



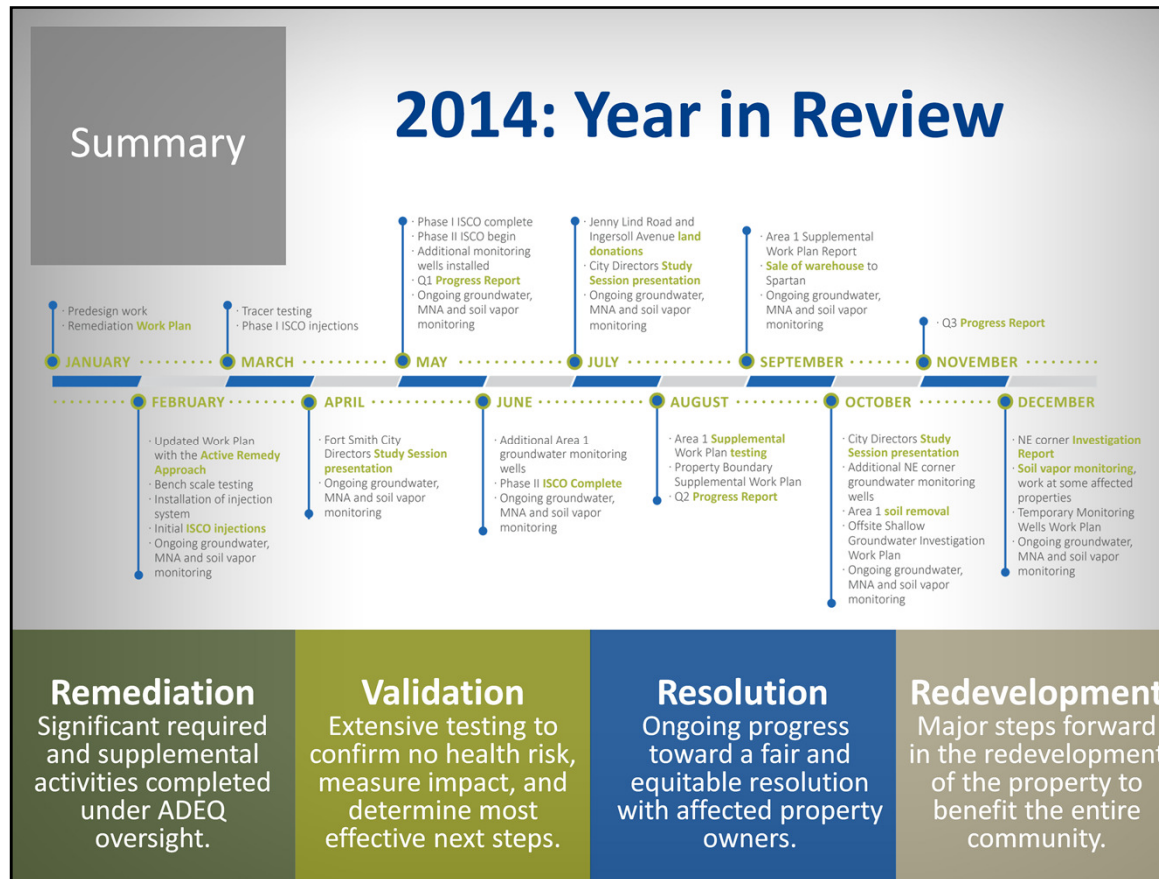
2014 ANNUAL PROGRESS REPORT: REAL WORK, REAL IMPACTS, REAL PROGRESS

*Fort Smith City Directors Study Session
Tuesday, January 27, 2015*

On Thursday, January 15, 2015, Whirlpool submitted the 2014 Annual Progress Report to the Arkansas Department of Environmental Quality (ADEQ), the residents of Fort Smith, and the Directors and staff of the City of Fort Smith. The Annual Progress Report summarizes all the 2014 activities related to the remediation of TCE in the groundwater beneath and to the north of the former Whirlpool property.

On Tuesday, January 27, 2015, Jeff Noel, Vice President, Whirlpool Corporation, and Mike Ellis from ENVIRON, the environmental consulting firm responsible for implementing the Remedial Action Decision Document (RADD), attended the Fort Smith City Directors' Study Session to present the 2014 Annual Progress Report and answer questions from City Directors.

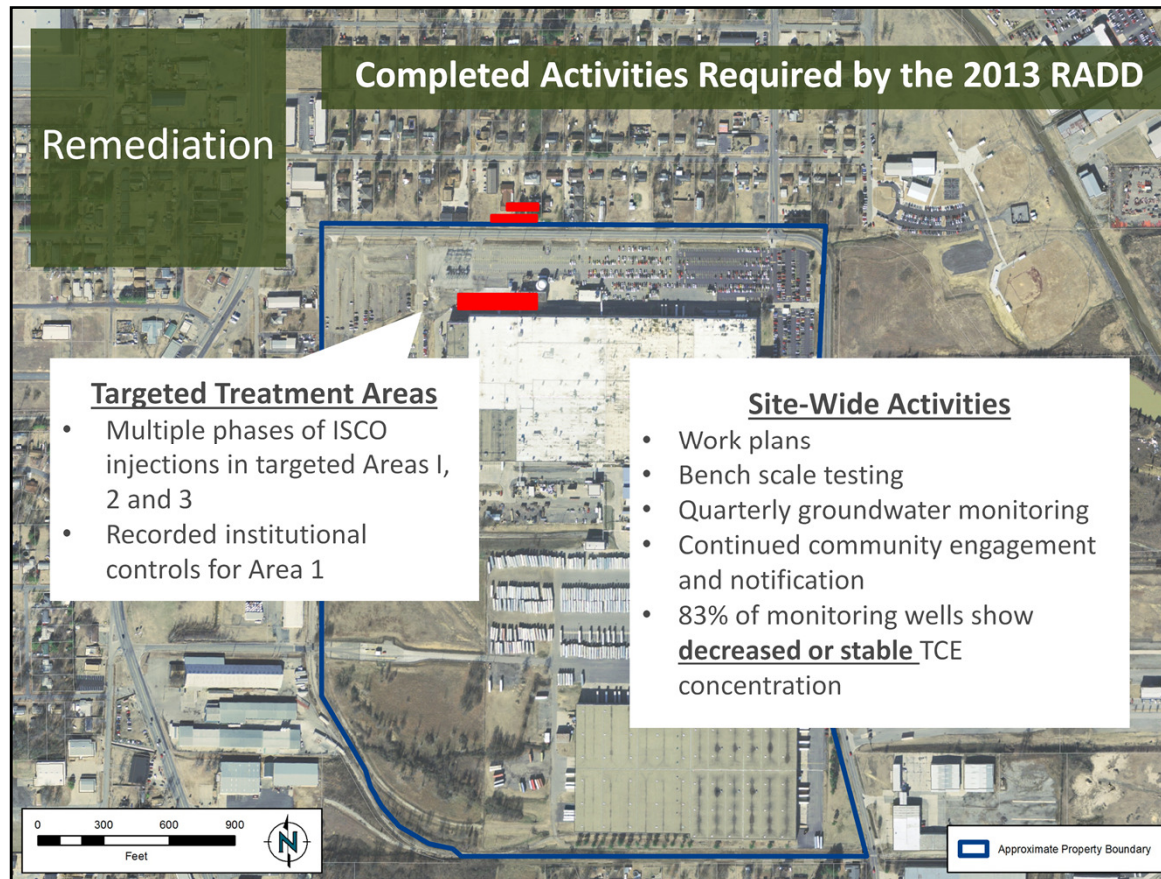
This document contains the slides used during that presentation, accompanied with notes that explain each slide. ***This document is not, and is not intended to be, a transcript or recreation of the presentation at the City Directors' Study Session.***



Summary:

As can be seen on the timeline above, Whirlpool's work in Fort Smith during 2014, the first twelve months of the two-year process described in the 2013 RADD, was extensive.

The activities included completing groundwater oxidation injections, proposing and executing supplemental hot-spot soil treatment and removal activities, and enhancing ongoing monitoring efforts. Under the Adaptive Remedy Approach, new data has been constantly gathered, validated, analyzed and incorporated into activities to increase the effectiveness of the remediation efforts.



Remediation - Completed Activities Required by the RADD:

In 2014, Whirlpool completed the following remedial activities required by the RADD:

- Submitted work plans to ADEQ;
- Conducted bench scale tests of in-situ chemical oxidation (ISCO) in a laboratory;
- Administered three phases of ISCO injections in Area 1 (on-site/Whirlpool property), Area 2 and Area 3, designed to provide chemical treatment to degrade TCE in groundwater;
- Performed quarterly groundwater monitoring for treatment effectiveness and to determine progress of ongoing natural attenuation of TCE;
- Recorded institutional controls for the Area 1 portion of the Whirlpool property; and
- Continued fulfillment of the community participation requirements of the RADD.

Importantly, extensive data collected in 2014 indicated that 83% of monitoring wells show decreasing or stable TCE concentrations.



Remediation - Completed Supplemental Activities:

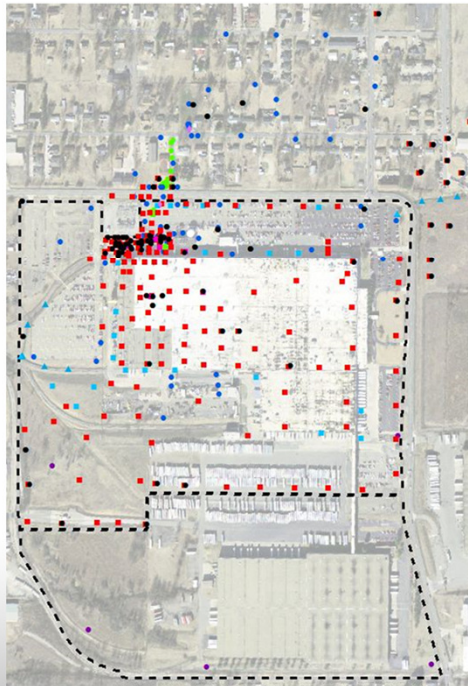
In addition to the work required by the 2013 RADD, Whirlpool completed the following supplemental activities in 2014:

- Voluntary supplemental investigation beneath the manufacturing building;
- Voluntary supplemental ISCO treatments in the “neck area” of the plume;
- Additional delineation of Area 1;
- Voluntary supplemental targeted hot-spot soil removal in Area 1 through large-diameter borings and related soil removal. After soil removal, the large-diameter borings were backfilled with limestone gravel and a clean soil cover to promote natural attenuation;
- Additional delineation activities in the northeast corner of the facility, including the Boys and Girls Club;
- Surface water and sediment sampling; and
- Voluntary supplemental investigation of the entire site boundary.

Validation

- 202 Membrane Interface Probes to screen soil and groundwater
- 62 Soil Probes for soil and groundwater sampling
- 86 Monitoring Wells – many sampled quarterly
- 5 Temporary Boundary Wells

Extensive Analysis



Key

- MIPs
- Monitoring Wells
- Soil Probes
- Temporary Wells
- Injection Wells
- Soil Borings

Validation – Extensive Analysis:

Whirlpool continues to closely monitor the TCE plume to confirm there is no exposure risk to area residents or to workers on the Whirlpool property.

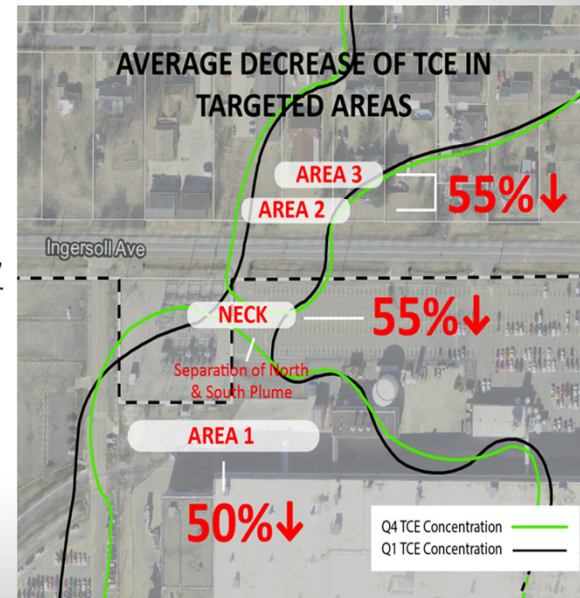
To supplement the soil and groundwater data collected from soil probes, five additional groundwater monitoring wells were installed near the northeast corner of the manufacturing building.

Validation

Impacts and Results

Adaptive Remedy activities resulted in a decrease in TCE concentrations in key areas:

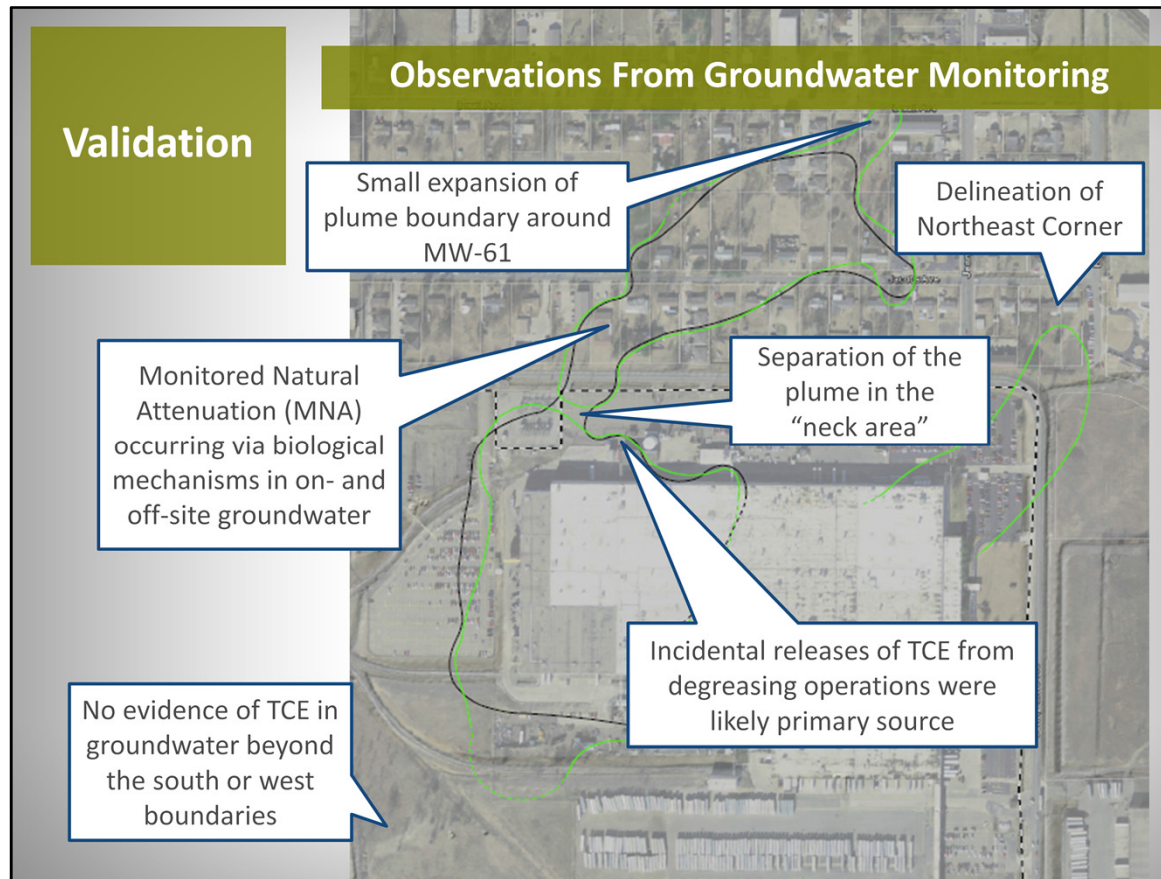
- Approximately 50% in Area 1
- Approximately 55% in the “neck area”
- Approximately 55% in Areas 2 & 3



Validation – Impact and Results:

Implementation of the Adaptive Remedy activities completed in targeted areas in 2014 resulted in the following:

- An approximate 55% reduction in TCE concentrations in the “neck area,” located on the Whirlpool property in the parking area north of the northwest corner of the facility.
- An approximate 55% decrease in TCE concentrations in Areas 2 and 3 north of Ingersoll Avenue.
- An approximate 50% decrease in TCE concentrations in Area 1 in (based on the 30-day ISCO monitoring event performed in early December).



Validation – Observations From Groundwater Monitoring:

Observations from groundwater monitoring showed:

- A separation of the plume in the neck area, signaling that TCE in Area 1 is not contributing to contamination beneath the neighborhood to the north;
- A small expansion of the plume boundary in the area of MW-61;
- No evidence of TCE in the groundwater beyond the south or west boundaries of the site;
- Monitored Natural Attenuation (MNA) via biological mechanisms in both on-site and off-site groundwater;
- Additional delineation identified a plume area extending from the northeast corner of the warehouse building; and
- Incidental historical releases of TCE from degreaser operations in and around the degreaser building of the northwest corner were the likely primary source of TCE found in soils in Area 1 and an associated linear drainage feature.

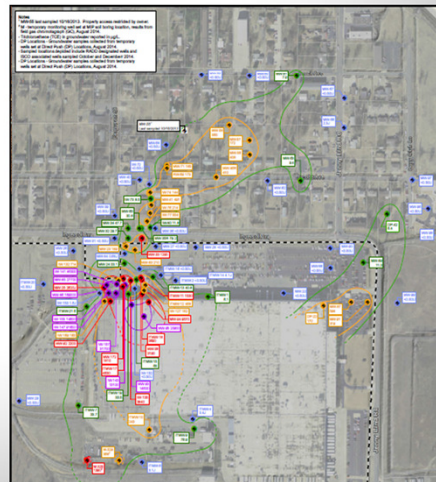
Validation

Ongoing Scientific Process



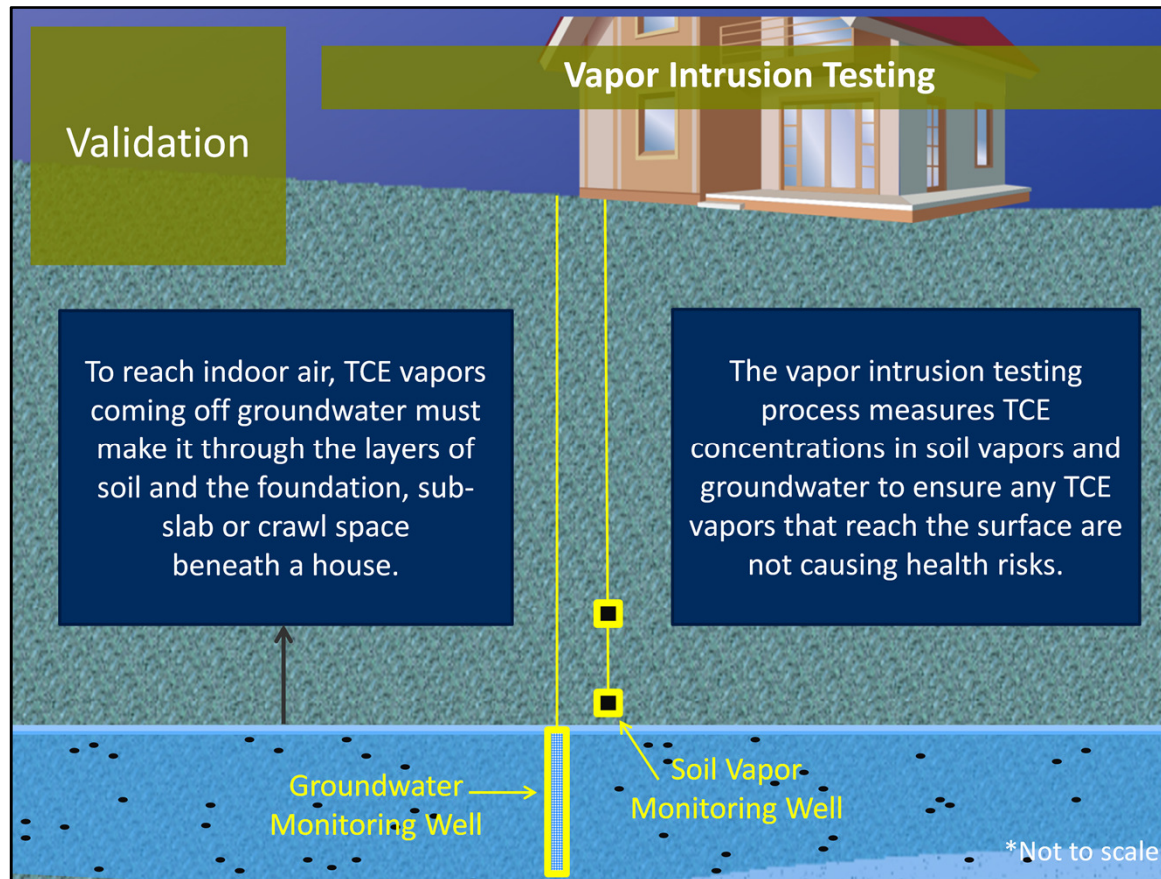
Latest Results:

- **No exposure pathways** to cause health risk to area residents
- No exposure pathways to cause health risk for employees or visitors at the Boys and Girls Club
- No exposure pathways to cause health risk from vapor intrusion based on updated modeling and soil vapor measurements



Validation – Ongoing Scientific Process:

Extensive data collected in 2014 confirmed the prior decision that there is no change in the prior determination that there is no health risk to area residents, no health risks to employees, visitors or workers at the Boys and Girls Club from the impacted groundwater near the northeast corner of the Whirlpool site, and no health risk from vapor intrusion based on updated modeling and soil vapor measurements.



Validation – Vapor Intrusion Testing:

The vapor intrusion testing process measures TCE concentrations in soil vapors and groundwater to ensure any TCE vapors that reach the surface are not causing health risks.

To reach indoor air, TCE vapors coming off groundwater must make it through layers of soil and the foundation, sub-slab or crawl space beneath a house.

Based on groundwater and soil vapor measurements taken in 2014, there continues to be no health risk to residents from vapor intrusion.

Resolution

Extensive Work to Achieve a Fair, Transparent Resolution

Ongoing throughout 2014: Discussions with attorneys representing affected property owners

July:

Resolution agreement reached with class counsel, which included:

- 100% of property devaluation PLUS 33%
- Optional independent appraisal

November: Court declines to approve proposed class resolution offer

December: Discussions with property owners' attorneys continue

January: Numerous property owners accept Whirlpool's resolution offer

January-February: Finalize settlement agreements and payments; work to reach resolution with remaining property owners

Resolution – Extensive Work to Achieve a Fair, Transparent Resolution:

With the goal of reaching fair resolutions based on unique individual circumstances, Whirlpool continues to communicate with legal representatives of property owners affected by the TCE.

In July 2014, Whirlpool reached a resolution agreement with class counsel that included payment to affected property owners of 100% of the property devaluation plus an additional 33%, with the option to have an independent appraisal conducted. However, in November 2014, the Court declined to approved the proposed class resolution offer.

In January 2015, numerous property owners accepted Whirlpool's resolution offer and Whirlpool is now working on finalizing those settlement agreements and payments. As these agreements move closer to being finalized, Whirlpool plans to expand outreach to residents who do not have attorneys that reside over the plume.



Redevelopment:

In 2014, Whirlpool made significant progress toward the site's redevelopment.

The warehouse was sold to Spartan Logistics in September. Spartan is already generating new economic activity in the area and has indicated an intention to invest further in this property.

Whirlpool remains in discussions with multiple interested buyers for the remainder of the property. In light of the many attractive attributes of the property, including size, location and amenities of the 100-acre parcel, we remain confident in completing a transaction that will result in long-term and productive development of the parcel.

Additionally, land donations on Jenny Lind Road and Ingersoll Road were completed by Whirlpool to facilitate the ongoing road expansion projects that will help drive development in the neighborhood.

Community Engagement

Ongoing Community Engagement

Release of Data, Reports and Correspondence

50+ documents made public, including:

- 6 Investigative and Quarterly Reports
- 11 Work Plans
- 21 Letters to Regulators

City Directors' Meetings

- April 8
- July 8
- October 14



Photo Credit: SWTimes.com

Website and Toll-Free Hotline

- All data, reports, statements and correspondence posted immediately
- 1-888-923-9745 hotline available for residents



Community Engagement – Ongoing:

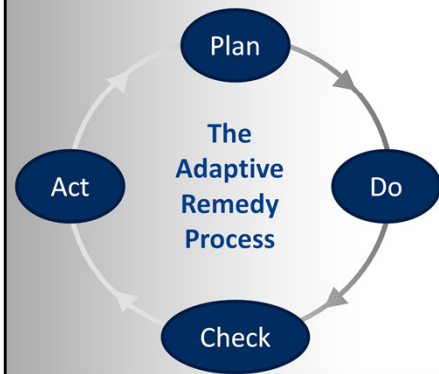
Whirlpool undertook a series of activities to keep residents of Fort Smith informed of important developments in 2014.

Whirlpool continues to regularly update the website WhirlpoolFortSmith.com to provide the Fort Smith community, elected officials and members of the press with information on important developments and extensive background materials, including all reports and data submitted to ADEQ related to this project..

Representatives from Whirlpool and ENVIRON participated in public meetings conducted by the City of Fort Smith on April 8, July 8, and October 14, where they provided updates on recent activities, outlined upcoming plans, and answered questions from elected officials. Members of the Whirlpool team also met individually with several community residents and maintained a 1-888-923-9745 hotline to answer questions from the community.

Looking Forward

Next Steps in 2015



January February March April May

- **February:** Comments on ADEQ's proposed revised RADD outlining an appropriate path forward
- **Q1:** Vapor intrusion testing and results
- **Mid-April:** First Quarter 2015 Report
- **December:** Submittal of Remedy Effectiveness Report to ADEQ
- **Ongoing:** Continued monitoring of the effectiveness of ISCO and MNA for reduction of TCE concentrations in groundwater

Looking Forward - Next Steps in 2015:

Whirlpool will continue to meet its commitments to the Fort Smith community in 2015 on all fronts.

Consistent with Whirlpool's commitment to transparency, we have outlined the anticipated timeline for upcoming reports and events in 2015.

Twelve months into the two year process covered by the 2013 RADD, we have completed real work and made real progress.

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Whirlpool *remains committed* to staying in Fort Smith until this issue is resolved.

For additional information, visit

WWW.WHIRLPOOLFORTSMITH.COM

Conclusion:

Whirlpool appreciates the City Directors' interest in receiving ongoing updates regarding the progress toward meeting the goals of the RADD. The regulatory and political process is working when options, plans, and results are openly shared and sometimes differing perspectives are appropriately discussed. Whirlpool remains committed to keeping the City Directors and area residents informed as the remediation, validation, resolution and redevelopment efforts continue in 2015.

New reports and correspondence will continue to be posted to WhirlpoolFortSmith.com as they become available.