

Maytag Corporation

Compensation Committee Charter

2-13-03

The Board of Directors of Maytag Corporation (“Maytag”) has constituted and established a Compensation Committee (the “Committee”) with authority, responsibility, and specific duties as described in this Compensation Committee Charter.

Mission

The Committee’s basic responsibility, on behalf of the Board, is to assure that the Chief Executive Officer and senior executives of Maytag and its wholly owned affiliates are compensated effectively in a manner consistent with the stated compensation strategy of Maytag, internal equity considerations, competitive practice, and the requirements of the appropriate regulatory bodies. The Committee shall also communicate to stockholders Maytag’s compensation policies and the reasoning behind such policies as required by the Securities and Exchange Commission.

Principal Responsibilities

1. Review from time to time and approve Maytag’s stated compensation strategy to ensure that it supports organization objectives and creation of stockholder value, and that management is rewarded appropriately for its contributions to Maytag growth and profitability.
2. Direct an annual Board review of the performance and compensation of the Chairman and Chief Executive Officer, which includes input from the full Board, after which the Chair of the Committee will discuss the Board’s performance assessment with the Chief Executive Officer.
3. Review annually and determine the individual elements of total compensation for the Chief Executive Officer and Section 16 officers, and communicate in the annual Board Compensation Committee Report to stockholders the factors and criteria on which the officers’ compensation for the last year was based, including the relationship of Maytag’s performance to compensation; approve provisions for Section 16 officer separation agreements when needed. The review of the Chief Executive Officer’s compensation will include an evaluation of the Chief Executive Officer’s performance in light of approved goals and objectives, and the Chief Executive Officer’s compensation level will be set based on this evaluation. In determining the long-term incentive component of the Chief Executive Officer’s compensation, the Committee should consider Maytag’s performance and relative stockholder return, the value of similar incentive awards to Chief Executive Officers at comparable companies, and the awards given to the Chief Executive Officer in past years.

4. Assure that Maytag's Executive Incentive Compensation Program, including the annual and long-term incentive plans, is designed and administered in a manner consistent with Maytag's long-term stockholder interests and Maytag's business strategy as to participation, target annual incentive awards, corporate financial goals, actual awards paid to senior management, progress towards meeting share ownership and equal employment guidelines, and total funds reserved for payment under the compensation plans. Among other considerations deemed appropriate, the Committee shall consider the impact of the funding and actuarial assumptions used for pension and post-retirement benefits on the annual and long-term incentive plans of Maytag.
5. Approve and recommend to the Board all new equity-related incentive plans. All such new equity-related incentive plans, other than tax-qualified plans such as 401(k) or employee stock ownership plans, shall be subject to stockholder approval. Options granted pursuant to plans acquired through mergers need not be submitted to stockholders for approval.
6. Ensure that Maytag's executive salary structure is competitive. Approve revisions to the salary structure and annual salary increase guidelines. Review all other aspects of compensation arrangements among members of Maytag's senior management.
7. Review with the Chief Executive Officer matters relating to senior management succession; ensure the Board is fully informed.
8. Review Maytag's change of control, executive severance, and deferred compensation programs and approve changes subject, where appropriate, to stockholder or Board of Director approval. Review also the benefits and perquisites of senior management.
9. Review and approve Maytag non-qualified retirement programs for competitiveness with respect to market conditions and appropriateness considering corporate performance, financial resources, and the overall compensation strategy including levels of total compensation. In addition, review any new employee benefit plan or any plan amendment that is presented to the Committee by Maytag.
10. Carry out such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board of Directors of Maytag and/or the Chair of the Board of Directors, or as designated in plan documents.
11. Conduct Committee self-assessment as part of the Board's annual assessment process.

In carrying out its responsibilities, the Committee will draw on the expertise of corporate staff and management and, when it deems to be appropriate, hire outside experts to assist the Committee with its work. The Committee has the sole authority to retain and terminate compensation consultants who assist in the evaluation of director, Chief Executive Officer, or senior executive compensation, including sole authority to approve the consultant's fees and other retention terms.

Composition and Qualifications of Committee

The Committee shall consist of at least three directors who meet the independence requirements of Maytag's Corporate Governance Guidelines, the New York Stock Exchange, and applicable regulations or law. The quorum is three members.

The Committee is best composed of independent generalists with senior management (preferably Chief Executive Officer) experience as is sought for the Board as a whole. The Committee is expected to stay current both through members sharing their experience outside of Maytag and by having access as needed to outside consulting assistance. The Chair should be a director with several years of board experience and a solid knowledge of Maytag.

Terms of Service and Rotation

No specific guidelines are proposed with respect to terms and rotation of Committee members. However, the Chair should be rotated out of the Chair position at least two years prior to his/her expected retirement from the Board. A director may be removed from the Committee by vote of the full Board.

Meetings

The Committee will normally meet three times a year to carry out its responsibilities. Other meetings may be called by the Chair of the Committee and/or management of Maytag. All meetings of the Committee shall be held pursuant to the Bylaws of Maytag with regard to notice and waiver thereof, and written minutes of each meeting shall be duly filed in Maytag records. Reports of meetings of the Committee shall be made to the Board of Directors at its next regularly scheduled meeting following the Committee meeting accompanied by any recommendations to the Board of Directors approved by the Committee. The Committee may delegate its responsibilities to the extent permitted by law.

Each meeting will have on its agenda the provision for an executive session.