segments recorded total restructuring costs (See Note 11) as follows: North America—\$56 million, Europe—\$78 million, Latin America—\$7 million, Asia—\$2 million and Corporate—\$6 million, for a total of \$149 million. For 2007, the operating segments recorded total restructuring costs (See Note 11) as follows: North America—\$13 million, Europe—\$28 million and Latin America—\$20 million, for a total of \$61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

million. For 2006, the operating segments recorded total restructuring costs as follows: North America—\$18 million, Europe—\$23 million, Latin America—\$7 million and Asia—\$7 million, for a total of \$55 million.

Millions of dollars	GEOGRAPHIC SEGMENTS					
	North America	Europe	Latin America	Asia	Other/ Eliminations	Total Whirlpool
Net sales						
2008	\$10,781	\$4,016	\$3,704	\$593	\$ (187)	\$18,907
2007	11,735	3,848	3,437	557	(169)	19,408
2006	11,642	3,432	2,692	457	(143)	18,080
Intersegment sales						
2008	\$ 148	\$ 336	\$ 219	\$161	\$ (864)	\$ —
2007	171	504	169	220	(1,064)	—
2006	64	494	141	231	(930)	—
Depreciation and amortization						
2008	\$ 329	\$ 131	\$ 96	\$ 22	\$ 19	\$ 597
2007	352	115	84	22	20	593
2006	332	105	72	21	20	550
Operating profit (loss)						
2008	\$ 199	\$ 149	\$ 478	\$ 10	\$ (287)	\$ 549
2007	646	246	438	(6)	(261)	1,063
2006	667	192	237	(11)	(262)	823
Total assets						
2008	\$ 8,038	\$3,592	\$2,094	\$639	\$ (831)	\$13,532
2007	8,107	3,394	2,615	689	(796)	14,009
2006	8,449	3,001	2,037	603	(331)	13,759
Capital expenditures						
2008	\$ 253	\$ 156	\$ 100	\$ 21	\$ 17	\$ 547
2007	251	144	110	20	11	536
2006	320	129	92	23	12	576

(15) QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

Millions of dollars, except per share data	Three months ended			
	Dec. 31	Sept. 30	Jun. 30	Mar. 31
2008:				
Net sales	\$4,315	\$4,902	\$5,076	\$4,614
Cost of products sold	3,842	4,217	4,324	4,000
Net earnings available to common stockholders	44	163	117	94
Per share of common stock:				
Basic net earnings	0.60	2.18	1.55	1.23
Diluted net earnings	0.60	2.15	1.53	1.22
Dividends	0.43	0.43	0.43	0.43

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS—(CONTINUED)

<u>Millions of dollars, except per share data</u>	<u>Three months ended</u>			
	<u>Dec. 31</u>	<u>Sept. 30</u>	<u>Jun. 30</u>	<u>Mar. 31</u>
2007:				
Net sales	\$5,325	\$4,840	\$4,854	\$4,389
Cost of products sold	4,487	4,148	4,121	3,761
Net earnings available to common stockholders	187	175	161	117
Per share of common stock:				
Basic net earnings	2.42	2.24	2.04	1.48
Diluted net earnings	2.38	2.20	2.00	1.46
Dividends	0.43	0.43	0.43	0.43

The quarterly earnings per share amounts will not necessarily add to the earnings per share computed for the year due to the method used in calculating per share data.

FIVE-YEAR SELECTED FINANCIAL DATA

(Millions of dollars, except share and employee data)

	2008	2007	2006	2005	2004
CONSOLIDATED OPERATIONS					
Net sales	\$18,907	\$19,408	\$18,080	\$14,317	\$13,220
Operating profit ⁽¹⁾	549	1,063	823	792	758
Earnings from continuing operations before income taxes and other items	246	804	619	597	616
Earnings from continuing operations	418	647	486	422	406
Loss from discontinued operations ⁽²⁾	—	(7)	(53)	—	—
Net earnings available to common stockholders	418	640	433	422	406
Net capital expenditures	547	536	576	494	511
Depreciation	569	562	520	440	443
Dividends	128	134	130	116	116
CONSOLIDATED FINANCIAL POSITION					
Current assets	\$ 6,044	\$ 6,555	\$ 6,517	\$ 4,763	\$ 4,514
Current liabilities	5,563	5,893	6,043	4,354	3,985
Working capital	481	662	474	409	529
Property, plant and equipment-net	2,985	3,212	3,157	2,511	2,583
Total assets	13,532	14,009	13,759	8,301	8,181
Long-term debt	2,002	1,668	1,798	745	1,160
Stockholders' equity	3,006	3,911	3,283	1,745	1,606
PER SHARE DATA					
Basic earnings from continuing operations before accounting change	\$ 5.57	\$ 8.24	\$ 6.47	\$ 6.30	\$ 6.02
Diluted earnings from continuing operations before accounting change	5.50	8.10	6.35	6.19	5.90
Diluted net earnings	5.50	8.01	5.67	6.19	5.90
Dividends	1.72	1.72	1.72	1.72	1.72
Book value	39.54	48.96	42.93	25.54	23.31
Closing Stock Price—NYSE	41.35	81.63	83.02	83.76	69.21
KEY RATIOS					
Operating profit margin	2.9%	5.5%	4.6%	5.5%	5.7%
Pre-tax margin ⁽³⁾	1.3%	4.1%	3.4%	4.2%	4.7%
Net margin ⁽⁴⁾	2.2%	3.3%	2.7%	2.9%	3.1%
Return on average stockholders' equity ⁽⁵⁾	10.7%	18.1%	15.7%	24.6%	30.3%
Return on average total assets ⁽⁶⁾	3.0%	4.6%	3.9%	5.1%	5.2%
Current assets to current liabilities	1.1	1.1	1.1	1.1	1.1
Total debt-appliance business as a percent of invested capital ⁽⁷⁾	46.0%	34.5%	41.2%	40.4%	45.7%
Price earnings ratio	7.5	10.2	14.6	13.5	11.7
OTHER DATA					
Number of common shares outstanding (in thousands):					
Average—on a diluted basis	76,019	79,880	76,471	68,272	68,902
Year-end	73,536	75,835	78,484	67,880	66,604
Number of stockholders (year-end)	14,515	15,011	15,311	7,442	7,826
Number of employees (year-end)	69,612	73,682	73,416	65,682	68,125
Total return to shareholders (five year annualized) ⁽⁸⁾	(8.5)%	11.8%	4.9%	14.5%	3.7%

(1) Restructuring charges were \$149 million in 2008, \$61 million in 2007, \$55 million in 2006, \$57 million in 2005 and \$15 million in 2004.

(2) Our earnings from continuing operations exclude certain dispositions adjacent to the Maytag acquisition.

(3) Earnings from continuing operations before income taxes and other items, as a percent of sales.

(4) Earnings from continuing operations, as a percent of sales.

(5) Net earnings (loss), divided by average stockholders' equity.

(6) Net earnings (loss), divided by average total assets.

(7) Debt divided by debt, stockholders' equity and minority interests.

(8) Stock appreciation plus reinvested dividends.

Report by Management on the Consolidated Financial Statements

The management of Whirlpool Corporation has prepared the accompanying financial statements. The financial statements have been audited by Ernst & Young LLP, an independent registered public accounting firm, whose report, based upon their audits, expresses the opinion that these financial statements present fairly the consolidated financial position, statements of income and cash flows of Whirlpool and its subsidiaries in accordance with accounting principles generally accepted in the United States. Their audits are conducted in conformity with the auditing standards of the Public Company Accounting Oversight Board (United States).

The financial statements were prepared from the Company's accounting records, books and accounts which, in reasonable detail, accurately and fairly reflect all material transactions. The Company maintains a system of internal controls designed to provide reasonable assurance that the Company's books and records, and the Company's assets are maintained and accounted for, in accordance with management's authorizations. The Company's accounting records, policies and internal controls are regularly reviewed by an internal audit staff.

The audit committee of the Board of Directors of the Company is composed of five independent directors who, in the opinion of the board, meet the relevant financial experience, literacy, and expertise requirements. The audit committee provides independent and objective oversight of the Company's accounting functions and internal controls and monitors (1) the objectivity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent registered public accounting firm's qualifications and independence, and (4) the performance of the Company's internal audit function and independent registered public accounting firm. 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 registered public accounting firm, 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. The committee also has the responsibility to retain and terminate the Company's independent registered public accounting firm and exercise the committee's sole authority to review and approve all audit engagement fees and terms and pre-approve the nature, extent, and cost of all non-audit services provided by the independent registered public accounting firm.

/s/ ROY W. TEMPLIN

Roy W. Templin
Executive Vice President and Chief Financial Officer
February 19, 2009

Management's Report on Internal Control Over Financial Reporting

The management of Whirlpool Corporation is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a – 15(f) and 15d – 15(f) under the Securities Exchange Act of 1934. Whirlpool's internal control system is designed to provide reasonable assurance to Whirlpool's management and board of directors regarding the reliability of financial reporting and the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The management of Whirlpool assessed the effectiveness of Whirlpool's internal control over financial reporting as of December 31, 2008. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework*. Based on our assessment and those criteria, management believes that Whirlpool maintained effective internal control over financial reporting as of December 31, 2008.

Whirlpool's independent registered public accounting firm has issued an audit report on its assessment of Whirlpool's internal control over financial reporting. This report appears on page F-59.

/s/ J EFF M. F ETTIG

Jeff M. Fettig
Chairman of the Board and
Chief Executive Officer

February 19, 2009

/s/ R OY W. T EEMPLIN

Roy W. Templin
Executive Vice President and
Chief Financial Officer

February 19, 2009

Report of Independent Registered Public Accounting Firm

The Stockholders and Board of Directors
Whirlpool Corporation
Benton Harbor, Michigan

We have audited the accompanying consolidated balance sheets of Whirlpool Corporation as of December 31, 2008 and 2007, and the related consolidated statements of income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2008. Our audits also included the financial statement schedule listed in the index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Whirlpool Corporation at December 31, 2008 and 2007, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2008, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As described in Note 12 of the notes to the consolidated financial statements, effective January 1, 2007, the Company adopted FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109, Accounting for Income Taxes. As described in Note 13 to the consolidated financial statements, effective December 31, 2006, the Company adopted FASB Statement No. 158, Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment to FASB Statements No. 87, 88, 106, and 132(R).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Whirlpool Corporation's internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 19, 2009 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Chicago, Illinois
February 19, 2009

Report of Independent Registered Public Accounting Firm

The Stockholders and Board of Directors
Whirlpool Corporation
Benton Harbor, Michigan

We have audited Whirlpool Corporation's internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Whirlpool Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Whirlpool Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Whirlpool Corporation as of December 31, 2008 and 2007, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2008 of Whirlpool Corporation and our report dated February 19, 2009 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Chicago, Illinois
February 19, 2009

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

WHIRLPOOL CORPORATION AND SUBSIDIARIES

Years Ended December 31, 2008, 2007 and 2006

(millions of dollars)

<u>COL. A</u>	<u>COL. B</u>	<u>COL. C</u>		<u>COL. D</u>	<u>COL. E</u>
<u>Description</u>	<u>Balance at Beginning</u>	<u>ADDITIONS</u>		<u>Deductions</u>	<u>Balance at End</u>
		<u>(1)</u>	<u>(2)</u>		
<u>of Period</u>	<u>Charged to Costs</u>	<u>Charged to Other</u>	<u>—Describe</u>	<u>of Period</u>	
<u>and Expenses</u>	<u>Accounts / Other</u>	<u>—Describe</u>	<u>of Period</u>	<u>of Period</u>	
Year Ended December 31, 2008:					
Allowance for doubtful accounts—accounts receivables	\$ 83	\$ 29	\$ —	\$ (46)—A	\$ 66
Year Ended December 31, 2007:					
Allowance for doubtful accounts—accounts receivables	84	19	—	(20)—A	83
Year Ended December 31, 2006:					
Allowance for doubtful accounts—accounts receivables	76	19	14 —B	(25)—A	84

Note A—The amounts represent accounts charged off, less recoveries of \$0 in 2008, \$0 in 2007, and \$0 in 2006, translation adjustments and transfers.

Note B—The amount represents allowances for doubtful accounts recorded as part of the Maytag acquisition.

ANNUAL REPORT ON FORM 10-K
ITEMS 15(a)(3) and 15(c)
EXHIBIT INDEX
YEAR ENDED DECEMBER 31, 2008

The following exhibits are submitted herewith or incorporated herein by reference in response to Items 15(a)(3) and 15(c). Each exhibit that is considered a management contract or compensatory plan or arrangement required to be filed pursuant to Item 15(a)(3) of Form 10-K is identified by a “(Z).”

Number and Description of Exhibit

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|------------|---|
| 2 | Agreement and Plan of Merger dated as of August 22, 2005 among Whirlpool Corporation, Whirlpool Acquisition Co. and Maytag Corporation. [Incorporated by reference from Exhibit 2.1 to the Company’s Form 8-K filed on August 22, 2005] |
| 3(i) | Restated Certificate of Incorporation of Whirlpool Corporation. [Incorporated by reference from Exhibit 3(i) to the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 1993] |
| 3(ii) | By-Laws of Whirlpool Corporation (as amended and restated, effective June 19, 2007). [Incorporated by reference from Exhibit 3.2 to the Company’s Form 8-K filed on June 22, 2007] |
| 4(i) | The registrant hereby agrees to furnish to the Securities and Exchange Commission, upon request, a copy of instruments defining the rights of holders of each issue of long-term debt of the registrant and its subsidiaries. |
| 4(ii) | Indenture dated as of March 20, 2000 between Whirlpool Corporation and U.S. Bank, National Association (as successor to Citibank, N.A.) [Incorporated by reference from Exhibit 4(a) to the Company’s Registration Statement on Form S-3 filed on March 21, 2000] |
| 4(iii) | Indenture dated as of June 15, 1987 between Maytag Corporation and The First National Bank of Chicago. [Incorporated by reference from Maytag Corporation’s Quarterly Report on Form 10-Q for the quarter ended June 30, 1987] |
| 4(iv) | First Supplemental Indenture dated as of September 1, 1989 between Maytag Corporation and The First National Bank of Chicago. [Incorporated by reference from Exhibit 4.3 to Maytag Corporation’s Form 8-K dated September 28, 1989] |
| 4(v) | Ninth Supplemental Indenture dated as of October 30, 2001 between Maytag Corporation and Bank One, National Association. [Incorporated by reference from Exhibit 4.1 to Maytag Corporation’s Form 8-K filed on October 31, 2001] |
| 10(iii)(a) | Amended and Restated Long-Term Five-Year Credit Agreement dated as of December 1, 2005 among Whirlpool Corporation, Whirlpool Europe B.V., Whirlpool Finance B.V., Certain Financial Institutions and Citibank, N.A., as Administrative Agent and Fronting Agent and JPMorgan Chase Bank, N.A., as Syndication Agent, ABN AMRO Bank N.V., The Royal Bank of Scotland PLC and Bank of America, N.A., as Documentation Agents, Citigroup Global Markets Inc. and J.P. Morgan Securities Inc., Lead Arrangers and Joint Bookrunners. [Incorporated by reference from Exhibit 10.1 to the Company’s Form 8-K filed on December 6, 2005] |
| 10(iii)(b) | Whirlpool Corporation Nonemployee Director Stock Ownership Plan (amended as of February 16, 1999, effective April 20, 1999). (Z) [Incorporated by reference from Exhibit A to the Company’s Proxy Statement for the 1999 annual meeting of stockholders] |
| 10(iii)(c) | Whirlpool Corporation Charitable Award Contribution and Additional Life Insurance Plan for Directors (effective April 20, 1993). (Z) [Incorporated by reference from Exhibit 10(iii)(p) to the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 1994] |
| 10(iii)(d) | Whirlpool Corporation Deferred Compensation Plan for Directors (as amended effective January 1, 1992 and April 20, 1993). (Z) [Incorporated by reference from Exhibit 10(iii)(f) to the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 1993] |

Number and Description of Exhibit

- 10(iii)(e) Whirlpool Corporation Deferred Compensation Plan II for Non-Employee Directors (as amended and restated, effective January 1, 2009). (Z)
- 10(iii)(f) Whirlpool Corporation Nonemployee Director Equity Plan (effective January 1, 2005). (Z) [Incorporated by reference from Exhibit 99.1 to the Company's Form 8-K filed on April 21, 2005]
- 10(iii)(g) Amendment of the Whirlpool Corporation Nonemployee Director Equity Plan (effective January 1, 2008). (Z) [Incorporated by reference to Exhibit 10(iii)(a) to the Company's Form 10-Q filed on April 24, 2008]
- 10(iii)(h) Nonemployee Director Stock Option Form of Agreement. (Z) [Incorporated by reference from Exhibit 10(iii)(b) to the Company's Form 10-Q filed on April 24, 2008]
- 10(iii)(i) Whirlpool Corporation 1996 Omnibus Stock and Incentive Plan (as amended, effective February 16, 1999). (Z) [Incorporated by reference from Exhibit 10(iii)(r) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999]
- 10(iii)(j) Whirlpool Corporation 1998 Omnibus Stock and Incentive Plan (as amended, effective February 16, 1999). (Z) [Incorporated by reference from Exhibit 10(iii)(s) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999]
- 10(iii)(k) Whirlpool Corporation 2000 Omnibus Stock and Incentive Plan (effective January 1, 2000). (Z) [Incorporated by reference from Exhibit A to the Company's Proxy Statement for the 2000 annual meeting of stockholders]
- 10(iii)(l) Whirlpool Corporation 2002 Omnibus Stock and Incentive Plan (effective January 1, 2002). (Z) [Incorporated by reference from Exhibit A to the Company's Proxy Statement for the 2002 annual meeting of stockholders]
- 10(iii)(m) Whirlpool Corporation 2007 Omnibus Stock and Incentive Plan (effective January 1, 2007). (Z) [Incorporated by reference from Annex A to the Company's Proxy Statement for the 2007 annual meeting of stockholders]
- 10(iii)(n) Omnibus Equity Plans 409A Amendment (effective December 19, 2008). (Z)
- 10(iii)(o) Form of Agreement for the Whirlpool Corporation Career Stock Grant Program (pursuant to one or more of Whirlpool's Omnibus Stock and Incentive Plans). (Z) [Incorporated by reference from Exhibit 10(iii)(q) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995]
- 10(iii)(p) Form of Amendment to Whirlpool Corporation Career Stock Grant Agreement. (Z)
- 10(iii)(q) Form of Stock Option Grant Document for the Whirlpool Corporation Stock Option Program (pursuant to one or more of Whirlpool's Omnibus Stock and Incentive Plans)(Rev. 02/17/04). (Z) [Incorporated by reference from Exhibit 10(i) to the Company's Form 8-K filed on January 25, 2005]
- 10(iii)(r) Administrative Guidelines for the Whirlpool Corporation Special Retention Program (pursuant to one or more of Whirlpool's Omnibus Stock and Incentive Plans). (Z) [Incorporated by reference from Exhibit 10(iii)(w) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001]
- 10(iii)(s) Addendum to Whirlpool Corporation Special Retention Program Features (effective January 1, 2005). (Z)
- 10(iii)(t) Form of Whirlpool Corporation Strategic Excellence Program Grant Document (pursuant to one or more of Whirlpool's Omnibus Stock and Incentive Plans)(Rev. 02/17/04). (Z) [Incorporated by reference from Exhibit 10(ii) to the Company's Form 8-K filed on January 25, 2005]
- 10(iii)(u) Form of Compensation and Benefits Assurance Agreements (as amended and restated, effective December 31, 2008). (Z)

Number and Description of Exhibit

10(iii)(v)	Whirlpool Corporation Performance Excellence Plan. (Z) [Incorporated by reference from Exhibit A to the Company's Proxy Statement for the 2004 annual meeting of stockholders]
10(iii)(w)	Amendment to Whirlpool Corporation Performance Excellence Plan (as amended effective January 1, 2005). (Z)
10(iii)(x)	Whirlpool Corporation Executive Deferred Savings Plan (as amended effective January 1, 1992). (Z) [Incorporated by reference from Exhibit 10(iii)(n) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993]
10(iii)(y)	Whirlpool Corporation Executive Deferred Savings Plan II (as amended and restated, effective January 1, 2009), including Supplement A, Whirlpool Executive Restoration Plan (as amended and restated, effective January 1, 2009). (Z)
10(iii)(z)	Whirlpool Corporation Executive Officer Bonus Plan (effective January 1, 1994). (Z) [Incorporated by reference from Exhibit 10(iii)(o) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994]
10(iii)(aa)	Amendment to Whirlpool Corporation Executive Officer Bonus Plan (effective January 1, 2009). (Z)
10(iii)(bb)	Whirlpool Corporation Key Employee Treasury Stock Ownership Plan (effective October 16, 2001). (Z) [Incorporated by reference from Exhibit 10(iii)(u) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001]
10(iii)(cc)	Employment Agreement with Paulo F.M.O. Periquito, dated January 1, 1998. (Z) [Incorporated by reference from Exhibit 10 to the Company's Form 10-Q for the period ended March 31, 1998]
10(iii)(dd)	Whirlpool Retirement Benefits Restoration Plan (as amended and restated effective January 1, 2009). (Z)
10(iii)(ee)	Whirlpool Supplemental Executive Retirement Plan (as amended and restated, effective January 1, 2009). (Z)
10(iii)(ff)	Whirlpool Corporation Form of Indemnity Agreement. (Z) [Incorporated by reference from Exhibit 10.1 to the Company's Form 8-K filed on February 23, 2006]
10(iii)(gg)	Selling Agency Agreement dated February 25, 2008 among Whirlpool, Banc of America Securities LLC and Greenwich Capital Markets, Inc., as representatives of the several underwriters named therein. [Incorporated by reference from Exhibit 1.1 to the Company's Form 8-K filed on February 28, 2008]
12	Ratio of Earnings to Fixed Charges
21	List of Subsidiaries
23	Consent of Independent Registered Public Accounting Firm
24	Power of Attorney
31(a)	Certification of Chief Executive Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31(b)	Certification of Chief Financial Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Whirlpool Corporation
Deferred Compensation Plan II
For Non-Employee Directors

(As Amended and Restated Effective January 1, 2009)

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Article 1. Plan Purpose, Eligibility and Effective Date

1.1 Purpose

The Plan has been established for the mutual benefit of the Company and Participants with its primary purpose to allow for the voluntary deferral by an Outside Director of the receipt of Compensation to future years.

1.2 Effective Date and Compliance with Section 409A of the Code

The Plan as originally adopted was effective with respect to any Compensation payable to an Outside Director for services performed on or after January 1, 2005. The Plan is hereby amended and restated effective January 1, 2009 to make changes to the Plan as required or permitted by Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable guidance issued thereunder. It is intended that any income to a Participant deferred pursuant to this Plan will not be subject to interest and additional tax under Section 409A of the Code. The provisions of the Plan will be interpreted and construed in favor of the Plan meeting any applicable requirements of Section 409A of the Code. The Company, in its absolute discretion, may amend (including retroactively) this Plan to conform to Section 409A of the Code, including amendments to facilitate the ability of a Participant to avoid the imposition of interest and additional tax under Section 409A of the Code. However, the preceding provisions shall not be construed as a guaranty by the Company of any particular tax effect on any income deferred under the terms of the Plan pursuant to a Participant's election. In any event, the Company will have no responsibility for the payment of any applicable taxes on income deferred by the Participant pursuant to the provisions of this Plan.

1.3 Eligibility and Participation Rules

A member of the Company's Board of Directors who is not an employee of the Company, or of any subsidiary or affiliate of the Company, shall become eligible to participate in the Plan upon being elected to the Board of Directors. Such Outside Director shall be considered a Participant in the Plan upon the first date an amount is credited to a Deferred Compensation Account for such Outside Director in accordance with Article 5. A Participant's eligibility to elect to defer Compensation will terminate if (i) the Participant ceases to be a Director or becomes an employee of the Company or of any subsidiary or affiliate of the Company or (ii) the Participant dies, whichever event occurs first. Upon cessation of a Participant's eligibility to elect to defer Compensation under the Plan, such Participant shall be considered an Inactive Participant. Any amounts previously deferred for the benefit of such Inactive Participant pursuant to the terms of the Plan shall remain deferred and shall be paid to such Inactive Participant (or to such Inactive Participant's beneficiary or beneficiaries) in accordance with Article 6.

Article 2. Definitions

2.1 Definitions

Whenever used in the Plan, the following terms shall have the meaning set forth below unless the context clearly indicates otherwise.

- (a) **"Board of Directors"** or **"Board"** shall mean the Board of Directors of the Company.

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- (b) **“Cash Compensation”** shall mean the annual cash retainer and cash Board committee chair fees earned by an Outside Director.
 - (c) **“Code”** shall mean the Internal Revenue Code of 1986, as amended.
 - (d) **“Company”** shall mean Whirlpool Corporation.
 - (e) **“Compensation”** shall mean an Outside Director’s Cash Compensation and Stock Awards.
 - (f) **“Deferred Cash Compensation”** shall mean that portion of a Participant’s Cash Compensation that a Participant elects to defer pursuant to this Plan.
 - (g) **“Deferred Compensation”** shall mean an Outside Director’s Compensation, or portion thereof, that such Outside Director has elected to defer pursuant to this Plan.
 - (h) **“Deferred Compensation Account”** or **“Account”** shall mean the bookkeeping account created by the Company for the administration of each Participant’s Deferred Compensation.
 - (i) **“Deferred Stock Unit(s)”** shall mean that portion of a Stock Award or Awards which otherwise would be made to a Participant under an Equity Plan and which the Participant elects to defer pursuant to the terms of such Equity Plan.
 - (j) **“Equity Plan”** shall mean an equity plan maintained by the Company, including but not limited to the Whirlpool Corporation Non-Employee Director Equity Plan.
 - (k) **“Fiscal Year”** or **“Year”** shall mean the calendar year.
 - (l) **“Outside Director”** shall mean a member of the Company’s Board of Directors who is not an employee of the Company or of any subsidiary or affiliate of the Company.
 - (m) **“Participant”** shall mean an Outside Director who has elected deferral of Compensation for any Fiscal Year pursuant to this Plan.
 - (n) **“Plan”** shall mean the Whirlpool Corporation Deferred Compensation Plan II for Non-Employee Directors, originally effective January 1, 2005 and amended and restated effective January 1, 2009.
 - (o) **“Stock Award”** shall mean an award of the Company’s common stock to a Participant under an Equity Plan.
 - (p) **“Unforeseeable Emergency”** shall mean a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, the Participant’s beneficiary, or a dependent (as defined in Section 152 of the Code (without regard to Section 152(b)(1), Section 152(b)(2) and Section 152(d)(1)(B) of the Code) of the Participant, loss of the Participant’s property due to casualty (including the need to rebuild the Participant a home following damage to a home not otherwise covered by insurance), or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

Article 3. Plan Administration

3.1 Plan Administration

The Company shall have full power and discretionary authority to construe, interpret and administer the Plan.

3.2 Notifications

Each election to defer Compensation pursuant to this Plan and any amendment to such election shall be made on a notification form (“Notification”) provided by the Company. Each Notification shall, if it is submitted in a timely manner pursuant to Article 4, be effective when it is received by the Secretary of the Company. Notifications not received in a timely manner shall be null and void *ab initio*.

Article 4. Election to Defer Compensation

4.1 Timing of Elections

At any time prior to December 31 of each Year in accordance with such procedures as may be established by the Company, an Outside Director may elect to defer receipt of all or a part of the Outside Director’s Compensation to be earned during the next succeeding Fiscal Year. Any election by a new Outside Director to defer Compensation shall be made with respect to services to be performed subsequent to the election and shall be made within thirty (30) days after the date the Outside Director becomes eligible to participate in the Plan.

4.2 Content of Elections

Any election to defer Compensation shall specify the percentage of Compensation to be deferred and the manner in which the portion of the Participant’s Account attributable to Deferred Cash Compensation shall be paid (as set forth in Section 6.1). If a Participant elects to defer less than all of his or her Cash Compensation, his or her deferrals of Cash Compensation will be made on a pro rata basis from his or her quarterly Compensation during the Fiscal Year. Participants may elect to receive Deferred Stock Units in lieu of Stock Awards in increments of 25%, 50%, 75% and 100%. If a Participant elects to receive Deferred Stock Units in an increment of less than 100%, Deferred Stock Units will, in accordance with the election of the Director, be granted in lieu of Stock Awards pursuant to the Equity Plan under which they are granted at the conclusion of each annual meeting of the stockholders of the Company. An election may also specify the beneficiary(ies) to receive any unpaid amounts in the event of the Participant’s death.

4.3 Duration of Elections

Any election to defer Compensation shall continue in force with respect to all Compensation payable to such Outside Director for services rendered in the Year to which such election relates. The amount accumulated pursuant to the deferral shall continue to be subject to the provisions of the Plan. Any subsequent election to defer Compensation shall be subject to the timing restrictions described in Section 4.1.

Article 5. Deferred Compensation Accounts

5.1 Accounts

A Deferred Compensation Account shall be created and maintained for each Participant.

5.2 Crediting of Deferred Compensation

Each Participant's Account shall be credited on the last day of each calendar quarter with the amount of any Deferred Cash Compensation earned during that quarter and each Participant's Account shall be credited immediately following the annual meeting of stockholders of the Company with the amount of any Deferred Stock Units.

5.3 Crediting of Investment Returns

- (a) **Deferred Cash Compensation.** A Participant may specify that the portion of his or her Account attributable to Deferred Cash Compensation shall be treated as if it were invested in any of the investment funds that are available under the Whirlpool 401(k) Plan (other than the Whirlpool Stock Fund). Such Participant's Account shall be adjusted as of each business day for investment gains and losses accordingly until the balance in the Account attributable to Deferred Cash Compensation has been fully distributed as provided in Article 6. Each such election shall be made at such time, in such manner and with respect to such investment funds as the Company shall determine, and shall be effective only in accordance with such rules as the Company shall establish. If a Participant fails to make an election under this section, the portion of his or her Account attributable to Deferred Cash Compensation shall be deemed to be invested in a default investment fund designated by the Company.
- (b) **Deferred Stock Units.** The portion of a Participant's Account attributable to Deferred Stock Units shall be treated as if it were invested in the common stock of the Company and shall be credited with dividend equivalents in accordance with the Equity Plan under which they are granted.

5.4 No Right to Company Assets

The plan is not funded. The Accounts shall be a reserve on the books of the Company. No funds or common stock of the Company shall be segregated or set aside by virtue of such reserve for the payment of amounts in the Accounts. Benefits will be paid solely from the Company's general funds and are not secured by any form of trust, escrow or otherwise. The rights of Participants with respect to amounts credited to their Accounts shall be those of general creditors.

6.1 Distribution Elections; Form and Timing of Distributions

- (a) **Deferred Cash Compensation.** At the time that a Participant elects to participate in the Plan by making a deferral election on his or her Notification, the Participant shall elect the form of payment from the Plan for the portion of his or her Account attributable to Deferred Cash Compensation. A Participant may elect to receive distribution of the portion of his or her Account attributable to Deferred Cash Compensation either in a single lump sum cash payment or in approximately equal monthly or quarterly cash payments over a period not to exceed ten (10) years, commencing on the first day of the second calendar month following the date on which the Participant ceases to be a Director, provided that such time of distribution does not result in tax pursuant to Section 409A of the Code and is otherwise permissible under applicable law. Such election regarding the form of distributions may be changed by a Participant if required by applicable law. If a Participant does not make a valid election with respect to distribution of the portion of his or her Account attributable to Deferred Cash Compensation, the payment shall be made in a cash lump sum on the first day of the second calendar month following the date on which the Participant ceases to be a Director.
- (b) **Deferred Stock Units.** Distribution of the portion of a Participant's Account attributable to Deferred Stock Units shall be made by the issuance of shares of common stock of the Company on the first day of the second calendar month following the date on which the Participant ceases to be a Director.
- (c) **Six-Month Delay in Payment for Specified Employees.** Notwithstanding anything in this Plan to the contrary, if a Participant is or becomes a "specified employee" as described in Section 409A of the Code and Treasury Regulations issued thereunder and as determined by the Company according to its regular procedures for making such determinations, by which the Participant shall be bound, the payment of any amount to which the Participant would otherwise be entitled to receive under the Plan on account of such Participant's "separation from service" (within the meaning of Section 409A of the Code) shall be delayed until the first day of the seventh calendar following the month in which the Participant's "separation from service" occurs. During the period for which payment of any amount is delayed pursuant to this provision, such amount shall continue to be credited with investment returns in accordance with Section 5.3 throughout the entire period of the delay.

6.2 Distributions in the Event of Death

Notwithstanding anything in the Plan to the contrary, in the event of a Participant's death, distribution of the portion of a Participant's Account attributable to Deferred Cash Compensation shall be made in the form designated by the Participant in his or her Notification (or if no form is designated, in a lump sum distribution). Distribution of the portion of his or her Account attributable to Deferred Stock Units shall be made by the issuance of shares of common stock of the Company. In the case of a Participant whose death occurs prior to commencement of distribution of his or her Account, death distributions shall be made in a lump sum (or if elected by the

Participant at the time of his Notification, installments shall commence) on the first day of the second calendar month following the date of the Participant's death. In the case of a Participant whose death occurs after commencement of installment payments in accordance with Section 6.1(a), the remainder of the Participant's Account shall be paid in a lump sum payment on the first day of the second calendar month following the Participant's death, or if elected by the Participant at the time of his or her Notification, death distributions shall continue to be paid in installments over the remainder of the period designated by the Participant. Distributions on account of a Participant's death shall be made to the beneficiary or beneficiaries designated by the Participant in his or her Notification, or, if no designation has been made, to the Participant's estate. A Participant may change his or her beneficiary or beneficiaries by a Notification to the Company. Any such Notification shall be effective when it is received by the Secretary of the Company.

6.3 Distributions in the Event of Unforeseeable Emergency

Notwithstanding a Participant's distribution election under section 6.1, a Participant may, to the extent permitted by Section 409A of the Code, request a lump sum distribution of the portion of his or her Account attributable to Deferred Cash Compensation in the event of Unforeseeable Emergency. The amount of a distribution in the event of Unforeseeable Emergency shall not exceed the amount necessary to satisfy such emergency need plus amounts necessary to pay taxes or penalties reasonably anticipated as a result of the distribution, after taking into account the extent to which such hardship is or may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

6.4 Acceleration of Benefits

There shall be no acceleration of the time or schedule of any payment under the Plan, except as provided in section 6.3.

6.5 Distributions Upon a Change in Control

To the extent permissible under Section 409A of the Code, notwithstanding anything herein to the contrary, upon the occurrence of a Change in Control, each Participant's Deferred Compensation Account balance shall become due and payable and shall be distributed on the first day of the second calendar month following the Change in Control. The portion of a Participant's Account attributable to Deferred Cash Compensation shall be distributed in a single lump sum cash payment and the portion of a Participant's Account attributable to Deferred Stock Units shall be distributed in such forms as may be provided in the Equity Plan under which they are granted. For purposes of this Section 6.5, a Change in Control means an event that would constitute a change in ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company, within the meaning of Section 409A of the Code.

Article 7. Plan Amendment or Termination

7.1 Amendment and Termination

The Board of Directors shall have the right to amend the Plan from time to time or to terminate the privilege under the Plan of deferring Compensation to be earned, but any such amendment or termination shall not reduce any Account of a Participant or former Participant as of the date of the amendment. The Board of Directors may also elect to terminate the Plan itself, in which event, the

Accounts of Participants shall be disposed of as determined by the Board of Directors, in accordance with Section 409A of the Code and regulations promulgated by the Secretary of the Treasury thereunder.

Article 8. Miscellaneous

8.1 Non-Assignability

The right to receive payments hereunder shall not be assigned, transferred, pledged or encumbered.

8.2 Deferred Stock Units

Deferred Stock Units shall be subject to the terms, conditions and limitations of the Equity Plan under which they are granted.

* * * * *

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officers on the 19th day of December, 2008.

Whirlpool Corporation

By: /s/ David A. Binkley

David A. Binkley,
Senior Vice President
Global Human Resources

Attest:

By: /s/ Robert J. LaForest

Robert J. LaForest,
Associate General Counsel
and Assistant Secretary

OMNIBUS EQUITY PLANS 409A AMENDMENT

WHEREAS, the Company's 1989 Omnibus Stock and Incentive Plan; the Company's 2000 Omnibus Stock and Incentive Plan; the Company's 2002 Omnibus Stock and Incentive Plan; and the Company's 2007 Omnibus Stock and Incentive Plan (collectively, the "Omnibus Plans") provide that the Committee shall have the authority to, among other things, impose limitations, restrictions and conditions upon awards granted under the Omnibus Plans, adopt, amend and rescind administrative guidelines and other rules and regulations relating to the Omnibus Plans, and make all other determinations and take all other actions deemed necessary or advisable for the implementation and administration of the Omnibus Plans and any award granted under the Omnibus Plans; and

WHEREAS, the Human Resources Committee (the "Committee") of the Board of Directors of Whirlpool Corporation (the "Company") has previously delegated authority to the Senior Vice President of Global Human Resources to amend its compensation plans and arrangements from time to time to the extent necessary or appropriate to conform those plans and arrangements to new legal requirements affecting those plans and arrangements, including, but not limited to Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A");

WHEREAS awards granted under the Omnibus Plans provide that the Committee has the authority to amend such awards.

NOW THEREFORE BE IT RESOLVED that all awards which constitute deferred compensation subject to Section 409A which have been granted under the Omnibus Plans (including programs pursuant to which awards were granted under the Omnibus Plans) shall be administered in accordance with the following rules and regulations:

Section 409A Rules/Regulations .

- (a) The Committee shall undertake to administer, interpret, and construe each Award in a manner that does not result in the imposition on the Participant of any additional tax, penalty, or interest under Section 409A of the Code. The preceding provision, however, shall not be construed as a guarantee by the Company of any particular tax effect to a Participant under any Award. The Company shall not be liable to a Participant for any payment made under any Award that is determined to result in an additional tax, penalty, or interest under Section 409A of the Code, nor for reporting in good faith any payment made under any Award as an amount includible in gross income under Section 409A of the Code.
- (b) "Termination of employment," "resignation," or words of similar import, as used in the Omnibus Plans or any Award granted thereunder means, for purposes of any payments under any Award that are payments of deferred compensation subject to Section 409A of the Code, the Participant's "separation from service" as defined in Section 409A of the Code.

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- (c) To the extent any payment or settlement that is a payment of deferred compensation subject to Section 409A of the Code is contingent upon a “change in control,” such payment or settlement shall only occur if the event giving rise to the change in control would also constitute a change in ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company, within the meaning of Section 409A of the Code. The vesting of any Award shall not be affected by the preceding sentence.
- (d) If a payment obligation under any Award arises on account of the Participant’s separation from service while the Participant is a “specified employee” (as determined under the Whirlpool Corporation Specified Employee Policy), any payment of “deferred compensation” (as defined under Treasury Regulation Section 1.409A-1(b)(1), after giving effect to the exemptions in Treasury Regulation Sections 1.409A-1(b)(3) through (b)(12)) that is scheduled to be paid within six (6) months after such separation from service shall accrue without interest and shall be paid within 15 days after the end of the six-month period beginning on the date of such separation from service or, if earlier, within 15 days after his or her death.

RESOLVED FURTHER THAT each Award granted under the Omnibus Plans which constitutes deferred compensation subject to Section 409A is hereby amended to include the provisions set forth in the above Resolution.

WHIRLPOOL CORPORATION

By: /s/ David A. Binkley

Name: David A. Binkley

Title: Senior Vice President
Global Human Resources

Date: December 19, 2008

AMENDMENT TO WHIRLPOOL CORPORATION CAREER STOCK GRANT

This Amendment amends the grant of shares of phantom stock awarded to you pursuant to the Whirlpool Corporation Career Stock Grant dated _____ (the “**Agreement**”). This Amendment is intended to comply with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended (the “**Code**”) as such provisions may apply to the Agreement and the award of shares of phantom stock granted thereunder. The provisions set forth in this Amendment shall be effective January 1, 2005 and shall supersede any contrary provision in the Agreement or the Omnibus Stock Incentive Plan under which the award of shares of phantom stock was granted.

1. Effect of a Change in Control

In the event of a Change in Control of Whirlpool Corporation, as defined in Section 10.6 of the Whirlpool Employees Pension Plan (the “**WEPP**”), any vesting periods and restrictions imposed on Career Stock shares subject to this Agreement shall lapse. However, redemption of such Career Stock shares shall only be made within ten (10) business days after the effective date of such Change in Control if the Change in Control constitutes a “change in ownership or control” of the Company or a “change in the ownership of a substantial portion of the assets” of the Company, both as defined in Section 409A of the Code (collectively, a “**409A Change in Control**”). If the Change in Control does not constitute a 409A Change in Control, then, subject to the provisions of Section 2 of this Amendment (as set forth below), distribution shall occur on the January 1 first following the Participant’s separation from service.

2. Application of Section 409A

- (a) The Agreement will be administered, interpreted and construed in a manner that does not result in the imposition on the Participant of any additional tax, penalty or interest under Section 409A of the Code. The preceding provision, however, shall not be construed as a guarantee by the Company of any particular tax effect to the Participant under the Agreement or any award of shares of phantom stock granted thereunder. The Company shall not be liable to the Participant for any payment made under the Agreement that is determined to result in an additional tax, penalty or interest under Section 409A of the Code, nor for reporting in good faith any payment made under the Agreement as an amount includible in gross income under Section 409A of the Code.
- (b) “Termination of employment,” “resignation,” or words of similar import, as used in the Agreement means, for purposes of any payments under the Agreement, the Participant’s “separation from service” as defined in Section 409A of the Code and regulatory guidance issued thereunder.

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- (c) If a payment obligation under the Agreement arises on account of the Participant's separation from service while the Participant is a "specified employee" (as determined under the Whirlpool Corporation Specified Employee Policy), any payment that is scheduled to be paid within six (6) months after such separation from service shall accrue without interest and shall be paid within 15 days after the end of the six-month period beginning on the date of such separation from service or, if earlier, within 15 days after his or her death.

WHIRLPOOL CORPORATION

By: /s/ David A. Binkley

Name: David A. Binkley

Title: Senior Vice President

Global Human Resources

Date: December 22, 2008

ADDENDUM TO WHIRLPOOL CORPORATION
SPECIAL RETENTION PROGRAM FEATURES

I. INTRODUCTION

This Addendum to the Whirlpool Corporation Special Retention Program (“SRP”) Features describes how SRP grants will be administered with respect to Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”).

II. GRANDFATHERED AWARDS

With respect to SRP grants that vested on or before December 31, 2004, such awards shall be treated as grandfathered for purposes of Section 409A of the Code. Accordingly, the provisions of such awards shall be subject to the terms of the applicable SRP award as in effect on December 31, 2004.

III. AWARDS VESTING ON OR AFTER JANUARY 1, 2005

A. Settlement Date. Awards vesting on or after January 1, 2005 shall be settled as soon as practicable after the vesting restriction lapses, but in no event later than March 15th of the calendar year following the year in which the SRP grant becomes vested.

B. Deferral of Awards. Notwithstanding anything in an SRP award to the contrary, deferrals of SRP awards which vest on or after January 1, 2005 shall be ineligible for deferral unless such awards are described in Section IV, below.

IV. SRP AWARDS GRANTED AFTER JANUARY 1, 2009

To the extent an SRP award is granted on or after January 1, 2009, and such award is subject to a deferral election by the recipient of the award, the deferral features shall be structured and administered in a manner consistent with Section 409A of the Code.

WHIRLPOOL CORPORATION

By: /s/ David A. Binkley

Name: David A. Binkley

Title: Senior Vice President

Global Human Resources

Date: December 19, 2008

Amended and Restated

Compensation and Benefits Assurance Agreement

This COMPENSATION AND BENEFITS ASSURANCE AGREEMENT (this "Agreement") is made, entered into, and is effective as of this 31st day of December, 2008 (the "Effective Date") by and between Whirlpool Corporation, a Delaware corporation (hereinafter referred to as the "Company"), and the individual whose signature appears on the signature page (hereinafter referred to as the "Executive").

WHEREAS, the Company considers the establishment and maintenance of a sound and vital management to be essential to protecting and enhancing the best interests of the Company and its shareholders. In this connection, the Company recognizes that, as is the case with many publicly held corporations, the possibility of a change in control may arise and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders.

Accordingly, the Board of Directors of the Company (hereafter the "Board" or the "Board of Directors") has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management to their assigned duties without distraction in circumstances arising from the possibility of a change in control of the Company.

The Board also believes it important, should the Company or its shareholders receive a proposal for transfer of control of the Company, that the Executive be able to assess and advise the Board whether such proposal would be in the best interests of the Company and its shareholders and to take such other action regarding such proposal as the Board might determine to be appropriate, without being influenced by the uncertainties of the Executive's own situation.

This Agreement, which has been approved by the Board, sets forth the severance benefits which the Company agrees to provide to the Executive in the event the Executive's employment with the Company is terminated subsequent to a change in control under the circumstances described below. As provided in Paragraph 6.8, this Agreement is intended to supersede all prior agreements between the Company and the Executive concerning this matter.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements of the parties set forth in this Agreement, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

Section 1. Term of Agreement

1.1 Initial Term . This Agreement will commence on the Effective Date and shall continue in effect through December 31, 2010 (the "Initial Term").

1.2 Successive Periods. The term of this Agreement automatically shall be extended for two (2) additional years at the end of the Initial Term, and then again after each successive two-year period thereafter (each such two-year period following the Initial Term is referred to as a "Successive Period"). However, either party may terminate this Agreement at the end of the Initial Term, or at the end of any Successive Period thereafter, by giving the other party written notice of intent not to renew, delivered at least ninety (90)

calendar days prior to the end of such Initial Term or Successive Period. If such notice is properly delivered by either party, this Agreement, along with all corresponding rights, duties, and covenants, shall, except as provided in Paragraph 6.7 hereof, automatically expire at the end of the Initial Term or Successive Period then in progress.

1.3 Change in Control Renewal. In the event that a Change in Control (as defined in Paragraph 2.6) of the Company occurs during the Initial Term or any Successive Period, upon the effective date of such Change in Control, the term of this Agreement shall automatically and irrevocably be renewed for a period of two (2) years from the effective date of such Change in Control. Further, this Agreement may be assigned to the successor in such Change in Control, as further provided in Section 4 herein. Subject to Paragraph 6.7, this Agreement shall thereafter automatically terminate following such two (2) year Change in Control renewal period.

1.4 Termination Prior to a Change in Control. In the event that the Executive's employment terminates for any reason prior to a Change in Control, this Agreement, along with all corresponding rights, duties, and covenants, shall, except provided in Paragraph 5.1 hereof, automatically expire as of the date of such employment termination.

Section 2. Severance and Retirement Benefits

2.1 Right to Severance Benefits. The Executive shall be entitled to receive from the Company Severance Benefits, as described in Paragraph 2.5 herein, if during the term of this Agreement there has been a Change in Control of the Company and if, within two (2) years immediately thereafter, the Executive's employment with the Company shall end for any reason specified in Paragraph 2.2 as being a Qualifying Termination. The Severance Benefits described in Paragraphs 2.5(a), 2.5(b), and 2.5(c) shall be paid in cash to the Executive in a single lump sum as soon as practicable following the Qualifying Termination, but, subject to the 6-month delay for "specified employees" described in Section 5.6, in no event later than ten (10) calendar days from such date, and the Severance Benefits described in Paragraphs 2.5 (d) and 2.5(e) shall become irrevocably payable.

2.2 Qualifying Termination. The occurrence of any one or more of the following events, within two (2) years immediately following a Change in Control of the Company along with delivery of a Notice of Termination as described in Paragraph 2.4, shall be deemed a "Qualifying Termination" hereunder (with such "Qualifying Termination" being deemed effective on the date of delivery of such Notice of Termination) and, as such, shall trigger the payment of Severance Benefits to the Executive, as such benefits are described under Paragraph 2.5 herein:

- (a) The Company's involuntary termination of the Executive's employment without Cause (as defined in Paragraph 2.3);
- (b) The Executive's voluntary termination of employment for Good Reason (as defined in Paragraph 2.7);
- (c) The Executive's voluntary termination of employment for any reason during the thirteenth (13th) calendar month following the month in which a Change in Control occurs, and only during such thirteenth (13th) month; or
- (d) The Company's material breach of any of the provisions of this Agreement.

A Qualifying Termination shall not include a termination of the Executive's employment within two (2) years after a Change in Control by reason of death, Disability (as such term is defined under the Company's governing disability plan, or any successor plan thereto), the Executive's voluntary termination without Good Reason other than a voluntary termination during the thirteenth (13th) calendar month following the month in which a Change in Control occurs (as provided in Paragraph 2.2(c)), or the Company's involuntary termination of the Executive's employment for Cause.

2.3 Termination for Cause. The Executive shall not be deemed to have been terminated for Cause unless and until (i) the Executive has received a copy of a resolution, stating that the Executive has been terminated for Cause and stating the particulars thereof in detail (the "Termination for Cause Resolution"), duly adopted by the affirmative vote of not less than seventy-five percent (75%) of the entire membership of the Board at a meeting of the Board called and held for the purpose of making the determination to terminate the Executive for Cause; and (ii) the Executive is provided with reasonable notice of such meeting and the opportunity to appear with counsel to be heard by the Board at such meeting. The Termination for Cause Resolution shall operate as a Notice of Termination for purposes of this Agreement.

For purposes of this Agreement, "Cause" means (i) the Executive's willful and continued failure to substantially perform the Executive's duties for the Company (other than any such failure resulting from incapacity due to physical or mental illness) after a demand to so substantially perform is delivered to the Executive by the Chairman of the Board or President of the Company which specifically identifies the manner in which the Executive has not substantially performed the Executive's duties; or (ii) the Executive willfully engages in illegal conduct which is materially and demonstratively injurious to the Company.

No act, or failure to act, on the Executive's part shall be considered "willful" unless done, or omitted to be done, by the Executive in bad faith and without reasonable belief that such action or omission was in, or not opposed to, the best interests of the Company. Any act or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Executive or the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. It is also expressly understood that the Executive's attention to matters not directly related to the business of the Company shall not, in and of itself, constitute Cause.

2.4 Notice of Termination. To be complete, a Qualifying Termination must be accompanied by the delivery to the Company (in compliance with Paragraph 5.2) of a Notice of Termination from the Executive. For purposes of this Agreement, a "Notice of Termination" shall mean a written document which states the specific termination provisions in this Agreement relied upon to terminate the Executive's employment and which sets forth in reasonable detail the facts and circumstances providing the basis for such termination.

2.5 Description of Severance Benefits. In the event that the Executive becomes entitled to receive Severance Benefits, as provided in Paragraphs 2.1 and 2.2 herein, the Company shall pay to the Executive and, in the case of benefits, provide the Executive with the following (collectively referred to as the "Severance Benefits"):

- (a) A lump-sum cash amount equal to the Executive's unpaid Base Salary, vacation pay equal to twice the annual accrual rate appropriate for the Executive, based on the individual's length of service with the Company, unreimbursed business expenses, and all other items earned by and owed to the Executive through and including the date of the Qualifying Termination except as otherwise provided in clause (c) below. Such payment shall constitute

full satisfaction for these amounts owed to the Executive. For all purposes of this Agreement, "Base Salary" shall mean, at any time, the then regular annual rate of pay that the Executive is earning as annual salary, whether or not deferred.

- (b) A lump-sum cash amount equal to the sum of (i) three (3) multiplied by the Executive's annual rate of Base Salary in effect upon the date of the Qualifying Termination or, if greater, by the Executive's highest annual rate of Base Salary in effect at any time during the twelve (12) months prior to the occurrence of the Change in Control; plus (ii) three (3) multiplied by the Executive's then current target bonus opportunity (stated in terms of a percentage of Base Salary) established under the Company's Performance Excellence Plan (or any successor plan thereto), for the plan year in which the date of the Executive's Qualifying Termination occurs, or, if greater, by the Executive's highest target bonus opportunity in effect at any time during the twelve (12) months prior to the occurrence of the Change in Control.
- (c) A lump-sum cash amount equal to the greater of (i) the Executive's then-current target bonus opportunity (stated in terms of a percentage of Base Salary) established under the Company's Performance Excellence Plan (or any successor plan thereto), for the plan year in which the Executive's date of Qualifying Termination occurs, adjusted on a pro rata basis based on the number of days the Executive was actually employed during such plan year (but in no event shall such target bonus opportunity be less than the highest target bonus opportunity in effect at any time during the twelve (12) months prior to the occurrence of the Change in Control); or (ii) the actual bonus earned through the date of the Qualifying Termination under the Company's Performance Excellence Plan (or any successor plan thereto), based on the then-current level of goal achievement. Such payment shall constitute full satisfaction for these amounts owed to the Executive.

The payment of the Severance Benefits described in (a)-(c) above shall be offset by any other severance-type payments the Executive may be eligible or entitled to receive from any other sources, including, but not limited to, statutory or other legally required payments, collective bargaining agreements, or individual employment contracts.

- (d) For purposes of calculating the benefits to which the Executive is entitled under the Whirlpool Employees Pension Plan, the Whirlpool Supplemental Executive Retirement Plan, and the Whirlpool Retirement Benefits Restoration Plan (collectively, the "Pension Plans"), or any other tax-qualified or nonqualified defined benefit pension plan, the Executive's benefit shall be calculated:
 - (i) As if the Executive is fully vested in such benefits thereunder;
 - (ii) As if the number of years of credited service was increased by three (3) years; and
 - (iii) As if the Executive's age was equal to the Executive's actual age plus three (3) years for purposes of determining retirement eligibility and early retirement reduction factors.

The Executive's Final Average Pay (as defined in the Pension Plans) shall not change for purposes of this calculation. All other assumptions used in determining such benefit shall be those assumptions used in the Pension Plans at the time of payment. These benefits shall be paid out in accordance with the provisions of the Pension

Plans. Unless payment of such benefits is otherwise permissible under the Company's tax-qualified plan, such amounts shall be paid out of the Company's general assets.

- (e) At the exact same cost to the Executive, and at the same coverage level as in effect as of the Executive's date of the Qualifying Termination, a continuation of the Executive's (and the Executive's eligible dependents') health, life, and short- and long-term disability insurance benefits for thirty-six (36) months from the date of the Qualifying Termination. The applicable COBRA health insurance benefit continuation period shall begin coincident with the beginning of this thirty-six (36) month benefit continuation period. The providing of these insurance benefits by the Company shall be discontinued prior to the end of the thirty-six (36) month continuation period to the extent that the Executive becomes covered to the same or a greater degree under the insurance coverage of a subsequent employer which does not contain any exclusion or limitation with respect to any preexisting condition of the Executive or the Executive's eligible dependents. For purposes of enforcing this offset provision, the Executive shall have a duty to inform the Company as to the terms and conditions of any subsequent employment and the corresponding insurance benefits earned from such employment. The Executive shall provide, or cause to be provided, to the Company in writing correct, complete, and timely information concerning the same.

The provision of the Severance Benefits described in (d) and (e) above shall be offset by any other comparable severance-type benefits or rights the Executive may be eligible or entitled to receive from any other sources, including, but not limited to, statutory or other legally required payments, collective bargaining agreements, or individual employment contracts.

With respect to any reimbursement of expenses of, or any provision of in-kind benefits to, the Executive, as specified under this Agreement, such reimbursement of expenses or provision of in-kind benefits shall be subject to the following conditions: (1) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year; (2) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (3) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

2.6 Definition of "Change in Control." Change in Control has the same meaning as in the Whirlpool Employees Pension Plan, as amended from time to time.

2.7 Definition of "Good Reason." Good Reason means the occurrence of any one or more of the following, within two (2) years immediately following a Change in Control:

- (a) A change in the Executive's status or position(s) at the Company which, in the Executive's reasonable judgment, represents a demotion from the Executive's status or position(s) as in effect immediately prior to a Change in Control, or the assignment to the Executive of any duties or responsibilities which, in the Executive's reasonable judgment, are inconsistent with such status or position(s), or any removal of the Executive from, or any failure to reappoint or reelect the Executive to, such position(s) except in connection with termination of the Executive's employment for Cause, Disability, Retirement (as defined in the Whirlpool Employees Pension Plan, or any successor plan thereto) or as a result of the Executive's death or by the Executive for other than Good Reason (determined without taking this last clause into account).

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- (b) The Company has reduced the Executive's Base Salary from its level immediately prior to the Change in Control, or has failed to give the Executive annual salary increases consistent with such increases given to other employees of the same or similar position or status within the Company.
 - (c) The Company either: (i) fails to continue in effect any Plan in which the Executive is participating immediately prior to the Change in Control (unless the Company replaces such Plan with a plan(s) that provides the Executive with at least substantially similar benefits) other than as a result of the normal expiration of such Plan(s) in accordance with its terms as in effect immediately prior to the Change in Control; (ii) acts or fails to act in a way which would either adversely affect the Executive's continued participation in any of such Plans on at least as favorable a basis to the Executive as that which existed immediately prior to the Change in Control, materially reduces the Executive's benefits in the future under any of such Plans, or deprives the Executive of any material benefit enjoyed by the Executive immediately prior to the Change in Control. For purposes of this Paragraph 2.7(c), "Plan" means (i) any compensation plan such as an incentive, stock option, or restricted stock plan; (ii) any "employee benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974; (iii) any relocation plan or policy; or (iv) any other plan, program, or policy that the Company intended to benefit employees.
 - (d) The Company requiring the Executive to be based at a location in excess of thirty-five (35) miles from where the Executive's office is located immediately prior to the Change in Control, except for required travel in carrying out the Company's business to an extent consistent with the Executive's business travel obligations on behalf of the Company immediately prior to the Change in Control.
 - (e) Any breach by the Company of its obligations under Section 4 of this Agreement or any failure of a successor company to assume and agree to perform the Company's entire obligations under this Agreement, as required by Section 4 herein.
 - (f) Except as provided in Paragraph 2.3 herein, the Company, after a Change in Control, attempts to terminate an Executive's employment other than pursuant to a Notice of Termination, which purported termination shall be ineffective.
 - (g) The Company refuses to continue to allow the Executive to attend to matters or engage in activities not directly related to the business of the Company if, prior to the Change in Control, the Executive was permitted by the Company to attend to or engage in such matters or activities.

The Executive's right to terminate employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any circumstance constituting Good Reason herein.

Section 3. Excise Tax

3.1 Excise Tax Payment. If any portion of the Severance Benefits or any other payment under this Agreement, or under any other agreement with, or plan of the Company, including but not limited to stock options and other long-term incentives (in the

aggregate "Total Payments") would constitute an "excess parachute payment," such that a golden parachute "excise tax" is due, the Company shall provide to the Executive, in cash, an additional lump-sum payment in an amount sufficient to cover the full cost of any excise tax and the Executive's city, state, and federal income, employment, and excise taxes on this additional payment and on all such iterative payments (cumulatively, the "Gross-Up Payment") such that the Executive is made entirely whole for the impact of the excise tax.

The Company shall be responsible for having these calculations done on a timely and accurate basis. For this purpose, the Executive shall be deemed to be in the highest marginal rate of federal, state, and city taxes. The Gross-Up Payment will be made by December 31 of the year following the year in which the Executive remits the related taxes to the taxing authority.

For purposes of this Agreement, the term "excess parachute payment" shall have the meaning assigned to such term in Code Section 280G, and the term "excise tax" shall mean the tax imposed on such excess parachute payments pursuant to Sections 280G and 4999 of the Code.

3.2 Subsequent Recalculation. In the event the Internal Revenue Service subsequently adjusts the computation herein described and determines that there has been an underpayment of excise taxes, the Company shall reimburse the Executive for the full amount necessary to make the Executive whole on an after-tax basis, including the value of any underpaid excise tax and any related interest and/or penalties due to the Internal Revenue Service. In the event the Internal Revenue Service subsequently adjusts the computation herein described and determines that there has been an overpayment of excise taxes, the Executive shall refund to the Company the amount of the overpayment.

Section 4. Successors and Assigns

Upon the Executive's written request, the Company will seek to have any successor (either immediately or with the passage of time, via a direct or indirect Change in Control, by purchase of assets or the Company's voting securities, by merger or consolidation or otherwise) of the Company assent, in a form and substance satisfactory to the Executive, to fulfillment by the Company of its obligations under this Agreement. Failure of the Company to obtain such assent at least three (3) business days prior to the time a Person becomes a successor (or where the Company does not have at least three (3) business days advance notice that a Person may become a successor, then within one (1) business day after having notice that such Person may become or has become a successor) shall constitute Good Reason for termination by the Executive of the Executive's employment and, if (or once) a Change in Control has occurred, shall entitle the Executive immediately to the benefits provided in Section 2 hereof upon delivery by the Executive of a Notice of Termination which the Company, by executing this Agreement, hereby assents to. Nothing contained in this Section 4 shall be interpreted to indicate that a successor is not obligated to fulfill the term of this Agreement or any other Plan or arrangement between the Executive and the Company. The Company's obligation hereunder shall not otherwise be assignable.

This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executives, administrators, successors, heirs, distributees, devisees, and legatees. If the Executive should die while any amount would still be payable to the Executive hereunder had the Executive continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate. The Executive's rights hereunder shall not otherwise be assignable.

For purposes of this Section 4, "Person" shall mean any individual, corporation, partnership, group, association, or "person" as such term is used in Section 14(d)(2) of the Securities Exchange Act of 1934, as amended, other than the Company or any employee benefit plan(s) sponsored by the Company.

Section 5. Miscellaneous

5.1 Executive's Commitment. The Executive agrees that subsequent to the period of employment with the Company, the Executive will not at any time communicate or disclose to any unauthorized person, without the written consent of the Company, any proprietary processes of the Company, or any subsidiary, or other confidential information concerning their business, affairs, products, supplies, or customers, which, if disclosed, would have a material adverse effect upon the business or operations of the Company and its subsidiaries, taken as a whole; it being understood, however, that the obligations of this Section 5.1 shall not apply to the extent that the aforesaid matters (a) are disclosed in circumstances in which the Executive is legally required to do so, or (b) become generally known to and available for use by the public otherwise than by the Executive's wrongful act or omission.

5.2 Notice. For the purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly received when delivered in person or on the second business day following deposit in the mail, sent by the United States registered or certified mail, return receipt requested, postage prepaid. Such mail shall be addressed, in the case of the Company, to the address set forth in the Company's most current annual report which specifies the corporate headquarters of the Company. In the case of the undersigned Executive, such mail shall be sent to the address set forth below the employee's signature or to the latest address contained in the Company's employment records. All notices to the Company shall be directed to the attention of the Chairman of the Board or President of the Company, with a copy to the Secretary of the Company or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

5.3 Unfunded Agreement. This Agreement is intended to be an unfunded general asset promise for a select, highly compensated member of the Company's management.

5.4 Includable Compensation. Severance Benefits provided hereunder shall not be considered "includable compensation" for purposes of determining the Executive's benefits under any other plan or program of the Company unless otherwise provided by such other plan or program.

5.5 Tax Withholding. The Company shall withhold from any amounts payable under this Agreement all federal, state, city, or other taxes as legally required to be withheld.

5.6 Application of Section 409A.

- (a) Notwithstanding anything set forth in this Agreement to the contrary, no amount payable pursuant to this Agreement which constitutes a "deferral of compensation" within the meaning of the Treasury Regulations issued pursuant to Code Section 409A (the "Section 409A Regulations") shall be paid unless and until the Executive has incurred a "separation from service" within the meaning of the Section 409A Regulations. Furthermore, to the extent that the Executive is a "specified employee" within the meaning of the Section 409A Regulations as of the date of the Executive's separation from service, no amount that constitutes a deferral of compensation which is payable on account of the Executive's separation from service shall be paid to the Executive before the date (the "Delayed Payment Date") which is first day of the seventh month after the date of the Executive's separation from service or, if earlier, the date of the Executive's death following such separation from service. All such amounts that would, but

for this Section 5.6, become payable prior to the Delayed Payment Date will be accumulated with interest and paid on the Delayed Payment Date. For purposes of the preceding sentence, interest shall accrue at the annual rate of interest on 30-year Treasury securities for the fifth calendar month preceding the first month of the calendar quarter in which the Executive's separation from service occurs.

- (b) The Company intends that income provided to the Executive pursuant to this Agreement will not be subject to taxation under Code Section 409A. The provisions of this Agreement shall be interpreted and construed in favor of satisfying any applicable requirements of Code Section 409A. However, the Company does not guarantee any particular tax effect for income provided to the Executive pursuant to this Agreement. In any event, except for the Company's responsibility to withhold applicable income, employment and excise taxes from compensation paid or provided to the Executive, the Company shall not be responsible for the payment of any applicable taxes on compensation paid or provided to the Executive pursuant to this Agreement.

Section 6. Contractual Rights and Legal Remedies

6.1 Contractual Rights to Benefits. This Agreement establishes in the Executive a right to the benefits to which the Executive is entitled hereunder. However, except as expressly stated herein, nothing herein contained shall require or be deemed to require, or prohibit or be deemed to prohibit, the Company to segregate, earmark, or otherwise set aside any funds or other assets, in trust or otherwise, to provide for any payments to be made or required hereunder.

6.2 Legal Fees and Expenses. The Company shall pay all legal fees, costs of litigation, prejudgment interest, and other expenses which are incurred in good faith by the Executive as a result of (i) the Executive's termination following a Change in Control (including all such fees and expenses, if any, incurred in contesting or disputing any such termination or incurred by the Executive in seeking advice with respect to the matters set forth in Section 2 hereof); or (ii) following a Change in Control, the Executive seeking to obtain or enforce any right or benefit provided by this Agreement, any Plan or any other agreement of or arrangement with the Company. The Company shall pay such fees and expenses on a current basis as services are rendered and in no event more than thirty (30) calendar days after invoices for services rendered are forwarded by the Executive to the Company.

6.3 Arbitration. The Executive shall have the right and option to elect (in lieu of litigation) to have any dispute or controversy arising under or in connection with this Agreement settled by arbitration, conducted before a panel of three (3) arbitrators sitting in a location selected by the Executive within fifty (50) miles from the location of the Executive's job with the Company, in accordance with the rules of the American Arbitration Association then in effect. The decision of the arbitrators in that proceeding shall be binding on the Company and the Executive. Judgment may be entered on the award of the arbitrator in any court having jurisdiction. All expenses of such arbitration, including the fees and expenses of the counsel for the Executive, shall be borne by the Company.

6.4 Exclusivity of Benefits. Unless specifically provided herein, neither the provisions of this Agreement nor the benefits provided hereunder shall reduce any amounts otherwise payable, or in any way diminish the Executive's rights as an employee of the Company, whether existing now or hereafter, under any compensation and/or benefit plans, programs, policies, or practices provided by the Company, for which the Executive may qualify.

6.5 Employment Status. Nothing herein contained shall be deemed to create an employment agreement between the Company and the Executive, providing for the employment of the Executive by the Company for any fixed period of time. Nothing herein contained shall prevent the Company or the Executive from terminating the Executive's employment with the Company at any time, with or without Cause, subject to the Company's obligation upon a Qualifying Termination to provide Severance Benefits as required hereunder.

6.6 Mitigation. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this agreement, nor shall the amount of any payment hereunder be reduced by any compensation earned by Executive as a result of employment by another employer, other than as provided in Paragraph 2.5(e) herein.

6.7 Survival. The respective obligations and benefits afforded to the Company and Executive as provided in Sections 2, 3, and 4 and in Paragraphs 5.1, 6.2, and 6.3 of this Agreement shall survive the termination of this Agreement following a Change in Control.

6.8 Entire Agreement. This Agreement represents the entire agreement between the parties with respect to the subject matter hereof, and supersedes all prior discussions, negotiations, and agreements that relate to a Change in Control concerning the subject matter hereof, including, but not limited to, any prior severance agreement made between the Executive and the Company.

6.9 Severability. In the event any provision of the Agreement shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Agreement, and the Agreement shall be construed and enforced as if the illegal or invalid provision had not been included.

6.10 Applicable Law. To the extent not preempted by the laws of the United States, the laws of the State of Michigan shall be the controlling law in all matters relating to this Agreement.

IN WITNESS WHEREOF, the Company and Executive have executed this Agreement, to be effective as of the day and year first written above.

Whirlpool Corporation

Executive: _____

Printed Name _____

By: _____

Address:

Title: Chairman of the Board & CEO

AMENDMENT TO
WHIRLPOOL CORPORATION
PERFORMANCE EXCELLENCE PLAN

WHEREAS, Whirlpool Corporation (the “Company”) maintains the Whirlpool Corporation Performance Excellence Plan (the “Plan”) which is an annual incentive compensation Plan for eligible employees of the Company and its affiliates; and

WHEREAS, the Company reserved unto itself the right, pursuant to Section 11.3 of the Plan, to amend the Plan without notice to eligible employees; and

WHEREAS, the Company has previously delegated authority to the Senior Vice President of Human Resources of the Company the authority to amend the Plan and to do such other acts for and on behalf of the Company that in his judgment may appear necessary, appropriate or desirable to conform the Company’s nonqualified deferred compensation plans, programs and arrangements to the extent necessary to new legal requirements affecting those plans’ programs or arrangements, including but not limited to amendments to the Plan to comply with Section 409A of the Internal Revenue Code of 1986, as amended.

NOW THEREFORE, the Plan is hereby amended effective January 1, 2005 as follows:

1. Section 1.2 of the Plan is amended by adding a new sentence at the end thereof to read as follows:

The Plan is not intended to provide for the deferral of compensation within the meaning of Code Section 409A and is intended to be exempt from Code Section 409A as providing for only short-term deferrals within the meaning of Treasury Regulation Section 1.409A-1(b)(4).

2. Section 7.1(a) of the Plan is amended by adding a new phrase at the end of the last sentence thereof to read as follows:

provided however that in no event shall payment be made later than the 15th day of the third calendar month following the last day of the Company’s fiscal year to which the performance goals relate.

3. A new Section 7.1(c) is added to the Plan at the end of Section 7.1 to read as follows:

(c) Delay of Payments under Certain Circumstances. A payment may be delayed to a date after the designated payment date described in Section 7.1(a) under the circumstances described in this Section 7.1(c), provided that the Company treats all payments to similarly situated Participants on a reasonably consistent basis.

- (1) Payments Subject to Code Section 162(m). A payment may be delayed to the extent the Company reasonably anticipates that if the payment were made as scheduled, the Company’s deduction with respect to such payment would not be permitted due to the application of Code Section 162(m), provided that the payment is made either

during the Participant's first taxable year in which the Company reasonably anticipates, or should reasonably anticipate, that if the payment is made during such year, the deduction of such payment will not be barred by application of Code Section 162(m) or during the period beginning with the date of the Participant's separation from service and ending on the later of the last day of the taxable year of the Company in which the Participant separates from service or the 15th day of the third month following the Participant's separation from service, and provided further that all scheduled payments to that Participant that could be delayed in accordance with Treasury Regulation Section 1.409A-2(b)(7)(i) are also delayed. Where the payment is delayed to a date on or after the Participant's separation from service, the payment will be considered a payment upon a separation from service for purposes of the rules under Treasury Regulation Section 1.409A-3(i)(2) (payments to specified employees upon a separation from service) and, in the case of a specified employee (within the meaning of Code Section 409A), the date that is six months after the Participant's separation from service is substituted for any reference to the Participant's separation from service in the first sentence of this Section 7.1(c)(1). No election may be provided to the Participant with respect to the timing of the payment under this Section 7.1(c)(1).

- (2) Payments that would Violate Federal Securities Laws or Other Applicable Law. A payment may be delayed where the Company reasonably anticipates that the making of the payment will violate Federal securities laws or other applicable law; provided that the payment is made at the earliest date at which the Company reasonably anticipates that the making of the payment will not cause such violation. For this purpose, the making of a payment that would cause inclusion in gross income or the application of any penalty provision or other provision of the Code is not treated as a violation of applicable law.
- (3) Other Events and Conditions. The Company may delay a payment upon such other events and conditions as the Commissioner may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

4. Section 7.2 of the Plan is amended in its entirety to read as follows:

7.2 Deferral of Payments:

Notwithstanding the provisions of Section 7.1 describing the form and timing of payment of Awards granted pursuant to the Plan, a Participant who is eligible for and has elected to make deferrals of compensation under the terms of the Whirlpool Corporation Executive Deferred Compensation Plan II may defer payment of all or part of an Award granted pursuant to the Plan provided that the time and form of the election to defer and the payment of any portion of the Award so deferred shall be governed by the terms of the Whirlpool Corporation Executive Deferred Compensation Plan II.

5. A new Section 7.3 is added to the Plan immediately following Section 7.2 to read as follows:

7.3 Applications of Code Section 409A:

Notwithstanding anything in this Plan to the contrary, if it is determined that any payment hereunder constitutes “nonqualified deferred compensation” that would be paid upon the “separation from service” of a “specified employee” (as such terms are defined in Code Section 409A), then any such payment that otherwise would have been paid within six (6) months after the Participant’s separation from service, shall be accrued, without interest, and its payment delayed until the first day of the seventh month following the Participant’s separation from service, or if earlier, the Participant’s death, at which point the accrued amount will be paid as a single, lump sum cash payment.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officers on the 19th day of December, 2008.

Whirlpool Corporation

By: /s/ David A. Binkley

David A. Binkley,
Senior Vice President
Global Human Resources

Attest:

By: /s/ Robert J. LaForest

Robert J. LaForest,
Associate General Counsel
and Assistant Secretary

**Whirlpool Corporation
Executive Deferred Savings Plan II**

(As Amended and Restated Effective January 1, 2009)

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Article 1. Establishment and Purpose

1.1 Establishment

Whirlpool Corporation (a Delaware corporation hereinafter referred to as the “Company”) established this nonqualified deferred compensation plan for executives as described herein, known as THE WHIRLPOOL EXECUTIVE DEFERRED SAVINGS PLAN II (hereinafter called the “Plan”) effective January 1, 2005. This Plan is applicable to deferrals of salary and incentives earned on and after January 1, 2005, and amounts deferred under The Executive Deferred Savings Plan, effective September 1, 1990, as amended (the “Grandfathered Plan”), that were not vested as of December 31, 2004. The Plan is hereby amended and restated effective January 1, 2009 to make changes to the Plan as required or permitted by Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable guidance issued thereunder.

1.2 Purpose

The purpose of this Plan is to provide a means whereby Participants may elect to defer receipt of the following forms of compensation payable by the Company, subject to Committee approval: (i) Base Salary, (ii) Short-Term Incentive Compensation, and (iii) Long-Term Incentive Compensation.

Article 2. Definitions

2.1 Definitions

Whenever used herein, the following terms shall have the meaning set forth below:

- (a) “ **Base Salary** ” means an Employee’s permanent wages; salaries; shift premiums; overtime; sales commissions; vacation and holiday pay; and paid leave for jury duty, bereavement leave and military duty.
- (b) “ **Board** ” means the Board of Directors of the Company.
- (c) “ **Change in Control** ” means an event that would constitute a change in ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company, within the meaning of Section 409A.
- (d) “ **Committee** ” means the Human Resources Committee of the Board empowered to take actions as stated in this Plan.
- (e) “ **Company** ” means Whirlpool Corporation, a Delaware corporation.
- (f) “ **Disability** ” or “ **Disabled** ” means the Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company. The Participant will be deemed to be Disabled if he or she is determined to be totally disabled by

the Social Security Administration or if he or she is determined to be disabled in accordance with the Company's (or Subsidiary's, if applicable) disability insurance program, provided that the definition of disability applied under such disability insurance program complies with the foregoing definition of Disability.

- (g) “ **Employee** ” means a regular salaried employee (including executives and directors who are also employees) of the Company or its Subsidiaries, or any branch or division thereof.
- (h) “ **Long-Term Incentive Compensation** ” means such long-term incentives as the Committee may approve from time to time, including long-term incentive compensation that may qualify as performance-based compensation, as described in Section 409A.
- (i) “ **Non-U.S. Participant** ” means any Participant who is subject to taxation by a country other than the United States of America (“U.S.”) and who is not subject to taxation by the U.S. Government.
- (j) “ **Participant** ” means an Employee who is designated by the Committee to participate in this Plan or who becomes a Participant under Supplement A.
- (k) “ **Section 409A** ” means Code section 409A, the final regulations issued under Code section 409A, and all other Internal Revenue Service guidance that may be issued thereunder.
- (l) “ **Separation from Service** ” has the meaning given to such term in Section 409A.
- (m) “ **Short-Term Incentive Compensation** ” means such short-term incentives as the Committee may approve from time to time.
- (n) “ **Stock Award** ” means an award granted under a Plan or program maintained by the Company, including but not limited to the Whirlpool Executive Stock Appreciation and Performance Program, and the Whirlpool Strategic Excellence Program, which provides for the settlement of the award in stock of the Company and which has been deferred in accordance with the provisions of this Plan.
- (o) “ **Subsidiary** ” means any corporation, a majority of the total combined voting power of all the classes of stock of which is directly or indirectly owned by the Company.
- (p) “ **Unforeseeable Emergency** ” means (i) a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, the Participant's beneficiary, or a dependent (as defined in Section 152 of the Code, without regard to Section 152(b)(1), Section 152(b)(2) and Section 152(d)(1)(B) of the Code) of the Participant; (ii) loss of the Participant's property due to casualty (including the need to rebuild the Participant a home following damage to a home not otherwise covered by insurance); or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. Whether an Unforeseeable Emergency exists will be determined by the Committee, in its discretion, in accordance with Section 409A.

(q) “ **U.S. Participant** ” means any Participant who is subject to taxation by the U.S. Government.

(r) “ **Year** ” means the 12-month period beginning January 1 and ending December 31.

2.2 Gender and Number

Except when otherwise indicated by the context, any masculine terminology when used in the Plan shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

Article 3. Eligibility for Participation

3.1 Eligibility

Participation in the Plan shall be limited to: (a) those Employees of the Company or any Subsidiary designated as Participants by the Committee; or (b) any Employee of the Company or any Subsidiary who becomes eligible to participate in Supplement A pursuant to Section 1.3 thereof. In the event an Employee no longer meets the requirements for participation in this Plan, as determined by the Committee in its discretion, he shall become an inactive Participant, retaining all the rights described under this Plan, except the right to make deferrals under the Plan, until the time that he again becomes an active Participant. Notwithstanding the foregoing, nothing in this Plan shall be construed as requiring or permitting the cancellation of a Participant’s valid deferral election if such Participant’s ineligibility to continue as an active Participant in the Plan results from such Participant’s transfer to a position that is otherwise not eligible to participate in the Plan, except as permitted by Section 409A.

Article 4. U.S. Participant Election to Defer

4.1 Base Salary or Short-Term Incentive Compensation Deferral Amount

At any time prior to December 31 of each Year, and subject to the approval of the Committee, a U.S. Participant may elect, in accordance with such procedures as may be established by the Committee, to defer:

- (a) any part (in 5% increments up to 75%) of his Base Salary to be earned during the immediately following calendar Year, and
- (b) any part (in 5% increments up to 75%) of any Short-Term Incentive Compensation payable with respect to services to be performed in the immediately following Year.

4.2 Deferral of Long-Term Incentive Compensation

- (a) *Long-Term Incentive Compensation* . With respect to Long-Term Incentive Compensation that qualifies as performance-based compensation as described in Section 409A, the Committee may permit eligible Participants to defer any part (in 5% increments up to 75%) of the amount of Long-Term Incentive Compensation to be paid for such performance period provided that the

election to defer is made no later than the date that is six months before the end of the performance period. In no event will an election to defer Long-Term Incentive Compensation be permitted after such compensation has become both substantially certain to be paid and readily ascertainable. With respect to Long-Term Incentive Compensation that does not qualify as performance-based compensation as described in Section 409A, the Committee may establish procedures for the deferral of such compensation provided such procedures comply with the provisions imposed by Section 409A.

- (b) *Elections with respect to unvested amounts* . With respect to awards of Long-Term Incentive Compensation that require the Participant's continued performance of services for at least twelve months from grant of an award thereunder before the Participant vests in the award, the Committee may permit eligible Participants to defer any part (in 5% increments up to 75%) of the payment of the award, provided that the election to defer such compensation is made on or before the thirtieth (30th) day after grant of the award and the election is made at least twelve months in advance of the earliest possible vesting date.
- (c) *Stock Awards*. Stock Awards shall have no voting rights. Dividend equivalents declared with respect to a Participant's Stock Awards in accordance with the underlying program governing the terms of the Stock Award shall be credited to the Participant's account(s) under the Plan and paid in accordance with the provisions of Section 4.3, Section 4.4, Section 4.5, Section 4.6 or Section 4.7, as applicable.

4.3 Time and Form of Payment

Subject to Section 4.4(b), Section 4.5, Section 4.6 and Section 4.7, payment of the amounts deferred under the Plan shall be made to the U.S. Participant as follows:

- (a) in a lump sum payment on the first regular Company payroll date for salaried exempt employees to occur in the seventh calendar month following such Participant's Separation from Service; or
- (b) if elected by the Participant in accordance with procedures adopted by the Committee,
 - (1) in a lump sum payment on the first regular Company payroll date for salaried exempt employees to occur in the seventh calendar month following such Participant's Separation from Service, or
 - (2) in a lump sum payment on the first regular Company payroll date for salaried exempt employees to occur in April of the calendar year following the first anniversary of the Participant's Separation from Service, or
 - (3) in ten (10) substantially equal annual installments (based on a declining balance method) with the first installment payable on the first regular Company payroll date for salaried exempt employees in the seventh calendar month next following the Participant's Separation from Service and the second through the tenth installments payable in each successive tax year of the Participant on the first regular Company payroll date for salaried exempt employees after the anniversary of the first installment payment.

All payments of deferred compensation hereunder shall be made in cash, except that all Stock Awards which would have been paid in stock if not deferred shall be paid in stock. In the case of a distribution in stock to a Participant who has elected installment payments in accordance with Section 4.3(b), any installment that would consist of fractional shares of stock will be rounded down to the next lower number of whole shares of stock.

4.4 Cancellation or Changes to Deferral or Payment Elections

The elections in Sections 4.1, 4.2 and 4.3 (and Section A-3.1 of Supplement A) are irrevocable once made and may not be modified or terminated by the Participant or his beneficiary, except as follows:

- (a) *Cancellation of Deferral Elections in the Event of Unforeseeable Emergency.* A Participant's deferral election under Sections 4.1 and 4.2 (and Section A-3.1 of Supplement A) may be cancelled due to an Unforeseeable Emergency or a hardship distribution pursuant to Section 1.401(k)-1(d)(3) of the Treasury Regulations. In the event of cancellation of a Participant's deferral election under this Section 4.4(a), any later deferral election must comply with the provisions of Sections 4.1 or 4.2, as applicable.
- (b) *Subsequent Deferral Election Affecting the Time and Form of Payment.* Subject to Section 4.5 and Section 4.6, a Participant may make a subsequent election to defer the time of payment of the amounts deferred under the Plan on his or her behalf, provided that
 - (1) the election shall not become effective until at least twelve (12) months after the date on which the election is made;
 - (2) the election is made at least twelve (12) months before the date that payment would otherwise have occurred (or in the case of installment payments, at least twelve months before the date the first installment would otherwise have been paid); and
 - (3) payment of the amounts deferred on the Participant's behalf shall be made in a lump sum on the date that is five (5) years from the date such payment would otherwise have occurred (or in the case of a participant who had previously elected installment payments, five years from the date the first installment would otherwise have been paid).

4.5 Cash-Out of Small Account Balances

The Company shall disregard a Participant's election regarding the time and form of payment (as described in Section 4.3(b)) and a Participant's subsequent deferral election (as described in Section 4.4(b)) if the amounts deferred on behalf of the Participant (including earnings) under this Plan and all other nonqualified deferred compensation plans maintained by the Company which are

aggregated with this Plan pursuant to Treasury Regulation Section 1.409A-1(c)(2) upon such Participant's Separation from Service does not exceed \$100,000. In such case, the amounts deferred under the Plan on behalf of the Participant will be paid in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in the seventh calendar month following such Participant's Separation from Service.

4.6 Distributions on Account of Death or Disability

Notwithstanding Section 4.3 and Section 4.4(b), in the event a Participant dies or becomes Disabled before all amounts deferred on his or her behalf under the Plan are distributed, all remaining amounts deferred on the Participant's behalf (including all amounts remaining in the Plan on behalf of a Participant who had commenced to receive installment payments pursuant to Section 4.3(b)) will be paid in a lump sum payment on the first Company payroll date for salaried exempt employees in the month following the Participant's death or Disability, as applicable.

4.7 Delay of Payment

Notwithstanding any other provision in the Plan, payment of the amounts deferred under the Plan will be delayed as follows:

- (a) If any Participant is a Specified Employee (as defined in Section 409A), upon a Separation from Service for any reason other than death, commencement of payment to such Participant shall not be made before the date that is six (6) months after the date of his or her Separation from Service (or, if earlier, the date of death of the Participant). Payments to which a Specified Employee would otherwise be entitled during this period shall be accumulated and paid, together with earnings that have accrued during this six-month delay, on the first Company payroll date for salaried exempt employees in the seventh calendar month following the date of his Separation from Service.
- (b) If the Company reasonably anticipates that any portion of the benefit payable under the Plan to any Participant could be limited or nondeductible under Code section 162(m) (or cause other amounts payable by the Company to be nondeductible under Code section 162(m)), then the payment of such portion of the benefit to such Participant shall be delayed until the earliest date on which the Company reasonably anticipates that the deduction will not be limited or eliminated by application of Code section 162(m).
- (c) Payment of the amounts deferred under the Plan may be delayed as permitted under Section 409A, as if stated in the Plan, for example, if the making of a payment would jeopardize the ability of the Company to continue as a going concern, or the Company reasonably anticipates that the making of the payment will violate Federal securities or other applicable laws.
- (d) If the payment of any deferred amount hereunder is delayed for any reason beyond the Participant's date of Separation from Service, the portion so delayed will be credited with earnings, if any, from the date of the Participant's Separation from Service until paid.

Article 5. Non-U.S. Participant Deferral

5.1 Base Salary or Short-Term Incentive Compensation Deferral Amount

At any time prior to December 31 of each Year, the Company may, by written notice, request any Non-U.S. Participant to defer:

- (a) any part (in 5% increments up to 75%) of his Base Salary to be earned during the immediately following calendar Year, and
- (b) any part (in 5% increments up to 75%) of any Short-Term Incentive Compensation, or any bonus plan established for Non-U.S. Participants, or any successor plan, with respect to services to be performed in the immediately following Year.

5.2 Long-Term Incentive Compensation Deferral Amount

At any time prior to October 1 of the last Year of any performance period under any Long-Term Incentive Compensation plan, the Company may, by written notice, request any Non-U.S. Participant to defer any part (in 5% increments up to 75%) of the incentive to be paid for such performance period.

5.3 Deferral Period

Payment of the amount deferred under the Plan shall be made to the Non-U.S. Participant as soon as administratively feasible following: (a) the earliest to occur of his: (i) Disability, (ii) death, or (iii) Separation from Service; or (b) to the extent that the Committee authorizes such an election, a date irrevocably elected by a Participant that is either five (5) or ten (10) years after the date such Participant elects to defer such amounts in accordance with this Article 5.

5.4 Manner of Payment

The Chairman and Chief Executive Officer may determine the manner of payment to any Non-U.S. Participant or beneficiary.

Article 6. Deferred Accounts

6.1 Participant Account(s)

The Company shall establish and maintain a bookkeeping account(s) for each Participant, to be credited as of the date the Long-Term Incentive Compensation, Short-Term Incentive Compensation, or Base Salary is actually deferred.

6.2 Deemed Investment of Accounts

The Company shall, from time to time, in its sole discretion, select one or more investment options (which may, but need not, be comparable to the investment options offered under the Whirlpool 401(k) Retirement Plan) to be made available as the measuring standards for crediting earnings and losses to a Participant's account(s). A Participant may select from such investment options, in a manner established by the Company, the investment option or options to apply to his or her account(s) and may change such selections, all in accordance with such rules as the Company may establish. If a Participant fails to make an investment election under this Section 6.2, his account(s) will be invested in a default investment fund designated by the Company.

Accounts shall be adjusted for investment earnings or losses as of each business day. The earnings or losses to be credited to the portion of any Participant's account(s) under this Section 6.2 for any period shall be equivalent to the amount of earnings or losses which would have been credited to the account(s) if such portion of such account(s) had actually been invested in such investment options during such period in the manner selected by the Participant.

6.3 Charges Against Accounts

There shall be charged against each Participant's account any payments made to the Participant or to his beneficiary in accordance with Article 7 hereof.

6.4 Contractual Obligation

It is intended that the Company is under a contractual obligation to make payments from a Participant's account when due. Account balances shall not be financed through a trust fund or insurance contracts or otherwise unless owned by the Company. Payment of account balances shall be made out of the general assets of the Company.

6.5 Unsecured Interest

No Participant or beneficiary shall have any interest whatsoever in any specific asset of the Company. To the extent that any person acquires a right to receive payments under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.

Article 7. Payment of Deferred Amounts

7.1 Payment of Deferred Amounts

Payment of a Participant's deferred Base Salary or Incentive Compensation, plus accumulated deemed investment earnings and losses attributable thereto, shall be paid, in the time and manner described in Articles 4 and 5 of the Plan.

7.2 Payment due to Unforeseeable Emergency

Notwithstanding any provision in the Plan to the contrary, upon a finding that the Participant has suffered an Unforeseeable Emergency, the Committee may, in its sole discretion, allow payment of the Participant's deferred amounts prior to the time otherwise specified for payment of benefits under the Plan. Whether a Participant is faced with an Unforeseeable Emergency permitting a payment under this Section shall be determined by the Committee based on the relevant facts and circumstances of each case, but, in any case, a distribution on account of an Unforeseeable Emergency shall not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets (to the extent the liquidation of such assets would not cause severe financial hardship), or by cessation of deferrals under the Plan. Distributions because of an Unforeseeable Emergency shall be limited to the amount reasonably necessary to satisfy the emergency need (which may include amounts necessary to pay any Federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).

Article 8. Beneficiary

8.1 Beneficiary

A Participant may designate a primary beneficiary or beneficiaries who, upon his death, are to receive the distributions that otherwise would have been paid to him. In addition, the Participant shall designate a contingent beneficiary or beneficiaries who shall receive distributions should the primary beneficiary or beneficiaries predecease the Participant. All designations shall be in writing and shall be effective only if and when delivered to the Corporate Vice President — Human Resources during the lifetime of the Participant.

The designation of a spouse as a beneficiary shall automatically be revoked upon divorce or legal separation.

In the absence of a beneficiary designation or in the event that all of the named beneficiaries predecease the Participant, or if there is doubt as to the right of any beneficiary, the Company shall make payments to the surviving member(s) of the following classes of beneficiaries, in equal shares, with preference for classes in the order listed below:

- (a) the Participant's spouse (unless legally separated by court decree),
- (b) the Participant's children (including children by adoption),
- (c) the Participant's parents (including parents by adoption), and
- (d) the Participant's executor or administrator.

Benefits will be paid exclusively to the member(s) of the first class in the order listed above, which has surviving member(s). If that class has more than one member, payment will be made in equal shares among members of that class.

Article 9. Rights of Employees, Participants

9.1 Employment

Nothing in this Plan shall interfere with or limit in any way the right of the Company or any of its Subsidiaries to terminate any Employee's or Participant's employment at any time, nor confer upon any Employee or Participant any right to continue in the employ of the Company or any of its Subsidiaries.

9.2 Nontransferability

No right or interest of any Participant in this Plan shall be assignable or transferable, or subject to any lien, directly, by operation of law, or otherwise, including execution, levy, garnishment, attachment, pledge and bankruptcy. In the event of a Participant's death, payment of any amounts due under this Plan shall be made to the Participant's designated beneficiary, or in the absence of such designation, to the classes of beneficiaries as stated in Section 8.1 herein.

Article 10. Administration

10.1 Administration

- (a) The Chairman of the Board and Chief Executive Officer (the “Chairman”) shall be responsible for the day-to-day administration of the Plan, subject to the control and direction of the Committee. The Chairman is authorized to interpret the Plan; to prescribe, amend, and rescind rules and regulations relating to the Plan; provide for conditions and assurances deemed necessary or advisable to protect the interests of the Company; and to make all other determinations necessary or advisable for the administration of the Plan, but only to the extent not contrary to the express provisions of the Plan or the directions of the Committee and only to the extent any such action does not operate to disproportionately advantage the Chairman in the event the Chairman is a Participant in the Plan.
- (b) The Committee shall determine within the limits of the express provisions of the Plan the Employees to whom, and the time or times at which, participation shall be extended and the amount which may be deferred. In making such determinations, the Committee may take into account the nature of the services rendered by such Employees or classes of Employees, their present and potential contributions to the Company’s or its Subsidiaries’ success, and such other factors as the Committee in its discretion shall deem relevant. The determination, interpretation, or other action of the Committee made or taken pursuant to the provisions of the Plan shall be final and shall be binding and conclusive for all purposes and upon all persons or other interested parties.

10.2 Conflicting Terms

To the extent that the terms of this Plan conflict with the written terms of any annual or long-term incentive plan or program maintained by the Company with respect to the deferral of amounts under those plans or programs, the terms of this Plan shall control.

Article 11. Claims Procedure

11.1 Claims Procedure

Benefits shall be paid in accordance with the provisions of this Plan.

- (a) The Participant, or a designated recipient or any other person claiming through the Participant, shall make a written request for benefits under this Plan. This written claim shall be mailed or delivered to the Committee. Such claim shall be reviewed by the Committee or a delegate.
- (b) If the claim is denied, in full or in part, the Committee shall provide a written notice within (90) days setting forth the specific reasons for denial, and any additional material or information necessary to perfect the claim, and an explanation of why such material or information is necessary, and appropriate information and explanation regarding the steps to be taken if a review of the denial is desired. However, if special circumstances require an extension of the period of time for considering a claim, the 90-day period can be extended for an additional 90 days by giving the claimant written notice of the extension, the reason why the extension is necessary, and the date a decision is expected.

- (c) If the claim is denied and a review is desired, the Participant (or beneficiary) shall notify the Committee in writing within sixty (60) days after receipt of the written notice of denial. In requesting a review, the Participant or beneficiary may request a review of pertinent documents with regard to the benefits created under this Plan, may submit any written issues and comments, may request an extension of time for such written submission of issues and comments, and may request that a hearing be held, but the decision to hold a hearing shall be within the sole discretion of the Committee.
- (d) The decision on the review of the denied claim shall be rendered by the Committee within sixty (60) days after the receipt of the request for review (if no hearing is held) or within sixty (60) days after the hearing if one is held. However, if special circumstances require an extension of the period of time for considering an appeal, the 60-day period can be extended for an additional 60 days by giving the claimant written notice of the extension, the reason why the extension is necessary, and the date a decision is expected. The decision shall be written and shall state the specific reasons for the decision including references to the specific provisions of this Plan on which the decision is based.

Article 12. Amendment and Termination of the Plan

12.1 Amendment

The Committee, consistent with relevant Board action, may amend or modify the Plan, at any time and from time to time and in any respect, provided, however, that no such action of the Committee, without approval of the Participant, may adversely affect in any way any amounts already deferred pursuant to the Plan.

12.2 Termination

The Company reserves the right to terminate the Plan in accordance with this Section.

- (a) *Bankruptcy*. The Company may terminate the Plan within twelve months of a corporate dissolution taxed under Code section 331, or with the approval of a bankruptcy court pursuant to 11 U.S.C. section 503(b)(1)(A), provided that the amounts deferred under the Plan are included in the Participants' gross incomes in the latest of: (i) the calendar year in which the Plan termination occurs; (ii) the calendar year in which the amount is no longer subject to a substantial risk of forfeiture; or (iii) the first calendar year in which the payment is administratively practicable.
- (b) *Change in Control*. The Company may terminate the Plan within the thirty days preceding a Change in Control, or the Company, or a successor company that is primarily liable for payment of amounts deferred under the Plan immediately after the Change in Control transaction, may terminate the Plan within the twelve months following a Change in Control. The Plan will be treated as terminated only if all substantially similar arrangements sponsored by the Company (or the successor company, if applicable) and all affiliates are terminated, so that the Participants in the Plan and all participants that experienced the Change

in Control event under substantially similar arrangements are required to receive all amounts of compensation deferred under the terminated arrangements within twelve months of the date the Company (or the successor company) irrevocably takes all necessary action to terminate the arrangements.

- (c) *Discretionary Termination.* The Company may terminate the Plan at any time in its discretion, provided that: (i) the termination does not occur proximate to a downturn in the financial health of the Company; (ii) all arrangements sponsored by the Company and its affiliates that would be aggregated with any terminated arrangement under Section 409A if the same individual participated in all of the arrangements, are terminated; (iii) no payments other than payments that would be payable under the terms of the arrangements if the termination had not occurred are made within twelve months of the termination of the arrangements; (iv) all payments are made within twenty-four months of the termination of the arrangements; and (v) the Company and its affiliates do not adopt a new arrangement that would be aggregated with any terminated arrangement under Section 409A if the same individual participated in both arrangements, at any time within three years following the date of termination of the Plan.
- (d) *Other.* The Company may terminate the Plan upon such other events and in such other conditions as the Commissioner of Internal Revenue may prescribe in generally applicable published guidance.

Article 13. Change in Control

13.1 In General

In the event of a Change in Control of the Company, all amounts due to Participants under this Plan shall continue to be deferred, and shall continue to be credited with deemed investment earnings and losses, until scheduled payments would otherwise be made in accordance with the provisions of the Plan, provided that the Company (or a successor company) may take action to terminate the Plan and provide for payment of all amounts deferred under the Plan in a lump sum payment in accordance with Section 12.2(b).

Article 14. Requirements of Law

14.1 Requirements of Law

The Plan is intended to be an unfunded deferred compensation plan maintained for a select group of management or highly-compensated employees under sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The payment of cash pursuant to this Plan shall be subject to all applicable laws, rules, and regulations, and shall not be made except upon approval of proper government agencies as may be required.

14.2 Section 409A Compliance

It is intended that any income to a Participant deferred pursuant to this Plan will not be subject to interest and additional tax under Section 409A. The provisions of the Plan will be interpreted and construed in favor of the Plan meeting any applicable requirements of Section 409A. To the extent that any provision of the Plan would cause a conflict with the requirements of Section 409A, or would

cause the administration of the Plan to fail to satisfy Section 409A, such provision shall be deemed null and void to the extent permitted by applicable law. The Company, in its absolute discretion, may amend (including retroactively) this Plan to conform to Section 409A, including amendments to facilitate the ability of a Participant to avoid the imposition of interest and additional tax under Section 409A. However, nothing herein shall be construed as a guaranty by the Company of any particular tax effect on any income deferred under the terms of the Plan pursuant to a Participant's election. In any event, the Company will have no responsibility for the payment of any applicable taxes on income deferred by the Participant pursuant to the provisions of this Plan.

14.3 Governing Law

This Plan shall be governed by, construed and administered in accordance with the applicable provisions of ERISA, and any other applicable Federal law, including Section 409A, and to the extent not preempted by Federal law, this Plan shall be governed by, construed and administered under the laws of the State of Michigan, other than its laws respecting choice of law.

Article 15. Employment, State, Local and Foreign Taxes

15.1 Withholding

The Company shall deduct from all payments under this Plan an amount necessary to satisfy any Federal, state, local, or foreign withholding tax requirements.

15.2 Acceleration of Payment

The time and schedule of payments that would otherwise occur pursuant to Article 4, may be accelerated as follows:

- (a) A payment may be made to pay the Federal Insurance Contribution Act (FICA) tax imposed by Code Sections 3101, 3121(a), and 3121(v)(2) on amounts deferred under the Plan (the FICA amount).
- (b) A payment may be made to pay state, local, or foreign tax obligations arising from participation in the Plan that apply to amounts deferred under the Plan before the amounts are paid or made available to the Participant (the state, local, or foreign tax amount). Such payment may not exceed the amount of such taxes due as a result of participation in the Plan. Such payment may be made by distributions to the Participant in the form of withholding pursuant to provisions of the applicable state, local, or foreign law or by distribution directly to the Participant.
- (c) A payment may be made to pay the Federal income tax at the source on wages imposed under Code Section 3401, or the corresponding withholding provisions of applicable state, local, or foreign tax laws, as a result of payment of the FICA amount and/or the state, local, or foreign tax amount, and to pay the additional income tax at source on wages attributable to the pyramiding under Code Section 3401 wages and taxes.

However, the total payment to or on behalf of the Participant pursuant to this acceleration provision may not exceed the aggregate of the FICA, state, local, and/or foreign tax amount, and the Federal income tax withholding related to such FICA, state, local and/or foreign tax amounts.

Article 16. Effective Date of the Plan

16.1 Effective Date

The Plan was originally effective as of January 1, 2005. The Plan as amended and restated hereby is effective as of January 1, 2009.

IN WITNESS WHEREOF, **WHIRLPOOL CORPORATION** has caused this Plan to be executed below by its duly authorized representatives this _19th day of December, 2008.

WHIRLPOOL CORPORATION

By: /s/ David A. Binkley _____

David A. Binkley,
Senior Vice President
Global Human Resources

ATTEST:

By: /s/ Robert J. LaForest _____

Robert J. LaForest,
Associate General Counsel
and Assistant Secretary

Supplement A to the Whirlpool Executive Deferred Savings Plan II

(As Amended and Restated Effective January 1, 2009)

Article A-1. Purpose, Eligibility and Effective Date

A-1.1 Purpose

This Supplement A to the Whirlpool Executive Deferred Savings Plan II (“Supplement A”) has been established for the mutual benefit of the Company, its Subsidiaries and Participants with its primary purpose to supplement retirement benefits provided by the Whirlpool Corporation 401(k) Retirement Plan to the extent that benefits under the 401(k) Retirement Plan are limited by (i) Section 401(a)(17) of the Code regarding limits on the amount of annual compensation that can be recognized under the 401(k) Retirement Plan, (ii) Section 402(g) of the Code regarding annual limits on elective deferrals under the 401(k) Retirement Plan, and/or (iii) Section 415 of the Code regarding the limitations on contributions and other additions to Participant’s accounts under the 401(k) Retirement Plan. This Supplement A is intended to be an unfunded deferred compensation arrangement for a select group of management or highly compensated personnel (within the meaning of the applicable provisions of ERISA) and shall be administered in a manner consistent with this intent. This Supplement A shall also be known as the “Whirlpool Executive Restoration Plan”.

A-1.2 Effective Date

The Whirlpool Executive Restoration Plan described in this Supplement A was originally effective January 1, 2007. The provisions of Supplement A as amended and restated hereby are effective as of January 1, 2009.

A-1.3 Eligibility

An Employee shall be eligible to participate in this Supplement A under Article A-3 and Article A-4 if the Employee: (a) is in Band 4 or above, or its current equivalent under the Company’s position grading system, and (b) makes an irrevocable election to participate in this Supplement A for the Plan Year.

An Employee shall be eligible to participate in this Supplement A under Article A-5 if the Employee: (a) is in Band 4 or above, or its current equivalent under the Company’s position grading system, and (b) has compensation that exceeds the Annual Compensation Limit. Notwithstanding the preceding sentence, no Employee who is a Retirement Zone Participant under the terms of the Whirlpool Employees Pension Plan shall be eligible to participate in this Supplement A under Article A-5 for Plan Years beginning before January 1, 2010.

A-1.4 Participation

A person who is eligible to participate in this Supplement A shall become a Participant under this Supplement A as of the first day of the Plan Year next following the Plan Year during which such person meets the eligibility conditions described in Section A-1.3 above.

Article A-2. Definitions

A-2.1 Definitions

Whenever used in this Supplement A, the following terms shall have the meaning set forth below unless the context clearly indicates otherwise. Capitalized Terms not defined in this Supplement A shall have the meanings ascribed to such terms in the Plan.

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- (a) **“401(k) Retirement Plan”** means the Whirlpool Corporation 401(k) Retirement Plan, as amended.
 - (b) **“Annual Compensation Limit”** means \$225,000, as adjusted by the Commissioner of Internal Revenue for increases in the cost-of-living in accordance with Code Section 401(a)(17)(B).
 - (c) **“Automatic Company Contribution Credit Subaccount”** means the bookkeeping subaccount established pursuant to Section A-6.3
 - (d) **“Bonus Compensation”** means short-term bonus payments designated by the Committee, provided, however, that short-term bonus payments shall be considered Bonus Compensation in the year earned and not in the year paid. Notwithstanding the foregoing, if an Employee is a participant in the Whirlpool Supplemental Executive Retirement Plan, such Employee’s Bonus Compensation shall be deemed to be zero (\$0).
 - (e) **“ Compensation ”** means an Employee’s permanent wages; salaries; shift premiums; overtime; sales commissions; vacation and holiday pay; and paid leave for jury duty, bereavement leave and military duty. Compensation shall also include tax-deferred deposits made on behalf of an Employee under the 401(k) Retirement Plan or under a plan of the Company which qualifies under Code Sections 125 or 132 (f). Compensation shall also include amounts an Employee elects to defer under nonqualified deferred compensation plans maintained by the Company. Compensation shall not include cash payments or the value of benefits received under the Employer’s Flex Choice flexible benefits program, moving expenses, tuition expenses and reimbursements for employee purchases.
 - (f) **“Contribution Credits”** means Participant Contribution Credits, Automatic Company Contribution Credits, Employer Matching Contribution Credits and Deemed Matching Contribution Credits.
 - (g) **“Employer Matching Contribution Credit Subaccount”** means the bookkeeping subaccount established pursuant to Section A-6.4.
 - (h) **“ Participant ”** means an Employee who is eligible to receive benefits under this Supplement A.
 - (i) **“Participant Contribution Credit Subaccount”** means the bookkeeping subaccount established pursuant to Section A-6.2.
 - (j) **“Plan Year”** means the calendar year.
 - (k) **“Restoration Account”** means the bookkeeping account created by the Company for the administration of each Participant’s benefits under this Supplement A.
 - (l) **“Total Compensation”** means the sum of a Participant’s Compensation and Bonus Compensation.

Article A-3. Participant Deferral Elections and Contribution Credits

A-3.1 Participant Elections to Defer

Prior to the start of each Plan Year, a Participant shall make an irrevocable election to defer a percentage between zero (0%) and fifteen (15%) percent of such Participant's Compensation and a percentage between zero (0%) and fifteen (15%) of such Participant's Bonus Compensation for that Plan Year under this Supplement A. Such percentages shall be the same percentages that such Participant elects to defer under the 401(k) Retirement Plan but deferrals shall be made under this Supplement A to the extent that deferrals cannot be made under the 401(k) Retirement Plan because of limits under Code Sections 401(a)(17), 402(g) or 415. A Participant's election for any Plan Year shall also govern the deferral of such Participant's Bonus Compensation earned in the Plan Year but paid in March of the following Plan Year.

A-3.2 Participant Contribution Credits

Credits ("Participation Contribution Credits") shall be made to the Restoration Account of a Participant to reflect the amount of Compensation and Bonus Compensation deferred by such Participant.

Article A-4. Employer Matching Contribution Credits

A-4.1 Employer Matching Contribution Credits

- (a) For each Plan Year the Company shall make a contribution credit (an "Employer Matching Contribution Credit") to the Restoration Account of each Participant in an amount equal to: (a) one hundred percent (100%) of the first three percent (3%) of such Participant's Total Compensation that such Participant elects to defer under this Supplement A for such year, and (b) fifty percent (50%) of the next two percent (2%) of such Participant's Total Compensation that such Participant elects to defer under this Supplement A for such Plan Year. The amount of the Employer Matching Contribution Credit for a Participant shall be reduced by the amount of employer matching contributions, if any, made for the Participant under the 401(k) Retirement Plan.
- (b) Notwithstanding the preceding paragraph (a) of this section: (i) an Employee who is a Retirement Zone Participant under the terms of the Whirlpool Employees Pension Plan and who is in Bands 00 – 4a shall not be eligible to receive an Employer Matching Contribution Credit with respect to any portion of the Participant's Total Compensation deferred by the Participant while an employee of the Employer in Band 00, 01, 02, 03 or 4a for Plan Years beginning before January 1, 2010, and shall receive an Employer Matching Contribution Credit for Plan Years beginning before January 1, 2010 with respect to any portion of the Participant's Total Compensation deferred by the Participant while the Participant was not an employee of the Employer in Band 00, 01, 02, 03 or 4a under the terms described in subparagraph (b)(ii) and paragraph (c) of this section ; and (ii) a Participant who is a Retirement Zone Participant under the terms of the Whirlpool Employees Pension Plan and who is in Band 4 shall receive an Employer Matching Contribution Credit for Plan Years beginning before January 1, 2010 under a special formula based on the percentage shown in subparagraph (c) (to the extent permitted under Section 409A), which shall be reduced by the amount of employer matching contributions, if any, made for the Participant under the 401(k) Retirement Plan,

provided that either (i) the Participant is an Employee on the last day of the Plan Year, or (ii) the Participant terminated employment due to death, Disability, or retirement during the Plan Year.

- (c) With respect to Plan Years beginning before January 1, 2010, for a Participant who is a Retirement Zone Participant under the terms of the Whirlpool Employees Pension Plan and who is in Band 4, the amount of the Employer Matching Contribution Credit for each Plan Year, before reduction as described in paragraph (b) above, shall be determined by applying the Company's matching percentage for that Plan Year by that portion of the Participant's Total Compensation that such Participant elects to defer under this Supplement A for such year, which shall not exceed five percent (5%) of the Participant's Total Compensation. Management shall establish performance goals it deems appropriate for paying the Employer Matching Contribution Credit. Once established, management in its sole discretion may revise such performance goals at any time to take into account occurrences other than those occurring in the ordinary course of business for the Plan Year, or other unusual circumstances, including but not limited to (1) the sale or purchase of some or all of the assets or stock of the Company, (2) a material change in the Company's debt-to-equity ratio, (3) repurchase by the Company of its stock, (4) issuance by the Company of new stock, (5) adjustments to earnings and other financial measures to exclude the effect of unusual or extraordinary items, (6) acquisitions and divestitures, (7) regulatory or legislative changes, and (8) accounting changes. The Company's actual matching percentage for a Plan Year shall be determined after the end of the Plan Year as the percentage that applies to the actual performance goal attained by the Company for the Plan Year, provided, however, that the matching percentage shall not be less than twenty-five percent (25%).

A-4.2 Timing of Employer Matching Contribution Credits

Employer Matching Contribution Credits for any Plan Year shall be made after the end of such Plan Year, provided, however, that in the Plan Year of a Participant's Separation from Service, such Contribution Credits shall be made as soon as administratively practicable after the Participant's Separation from Service.

A-4.3 Special Rule Regarding 2007 Deemed Matching Contribution Credits

The Company will make a Contribution Credit to the Restoration Account of each Participant in the Plan for 2007 in an amount equal to the Employer Matching Contribution Credit that would have been credited to such Participant's Restoration Account if such Participant's bonus paid under the Company's Performance Excellence Plan in March of 2007 had been Compensation eligible for deferral in 2007 under this Supplement A (the "Deemed Matching Contribution Credit").

Article A-5. Automatic Company Contribution Credits

A-5.1 Automatic Company Contribution Credits

For each Plan Year the Company shall make a contribution credit (an "Automatic Company Contribution Credit") to the Restoration Account of each Participant in an amount equal to 3% of such Participant's Total Compensation in excess of the Annual

Compensation Limit for such Plan Year, provided however, that a Participant who is a Retirement Zone Participant, as defined in the Whirlpool Employees Pension Plan, shall not be eligible to receive the Automatic Company Contribution Credit for Plan Years beginning before January 1, 2010.

A-5.2 Timing of Automatic Company Contribution Credits

Automatic Company Contribution Credits for any Plan Year shall be made after the end of such Plan Year, provided, however, that in the Plan Year of a Participant's Separation from Service, such Contribution Credits shall be made as soon as administratively practicable after the Participant's Separation from Service.

Article A-6. Accounts; Vesting; Earnings and Losses

A-6.1 Restoration Accounts

All Contribution Credits made on behalf of a Participant pursuant to Articles A-3, A-4 and A-5 of this Plan shall be credited by the Company to such Participant's Restoration Account as of the date such Contribution Credit is made.

A-6.2 Participant Contribution Credit Subaccount

A Participant Contribution Credit Subaccount shall be maintained for each Participant representing the portion of such Participant's Restoration Account resulting from Participant Contribution Credits.

A-6.3 Automatic Company Contribution Credit Subaccount

An Automatic Company Contribution Credit Subaccount shall be maintained for each Participant representing the portion of such Participant's Restoration Account resulting from Automatic Company Contribution Credits.

A-6.4 Employer Matching Contribution Credit Subaccount

An Employer Matching Contribution Credit Subaccount shall be maintained for each Participant representing the portion of such Participant's Restoration Account resulting from Employer Matching Contribution Credits and Deemed Matching Contribution Credits.

A-6.5 Vesting of Contribution Credits

A Participant shall at all times be vested in his or her Participant Contribution Credit Subaccount and Employer Matching Contribution Credit Subaccount. A Participant will attain a fully vested interest in the portion of his or her Automatic Company Contribution Subaccount attributable to Automatic Company Contribution Credits after the Participant has earned three years of vesting service with the Company or a Subsidiary as determined under the 401(k) Retirement Plan. Prior to that time, such Participant shall have a zero percent (0%) vested interest in such Automatic Company Contribution Credits.

A-6.6 Investment Options

The Company shall, from time to time, in its sole discretion, select one or more investment options (which may, but need not, be comparable to the investment options offered under the 401(k) Retirement Plan and shall not include Whirlpool Corporation stock) to be made available as the measuring standards for crediting earnings and losses to a Participant's Restoration Account. A Participant

may select from such investment options, in a manner established by the Company, the investment option or options to apply to his or her Restoration Account and may change such selections, all in accordance with such rules as the Company may establish. If a Participant fails to make an investment election under this Section A-6.6, his Restoration Account will be invested in a default investment fund designated by the Company.

A-6.7 Adjustment of Restoration Accounts

Restoration Accounts shall be adjusted for investment earnings or losses as of each business day. The earnings or losses to be credited to the portion of any Participant's Restoration Account under this Section A-6.7 for any period shall be equivalent to the amount of earnings or losses which would have been credited to the Restoration Account if such portion of such Account had actually been invested in such investment options during such period in the manner selected by the Participant.

Article A-7. Distributions

A-7.1 Distribution of Benefits

A Participant's Restoration Account shall be distributed at the time and in the form of payment specified in Article 7 and Article 4 of the Plan.

Article A-8. Amendment or Termination

A-8.1 Amendment and Termination

The Board of Directors shall have the right to amend this Supplement A from time to time or to terminate the accrual of benefits hereunder, but any such amendment or termination shall not reduce any Restoration Account of a Participant as of the date of the amendment. The Board of Directors may also elect to terminate this Supplement A and liquidate the Restoration Accounts of Participants hereunder in accordance with the provisions of Section 12.2 of the Plan, and in accordance with regulations promulgated by the Secretary of the Treasury under the Internal Revenue Code, including Section 409A.

AMENDMENT TO
WHIRLPOOL CORPORATION
EXECUTIVE OFFICER BONUS PLAN

WHEREAS, Whirlpool Corporation (the “Company”) maintains the Whirlpool Corporation Executive Officer Bonus Plan (the “Plan”) which is a discretionary incentive bonus plan for eligible employees of the Company and its affiliates; and

WHEREAS, the Company reserved unto itself the right, pursuant to Section 6.2 of the Plan, to amend the Plan without notice to eligible employees; and

WHEREAS, the Company has previously delegated authority to the Senior Vice President of Global Human Resources of the Company the authority to amend the Plan and to do such other acts for and on behalf of the Company that in his judgment may appear necessary, appropriate or desirable to conform the Company’s nonqualified deferred compensation plans, programs and arrangements to the extent necessary to new legal requirements affecting those plans’ programs or arrangements, including but not limited to amendments to the Plan to comply with Section 409A of the Internal Revenue Code of 1986, as amended.

NOW THEREFORE, the Plan is hereby amended effective January 1, 2009 as follows:

1. Section 1.2 of the Plan is amended by adding a new sentence at the end thereof to read as follows:

The Plan is not intended to provide for the deferral of compensation within the meaning of Code Section 409A and is intended to be exempt from Code Section 409A as providing for only short-term deferrals within the meaning of Treasury Regulation Section 1.409A-1(b)(4).

2. Section 4.2 of the Plan is amended in its entirety to read as follows:

4.2 Form and Timing of Payment.

Payment of Awards determined pursuant to Section 4.1 herein shall be made in a lump sum cash payment as of the date specified by the Committee, in its discretion, provided however that in no event shall payment be made later than the 15th day of the third calendar month following the last day of the Company’s fiscal year during which the Participant obtains a nonforfeitable right with respect to the payment of an award.

3. A new Section 4.3 is added to the Plan immediately following Section 4.2 to read as follows:

4.3 Delay of Payments under Certain Circumstances.

A payment may be delayed to a date after the designated payment date described in Section 4.2 under the circumstances described in this Section 4.3, provided that the Company treats all payments to similarly situated Participants on a reasonably consistent basis.

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- (a) **Payments Subject to Code Section 162(m).** A payment may be delayed to the extent the Company reasonably anticipates that if the payment were made as scheduled, the Company's deduction with respect to such payment would not be permitted due to the application of Code Section 162(m), provided that the payment is made either during the Participant's first taxable year in which the Company reasonably anticipates, or should reasonably anticipate, that if the payment is made during such year, the deduction of such payment will not be barred by application of Code Section 162(m) or during the period beginning with the date of the Participant's separation from service and ending on the later of the last day of the taxable year of the Company in which the Participant separates from service or the 15th day of the third month following the Participant's separation from service, and provided further that all scheduled payments to that Participant that could be delayed in accordance with Treasury Regulation Section 1.409A-2(b)(7)(i) are also delayed. Where the payment is delayed to a date on or after the Participant's separation from service, the payment will be considered a payment upon a separation from service for purposes of the rules under Treasury Regulation Section 1.409A-3(i)(2) (payments to specified employees upon a separation from service) and, in the case of a specified employee (within the meaning of Code Section 409A), the date that is six months after the Participant's separation from service is substituted for any reference to the Participant's separation from service in the first sentence of this Section 4.3(a). No election may be provided to the Participant with respect to the timing of the payment under this Section 4.3(a).
- (b) **Payments that would Violate Federal Securities Laws or Other Applicable Law.** A payment may be delayed where the Company reasonably anticipates that the making of the payment will violate Federal securities laws or other applicable law; provided that the payment is made at the earliest date at which the Company reasonably anticipates that the making of the payment will not cause such violation. For this purpose, the making of a payment that would cause inclusion in gross income or the application of any penalty provision or other provision of the Code is not treated as a violation of applicable law.
- (c) **Other Events and Conditions.** The Company may delay a payment upon such other events and conditions as the Commissioner may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

4. A new Section 4.4 is added to the Plan immediately following Section 4.3 to read as follows:

4.4 Applications of Code Section 409A:

Notwithstanding anything in this Plan to the contrary, if it is determined that any payment hereunder constitutes “nonqualified deferred compensation” that would be paid upon the “separation from service” of a “specified employee” (as such terms are defined in Code Section 409A), then any such payment that otherwise would have been paid within six (6) months after the Participant’s separation from service, shall be accrued, without interest, and its payment delayed until the first day of the seventh month following the Participant’s separation from service, or if earlier, the Participant’s death, at which point the accrued amount will be paid as a single, lump sum cash payment.

5. Article 5 of the Plan is amended in its entirety to read as follows:

Article 5. Termination of Employment

In the event a Participant’s employment is terminated for any reason including death, disability, retirement, reduction-in-force, transfer to an affiliate not included in the Plan, change in control, and voluntary and involuntary terminations, the Participant shall receive an Award for the Plan Year in which the termination occurs only if the Committee approves the payment of the Award to the terminated Participant, based on criteria it deems appropriate in its sole and absolute discretion.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officer on the 19th day of December, 2008.

Whirlpool Corporation

By: /s/ David A. Binkley _____

David A. Binkley,
Senior Vice President
Global Human Resources

Attest:

By: /s/ Robert J. LaForest _____

Robert J. LaForest,
Associate General Counsel
and Assistant Secretary

Whirlpool Retirement Benefits Restoration Plan

(As Amended and Restated Effective January 1, 2009)

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Article 1. Establishment and Restatement of the Plan

1.1 Restatement of the Plan

Whirlpool Corporation previously established an excess benefit plan for certain of its eligible Employees known as the “Whirlpool Retirement Benefits Restoration Plan” (the “Plan”), which Plan was adopted on December 13, 1976, and was effective as of January 1, 1976. The Plan was subsequently amended and restated effective as of January 1, 1989 and January 1, 2002. The Plan is hereby amended and restated in this instrument effective as of January 1, 2009.

1.2 Purpose and History

The purpose of the Plan is to provide to the Employee, or to the Employee’s beneficiary or beneficiaries, the excess retirement benefit described in section 4.1. The Plan is intended to be an “excess benefit plan” as described in section 3(36) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and to provide unfunded deferred compensation benefits for a select group of management or highly compensated employees within the meaning of section 201(2) of ERISA. In that regard, the Plan is intended solely for the purpose of providing an eligible Employee payment of the additional benefit that the Employee would have been eligible to receive pursuant to the Whirlpool Employees Pension Plan (“WEPP”) if the maximum annual benefits limitations described in Section 401(a)(17) and Section 415 of the Internal Revenue Code of 1986, as amended (the “Code”) had not been applied.

Effective January 1, 2002, the Plan was amended and restated to reflect to the merger of the Whirlpool Salaried Employees Retirement Plan into the Whirlpool Employees Pension Plan and to incorporate amendments to the Plan adopted since it was last restated.

The Plan is hereby amended and restated effective January 1, 2009 to make changes to the Plan as required or permitted by Section 409A of the Code (“Section 409A”), and applicable guidance issued thereunder. The Plan is further amended hereby to reflect the freezing of benefits under WEPP generally effective December 31, 2006, and with respect to Employees who are Retirement Zone Participants under WEPP on December 31, 2006, effective as of December 31, 2009.

1.3 Application of the Plan

Except as provided in the following sentence, the terms of this Plan, as amended and restated herein, apply to each Participant who has not received or commenced to receive payment of his or her accrued excess retirement benefit before January 1, 2009. In the case of certain Participants who received or commenced to receive payment of his or her benefit under WEPP prior to January 1, 2009 such a Participant’s excess retirement benefit under this Plan shall commence to be paid on the specified date in 2009 determined in accordance with the rules established with respect to the Plan prior to December 31, 2008 and shall be paid in the form determined in accordance with those rules.

The rights of each Participant who received or commenced to receive payment of his or her accrued excess retirement benefit after December 31, 2004 but before January 1, 2009 will be governed by the terms of the Plan in effect as of the Participant's termination of employment subject to changes required by Section 409A, and subject to the Company's good-faith interpretation of the requirements of Section 409A and transitional guidance published by the IRS.

The rights of each Participant who received or commenced to receive payment of his or her excess retirement benefit before January 1, 2005 will be governed by the terms of the Plan in effect as of the Participant's termination of employment and shall be grandfathered for purposes of Section 409A.

Article 2. Definitions and Construction

2.1 Definitions

Whenever used in the Plan, the following terms shall have the meaning set forth below unless the context clearly indicates otherwise.

- (a) **“Affiliate”** means Affiliate as defined in WEPP.
- (b) **“Board of Directors”** means the Board of Directors of the Company.
- (c) **“Change in Control”** means an event that would constitute a change in ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company, within the meaning of Section 409A.
- (d) **“Code”** means the Internal Revenue Code of 1986, as now in effect or hereafter amended.
- (e) **“Committee”** or **“Human Resources Committee”** means the Human Resources Committee appointed by the Board of Directors of the Company.
- (f) **“Company”** means Whirlpool Corporation, and any organization that is a successor thereto.
- (g) **“Disability”** or **“Disabled”** means the Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company. The Participant will be deemed to be Disabled if he or she is determined to be totally disabled by the Social Security Administration or if he or she is determined to be disabled in accordance with the Company’s (or Subsidiary’s, if applicable) disability insurance program, provided that the definition of disability applied under such disability insurance program complies with the foregoing definition of Disability.
- (h) **“Employee”** means any employee of the Company or other Employer.
- (i) **“Employer”** means the Company and any Subsidiary or Affiliate of the Company any of whose Employees are covered by the Plan.
- (j) **“ERISA”** means the Employee Retirement Income Security Act of 1974, as now in effect or hereafter amended.
- (k) **“Participant”** means an Employee who has satisfied the conditions of sections 3.1 and 3.2.

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- (l) **“Plan”** means the Whirlpool Retirement Benefits Restoration Plan as provided herein and as subsequently amended from time to time.
 - (m) **“Separation from Service”** has the meaning given to such term in Section 409A.
 - (n) **“Section 409A”** means Code section 409A, final regulations issued under Code section 409A and all other Internal Revenue Service guidance that may be issued thereunder.
 - (o) **“Subsidiary”** means a subsidiary of the Company as defined in WEPP.
 - (p) **“WEPP”** means the Whirlpool Employees Pension Plan as modified by the Part II Supplement for the Salaried Employees Participating Group.

2.2 Gender and Number

Except when otherwise indicated by the context, any masculine terminology when used in the Plan shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

2.3 Severability

In the event any provision of the Plan shall be held invalid or illegal for any reason, any illegality or invalidity shall not affect the remaining parts of the Plan, but the Plan shall be construed and enforced as if the illegal or invalid provision had never been inserted, and the Company shall have the privilege and opportunity to correct and remedy such questions of illegality or invalidity by amendment as provided in the Plan.

2.4 Applicable Law

The Code section 415 excess benefit provisions of the Plan are fully exempt from the provisions of ERISA pursuant to section 4(b)(5) thereof. To the extent not preempted by ERISA, the Plan shall be governed, construed, and administered in accordance with the laws of the State of Michigan.

2.5 Section 409A Compliance

It is intended that any payment to a Participant that accrues and becomes payable pursuant to this Plan will not be subject to interest and additional tax under Section 409A. The provisions of the Plan will be interpreted and construed in favor of the Plan meeting any applicable requirements of Section 409A. To the extent that any provision of the Plan would cause a conflict with the requirements of Section 409A, or would cause the administration of the Plan to fail to satisfy Section 409A, such provision shall be deemed null and void to the extent permitted by applicable law. The Company, in its absolute discretion, may amend (including retroactively) this Plan to conform to Section 409A, including amendments to facilitate the ability of a Participant to avoid the imposition of interest and additional tax under Section 409A. However, nothing herein shall be construed as a guaranty by the Company of any particular tax effect on any payment accrued under the terms of the Plan. In any event, the Company will have no responsibility for the payment of any applicable taxes on income deferred by the Participant pursuant to the provisions of this Plan.

Article 3. Participation

3.1 Eligibility

An Employee who is entitled to retirement benefits pursuant to the Part II Supplement to WEPP for the Salaried Employees Participating Group will be eligible for payments under this Plan, provided that payments which would otherwise have been made under WEPP have been reduced by the limitation on such payments set forth in WEPP, as required by Code Section 415 or Code Section 401(a)(17).

An Employee who is not a Retirement Zone Participant as defined in WEPP on December 31, 2006 shall not thereafter become eligible for an excess retirement benefit under this Plan. An Employee who is a Retirement Zone Participant in WEPP on December 31, 2006 shall continue to be eligible to accrue excess retirement benefits under this Plan for services provided to an Employer through December 31, 2009, including a Retirement Zone Participant whose benefit accruals under WEPP are first limited by Code Sections 415 or 401(a)(17) after December 31, 2006.

3.2 Participation

An Employee who is eligible for excess retirement benefits as described in section 3.1 shall become a Participant in the Plan as of the first day of the calendar year in which such person meets the eligibility conditions in Section 3.1 above.

Upon termination of a Participant's employment, such Participant shall be considered an Inactive Participant. Any amounts previously accrued for the benefit of such Inactive Participant pursuant to the terms of the Plan shall be paid to such Inactive Participant (or to such Inactive Participant's beneficiary or beneficiaries) in accordance with Article 4.

Article 4. Benefits

4.1 Amount of Benefits

- (a) **General.** The amount of the excess retirement benefit payable to a Participant who has a Separation from Service for any reason other than death shall be equal to the difference between (1) and (2) determined as of the date of the Participant's Separation from Service (or as of December 31, 2008 in the case of a Participant whose Separation from Service occurs prior to January 1, 2009), where –
- (1) is the lump sum actuarial equivalent value of the monthly normal retirement benefit that would have been payable to the Participant under WEPP commencing on the first day of the month following the Participant's sixty-fifth birthday if the limitations in Code sections 415 and 401(a)(17) were not applied, taking into account any applicable Cash Balance Account benefit under the Part III Supplement to WEPP, but excluding any increases in the Participant's benefit under WEPP pursuant to the second paragraph of Section 5.1(b) of WEPP as described in particular 7 of the Part II Supplement for the Salaried Employees Participating Group; and
 - (2) is the lump sum actuarial equivalent value of the monthly normal retirement benefit payable under WEPP, including (A) any applicable Cash Balance Account benefit under the Part III Supplement to WEPP, and (B) any increases in the Participant's benefit under WEPP attributable to vested benefits accrued under this Plan as of December 31, 2000 that become payable from WEPP pursuant to the second paragraph of Section 5.1(b) of WEPP as described in particular 7 of the Part II Supplement for the Salaried Employees Participating Group.

Notwithstanding anything in this Plan to the contrary, effective as to any Participant other than a Retirement Zone Participant who retires or terminates employment on or after December 31, 2006, the excess retirement benefit for such Participant shall be based on such Participant's benefit under WEPP as of December 31, 2006. No Participant other than a Retirement Zone Participant will accrue an additional excess retirement benefit under this Plan after December 31, 2006. Effective as to any Employee who is a Retirement Zone Participant under the terms of WEPP, and who retires or terminates employment on or after December 31, 2006, the excess retirement benefit for such Retirement Zone Participant shall be based on such Retirement Zone Participant's benefit under WEPP as of December 31, 2009. No Retirement Zone Participant will accrue an additional excess retirement benefit under this Plan after December 31, 2009.

- (b) **Factors for Determining Lump Sum Actuarial Equivalence.** Lump sum actuarial equivalence for purposes of determining the amount of the excess retirement benefit described in section 4.1(a) shall be computed using the same actuarial factors and assumptions as described in WEPP, including early commencement factors, for purposes of determining lump sum payments.
- (c) **Payments at Other Times and in Other Forms.** The payment of early retirement benefits or deferred vested retirement benefits under WEPP at a time other than age 65 or in a form of payment other than a single life annuity shall be disregarded for purposes of computing the amount of the excess retirement benefit payable under this Plan.

4.2 Forfeiture for Cause

Notwithstanding section 4.1, any vested retirement benefit payable under section 4.1 shall be forfeited, and a Participant, and the Participant's surviving spouse and any other beneficiary, shall have no right to such benefit if the Committee or the Company determines that the Participant –

- (a) has engaged in competition with the Company or an affiliate of the Company or has gone to work for a competitor; or
- (b) has revealed trade secrets, or has otherwise engaged in a willful, deliberate, or gross act of commission or omission which is injurious to the finances or reputation of the Company or its affiliate.

Provided, however, that following a Change in Control as described in section 6.1 of the Plan, a Participant's benefit shall not be forfeited if the Participant engages in the activities described in (a) above.

4.3 Time and Form of Payment

- (a) **Normal Time and Form of Payment.** Subject to section 4.3(b), section 4.4, section 4.5, and section 4.9, payment of the Participant's excess retirement benefit under the Plan shall be made to the Participant as follows –
 - (1) Except as provided in subsection 4.3(a)(2) below, in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in the seventh calendar month following such Participant's Separation from Service.
 - (2) For each Participant who terminated employment with the Company before July 1, 2008 who had not received or commenced to receive payment of his or her retirement benefit prior to January 1, 2009, in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in April 2009.

(b) **Optional Time and Form of Payment.**

- (1) *Participants Actively Employed between June 30, 2008 and January 1, 2009.* An eligible Employee who is actively employed by the Company and is a Participant in the Plan after June 30, 2008 and before January 1, 2009, may elect prior to January 1, 2009 in accordance with procedures adopted by the Committee to receive his or her excess retirement benefit either –
- (A) in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in the seventh calendar month following such Participant's Separation from Service, or
 - (B) in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in April of the calendar year following the first anniversary of the Participant's Separation from Service, or
 - (C) in ten (10) substantially equal annual cash installments (based on a declining balance method) with the first installment payable on the first regular Company payroll date for salaried exempt employees in the seventh calendar month following the Participant's Separation from Service and the second through the tenth installments payable in each successive tax year of the Participant on the first regular Company payroll date for salaried exempt employees after the anniversary of the first installment payment.
- (2) *Terminated Deferred Vested Participants as of December 31, 2008 .* A Participant who terminated employment with the Company before July 1, 2008 who had not received or commenced to receive payment of his or her retirement benefit prior to January 1, 2009, may elect prior to January 1, 2009 in accordance with procedures adopted by the Committee to receive his or her excess retirement benefit either –
- (A) in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in April 2009, or
 - (B) in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in April 2010, or
 - (C) in ten (10) substantially equal annual cash installments (based on a declining balance method) with the first installment payable on the first regular Company payroll date for salaried exempt employees in April 2009 and the second through the tenth installments payable on the first regular Company payroll date for salaried exempt employees in April of each successive tax year of the Participant.

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- (3) *Newly Eligible Employees after December 31, 2008.* An Employee who first accrues a benefit under the Plan on or after January 1, 2009 may elect, no later than 30 days after the first day of the calendar year following the year in which such Employee first accrues a benefit under the Plan, in accordance with procedures adopted by the Committee, to receive his or her excess retirement benefit either –
- (A) in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in April of the calendar year following the first anniversary of the Participant's Separation from Service, or
 - (B) in ten (10) substantially equal annual cash installments (based on a declining balance method) with the first installment payable on the first regular Company payroll date for salaried exempt employees in the seventh calendar month following the Participant's Separation from Service and the second through the tenth installments payable in each successive tax year of the Participant on the first regular Company payroll date for salaried exempt employees after the anniversary of the first installment payment.
- (4) *Subsequent Election Affecting the Time and Form of Payment.* A Participant may make a subsequent election to defer the time of payment of the Participant's excess retirement benefit, provided that
- (A) the election shall not become effective until at least twelve (12) months after the date on which the election is made;
 - (B) the election is made at least twelve (12) months before the date that the excess retirement benefit would otherwise have been paid (or in the case of installment payments, at least twelve months before the date the first installment would otherwise have been paid); and
 - (C) payment of the excess retirement benefit shall be made in a lump sum on the date that is five (5) years from the date such payment would otherwise have occurred (or in the case of a participant who had previously elected installment payments, five years from the date the first installment would otherwise have been paid).
- (c) **Interest Additions.** Interest shall be credited annually on a Participant's excess retirement benefit calculated in accordance with section 4.1 at the WEPP Rate for each full month from the date of the Participant's Separation from Service to the date of

payment. For this purpose, the “WEPP Rate” means the interest rate then used to calculate interest credits on cash balance accounts as described in Section 3 of the Part III Supplement to WEPP for Cash Balance Accounts and Retiree Health Care Accounts.

4.4 Cash-Out of Small Account Balances

The Company shall disregard a Participant’s election regarding the time and form of payment (as described in section 4.3(b)) if the excess retirement benefit of the Participant under this Plan when added to the value of benefits accrued on behalf of the Participant under all other nonqualified deferred compensation plans maintained by the Company which are aggregated with this Plan pursuant to Treasury Regulation Section 1.409A-1(c)(2) upon such Participant’s Separation from Service does not exceed \$100,000. In such case, the Participant’s excess retirement benefit will be paid in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in the seventh calendar month following such Participant’s Separation from Service.

4.5 Distributions on Account of Disability

Notwithstanding section 4.3 and section 4.4, in the event a Participant becomes Disabled before the Participant’s entire excess retirement benefit under the Plan is paid, the Participant’s remaining excess retirement benefit (including any amounts remaining in the Plan on behalf of a Participant who had commenced to receive installment payments pursuant to section 4.3(b)) will be paid in a lump sum cash payment on the first Company payroll date for salaried exempt employees in the month following the Participant’s Disability.

4.6 Distributions on Account of Death Following Separation from Service

Notwithstanding section 4.3 and section 4.4, in the event a Participant whose Separation from Service occurs for reasons other than death dies before the Participant’s entire excess retirement benefit under the Plan is paid, the Participant’s remaining excess retirement benefit (including any amounts remaining in the Plan on behalf of a Participant who had commenced to receive installment payments pursuant to section 4.3(b)) will be paid in a lump sum cash payment to the Participant’s beneficiary on the first Company payroll date for salaried exempt employees in the month following the Participant’s death.

4.7 Distributions on Account of Death Before Separation from Service

In the case of a Participant whose death occurs prior to the Participant’s Separation from Service, a death benefit shall be payable to the Participant’s beneficiary if a preretirement death benefit that would be payable on behalf of the Participant under section 5.8 or 5.9 of WEPP is affected by the limitations in Code sections 415 or 401(a)(17) or related limitations. Such preretirement death benefit shall be computed using the factors and assumptions used to compute the applicable preretirement death benefit under WEPP, except that the amount of the preretirement death benefit shall be computed on the same basis as retirement payments are determined under

section 4.1 and shall be converted to the lump sum actuarial equivalent value of the preretirement death benefit using the actuarial factors described in section 4.1(b). The death benefit shall be paid in a lump sum cash payment to the Participant's beneficiary on the first Company payroll date for salaried exempt employees in the month following the Participant's death. Preretirement death benefits shall be forfeitable in the same manner as retirement benefits in accordance with the provisions of section 4.2.

4.8 Designation of Beneficiary

In the absence of a separate beneficiary designation by the Participant with respect to benefits payable upon the death of the Participant under this Plan, a Participant's beneficiary shall be the beneficiary designated by the Participant to receive a benefit under WEPP in the event of the Participant's death. A Participant may designate a separate primary beneficiary or beneficiaries who, upon his death, are to receive the distributions that otherwise would have been paid to him under this Plan. In addition, the Participant may designate a contingent beneficiary or beneficiaries who shall receive distributions should the primary beneficiary or beneficiaries predecease the Participant. All designations shall be in writing and shall be effective only if and when delivered to the Committee during the lifetime of the Participant.

The designation of a spouse as a beneficiary shall automatically be revoked upon divorce or legal separation.

In the absence of a beneficiary designation or in the event that all of the named beneficiaries predecease the Participant, or if there is doubt as to the right of any beneficiary, the Company shall make payments to the surviving member(s) of the following classes of beneficiaries, in equal shares, with preference for classes in the order listed below:

- (a) the Participant's spouse (unless legally separated by court decree),
- (b) the Participant's children (including children by adoption),
- (c) the Participant's parents (including parents by adoption), and
- (d) the Participant's executor or administrator.

Benefits will be paid exclusively to the member(s) of the first class in the order listed above, which has surviving member(s). If that class has more than one member, payment will be made in equal shares among members of that class.

4.9 Delay of Payment

Notwithstanding any other provision in the Plan, payment of a Participant's excess retirement benefit under the Plan will be delayed as follows:

- (a) If any Participant is a Specified Employee (as defined in Section 409A), upon a Separation from Service for any reason other than death, commencement of payment to such Participant shall not be made before the date that is six (6) months after the date of his or her Separation from Service (or, if earlier, the date of death of the Participant). Payments to which a Specified Employee would otherwise be entitled during this period shall be accumulated and paid, together with interest, on the first Company payroll date for salaried exempt employees in the seventh calendar month following the date of his or her Separation from Service.
- (b) If the Company reasonably anticipates that any portion of any Participant's excess retirement benefit could be limited or nondeductible under Code Section 162(m) (or cause other amounts payable by the Company to be nondeductible under Code Section 162(m)), then the payment of such portion of the excess retirement benefit to such Participant shall be delayed until the earliest date on which the Company reasonably anticipates that the deduction will not be limited or eliminated by application of Code Section 162(m).
- (c) Payment of a Participant's excess retirement benefit under the Plan may be delayed as permitted under Section 409A, as if stated in the Plan, for example, if the making of a payment would jeopardize the ability of the Company to continue as a going concern, or the Company reasonably anticipates that the making of the payment will violate Federal securities or other applicable laws.

If the payment of any Participant's excess retirement benefit is delayed for any reason beyond the Participant's date of Separation from Service, the portion so delayed will be credited with interest from the date of the Participant's Separation from Service until paid.

Article 5. Administration and General Provisions

5.1 Administration

The Human Resources Committee (the “Committee”) shall be charged with the administration and interpretation of the Plan but may delegate the ministerial duties hereunder to such persons as it determines. The Committee may adopt such rules as may be necessary or appropriate for the proper administration of the Plan. To the extent that such rules are not adopted, applicable rules relating to the administration of WEPP modified to the extent necessary to comply with Section 409A shall govern. The Committee shall have the exclusive right, in its discretion, to make any finding of fact necessary or appropriate for any purpose under the Plan, including but not limited to the determination of the eligibility for and the amount of any benefit payable under the Plan. The Committee shall have the exclusive right, in its discretion, to interpret the terms and provisions of the Plan and to determine any and all questions arising under the Plan or in connection with the administration thereof, including, without limitation, the right to remedy or resolve possible ambiguities, inconsistencies, or omissions, by general rule or particular decision. All findings of fact, determinations, interpretations, and decisions of the Committee shall be conclusive and binding upon all persons having or claiming to have any interest or right under the Plan and shall be given the maximum possible deference allowed by law. Benefits under the Plan shall be paid only if the Committee in its sole discretion determines that a Participant is entitled to the benefits.

5.2 Funding of the Plan

Benefits under the Plan shall be paid out of the general assets of the Employer. Benefits payable under the Plan shall be reflected on the accounting records of the Employer but shall not be construed to create or require the creation of a trust, custodial, or escrow account. No Employee or Participant shall have any right, title, or interest whatever in or to any investment reserves, accounts, or funds that the Employer may purchase, establish, or accumulate to aid in providing benefits under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create a trust or fiduciary relationship of any kind between the Employer and an Employee or any other person. Neither a Participant nor survivor or beneficiary of an Employee shall acquire any interest greater than that of an unsecured creditor.

5.3 Claims Procedure

Benefits shall be paid in accordance with the provisions of this Plan.

- (a) The Participant, or a designated beneficiary or any other person claiming through the Participant, shall make a written request for benefits under this Plan. This written claim shall be mailed or delivered to the Committee. Such claim shall be reviewed by the Committee or a delegate.
- (b) If the claim is denied, in full or in part, the Committee shall provide a written notice within (90) days setting forth the specific reasons for denial, and any additional material or information necessary to perfect the claim, and an explanation of why such

material or information is necessary, and appropriate information and explanation regarding the steps to be taken if a review of the denial is desired. However, if special circumstances require an extension of the period of time for considering a claim, the 90-day period can be extended for an additional 90 days by giving the claimant written notice of the extension, the reason why the extension is necessary, and the date a decision is expected.

- (c) If the claim is denied and a review is desired, the Participant (or beneficiary) shall notify the Committee in writing within sixty (60) days after receipt of the written notice of denial. In requesting a review, the Participant or beneficiary may request a review of pertinent documents with regard to the benefits created under this Plan, may submit any written issues and comments, may request an extension of time for such written submission of issues and comments, and may request that a hearing be held, but the decision to hold a hearing shall be within the sole discretion of the Committee.
- (d) The decision on the review of the denied claim shall be rendered by the Committee within sixty (60) days after the receipt of the request for review (if no hearing is held) or within sixty (60) days after the hearing if one is held. However, if special circumstances require an extension of the period of time for considering an appeal, the 60-day period can be extended for an additional 60 days by giving the claimant written notice of the extension, the reason why the extension is necessary, and the date a decision is expected. The decision shall be written and shall state the specific reasons for the decision including references to the specific provisions of this Plan on which the decision is based.

5.4 Payment of Expenses and Indemnity for Liability

The Company shall pay all expenses of administering the Plan and shall indemnify each member of the Committee, and each other person acting at the direction of the Committee, against any and all claims, losses, damages, expenses, including reasonable attorney's fees, incurred by such persons and any liability, including any amounts paid in settlement with the Committee's approval, arising from such person's action or failure to act, except when the same is judicially determined to be attributable to the gross negligence or willful misconduct of such person.

5.5 Incompetence

Every person receiving or claiming benefits under the Plan shall be conclusively presumed to be mentally competent until the date on which the Committee receives a written notice, in a form and manner acceptable to the Committee, that such person is incompetent, and that a guardian, conservator, or other person legally vested with the care of such person's person or estate has been appointed; provided, however, that if the Committee shall find that any person to whom a benefit is payable under the Plan is unable to care for such person's affairs because of incompetency, any payment due (unless a prior claim therefor shall have been made by a duly appointed legal representative) may be paid as provided in WEPP. Any such payment so made shall be a complete discharge of liability therefor under the Plan.

5.6 Nonalienation

No benefit payable at any time under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment, garnishment, or encumbrance of any kind, and shall not be subject to or reached by any legal or equitable process (including execution, garnishment, attachment, pledge, or bankruptcy) in satisfaction of any debt, liability, or obligation, prior to receipt. Any attempt to alienate, sell, transfer, assign, pledge, or otherwise encumber any such benefit, whether presently or thereafter payable, shall be void.

5.7 Employer-Employee Relationship

The establishment of this Plan shall not be construed as conferring any legal or other rights upon any Employee or any person for a continuation of employment, nor shall it interfere with the rights of the Employer to discharge any Employee or otherwise act with relation to the Employee. The Employer may take any action (including discharge) with respect to any Employee or other person and may treat such person without regard to the effect which such action or treatment might have upon such person as a Participant of this Plan.

5.8 Effect on Other Benefit Plans

Amounts credited or paid under this Plan shall not be considered to be compensation for the purposes of WEPP or any other plans maintained by the Employer. The treatment of such amounts under other employee benefit plans shall be determined pursuant to the provisions of such plans.

5.9 Tax Liabilities

- (a) *Tax Withholding.* The Company may deduct from any payment of benefits hereunder any taxes required to be withheld and such sum as the Employer may reasonably estimate to be necessary to cover any taxes for which the Employer may be liable and which may be assessed with regard to such payment.
- (b) *Acceleration of Payment.* The time and schedule of payments that would otherwise occur pursuant to Article 4, may be accelerated as follows:
 - (1) A payment may be made to pay the Federal Insurance Contribution Act (FICA) tax imposed by Code Sections 3101, 3121(a), and 3121(v)(2) on amounts deferred under the Plan (the FICA amount).
 - (2) A payment may be made to pay state, local, or foreign tax obligations arising from participation in the Plan that apply to amounts deferred under the Plan before the amounts are paid or made available to the Participant (the state, local, or foreign tax amount). Such payment may not exceed the amount of such taxes due as a result of participation in the Plan.

Such payment may be made by distributions to the Participant in the form of withholding pursuant to provisions of the applicable state, local, or foreign law or by distribution directly to the Participant.

- (3) A payment may be made to pay the Federal income tax at the source on wages imposed under Code Section 3401, or the corresponding withholding provisions of applicable state, local, or foreign tax laws, as a result of payment of the FICA amount and/or the state, local, or foreign tax amount, and to pay the additional income tax at source on wages attributable to the pyramiding under Code Section 3401 wages and taxes.

However, the total payment to or on behalf of the Participant pursuant to this acceleration provision may not exceed the aggregate of the FICA, state, local, and/or foreign tax amount, and the Federal income tax withholding related to such FICA, state, local and/or foreign tax amounts.

Article 6. Change in Control, Amendment, and Termination

6.1 Change in Control

In the event of a “Change in Control” where the Company is not the surviving corporation, it is intended that the Plan shall be continued and that any such continuing, resulting, or transferee entity shall assume all liabilities of the Company hereunder.

6.2 Amendment

The Committee, consistent with relevant action of the Board of Directors, may amend or modify the Plan, at any time and from time to time and in any respect, provided, however, that no such action of the Committee, without approval of the Participant, may adversely affect in any way any amounts already accrued by the Participant pursuant to the Plan prior to such amendment.

6.3 Termination

The Company reserves the right to terminate the Plan in accordance with this Section.

- (a) *Bankruptcy*. The Company may terminate the Plan within twelve months of a corporate dissolution taxed under Code section 331, or with the approval of a bankruptcy court pursuant to 11 U.S.C. section 503(b)(1)(A), provided that the amounts accrued under the Plan are included in the Participants’ gross incomes in the latest of: (i) the calendar year in which the Plan termination occurs; (ii) the calendar year in which the amount is no longer subject to a substantial risk of forfeiture; or (iii) the first calendar year in which the payment is administratively practicable.
- (b) *Change in Control*. The Company may terminate the Plan within the thirty days preceding a Change in Control, or the Company, or a successor company that is primarily liable for payment of amounts deferred under the Plan immediately after the Change in Control transaction, may terminate the Plan within the twelve months following a Change in Control. The Plan will be treated as terminated only if all substantially similar arrangements sponsored by the Company (or the successor company, if applicable) and all affiliates are terminated, so that the Participants in the Plan and all participants that experienced the Change in Control event under substantially similar arrangements are required to receive all amounts of compensation deferred under the terminated arrangements within twelve months of the date the Company (or the successor company) irrevocably takes all necessary action to terminate the arrangements.
- (c) *Discretionary Termination*. The Company may terminate the Plan at any time in its discretion, provided that: (i) the termination does not occur proximate to a downturn in the financial health of the Company; (ii) all arrangements sponsored by the Company and its affiliates that would be aggregated with any terminated arrangement under Section 409A if the same individual

participated in all of the arrangements, are terminated; (iii) no payments other than payments that would be payable under the terms of the arrangements if the termination had not occurred are made within twelve months of the termination of the arrangements; (iv) all payments are made within twenty-four months of the termination of the arrangements; and (v) the Company and its affiliates do not adopt a new arrangement that would be aggregated with any terminated arrangement under Section 409A if the same individual participated in both arrangements, at any time within three years following the date of termination of the Plan.

- (d) *Other.* The Company may terminate the Plan upon such other events and in such other conditions as the Commissioner of Internal Revenue may prescribe in generally applicable published guidance.

IN WITNESS WHEREOF, **WHIRLPOOL CORPORATION** has caused this Plan to be executed below by its duly authorized representatives this 19th day of December, 2008.

WHIRLPOOL CORPORATION

By: /s/ David A. Binkley
David A. Binkley,
Senior Vice President
Global Human Resources

ATTEST:

By: /s/ Robert J. LaForest
Robert J. LaForest,
Associate General Counsel
and Assistant Secretary

Whirlpool Supplemental Executive Retirement Plan

(As Amended and Restated Effective as of January 1, 2009)

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Article 1. Establishment of the Plan

1.1 Establishment and History of the Plan

Whirlpool Corporation previously established a supplemental retirement plan for certain of its eligible Employees known as the “Whirlpool Supplemental Executive Retirement Plan” (the “Plan”), which Plan was originally effective as of August 18, 1981. The Plan was last amended and restated effective as of December 31, 1993. Effective as of the close of business August 31, 2002, the Whirlpool Financial Corporation Supplemental Executive Retirement Plan was merged into the Plan. The Plan is hereby amended and restated effective as of January 1, 2009 to make changes to the Plan as required or permitted by Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and applicable guidance issued thereunder.

1.2 Purpose

The purpose of the Plan is to provide a Participant with a retirement income based on the Participant’s Average Incentive Award, which award is not taken into consideration as compensation under the Whirlpool Employees Pension Plan (“WEPP”). The Plan is intended to provide unfunded, deferred compensation benefits to a select group of management or highly compensated employees within the meaning of sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

1.3 Application of the Plan

Except as provided in the following sentence, the terms of this Plan, as amended and restated herein, apply to each Participant who has not received or commenced to receive payment of his or her accrued retirement benefit before January 1, 2009. In the case of certain Participants who received or commenced to receive payment of his or her benefit under WEPP prior to January 1, 2009 such a Participant’s retirement benefit under this Plan shall commence to be paid on the specified date in 2009 determined in accordance with the rules established with respect to the Plan prior to December 31, 2008 and shall be paid in the form determined in accordance with those rules.

The rights of each Participant who received or commenced to receive payment of his or her accrued retirement benefit after December 31, 2004 but before January 1, 2009 will be governed by the terms of the Plan in effect as of the Participant’s termination of employment subject to changes required by Section 409A, and subject to the Company’s good-faith interpretation of the requirements of Section 409A and transitional guidance published by the IRS.

The rights of each Participant who received or commenced to receive payment of his or her accrued retirement benefit before January 1, 2005 will be governed by the terms of the Plan in effect as of the Participant’s termination of employment.

Article 2. Definitions and Construction

2.1 Definitions

Whenever used in the Plan, the following terms shall have the meaning set forth below unless the context clearly indicates otherwise.

- (a) **“Affiliate”** means an Affiliate as defined in WEPP.
- (b) **“Board of Directors”** means the Board of Directors of the Company.
- (c) **“Change in Control”** means an event that would constitute a change in ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company, within the meaning of Section 409A.
- (d) **“Code”** means the Internal Revenue Code of 1986, as now in effect or hereafter amended.
- (e) **“Committee”** or **“Human Resources Committee”** means the Human Resources Committee appointed by the Board of Directors of the Company.
- (f) **“Company”** means Whirlpool Corporation, and any organization that is a successor thereto.
- (g) **“Continuous Service”** means Continuous Service as defined in WEPP.
- (h) **“Credited Service”** means Credited Service as defined in WEPP.
- (i) **“Disability”** or **“Disabled”** means the Participant is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company. The Participant will be deemed to be Disabled if he or she is determined to be totally disabled by the Social Security Administration or if he or she is determined to be disabled in accordance with the Company’s (or Subsidiary’s, if applicable) disability insurance program, provided that the definition of disability applied under such disability insurance program complies with the foregoing definition of Disability.
- (j) **“Employee”** means any employee of the Company.
- (k) **“Employer”** means the Company and any Subsidiary or Affiliate of the Company any of whose Employees are covered by the Plan.
- (l) **“Incentive Award”** means –
 - (1) for years prior to 1989, the total of awards made for any year under the Key Executive Incentive Plan of the Company and from the Discretionary Bonus Fund under the Whirlpool Corporation Bonus Plan; and

-
- (2) for 1989 and subsequent years, a Participant's "Final Incentive Award" for a particular year in which he is a Participant in this Plan, as determined under the Whirlpool Corporation Performance Excellence Plan, but such award shall be recognized in such year only to the extent that the Human Resources Committee affirmatively specifies that a Participant's award will be recognized for purposes of accruing benefits under the Plan;

which bonus is not included in the calculation of benefits under WEPP (no other bonus of any kind shall be recognized or included as an Incentive Award); determined in each case without regard to the year or years in which any such award is actually paid to the Participant and irrespective of whether the award is paid in cash or is deferred for future payment under the Whirlpool 401(k) Retirement Plan, the Whirlpool Corporation Executive Deferred Savings Plan, the Whirlpool Corporation Executive Deferred Savings Plan II or their related or predecessor plans.

- (m) **"Participant"** means an Employee who has satisfied the conditions of sections 3.1 and 3.2.
- (n) **"Plan"** means the Whirlpool Supplemental Executive Retirement Plan as provided herein and as subsequently amended from time to time.
- (o) **"Qualifying Survivor"** means, for purposes of calculating death benefits under Section 4.6 or Section 4.7 of the Plan, the spouse to whom the Participant is married at the time of death, or, if none, the class of persons consisting of the Participant's unmarried surviving children who have not attained their twenty-first birthday. "Children" means a Participant's own natural children, lawfully adopted children, stepchildren, foster children, or other children who are dependent upon the Participant as the principal source of support.
- (p) **"Section 409A"** means Code Section 409A, the final regulations issued under Code Section 409A, and all other Internal Revenue Service guidance that may be issued thereunder.
- (q) **"Subsidiary"** means a subsidiary of the Company as defined in WEPP.
- (r) **"Separation from Service"** has the meaning given to such term by Section 409A.
- (s) **"WEPP"** means the Whirlpool Employees Pension Plan as modified by the Part II Supplement for the Salaried Employees Participating Group.
- (t) **"Years of Participation"** means the number of complete calendar years in which an Employee is a Participant in the Plan; provided, however, that the first calendar year in which an Employee becomes a Participant in the Plan shall be treated as a complete calendar year.

2.2 Gender and Number

Except when otherwise indicated by the context, any masculine terminology when used in the Plan shall also include the feminine gender, and the definition of any term herein in the singular shall also include the plural.

2.3 Severability

In the event any provision of the Plan shall be held invalid or illegal for any reason, any illegality or invalidity shall not affect the remaining parts of the Plan, but the Plan shall be construed and enforced as if the illegal or invalid provision had never been inserted, and the Company shall have the privilege and opportunity to correct and remedy such questions of illegality or invalidity by amendment as provided in the Plan.

2.4 Applicable Law

The Plan shall be governed, construed, and administered in accordance with the laws of the State of Michigan.

2.5 Section 409A Compliance

It is intended that any payment to a Participant that accrues and becomes payable pursuant to this Plan will not be subject to interest and additional tax under Section 409A. The provisions of the Plan will be interpreted and construed in favor of the Plan meeting any applicable requirements of Section 409A. To the extent that any provision of the Plan would cause a conflict with the requirements of Section 409A, or would cause the administration of the Plan to fail to satisfy Section 409A, such provision shall be deemed null and void to the extent permitted by applicable law. The Company, in its absolute discretion, may amend (including retroactively) this Plan to conform to Section 409A, including amendments to facilitate the ability of a Participant to avoid the imposition of interest and additional tax under Section 409A. However, nothing herein shall be construed as a guaranty by the Company of any particular tax effect on any payment accrued under the terms of the Plan. In any event, the Company will have no responsibility for the payment of any applicable taxes on income deferred by the Participant pursuant to the provisions of this Plan.

Article 3. Participation

3.1 Eligibility

An Employee who was a Participant in the Plan on December 31, 2008, shall continue to be a Participant on and after January 1, 2009. An Employee who was not a Participant in the Plan on December 31, 2008 shall become eligible to participate in the Plan if such person is hired in, or is promoted to, a position of employment with the Employer that is in Bands 00, 01, 02, 03 or 04a, or its current equivalent under the Company's position grading system.

3.2 Participation

An Employee who is eligible to participate in the Plan as described in section 3.1 shall become a Participant in the Plan as of the first day of the calendar year in which such person meets the eligibility conditions in section 3.1. Upon termination of a Participant's employment, or if earlier, upon the Committee's determination that such Participant is no longer employed in a class of employment that is eligible to participate (due to demotion of such Participant to an ineligible class of employment or otherwise), such Participant shall be considered an Inactive Participant. Any amounts previously accrued for the benefit of such Inactive Participant pursuant to the terms of the Plan shall be paid to such Inactive Participant (or to such Inactive Participant's Qualifying Survivor(s)) in accordance with Article 4.

3.3 Transferred Participants

In the event that a Participant is transferred from employment with the Employer to employment with a Subsidiary or an Affiliate that is not an Employer under this Plan, such person shall not incur a Separation from Service and shall continue to earn Years of Participation and eligibility for a retirement benefit under the Plan. Such person's accrued retirement benefit shall be retained under the Plan for distribution in accordance with Article 4. The Participant will no longer earn Credited Service following such transfer, but for purposes of determining his Average Incentive Award, any annual incentive award payable after the transfer under an incentive plan of a Subsidiary or an Affiliate of the Company shall be treated as an Incentive Award hereunder.

In the event any individual who is an employee of Maytag Corporation or on the payroll of Maytag Corporation becomes an employee of the Company or is added to the Company's payroll, and meets the eligibility requirements of this Plan, or the Plan is amended to provide for such employee's coverage, the Plan shall be construed in such manner as is necessary in the Committee's sole discretion, to prevent the duplication of benefits between the Plan and any Maytag Corporation employee benefit program.

Article 4. Benefits

4.1 Eligibility for Benefits

A Participant who –

- (a) has received an Incentive Award for the last full year of employment or for any one or more of the nine calendar years immediately preceding such last full year of employment, and
- (b) whose employment terminates for any reason after completing five (5) years of Continuous Service in one or more position levels that are eligible to participate in the Plan, or whose employment in an eligible position level terminates because of the Participant's long-term disability (as defined in the Company's long-term disability plan for salaried employees),

shall be eligible to receive a retirement benefit under the Plan, in accordance with and subject to the terms of the Plan.

4.2 Amount of Retirement Benefit

A Participant eligible for a retirement benefit under section 4.1 who has a Separation from Service for any reason other than death shall be entitled to receive a retirement benefit under the Plan that is the lump sum actuarial equivalent value of a single life annuity payable for the life of the Participant, and calculated as follows:

- (a) The single life annuity used for calculating a Participant's lump sum retirement benefit under the Plan shall be equal to a single life annuity commencing on the first day of the month following the Participant's sixty-fifth (65th) birthday in an amount determined by multiplying the Participant's Average Incentive Award by the Participant's Service Percentage.

The "**Service Percentage**" shall be two percent (2%) times the Participant's Credited Service up to a maximum of sixty percent (60%).

The "**Average Incentive Award**" shall be an amount equal to –

- (1) the sum of the five highest Incentive Awards made to the Participant for the last full year of employment and the nine years of employment immediately preceding such last full year of employment, whether or not for consecutive years, divided by five; and
- (2) provided, if the Participant has had fewer than five Incentive Awards in such period, the Average Incentive Award shall be the sum of all such Incentive Awards divided by five.

Notwithstanding anything in this section 4.2 to the contrary, the monthly payment amount used for calculating the single life annuity which is used for calculation of a Participant's retirement benefit, as calculated in accordance with the preceding provisions of this Section 4.2, shall be reduced for the Participants, and by the corresponding amounts, set forth in Appendix A.

- (b) If the Participant has attained age fifty-five (55) (but not age sixty-five (65)) as of the date of the Participant's Separation from Service, the single life annuity shall be presumed to commence on the first day of the month following the Participant's Separation from Service and the annual amount of the single life annuity determined under (a) above shall be reduced by one-fourth of one percent for each full calendar month, up to a maximum of sixty (60) months, by which the date of the Participant's Separation from Service precedes the first day of the month coincident or next following the Participant's sixty-fifth (65th) birthday, plus one-half of one percent for each full calendar month, up to a maximum of sixty (60) months, by which the date of the Participant's Separation from Service precedes the first day of the month coincident with or next following the Participant's sixtieth (60th) birthday.
- (c) If the Participant has not yet attained age fifty-five (55) as of the date of the Participant's Separation from Service, the Participant's lump sum retirement benefit shall be the actuarial equivalent benefit of the single life annuity (determined under Section 4.2(a) above) calculated as if the single life annuity had commenced on the first day of the month following the Participant's Separation from Service.
- (d) Notwithstanding anything contained in this Section 4.2 to the contrary, lump sum actuarial equivalence shall be determined as of December 31, 2008 for each Participant whose employment terminated before January 1, 2009 who had not received or commenced to receive payment of his or her accrued retirement benefit as of December 31, 2008.
- (e) Lump sum actuarial equivalence for purposes of determining the amount of the retirement benefit (or a pre-commencement death benefit as described in Section 4.7) shall be computed using the actuarial factors described in WEPP for purposes of determining lump sum payments.

4.3 Time and Form of Payment of Retirement Benefit

- (a) **Normal Time and Form of Payment.** Subject to Section 4.3(b), Section 4.4, Section 4.5, Section 4.6 and Section 4.7, payment of the Participant's retirement benefit under section 4.2 shall be made to the Participant as follows –
 - (1) Except as provided in subsection 4.3(a)(2) below, in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in the seventh calendar month following such Participant's Separation from Service.
 - (2) For each Participant who terminated employment with the Company before July 1, 2008 who had not received or commenced to receive payment of his or her retirement benefit prior to January 1, 2009, in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in April 2009.

(b) **Optional Time and Form of Payment.**

- (1) *Participants Actively Employed between June 30, 2008 and January 1, 2009.* An eligible Employee who is actively employed by the Company and is a Participant in the Plan after June 30, 2008 and before January 1, 2009, may elect prior to January 1, 2009 in accordance with procedures adopted by the Committee to receive his or her retirement benefit either –
 - (A) in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in the seventh calendar month following such Participant's Separation from Service, or
 - (B) in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in April of the calendar year following the first anniversary of the Participant's Separation from Service, or
 - (C) in ten (10) substantially equal annual cash installments (based on a declining balance method) with the first installment payable on the first regular Company payroll date for salaried exempt employees in the seventh calendar month following the Participant's Separation from Service and the second through the tenth installments payable in each successive tax year of the Participant on the first regular Company payroll date for salaried exempt employees after the anniversary of the first installment payment.
- (2) *Terminated Deferred Vested Participants as of December 31, 2008 .* A Participant who terminated employment with the Company before July 1, 2008 who had not received or commenced to receive payment of his or her retirement benefit prior to January 1, 2009, may elect prior to January 1, 2009 in accordance with procedures adopted by the Committee to receive his or her retirement benefit either –
 - (A) in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in April 2009, or
 - (B) in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in April 2010, or
 - (C) in ten (10) substantially equal annual cash installments (based on a declining balance method) with the first installment payable on the first regular Company payroll date for salaried exempt employees in April 2009 and the second through the tenth installments payable on the first regular Company payroll date for salaried exempt employees in April of each successive tax year of the Participant.
- (3) *Newly Hired Eligible Employees.* An Employee who is first hired on or after January 1, 2009 into a position that is immediately eligible to participate in the Plan as of the Employee's date of hire may elect within 30 days of the Employee's date of hire in accordance with procedures adopted by the Committee to receive his or her retirement benefit either –
 - (A) in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in the seventh calendar month following such Participant's Separation from Service, or

- (B) in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in April of the calendar year following the first anniversary of the Participant's Separation from Service, or
 - (C) in ten (10) substantially equal annual cash installments (based on a declining balance method) with the first installment payable on the first regular Company payroll date for salaried exempt employees in the seventh calendar month following the Participant's Separation from Service and the second through the tenth installments payable in each successive tax year of the Participant on the first regular Company payroll date for salaried exempt employees after the anniversary of the first installment payment.
- (4) *Employees Promoted into an Eligible Class of Employment* . The retirement benefit of a Participant who is first promoted on or after January 1, 2009 into a position that is eligible to participate in the Plan shall be paid in accordance with subsection 4.3(a)(1) above (unless such Participant makes a subsequent deferral election in accordance with subsection 4.3(b)(5) below).
- (5) *Subsequent Election Affecting the Time and Form of Payment*. A Participant may make a subsequent election to defer the time of payment of the Participant's retirement benefit, provided that
- (A) the election shall not become effective until at least twelve (12) months after the date on which the election is made;
 - (B) the election is made at least twelve (12) months before the date that the retirement benefit would otherwise have been paid (or in the case of installment payments, at least twelve months before the date the first installment would otherwise have been paid); and
 - (C) payment of the retirement benefit shall be made in a lump sum on the date that is five (5) years from the date such payment would otherwise have occurred (or in the case of a participant who had previously elected installment payments, five years from the date the first installment would otherwise have been paid).
- (c) **Interest Additions.** Interest shall be credited annually on a Participant's retirement benefit calculated in accordance with Section 4.2 at the WEPP Rate for each full month from the date of the Participant's Separation from Service to the date of payment. For this purpose, the "WEPP Rate" means the interest rate then used to calculate interest credits on cash balance accounts as described in Section 3 of the Part III Supplement to WEPP for Cash Balance Accounts and Retiree Health Care Accounts.

4.4 Cash-Out of Small Retirement Benefits

The Company shall disregard a Participant's election regarding the time and form of payment or a Participant's subsequent election to defer payment (as each is described in Section 4.3(b)) if the retirement benefit of the Participant under this Plan and all other nonqualified deferred compensation plans maintained by the Company which are aggregated with this Plan pursuant to Treasury Regulation Section 1.409A-1(c)(2) upon such Participant's Separation from Service does not exceed \$100,000. In such case, the Participant's retirement benefit will be paid in a lump sum cash payment on the first regular Company payroll date for salaried exempt employees to occur in the seventh calendar month following such Participant's Separation from Service.

4.5 Distributions on Account of Disability

Notwithstanding Section 4.3 and Section 4.4, in the event a Participant becomes Disabled before the Participant's entire retirement benefit under the Plan is paid, the Participant's retirement benefit (including any amounts remaining in the Plan on behalf of a Participant who had commenced to receive installment payments pursuant to Section 4.3(b)) will be paid in a lump sum cash payment on the first Company payroll date for salaried exempt employees in the month following the Participant's Disability.

4.6 Distributions on Account of Death Following Commencement of Installment Payments

If a Participant dies after beginning to receive installment payments pursuant to Section 4.3(b), but before the Participant's entire retirement benefit under the Plan is paid, the remaining installments that would have been paid to the Participant had the Participant survived will be paid in a lump sum cash payment on the first Company payroll date for salaried exempt employees in the month following the Participant's death.

In the absence of a separate beneficiary designation by the Participant with respect to benefits payable upon the death of the Participant under this Section 4.6, a Participant's beneficiary shall be the beneficiary designated by the Participant to receive a benefit under WEPP in the event of the Participant's death. A Participant may designate a separate primary beneficiary or beneficiaries who, upon his death, are to receive the distributions that otherwise would have been paid to him under this Plan. In addition, the Participant may designate a contingent beneficiary or beneficiaries who shall receive distributions should the primary beneficiary or beneficiaries predecease the Participant. All designations shall be in writing and shall be effective only if and when delivered to the Committee during the lifetime of the Participant.

The designation of a spouse as a beneficiary shall automatically be revoked upon divorce or legal separation.

In the absence of a beneficiary designation or in the event that all of the named beneficiaries predecease the Participant, or if there is doubt as to the right of any beneficiary, the Company shall make payments to the surviving member(s) of the following classes of beneficiaries, in equal shares, with preference for classes in the order listed below:

- (a) the Participant's spouse (unless legally separated by court decree),
- (b) the Participant's children (including children by adoption),
- (c) the Participant's parents (including parents by adoption), and
- (d) the Participant's executor or administrator.

Benefits will be paid exclusively to the member(s) of the first class in the order listed above, which has surviving member(s). If that class has more than one member, payment will be made in equal shares among members of that class.

4.7 Distributions on Account of Death Before Payment or Commencement of Installment Payments

A death benefit shall be payable in the event of the death of a Participant in one of the following classes:

- (a) A Participant who meets the eligibility requirements described in Section 4.1 for a retirement benefit but who has not yet received or commenced to receive benefit payments; and
- (b) A married active Participant who has completed at least five years of Continuous Service but is not eligible for Plan benefits under section 4.1 of the Plan.

The death benefit payable on behalf of a deceased Participant described in (a) above shall be a lump sum cash payment computed in accordance with section 4.2, as though the Participant had retired the day before death, and applying (1) the automatic preretirement one-half to surviving spouse option under section 5.8 of WEPP for any married Participant or (2) the lump sum survivor option provided under section 5.9 of WEPP for a Participant who is not married on the date of his or her death. Such lump sum benefit shall be payable on the first regular Company payroll date for salaried exempt employees in the month following the month in which the Participant's death occurs, except that only the Participant's Qualifying Survivor may be the beneficiary under such options.

A death benefit shall be payable on behalf of a deceased Participant described in (b) above if such individual is survived by a spouse. Such benefit shall be a lump sum cash payment computed (1) based on the accrued retirement benefit computed in accordance with section 4.2 hereof, (2) using the early commencement reductions applicable to a deferred retirement benefit under section 5.4 of WEPP, (3) consistent with the death benefit formula in section 5.8(b)(2)(B) of WEPP, and (4) shall be payable on the first regular Company payroll date for salaried exempt employees in the month following the month in which the Participant's death occurs.

4.8 Delay of Payment

Notwithstanding any other provision in the Plan, payment of a Participant's retirement benefit under the Plan will be delayed as follows:

- (a) If any Participant is a Specified Employee (as defined in Section 409A), upon a Separation from Service for any reason other than death, commencement of payment to such Participant shall not be made before the date that is six (6) months after the date of his or her Separation from Service (or, if earlier, the date of death of the Participant). Payments to which a Specified Employee would otherwise be entitled during this period shall be accumulated and paid, together with interest, on the first Company payroll date for salaried exempt employees in the seventh calendar month following the date of his or her Separation from Service.
- (b) If the Company reasonably anticipates that any portion of any Participant's retirement benefit could be limited or nondeductible under Code Section 162(m) (or cause other amounts payable by the Company to be nondeductible under Code Section 162(m)), then the payment of such portion of the retirement benefit to such Participant shall be delayed until the earliest date on which the Company reasonably anticipates that the deduction will not be limited or eliminated by application of Code Section 162(m).

-
- (c) Payment of a Participant's retirement benefit under the Plan may be delayed as permitted under Section 409A, as if stated in the Plan, for example, if the making of a payment would jeopardize the ability of the Company to continue as a going concern, or the Company reasonably anticipates that the making of the payment will violate Federal securities or other applicable laws.

If the payment of any Participant's retirement benefit is delayed for any reason beyond the Participant's date of Separation from Service, the portion so delayed will be credited with interest from the date of the Participant's Separation from Service until paid.

4.9 Forfeiture for Cause

Notwithstanding the foregoing provisions in this Article 4, any retirement benefit or death benefit otherwise payable under this Article shall be forfeited, and a Participant, and the Participant's Qualifying Survivor or designated beneficiary, shall have no right to such benefit if the Committee or the Company determines that the Participant –

- (a) has engaged in competition with the Company or an affiliate of the Company or has gone to work for a competitor, or
- (b) has revealed trade secrets, or has otherwise engaged in a willful, deliberate, or gross act of commission or omission which is injurious to the finances or reputation of the Company or its affiliate.

Provided, however, that following a Change in Control as described in section 6.1 of the Plan, a Participant's benefit shall not be forfeited if the Participant engages in the activities described in (a) above.

Article 5. Administration and General Provisions

5.1 Administration

The Human Resources Committee (the “Committee”) shall be charged with the administration and interpretation of the Plan but may delegate the ministerial duties hereunder to such persons as it determines. The Committee may adopt such rules as may be necessary or appropriate for the proper administration of the Plan. To the extent that such rules are not adopted, applicable rules relating to the administration of WEPP modified to the extent necessary to comply with Section 409A shall govern. The Committee shall have the exclusive right, in its discretion, to make any finding of fact necessary or appropriate for any purpose under the Plan, including but not limited to the determination of eligibility to participate in the Plan and the eligibility for and the amount of any benefit payable under the Plan. The Committee shall have the exclusive right, in its discretion, to interpret the terms and provisions of the Plan and to determine any and all questions arising under the Plan or in connection with the administration thereof, including, without limitation, the right to remedy or resolve possible ambiguities, inconsistencies, or omissions, by general rule or particular decision. All findings of fact, determinations, interpretations, and decisions of the Committee shall be conclusive and binding upon all persons having or claiming to have any interest or right under the Plan and shall be given the maximum possible deference allowed by law. Benefits under the Plan shall be paid only if the Committee in its sole discretion determines that a Participant is entitled to the benefits.

5.2 Funding of the Plan

Benefits under the Plan shall be paid out of the general assets of the Employer. Benefits payable under the Plan shall be reflected on the accounting records of the Employer but shall not be construed to create or require the creation of a trust, custodial, or escrow account. No Employee or Participant shall have any right, title, or interest whatever in or to any investment reserves, accounts, or funds that the Employer may purchase, establish, or accumulate to aid in providing benefits under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create a trust or fiduciary relationship of any kind between the Employer and an Employee or any other person. Neither a Participant nor survivor or beneficiary of an Employee shall acquire any interest greater than that of an unsecured creditor.

5.3 Claims Procedure

Benefits shall be paid in accordance with the provisions of this Plan.

- (a) The Participant, or a designated beneficiary or any other person claiming through the Participant, shall make a written request for benefits under this Plan. This written claim shall be mailed or delivered to the Committee. Such claim shall be reviewed by the Committee or a delegate.
- (b) If the claim is denied, in full or in part, the Committee shall provide a written notice within (90) days setting forth the specific reasons for denial, and any additional material or information necessary to perfect the claim, and an explanation of why such material or information is necessary, and appropriate information and explanation regarding the steps to be taken if a review of the denial is desired. However, if special circumstances require an extension of the period of time for considering a claim, the 90-day period can be extended for an additional 90 days by giving the claimant written notice of the extension, the reason why the extension is necessary, and the date a decision is expected.

- (c) If the claim is denied and a review is desired, the Participant (or beneficiary) shall notify the Committee in writing within sixty (60) days after receipt of the written notice of denial. In requesting a review, the Participant or beneficiary may request a review of pertinent documents with regard to the benefits created under this Plan, may submit any written issues and comments, may request an extension of time for such written submission of issues and comments, and may request that a hearing be held, but the decision to hold a hearing shall be within the sole discretion of the Committee.
- (d) The decision on the review of the denied claim shall be rendered by the Committee within sixty (60) days after the receipt of the request for review (if no hearing is held) or within sixty (60) days after the hearing if one is held. However, if special circumstances require an extension of the period of time for considering an appeal, the 60-day period can be extended for an additional 60 days by giving the claimant written notice of the extension, the reason why the extension is necessary, and the date a decision is expected. The decision shall be written and shall state the specific reasons for the decision including references to the specific provisions of this Plan on which the decision is based.

5.4 Payment of Expenses and Indemnity for Liability

The Company shall pay all expenses of administering the Plan and shall indemnify each member of the Human Resources Committee, and each other person acting at the direction of the Committee, against any and all claims, losses, damages, expenses, including counsel fees, incurred by such persons and any liability, including any amounts paid in settlement with the Committee's approval, arising from such person's action or failure to act, except when the same is judicially determined to be attributable to the gross negligence or willful misconduct of such person.

5.5 Incompetence

Every person receiving or claiming benefits under the Plan shall be conclusively presumed to be mentally competent until the date on which the Committee receives a written notice, in a form and manner acceptable to the Committee, that such person is incompetent, and that a guardian, conservator, or other person legally vested with the care of such person's person or estate has been appointed; provided, however, that if the Committee shall find that any person to whom a benefit is payable under the Plan is unable to care for such person's affairs because of incompetency, any payment due (unless a prior claim therefor shall have been made by a duly appointed legal representative) may be paid as provided in WEPP. Any such payment so made shall be a complete discharge of liability therefor under the Plan.

5.6 Nonalienation

No benefit payable at any time under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment, garnishment, or encumbrance of any kind, and shall not be subject to or reached by any legal or equitable process (including execution, garnishment, attachment, pledge, or bankruptcy) in satisfaction of any debt, liability, or obligation, prior to receipt. Any attempt to alienate, sell, transfer, assign, pledge, or otherwise encumber any such benefit, whether presently or thereafter payable, shall be void.

5.7 Employer-Employee Relationship

The establishment of this Plan shall not be construed as conferring any legal or other rights upon any Employee or any person for a continuation of employment, nor shall it interfere with the rights of the Employer to discharge any Employee or otherwise act with

relation to the Employee. The Employer may take any action (including discharge) with respect to any Employee or other person and may treat such person without regard to the effect which such action or treatment might have upon such person as a Participant of this Plan.

5.8 Effect on Other Benefit Plans

Amounts credited or paid under this Plan shall not be considered to be compensation for the purposes of WEPP. The treatment of such amounts under other employee benefit plans maintained by the Employer shall be determined pursuant to the provisions of such plans.

5.9 Tax Liabilities

- (a) *Tax Withholding.* The Company may deduct from any payment of benefits hereunder any taxes required to be withheld and such sum as the Employer may reasonably estimate to be necessary to cover any taxes for which the Employer may be liable and which may be assessed with regard to such payment.
- (b) *Acceleration of Payment.* The time and schedule of payments that would otherwise occur pursuant to Article 4, may be accelerated as follows:
 - (1) A payment may be made to pay the Federal Insurance Contribution Act (FICA) tax imposed by Code Sections 3101, 3121(a), and 3121(v)(2) on amounts deferred under the Plan (the FICA amount).
 - (2) A payment may be made to pay state, local, or foreign tax obligations arising from participation in the Plan that apply to amounts deferred under the Plan before the amounts are paid or made available to the Participant (the state, local, or foreign tax amount). Such payment may not exceed the amount of such taxes due as a result of participation in the Plan. Such payment may be made by distributions to the Participant in the form of withholding pursuant to provisions of the applicable state, local, or foreign law or by distribution directly to the Participant.
 - (3) A payment may be made to pay the Federal income tax at the source on wages imposed under Code Section 3401, or the corresponding withholding provisions of applicable state, local, or foreign tax laws, as a result of payment of the FICA amount and/or the state, local, or foreign tax amount, and to pay the additional income tax at source on wages attributable to the pyramiding under Code Section 3401 wages and taxes.

However, the total payment to or on behalf of the Participant pursuant to this acceleration provision may not exceed the aggregate of the FICA, state, local, and/or foreign tax amount, and the Federal income tax withholding related to such FICA, state, local and/or foreign tax amounts.

Article 6. Change in Control, Amendment, and Termination

6.1 Change in Control

In the event of a “Change in Control” where the Company is not the surviving corporation, it is intended that the Plan shall be continued and that any such continuing, resulting, or transferee entity shall assume all liabilities of the Company hereunder.

6.2 Amendment

The Committee, consistent with relevant action of the Board of Directors, may amend or modify the Plan, at any time and from time to time and in any respect, provided, however, that no such action of the Committee, without approval of the Participant, may adversely affect in any way any amounts already accrued by the Participant pursuant to the Plan prior to such amendment.

6.3 Termination

The Company reserves the right to terminate the Plan in accordance with this Section.

- (a) *Bankruptcy.* The Company may terminate the Plan within twelve months of a corporate dissolution taxed under Code section 331, or with the approval of a bankruptcy court pursuant to 11 U.S.C. section 503(b)(1)(A), provided that the amounts accrued under the Plan are included in the Participants’ gross incomes in the latest of: (i) the calendar year in which the Plan termination occurs; (ii) the calendar year in which the amount is no longer subject to a substantial risk of forfeiture; or (iii) the first calendar year in which the payment is administratively practicable.
- (b) *Change in Control.* The Company may terminate the Plan within the thirty days preceding a Change in Control, or the Company, or a successor company that is primarily liable for payment of amounts deferred under the Plan immediately after the Change in Control transaction, may terminate the Plan within the twelve months following a Change in Control. The Plan will be treated as terminated only if all substantially similar arrangements sponsored by the Company (or the successor company, if applicable) and all affiliates are terminated, so that the Participants in the Plan and all participants that experienced the Change in Control event under substantially similar arrangements are required to receive all amounts of compensation deferred under the terminated arrangements within twelve months of the date the Company (or the successor company) irrevocably takes all necessary action to terminate the arrangements.
- (c) *Discretionary Termination.* The Company may terminate the Plan at any time in its discretion, provided that: (i) the termination does not occur proximate to a downturn in the financial health of the Company; (ii) all arrangements sponsored by the Company and its affiliates that would be aggregated with any terminated arrangement under Section 409A if the same individual participated in all of the arrangements, are terminated; (iii) no payments other than payments that would be payable under the terms of the arrangements if the termination had not occurred are made within twelve months of the termination of the arrangements; (iv) all payments are made within twenty-four months of the termination of the arrangements; and (v) the Company and its affiliates do not adopt a new arrangement that would be aggregated with any terminated arrangement under Section 409A if the same individual participated in both arrangements, at any time within three years following the date of termination of the Plan.

(d) *Other.* The Company may terminate the Plan upon such other events and in such other conditions as the Commissioner of Internal Revenue may prescribe in generally applicable published guidance.

IN WITNESS WHEREOF , **WHIRLPOOL CORPORATION** has caused this Plan to be executed below by its duly authorized representatives this 19th day of December, 2008.

WHIRLPOOL CORPORATION

By: /s/ David A. Binkley

David A. Binkley,
Senior Vice President
Global Human Resources

ATTEST:

By: /s/ Robert J. LaForest

Robert J. LaForest,
Associate General Counsel
and Assistant Secretary

EXHIBIT 12—RATIO OF EARNINGS TO FIXED CHARGES
WHIRLPOOL CORPORATION AND SUBSIDIARIES

	Year Ended December 31				
	2008	2007	2006	2005	2004
Earnings					
Earnings before income taxes and other items	\$246	\$ 804	\$619	\$597	\$616
Portion of rents representative of the interest factor	51	46	38	31	25
Interest on indebtedness	203	203	202	130	128
Amortization of debt financing fees	2	1	1	1	1
	<u>\$502</u>	<u>\$1,054</u>	<u>\$860</u>	<u>\$759</u>	<u>\$770</u>
Fixed charges					
Portion of rents representative of the interest factor	\$ 51	\$ 46	\$ 38	\$ 31	\$ 25
Interest on indebtedness	203	203	202	130	128
Amortization of debt financing fees	2	1	1	1	1
	<u>\$256</u>	<u>\$ 250</u>	<u>\$241</u>	<u>\$162</u>	<u>\$154</u>
Ratio of earnings to fixed charges	<u>2.0</u>	<u>4.2</u>	<u>3.6</u>	<u>4.7</u>	<u>5.0</u>

WHIRLPOOL CORPORATION
List of Subsidiaries

<u>Subsidiary and Name Under Which It Does Business</u>	<u>Jurisdiction in Which Organized</u>
1900 Holdings Corporation	Delaware
A & E Factory Service, LLC	Delaware
Admiral International Corporation	Delaware
Alno Moebelwerke & Co. KG	Germany
Amana Financial Services, Inc.	Delaware
Anvil Technologies LLC	Delaware
Bauknecht AG	Switzerland
Bauknecht Hausgeräte GmbH	Germany
IRE Beteiligungs GmbH	Germany
Bauknecht Limited	England
Beijing Embraco Snowflake Compressor Company Ltd.	China
Biauraguay S.A.	Uruguay
Bill Page Orchestra, Inc.	California
Brasmotor S.A.	Brazil
Brastemp da Amazônia S.A.	Brazil
Brastemp Utilidades Domésticas Ltda.	Brazil
BWI Products Italia s.r.l.	Italy
BWI Products Ltd.	England
Comercial Acros Whirlpool, S.A. de C.V.	Mexico
Consórcio Nacional Brastemp Ltda.	Brazil
Consumer Appliances Service Limited	Hong Kong
Crosley International, Inc.	Delaware
Ealing Compania de Gestiones y Participaciones S.A.	Uruguay
Elera Delaware, Inc.	Delaware
Elera Holdings Corporation	Delaware
Elica S.p.A.	Italy
Embraco Europe S.r.l.	Italy
Embraco Eurosales S.r.l.	Italy
Embraco Mexico S. de R.L. de C.V.	Mexico
Embraco Mexico Servicios, S. de R. L. de C.V.	Mexico
Embraco North America, Inc.	Delaware
Embraco Slovakia S.r.o.	Slovakia
Great Teco Whirlpool Co., Ltd.	Taiwan
Guangdong Whirlpool Electrical Appliances Co., Ltd.	China
Hisense – Whirlpool (Zahejiang) Electric Appliances Co., Ltd.	China
Hoover Commercial Limitada	Brazil
Industrias Acros Whirlpool, S.A. de C.V.	Mexico
Jade Products Company	Delaware
KitchenAid Delaware, Inc.	Delaware
KitchenAid Europa, Inc.	Delaware
KitchenAid Europa, Inc. (Brussels Branch)	Belgium
KitchenAid Promotions, LLC	Michigan
KitchenAid, Inc. (Ohio)	Ohio
Latin America Sales and Service Company	Argentina
LAWSA S.A.	Delaware
Macrosonix Corp.	Virginia
Maytag (Australia) Pty. Ltd.	Australia
Maytag Commercial, S. de R.L. de C.V.	Mexico

<u>Subsidiary and Name Under Which It Does Business</u>	<u>Jurisdiction in Which Organized</u>
Maytag Corporation	Delaware
Maytag Europe Limited	United Kingdom
Maytag Financial Services Corp.	Delaware
Maytag Holdings, Inc.	Delaware
Maytag International Investments, Inc.	Delaware
Maytag International Sub Holdings Inc.	Delaware
Maytag International, Inc.	Delaware
Maytag International, Inc. (branch in Singapore)	Singapore
Maytag Limited	Canada
Maytag Manufacturing, LLC	Delaware
Maytag Sales, Inc.	Delaware
Maytag Services, LLC	Delaware
Maytag Servicios S. de R.L. de C.V.	Mexico
Maytag Worldwide N.V.	The Netherlands Antilles
MLOG Armazém Geral Ltda.	Brazil
New Home Technologies L.L.C.	Texas
Nineteen Hundred Corporation	New York
Paulista Servicios de Consultoria	Brazil
Planihold S.A.	Brazil
Polar, S.A.	Poland
Prestadora de Servicios Administrativos Regiomontana, S. de R.L. de C.V.	Mexico
Qingdao EECON Electronic Controls and Appliances Co., Ltd.	China
SASCO do Brasil, S.A.	Brazil
South American Sales Partnership	Cayman Islands
THC Assets Corporation	Delaware
Universal E-Commerce GmbH	Switzerland
W.I.L. Service Ltd.	Isle of Man
WCGP Nova Scotia Co.	Nova Scotia
WFC de Mexico S. de R.L. de C.V.	Mexico
Whirlpool (Australia) Pty. Limited	Australia
Whirlpool (Australia) Pty. Limited (New Zealand Branch) dba Whirlpool New Zealand	New Zealand
Whirlpool (B.V.I.) Limited	British Virgin Islands
Whirlpool (China) Investment Co. Ltd.	China
Whirlpool (Hong Kong) Limited	Hong Kong
Whirlpool (Malaysia) Sdn Bhd	Malaysia
Whirlpool (Thailand) Limited	Thailand
Whirlpool (UK) Ltd.	England
Whirlpool America Holdings Corp.	Delaware
Whirlpool Argentina S.A.	Argentina
Whirlpool Asean Co.	Delaware
Whirlpool Asia B.V.	The Netherlands
Whirlpool Asia Inc.	Delaware
Whirlpool Austria GmbH	Austria
Whirlpool Baltic UAB	Lithuania
Whirlpool Benelux N.V./S.A.	Belgium
Whirlpool Bulgaria Ltd.	Bulgaria
Whirlpool Canada Co.	Nova Scotia
Whirlpool Canada Holding Co.	Nova Scotia
Whirlpool Canada LP	Canada
Whirlpool Chile Ltda.	Chile

Subsidiary and Name Under Which It Does Business

Whirlpool CIS Ltd.
Whirlpool Colombia S.A.
Whirlpool Comercial Ltda.
Whirlpool CR, spol. s.r.o.
Whirlpool Croatia Ltd.
Whirlpool do Brasil Ltda.
Whirlpool Ecuador S.A.
Whirlpool Eesti OU
Whirlpool El Salvador, S.A. de C.V.
Whirlpool Enterprises LLC
Whirlpool Eurofinance B.V.
Whirlpool Europe B.V.
Whirlpool Europe Coordination Center S.A.
Whirlpool Europe Holdings B.V.
Whirlpool Europe Holdings Limited
Whirlpool Europe Srl
Whirlpool Europe Srl (Kazakhstan Representative Office)
Whirlpool Europe Srl (Russian Representative Office)
Whirlpool Europe Srl (Slovenia Representative Office)
Whirlpool Europe Srl (Ukraine Representative Office)
Whirlpool Finance B.V.
Whirlpool Finance Overseas Ltd.
Whirlpool Financial (Mauritius) Limited
Whirlpool Financial Corporation
Whirlpool Financial Corporation International
Whirlpool Floor Care Corp.
Whirlpool France S.A.S.
Whirlpool Greater China Inc.
Whirlpool Greater China Inc. (Hong Kong Branch)
Whirlpool Guatemala, S.A.
Whirlpool Hellas S.A.
Whirlpool Holdings Corporation
Whirlpool Home Appliance (Shanghai) Co., Ltd.
Whirlpool Home Appliance (Shanghai) International Trading Co., Ltd.
Whirlpool Home Appliances Limited Liability Company
Whirlpool Hungarian Trading Limited Liability Company
Whirlpool Iberia, Sucursal en Espana de Whirlpool Europe Srl
Whirlpool India Holdings Limited
Whirlpool India Holdings Limited (India Branch)
Whirlpool Insurance Company, Ltd.
Whirlpool Internacional S. de R.L. de C.V.
Whirlpool International Gmbh
Whirlpool Ireland (branch)
Whirlpool Ireland Ltd.
Whirlpool Japan Inc.
Whirlpool Latin America B.V.
Whirlpool Latin America Corporation
Whirlpool Latvia S.I.A.
Whirlpool Ltd Belgrade
Whirlpool Luxembourg S.a.r.l.
Whirlpool Management Club, Inc.

Jurisdiction in Which Organized

Russia
Columbia
Brazil
Czechoslovakia
Croatia
Brazil
Ecuador
Estonia
El Salvador
Delaware
The Netherlands
The Netherlands
Belgium
The Netherlands
Delaware
Italy
Kazakhstan
Russia
Slovenia
Ukraine
The Netherlands
Bermuda
Mauritius
Delaware
Delaware
Delaware
France
Delaware
Hong Kong
Guatemala
Greece
Delaware
China
China
Turkey
Hungary
Spain
Delaware
Delaware
Bermuda
Mexico
Switzerland
Ireland
Ireland
Delaware
The Netherlands
Delaware
Latvia
Serbia
Luxembourg
Michigan

Subsidiary and Name Under Which It Does Business

Whirlpool Management Services Sagl
Whirlpool Manufacturing Corporation
Whirlpool Maroc S.a.r.l.
Whirlpool Mauritius Limited
Whirlpool México, S.A. de C.V.
Whirlpool Microwave Products Development Limited
Whirlpool NAAG Holdings Corporation
Whirlpool NAR Holdings, LLC
Whirlpool Nederland B.V.
Whirlpool Nordic A/S (Norway)
Whirlpool Nordic AB
Whirlpool Nordic AB (Denmark Branch)
Whirlpool Nordic AKTS (Denmark)
Whirlpool Nordic OY (Finland)
Whirlpool Oceania Inc.
Whirlpool of India Limited
Whirlpool Overseas Holdings, LLC
Whirlpool Overseas Hong Kong Limited
Whirlpool Overseas Manufacturing S.`ar.l.
Whirlpool Patents Company
Whirlpool Peru S.R.L.
Whirlpool Polska Sp. z.o.o.
Whirlpool Portugal Electrodomésticos, Lda.
Whirlpool Product Development (Shenzhen) Company Limited
Whirlpool Properties, Inc.
Whirlpool Puntana S.A.
Whirlpool Realty Corporation
Whirlpool Romania s.r.l.
Whirlpool S.A.
Whirlpool S.A. Sociedad De Ahorros Para Fines Determinados
Whirlpool Slovakia spol s.r.o.
Whirlpool South Africa (Pty) Ltd.
Whirlpool Southeast Asia Pte.
Whirlpool SSC Limited
Whirlpool Sweden AB
Whirlpool Taiwan Co., Ltd.
Whirlpool Technologies, LLC
Whirlpool UK Pension Scheme Trustee Limited
Whirlpool Ukraine
Wolverine International Finance Corporation

Jurisdiction in Which Organized

Switzerland
Michigan
Morocco
Mauritius
Mexico
Hong Kong
Delaware
Delaware
The Netherlands
Norway
Sweden
Denmark
Denmark
Finland
Delaware
India
Delaware
Hong Kong
Luxembourg
Michigan
Peru
Poland
Portugal
China
Michigan
Argentina
Delaware
Romania
Brazil
Argentina
Slovakia
South Africa
Singapore
Ireland
Sweden
Taiwan
Michigan
England
Ukraine
Cayman Islands

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

Registration Statements of Whirlpool Corporation		
33-34037	333-32886	333-128686
33-40249	333-42322	333-131627
333-02827	333-72698	333-143372
333-66211	333-90602	333-150942
333-77167	333-125260	
Registration Statements of Maytag Corporation		
33-29109	333-62980	333-75827
Registration Statements of Whirlpool Corporation pertaining to the Whirlpool Savings Plan		
32-26680	33-53196	
Registration Statements of Whirlpool Corporation pertaining to the Whirlpool 401(k) Retirement Plan		
333-66163	333-138711	
Registration Statements of Whirlpool Corporation pertaining to the Maytag Corporation Salary Savings Plan, Maytag Corporation Deferred Compensation Plan and Maytag Corporation Deferred Compensation Plan II		
	333-132875	
Registration Statements of Maytag Corporation pertaining to the Maytag Corporation Salary Savings Plan		
333-102002	333-101995	333-121368

of our reports dated February 19, 2009, with respect to the consolidated financial statements and schedule of Whirlpool Corporation and the effectiveness of internal control over financial reporting of Whirlpool Corporation, included in this Annual Report (Form 10-K) for the year ended December 31, 2008.

/s/ ERNST & YOUNG LLP

Chicago, Illinois
February 19, 2009

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned, being a director or officer, or both, of WHIRLPOOL CORPORATION, a Delaware corporation (hereinafter called the "Corporation"), does hereby constitute and appoint JEFF M. FETTIG and DANIEL F. HOPP, with full power to each of them to act alone, as the true and lawful attorneys and agents of the undersigned, with full power of substitution and resubstitution to each of said attorneys, to execute, file or deliver any and all instruments and to do all acts and things which said attorneys and agents, or any of them, deem advisable to enable the Corporation to comply with the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and any requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing under said Securities Exchange Act of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2008, including specifically, but without limitation of the general authority hereby granted, the power and authority to sign his or her name as a director or officer, or both, of the Corporation, as indicated below opposite his or her signature, to the Annual Report on Form 10-K, or any amendment, post-effective amendment, or papers supplemental thereto to be filed in respect of said Annual Report on Form 10-K; and each of the undersigned does hereby fully ratify and confirm all that said attorneys and agents, or any of them, or the substitute of any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, each of the undersigned has subscribed these presents, as of the 17th day of February, 2009.

<u>Name</u>	<u>Title</u>
/ s / J E F F M . F E T T I G _____ Jeff M. Fettig	Director, Chairman of the Board and Chief Executive Officer (Principal Executive Officer)
/ s / M I C H A E L A . T O D M A N _____ Michael A. Todman	Director and President, Whirlpool North America
/ s / R O Y W . T E M P L I N _____ Roy W. Templin	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/ s / A N T H O N Y B . P E T I T T _____ Anthony B. Pettitt	Vice President and Controller (Principal Accounting Officer)
/ s / H E R M A N C A I N _____ Herman Cain	Director
/ s / G A R Y T . D I C A M I L L O _____ Gary T. DiCamillo	Director
/ s / K A T H L E E N J . H E M P E L _____ Kathleen J. Hempel	Director
/ s / M I C H A E L F . J O H N S T O N _____ Michael F. Johnston	Director
/ s / W I L L I A M T . K E R R _____ William T. Kerr	Director

<u>Name</u>	<u>Title</u>
/ s / A R N O L D G. L A N G B O Arnold G. Langbo	Director
/ s / M I L E S L. M A R S H Miles L. Marsh	Director
/ s / P A U L G. S T E R N Paul G. Stern	Director
/ s / J A N I C E D. S T O N E Y Janice D. Stoney	Director
/ s / M I C H A E L D. W H I T E Michael D. White	Director

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeff M. Fettig, certify that:

1. I have reviewed this annual report on Form 10-K of Whirlpool Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstance under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly represent in all material respects the financial condition, results of operations and cash flows of the registrant, as of and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/ s / J E F F M . F E T T I G

Jeff M. Fettig

Chairman of the Board and Chief Executive Officer

Date: February 19, 2009

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Roy W. Templin, certify that:

1. I have reviewed this annual report on Form 10-K of Whirlpool Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstance under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly represent in all material respects the financial condition, results of operations and cash flows of the registrant, as of and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ ROY W. TEMPLIN

Roy W. Templin

Executive Vice President and Chief Financial Officer

Date: February 19, 2009

Certifications Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

In connection with the Annual Report on Form 10-K of Whirlpool Corporation (the "Company") for the year ended December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Jeff M. Fettig, as Chief Executive Officer of the Company, and Roy W. Templin, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

/ s/ J E F F M. F E T T I G

Name: Jeff M. Fettig

Title: Chairman of the Board and Chief Executive
Officer

Date: February 19, 2009

/ s/ R O Y W. T E M P L I N

Name: Roy W. Templin

Title: Executive Vice President and Chief Financial
Officer

Date: February 19, 2009