

# Maytag Corporation

## Corporate Governance Guidelines

8/12/04

1. **Role and Responsibilities of the Board** - The primary responsibility of the Board is to oversee the business affairs of Maytag Corporation. The Board does this principally by selecting and providing advice and counsel to the Chief Executive Officer and by insuring the Chief Executive Officer develops and executes a sound long-term plan. This plan should focus on the long-term financial well being for Maytag and the creation of enduring stockholder value. The Board has a primary responsibility to oversee managerial execution and policies. The Board must also maintain a sense of responsibility to Maytag's stockholders, customers, employees and importantly the community in which its businesses and factories operate.
2. **Size of the Board** - The size of the Board is not contemplated to be fewer than nine nor more than 14 members. The actual number of directors within that range may be modified at any time by a majority vote of the directors then in office.
3. **Inside Directors** - No more than two of the directors may also be executives of Maytag.
4. **Independent Directors** – At least 75% of the members of the Board should be outside independent directors (as defined below). Maytag's Board will affirmatively determine the independence of directors and make appropriate disclosures in Maytag's annual Proxy Statement. Directors may not have a relationship with Maytag that may interfere with the exercise of the director's independence from management and Maytag. No director shall be considered independent unless the director has no material relationship with Maytag (directly or as a partner, stockholder or officer of an organization that has a relationship with Maytag).

In assessing materiality the Board will consider all relevant facts and circumstances, including a director's affiliation with entities or individuals that have commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships with Maytag.

In addition, Maytag will apply the following guidelines in determining independence:

- A director is not independent if he or she is an Executive Officer or an employee, or if he or she has an Immediate Family Member who is an Executive Officer, of a company that makes payments to, or receives payments from, Maytag, in an amount that, in any single fiscal year, exceeds the greater of \$1 Million, or 2% of such other company's consolidated gross revenues;
- No director shall be entitled to any cash or stock compensation, other than director's fees and an annual stock option award;
- A director is not independent if he or she has an Immediate Family Member who is an Executive Officer of Maytag or who otherwise receives in excess of \$100,000 per year in direct compensation from Maytag;
- Present employees of Maytag are not independent;

- A director who has an Immediate Family Member who is employed by Maytag's independent auditor in a professional capacity is not independent;
- No director who is affiliated with or employed by an (present or former) auditor of Maytag (or of an affiliate) is independent;
- No director is independent if he or she is, or has an Immediate Family Member who is, part of an interlocking directorate in which an Executive Officer of Maytag serves on the compensation committee of another company that employs the director or an Immediate Family Member of the director;
- Directors, or a director with an Immediate Family Member in the foregoing categories, are subject to the three-year "look-back" period for purposes of determining independence.
- "Immediate Family Members" include the following: spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone who shares the director's home.

5. **Executive Sessions** - There shall be a lead director who is independent and whose responsibility it will be to chair executive sessions of the Board, which will be held on a regular basis. The lead director will also chair the ad-hoc Executive Committee when that committee is active.

6. **Director Qualifications, Selection of Directors and Other Board Memberships** - The Governance and Nominating Committee proposes and screens director candidates, including those recommended by stockholders. The Board recommends to stockholders qualified individuals who, if added to the Board, would provide the mix of director characteristics and diverse experiences, perspectives and skills appropriate for Maytag. Criteria for selection of candidates will include but not be limited to: business and financial acumen, education, demonstrated business ethics, tenure and breadth of experience in a significant leadership capacity and relevant regulatory guidelines. A director candidate should demonstrate a willingness and ability to prepare for, attend and participate in all Board and Committee meetings. Outside director candidates should be briefed on the time, attendance and work content expectations the Maytag Board has with respect to serving on the Board and should be encouraged to give careful consideration to their ability to serve fully and effectively. Outside directors should advise the Chairman of the Board and the Chair of the Governance and Nominating Committee of any invitation to serve on another public corporate board, in advance of public announcement to accept the invitation to serve on another board.

7. **Director Orientation** - New directors will participate in an orientation program, as organized by the Chief Executive Officer, including visits to Company facilities and discussions with key executives and other directors. Directors are expected to keep current on appropriate corporate developments through their own resources and as assisted by Maytag through director education activities.

8. **Directors' Tenure Policy** - The Board believes that it is in the best interests of Maytag that (a) any inside director whose employment at Maytag terminates for any reason (including normal retirement) is expected to promptly resign from the Board, (b) any director who has a change of employer or primary occupation, or whose occupational responsibilities are substantially

changed from when the director was elected to the Board (excluding retirement), shall submit an undated offer of resignation to the Chairman of the Board (such recommendation may be accepted or rejected by the Board after due consideration by the Governance and Nominating Committee); and (c) no outside director shall be chosen by the directors, or nominated by the directors to the stockholders for election, who is 70 years of age or older. Section “c” can be waived by recommendation of the Governance and Nominating Committee to the Board for its approval if it is determined that the Director will significantly contribute to the Board’s responsibilities by additional term(s).

9. **Term Limits** - The Board does not believe it appropriate or necessary to limit the number of terms a director may serve. However, the Governance and Nominating Committee will apply its director candidate selection criteria, including consideration of a director's past contributions to the Board, prior to recommending a director for reelection to another term.

10. **Share Ownership of Directors** - The Board believes that directors should be stockholders and have a financial stake in Maytag. Each director will develop a meaningful ownership position in Maytag over time, depending upon individual circumstances with the following guidelines: equity holdings of three times annual retainer, over a five year period.

11. **Director Compensation** - Directors will be compensated in cash and equity for their expert advice and contribution toward the success of Maytag. Compensation levels should be commensurate with the time spent by Directors in meeting their obligations and reflective of the compensation paid by public companies similar in size to Maytag.

12. **Number of Board Meetings** - The number of scheduled Board meetings will vary with circumstances; however, a minimum of five meetings are held annually. Special meetings are called as necessary. It is the responsibility of the directors to attend the meetings. Maytag is required to identify in the Proxy Statement each director who fails to attend at least 75% of the aggregate of the total number of Board meetings and the total number of meetings held by committees upon which he or she served.

13. **Board Agendas** - Board agendas are set by the Chairman of the Board and the Chief Executive Officer, with input from directors. Each Board member is encouraged to identify items to be included in the agenda.

14. **Board Material Distribution** - Generally Board members should receive information in advance of the Board meeting so they will have an opportunity to prepare for discussion of the items at the meeting. When there is no prior distribution of materials on a sensitive or significant subject, the Chairman of the Board may elect to contact members of the Board by telephone in advance of the meeting to discuss the issues that will need to be considered.

15. **Attendance of Non-directors at Meetings** - At the invitation of the Board, members of senior management recommended by the Chief Executive Officer may attend Board meetings or portions thereof for the purpose of participating in discussions and/or presentations.

16. **Access to Management and Independent Advisors** - The Board believes that all Board members should have free access to all other members of management and employees of Maytag. The Board may, as necessary, retain independent advisors to assist it in carrying out its duties.

17. **Evaluation of the Chief Executive Officer** – The independent directors of the Board annually evaluate the Chief Executive Officer’s performance and approve the Chief Executive Officer’s compensation, upon recommendation of the Compensation Committee. Results of this evaluation are communicated to the Chief Executive Officer by the chair of the Compensation Committee.

18. **Succession Planning** - The Governance and Nominating Committee is responsible for developing and maintaining a process for advising the Board on planning for potential successor Chief Executive Officers, as well as for other key senior leadership positions. The succession plan is reviewed with the Board at least once annually.

19. **Board Committees** - The Board is organized so that a significant portion of its business is conducted by its committees. The present committee structure consists of Audit, Governance and Nominating, Executive, Finance and Compensation Committees. In general, committees of the Board are utilized to focus on issues that may require more in-depth scrutiny. All significant findings of a committee are presented to the full Board for discussion and review.

20. **Committee Charters** - The Board approves a charter for each committee. The duties of each committee are periodically reviewed by each committee and the Governance and Nominating Committee, which may recommend changes to the full Board for consideration.

21. **Committee Composition** - Committees will be comprised of independent directors. However, the ad-hoc Executive Committee will include the Chief Executive Officer. Audit, Compensation, and Governance and Nominating Committee members must meet relevant standards. Assignments and rotation of Committee membership and leadership is recommended by the Governance and Nominating Committee after consultation with the Chair of the Board, and approved by the Board. Consideration is given to periodic rotation of committee membership and leadership by taking into account director interest, continuity, expertise and tenure.

22. **Committee Agendas** - Committee chairs, in consultation with committee members and appropriate members of management, determine committee agendas.

23. **Board Interaction with Institutional Investors, the Press, Customers, etc.** – The Board believes that the Chairman and Chief Executive Officer speaks for Maytag. While individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with Maytag, it is expected that Board members would do this with the prior knowledge of the Chief Executive Officer and, absent unusual circumstances, only at the request of the Chief Executive Officer.

24. **Periodic Review of these Guidelines** - The operation of the Board of Directors is a dynamic and evolving process. As such, these Guidelines are reviewed annually by the Governance and Nominating Committee. No policy can cover each and every issue that may surface, but these Guidelines set the proper tone for the operation of the Board of Directors and assist the Board in fulfilling its obligations to stockholders and other constituencies.

25. **Code of Business Conduct** – All directors, officers and employees shall comply with Maytag's Code of Business Conduct which provides that Maytag will conduct business according to high moral and ethical principles and in compliance with applicable law. In the unlikely event of a waiver, any such waivers of this Code for directors or officers shall be

approved by the Audit Committee and such waiver shall be promptly disclosed.

26. **Self-assessment** - The Governance and Nominating Committee will assist the Board in an annual self-evaluation to determine whether it and its Committees are functioning effectively.

27. **Exceptions** - Exceptions to these guidelines may only be effected by an action of the Board upon the unanimous recommendation from the Governance and Nominating Committee.

These Guidelines will be posted on Maytag's Corporate Website at [www.maytagcorp.com](http://www.maytagcorp.com).