

NEWMARKET CORP
Form DEF 14A
March 13, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

NEWMARKET CORPORATION

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(3) Filing Party:

(4) Date Filed:

NEWMARKET CORPORATION

330 South Fourth Street

Richmond, Virginia 23219

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders of NewMarket Corporation will be held in the Virginia Historical Society building, 428 N. Boulevard, Richmond, Virginia, on Thursday, April 23, 2009, at 11:00 a.m., Eastern Daylight Time, for the following purposes, as more fully described in the accompanying proxy statement:

1. To elect a board of directors to serve for the ensuing year;
2. To reapprove the material terms of performance goals under the NewMarket Corporation 2004 Incentive Compensation and Stock Plan, which we refer to in this proxy statement as the 2004 Incentive Plan;
3. To ratify the appointment of PricewaterhouseCoopers LLP as NewMarket's independent registered public accounting firm for the fiscal year ending December 31, 2009; and
4. To transact such other business as may properly come before the meeting.

The record date for the determination of shareholders entitled to notice of and to vote at the annual meeting is February 23, 2009. Accordingly, only shareholders of record as of that date will be entitled to notice of and to vote at the annual meeting or any adjournment or postponement thereof.

Your vote is very important to us. Regardless of whether you expect to attend the meeting, please act promptly to vote your shares. You may vote your shares by telephone or over the Internet, as described in the Notice of Internet Availability of Proxy Materials. If you are present at the meeting and hold shares in your name, you may vote in person even if you have previously submitted your proxy by mail, by telephone or over the Internet. If your shares are held in street name with your broker or by a nominee and you wish to vote in person at the meeting, you will need to obtain a legal proxy from the institution that holds your shares and provide that legal proxy at the meeting.

By Order of the Board of Directors

M. RUDOLPH WEST, *Secretary*

March 13, 2009

PROXY STATEMENT
FOR
ANNUAL MEETING OF SHAREHOLDERS
OF
NEWMARKET CORPORATION

Approximate date of mailing March 13, 2009

Date, Time and Place of Annual Meeting

The annual meeting of shareholders of NewMarket Corporation is scheduled to be held as follows:

Date: Thursday, April 23, 2009
Time: 11:00 a.m., Eastern Daylight Time
Place: Virginia Historical Society
428 N. Boulevard
Richmond, Virginia

Proposals to be Considered at the Annual Meeting

At the annual meeting, you will be asked to consider and vote on the following proposals:

to elect seven directors;

to reapprove the material terms of performance goals under the 2004 Incentive Plan;

to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009; and

to transact such other business as may properly come before the annual meeting.

In the event that a quorum is not present at the annual meeting, you may also be asked to vote upon a proposal to adjourn or postpone the annual meeting to solicit additional proxies.

Record Date

Our Board of Directors has fixed the close of business on February 23, 2009 as the record date for the annual meeting and only holders of record of NewMarket common stock on the record date are entitled to vote at the annual meeting. On the record date, there were outstanding 15,203,207 shares of NewMarket common stock.

Voting Rights and Quorum

Each share of NewMarket common stock is entitled to one vote. The presence in person or representation by proxy of holders of a majority of the shares of NewMarket common stock issued and outstanding as of the close of business on February 23, 2009 will constitute a quorum at the annual meeting. If a share is represented for any purpose at the meeting, it is deemed to be present for the transaction of all business.

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Abstentions, withheld votes and shares held of record by a broker or its nominee that are voted on any matter are included in determining the number of votes present. Broker shares that are not voted on any matter at the meeting will not be included in determining whether a quorum is present. In the event that a quorum is not present at the annual meeting, it is expected that the annual meeting will be adjourned or postponed to solicit additional proxies.

Vote Required

The election of each nominee for director requires the affirmative vote of the holders of a plurality of the shares of NewMarket common stock voted in the election of directors. Withheld votes will have no effect in the election of nominees for directors.

The material terms of the performance goals under the 2004 Incentive Plan will be reapproved if the votes cast in favor of approval exceed the number of votes cast against approval. Abstentions will have no effect on the proposal to approve the performance goals.

The appointment of PricewaterhouseCoopers LLP will be ratified if the votes cast in favor of ratification exceed the number of votes cast against ratification. Abstentions will have no effect on the proposal to ratify the appointment of PricewaterhouseCoopers LLP. If you hold your shares of NewMarket common stock in street name through a brokerage account, your broker may or may not vote your shares in its discretion depending on the proposals before the meeting in the absence of your voting instructions. Under the rules of the New York Stock Exchange, your broker may vote your shares in its discretion on routine matters. We believe that the election of directors, the reapproval of the material terms of performance goals under the 2004 Incentive Plan and the ratification of the appointment of our independent registered public accounting firm are routine matters on which brokers will be permitted to vote on behalf of their clients if no voting instructions are furnished.

Voting and Revocation of Proxies

After carefully reading and considering the information contained in the proxy statement, you should vote over the Internet by following the instructions provided in the Notice of Internet Availability of Proxy Materials (the "Notice"). Alternatively, you may vote by telephone or order a paper copy of the proxy materials at no charge on or before April 13, 2009 by following the instructions provided in the Notice. You can also vote in person at the meeting. The Notice and identification will be required to vote in person at the meeting.

Unless you specify to the contrary, all of your shares represented by valid proxies will be voted **FOR** all director nominees, **FOR** the reapproval of the material terms of performance goals under the 2004 Incentive Plan and **FOR** the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm and in the discretion of the proxy holders on any other matters that properly come before the annual meeting or any adjournments or postponements of the annual meeting.

The persons you name as proxies may propose and vote for one or more adjournments or postponements of the annual meeting, including adjournments or postponements to permit further solicitations of proxies.

Until exercised at the annual meeting, you can revoke your proxy and change your vote in any of the following ways:

by delivering written notification to NewMarket at its principal executive offices at 330 South Fourth Street, Richmond, Virginia 23219, Attention: Corporate Secretary;

by delivering a proxy of a later date by mail in the manner described in this proxy statement;

by changing your vote or revoking your proxy by telephone or over the Internet;

if you hold shares in your name, by attending the annual meeting and voting in person (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person at the meeting);

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if you have instructed a broker or bank to vote your shares, by following the directions received from your broker or bank to change those instructions; or

if you hold shares in street name with your broker or by a nominee, by obtaining a legal proxy from the institution that holds your shares, attending the annual meeting and voting in person (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person at the meeting).

If you decide to vote by completing, signing, dating and returning a proxy card, you should retain a copy of the voter control number found on the proxy card in the event that you decide later to change or revoke your proxy by telephone or over the Internet.

Solicitation of Proxies

The accompanying proxy is being solicited by our Board of Directors, and we will pay for the entire cost of the solicitation. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries for forwarding the solicitation material to the beneficial owners of NewMarket common stock held of record by those persons, and we may reimburse them for reasonable transaction and clerical expenses. In addition to the use of the mail, proxies may be solicited personally or by telephone, facsimile or other means of communication by our officers and regular employees. These people will receive no additional compensation for these services, but will be reimbursed for any expenses incurred by them in connection with these services. We have engaged The Altman Group, Inc., a proxy solicitation firm, to assist in the solicitation of proxies. We will pay that firm \$5,500 for its services and reimburse its out-of-pocket expenses for such items as mailing, copying, phone calls, faxes and other related matters, and will indemnify The Altman Group, Inc. against any losses arising out of that firm's proxy soliciting services on our behalf.

PROPOSAL 1:

ELECTION OF DIRECTORS

The Nominating and Corporate Governance Committee has recommended to our Board of Directors, and our Board of Directors has approved, the persons named below as nominees for election to our Board of Directors. Mark M. Gambill, who was appointed to serve as a director of our company by our Board of Directors effective January 1, 2009, was recommended to the Nominating and Corporate Governance Committee by James E. Rogers. Each of the nominees presently serves as a director. Proxies will be voted for the election as directors for the ensuing year of the persons named below (or if for any reason unavailable, of such substitutes as our Board of Directors may designate). Our Board of Directors has no reason to believe that any of the nominees will be unavailable to serve.

Phyllis L. Cothran; age 62; director since 1995; retired, having previously served as President and Chief Operating Officer of Trigon Healthcare, Inc., formerly Blue Cross and Blue Shield of Virginia (health insurance company).

Mark M. Gambill; age 58; director since January 1, 2009; Managing Director and Chairman of Cary Street Partners (financial advisory and wealth management firm), having previously worked for Wheat First Securities from 1972, including serving as chairman of the underwriting committee, until it was sold to First Union Corporation (now Wachovia Corporation) in 1998. Other directorships: Speedway Motorsports, Inc.

Bruce C. Gottwald; age 75; director since 1962; Chairman of the Board and Chairman of the Executive Committee since June 1, 2001, having previously served as Chief Executive Officer and Chairman of the Board of Ethyl Corporation (provider of value-added manufacturing and supply solutions to the chemical industry).

Thomas E. Gottwald; age 48; director since 1994; President and Chief Executive Officer of NewMarket since March 3, 2004, having previously served as President and Chief Executive Officer of Ethyl Corporation from June 1, 2001 through June 30, 2004 and President and Chief Operating Officer of Ethyl prior thereto.

Patrick D. Hanley; age 64; director since 2004; retired, having previously served as Senior Vice President-Finance and Accounting of UPS Ground Freight, Inc., formerly Overnite Corporation (truckload and less-than-truckload carrier and wholly owned subsidiary of United Parcel Service, Inc.), also having previously served as Director, Senior Vice President and Chief Financial Officer of Overnite Corporation.

James E. Rogers; age 63; director since 2003; President of SCI Investors Inc. (private equity investment firm). Other directorships: Owens & Minor, Inc. and Caraustar Industries, Inc.

Charles B. Walker; age 70; director since 1989; retired, having previously served as Vice Chairman of the Board of Albemarle Corporation (specialty chemicals company) from June 14, 2002 through January 31, 2003 and Vice Chairman of the Board and Chief Financial Officer of Albemarle Corporation prior thereto.

Our Board of Directors recommends that you vote FOR all of the nominees listed above.

Sidney Buford Scott, who has been a director since 1959, will retire as a director when his current term ends at the 2009 annual meeting.

Board of Directors

Our company is managed under the direction of our Board of Directors, which has adopted Corporate Governance Guidelines to set forth certain corporate governance practices. The Corporate Governance Guidelines are available on our Internet website at <http://www.newmarket.com> under Investor Relations, Corporate Governance.

Independence of Directors

Upon the recommendation of our Nominating and Corporate Governance Committee, our Board of Directors has affirmatively determined that each of the following directors is independent under the general listing standards of the New York Stock Exchange, the exchange on which shares of NewMarket common stock are listed, and our Corporate Governance Guidelines: Messrs. Gambill, Hanley, Rogers, Scott and Walker, and Ms. Cothran. Our Board has adopted categorical standards, as part of our Corporate Governance Guidelines, to assist it in making determinations of independence. Each of the directors identified as independent in this proxy statement meets these standards. A copy of these standards is attached as *Annex A* to this proxy statement.

In reaching its determination that Mr. Gambill is independent, our Board of Directors considered certain relationships with Mr. Gambill. Mr. Gambill is Managing Director and Chairman of Cary Street Partners, which in the past has provided consulting services to us. Cary Street Partners has not provided any consulting services to us since October 2007. In addition, the wife of our President currently leases space for business purposes for \$500 per month from Mr. Gambill. The Board of Directors has concluded that neither of these relationships constituted material relationships with us for purposes of its determination that Mr. Gambill is independent.

Board Meetings

Our Board of Directors meets on a regularly scheduled basis during the year to review significant developments affecting our company and to act on matters requiring board approval, and may hold special meetings between scheduled meetings when appropriate. During 2008, our Board held eight meetings. During 2008, each of the directors attended at least 75 % of the aggregate of (1) the total number of meetings of all committees of our Board on which the director then served and (2) the total number of meetings of our Board of Directors.

Meetings of Non-Management Directors; Presiding Director

Our Corporate Governance Guidelines require that the non-management members of our Board of Directors meet in executive session at each regularly scheduled board meeting. Our Board of Directors has determined that a presiding director should chair all meetings of non-management directors, as provided in our Corporate Governance Guidelines. The presiding director position will rotate among the chairs of each of the independent board committees in the following order: Compensation Committee, Audit Committee and Nominating and Corporate Governance Committee. During those meetings, the presiding director has the responsibilities to lead the meeting, set the agenda and determine the information to be provided to the other non-management directors at the meeting. Shareholders and other interested persons may contact any of the non-management directors through the method described in *Communications with Our Board* below. Our Corporate Governance Guidelines also require that the independent members of our Board of Directors meet in executive session at each regularly scheduled board meeting.

Director Attendance at Annual Meeting

Our policy is that directors attend the annual meeting of shareholders each year. All directors, who were directors on the date of last year's annual meeting of shareholders, attended last year's annual meeting of shareholders.

Communications with Our Board

Our Board of Directors unanimously has approved a process for shareholders to send communications to the Board and individual directors. Shareholders and other interested persons may communicate with the full Board of Directors, a specified committee of our Board, the non-management directors or a specified individual member of our Board in writing by mail c/o NewMarket Corporation, 330 South Fourth Street, Richmond, Virginia 23219, Attention: Chief Legal Officer. All communications will be forwarded to our Board of Directors, the specified committee of our Board or the specified individual director, as appropriate. We screen all regular mail for security purposes.

Committees of Our Board

Our Board of Directors has established various committees to assist it with the performance of its responsibilities. These committees and their current members are described below.

Executive Committee

The Executive Committee currently consists of Messrs. Bruce C. Gottwald (Chairman), Thomas E. Gottwald and Scott. During 2008, the Executive Committee did not meet. The Executive Committee exercises all of the powers of our Board of Directors in the management of the ordinary business of our company when our Board of Directors is not in session.

Audit Committee

Messrs. Walker (Chairman), Gambill, Hanley and Scott and Ms. Cothran currently serve on the Audit Committee. The Audit Committee operates under a written charter adopted by our Board of Directors, which is available on our Internet website at <http://www.newmarket.com> under Investor Relations, Corporate Governance. During 2008, the Audit Committee met on five occasions. The primary function of the Audit Committee is to assist our Board of Directors in discharging its oversight responsibilities relating to our accounting, reporting, including our internal control over financial reporting, and financial practices by monitoring:

- (1) these practices, generally,
- (2) the integrity of the financial statements and other financial information provided by us to any governmental body or the public,
- (3) our compliance with legal and regulatory requirements,
- (4) our independent registered public accounting firm's qualifications and independence and
- (5) the performance of our independent registered public accounting firm and internal audit function.

The Audit Committee, among other things, approves the engagement of our independent registered public accounting firm, subject to shareholder ratification. For a further description of the Audit Committee's specific responsibilities, see the Audit Committee's charter. Upon the recommendation of our Nominating and Corporate Governance Committee, our Board of Directors has determined that each of the members of the Audit Committee is independent, as that term is defined under the enhanced independence standards for Audit Committee members in the Securities Exchange Act of 1934 (the Exchange Act) and the rules thereunder, as incorporated into the listing standards of the New York Stock Exchange, and in accordance with our Audit Committee charter. Our Board of Directors has also determined that each of Ms. Cothran and Messrs. Gambill, Hanley and Walker is an Audit Committee financial expert, as that term is defined in the rules promulgated by the Securities and Exchange Commission under the Sarbanes-Oxley Act of 2002. Our Board has further

determined that each of the members of the Audit Committee is financially literate and that each of the members of the Audit Committee has accounting or related financial management expertise, as such terms are interpreted by our Board in its business judgment.

Compensation Committee

Messrs. Rogers (Chairman), Hanley and Walker and Ms. Cothran currently serve on the Compensation Committee. The Compensation Committee operates under a written charter adopted by our Board of Directors, which is available on our Internet website at <http://www.newmarket.com> under Investor Relations, Corporate Governance. Our Board of Directors has determined that each of the members of the Compensation Committee is independent under the general independence standards of the listing standards of the New York Stock Exchange and our Corporate Governance Guidelines. During 2008, the Compensation Committee met on six occasions. This committee approves the compensation of our directors, management-level employees and, together with all of our independent directors, approves the compensation of our Chief Executive Officer. It also approves all bonus awards, certain consultant agreements and initial salaries of new management-level personnel and grants awards under the 2004 Incentive Plan. The committee has the sole authority to retain and terminate compensation consultants or other advisors to assist it with its duties. The committee has the sole authority to approve the fees and other retention terms of any such consultant or advisor. The committee may form and delegate its authority to subcommittees where appropriate. For a discussion of the objectives and philosophy of our executive compensation program, see Compensation Discussion and Analysis beginning on page 12. For a description of the 2004 Incentive Plan, see Compensation Discussion and Analysis Stock Options and Grants on page 14 and Proposal 2: Reapproval of Performance Goals under the 2004 Incentive Plan on page 27.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee currently consists of Messrs. Scott (Chairman), Hanley and Rogers and Ms. Cothran. The Nominating and Corporate Governance Committee operates under a written charter adopted by our Board of Directors, which is available on our Internet website at <http://www.newmarket.com> under Investor Relations, Corporate Governance. Our Board of Directors has determined that each of the members of the Nominating and Corporate Governance Committee is independent under the general independence standards of the listing standards of the New York Stock Exchange and our Corporate Governance Guidelines. The Nominating and Corporate Governance Committee met on four occasions during 2008. This committee develops and recommends to our Board of Directors appropriate corporate governance guidelines and policies, monitors and evaluates the implementation of these guidelines and policies, identifies individuals qualified to act as directors and recommends director candidates to our Board for nomination by our Board.

Nominating and Corporate Governance Committee Process for Identifying and Evaluating Director Candidates. The Nominating and Corporate Governance Committee evaluates all director candidates in accordance with the director qualification standards described in our Corporate Governance Guidelines. The Nominating and Corporate Governance Committee evaluates any candidate's qualifications to serve as a member of our Board based on the skills and experience of individual board members as well as the skills and experience of our Board as a whole. In addition, the Nominating and Corporate Governance Committee will evaluate a candidate's independence, skills and experience in the context of our Board's needs.

Director Candidate Recommendations and Nominations by Shareholders. The Nominating and Corporate Governance Committee's charter provides that the Nominating and Corporate Governance Committee will consider director candidate recommendations by shareholders. Shareholders should submit any such recommendations for the Nominating and Corporate Governance Committee through the method described under Communications with Our Board above. In addition, in accordance with our amended bylaws, any shareholder entitled to vote for the election of directors may nominate persons for election to our Board of Directors so long as that shareholder complies with the procedures set forth in our amended bylaws and summarized in Shareholder Proposals beginning on page 34. There are no differences in the manner in which the committee evaluates director candidates based on whether the candidate is recommended by a shareholder. The Nominating and Corporate Governance Committee did not receive any recommendations from any shareholders in connection with the annual meeting.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics, which is available on our Internet website at <http://www.newmarket.com> under Investor Relations, Corporate Governance, that outlines the principles, policies and laws that are intended to guide our directors, officers and employees (including our Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer). We maintain several methods for the reporting of violations of our Code of Business Conduct and Ethics or other concerns, including a toll-free hotline. We prohibit retaliation of any kind against employees for good faith reports of ethical violations.

We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K relating to amendments to or waivers from any provision of our Code of Business Conduct and Ethics applicable to the Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer by posting this information on our Internet website.

Availability of Corporate Governance Guidelines, Code of Business Conduct and Ethics and Committee Charters

Our Corporate Governance Guidelines, Code of Business Conduct and Ethics and the charters of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee are available on our Internet website at <http://www.newmarket.com> under Investor Relations, Corporate Governance and in print to any shareholder upon request by contacting our corporate secretary as described in Certain Matters Relating to Proxy Materials and Annual Reports Notice of Internet Availability of Proxy Materials on page 35.

Compensation of Directors

Our Board determines the form and amount of compensation for our non-employee directors based on the recommendation of the Compensation Committee, which conducts an annual review of compensation for our non-employee directors. As part of its review, the Compensation Committee considers whether a director's independence will be jeopardized (1) if director compensation and perquisites exceed customary levels, (2) if our company makes charitable contributions to organizations with which a director is affiliated or (3) if our company enters into contracts with, or provides other indirect forms of compensation to, a director or organization with which a director is affiliated.

The following table and related footnotes present information relating to total compensation of our non-employee directors for the fiscal year ended December 31, 2008 and information relating to Mr. Thomas E. Gottwald's retirement benefit as a director.

Name	Fees	Stock	Non-Equity	Change in	All Other	Total
	Earned or			Incentive		
	Paid in	Awards(1)	Plan	Value	Compensation	
	Cash		Compensation	and		
	(\$)	(\$)	(\$)	Deferred	(\$)	(\$)
				Earnings(2)		
Phyllis L. Cothran	\$ 68,000	\$ 19,935	\$ 0	\$ 2,907	\$ 0	\$ 90,842
Mark M. Gambill (3)						
Bruce C. Gottwald	179,000		0	8,703	0	187,703
Patrick D. Hanley	69,500	19,935	0		0	89,435
James E. Rogers	62,000	19,935	0		0	81,935
Sidney Buford Scott (4)	61,000	19,935	0		0	80,935
Charles B. Walker	68,500	19,935	0	8,951	0	97,386

- (1) Represents (a) the dollar amount we recognized for financial reporting purposes with respect to the fiscal year ended December 31, 2008 and (b) the grant date fair market value of the 301 shares of NewMarket common stock in each case computed in accordance with FAS 123R of the shares of NewMarket common stock awarded to each non-employee director under the terms of our 2004 Incentive Plan. For a description of this plan, see 2004 NewMarket Corporation Incentive Compensation and Stock Plan below and Proposal 2: Reapproval of Performance Goals under the 2004 Incentive Plan on page 27.
- (2) Represents the aggregate change in the actuarial present value from January 1, 2008 to December 31, 2008 of the retirement benefits described under Directors Retirement Benefits below for eligible directors. In the case of Mr. Scott, the actuarial present value decreased by \$5,569. The current actuarial present value of this benefit for Mr. Thomas E. Gottwald is zero based on his actuarial life expectancy and assumed board retirement age. Messrs. Hanley and Rogers are not eligible for this benefit.
- (3) Mr. Gambill did not receive any compensation for the fiscal year ended December 31, 2008 because his term did not begin until January 1, 2009.
- (4) Mr. Scott will retire as Director effective when his current term ends at the 2009 annual meeting.

Non-Employee Directors Fees

During 2008, we paid each of our non-employee directors (a) \$1,500 for attendance at each board meeting and (b) \$1,500 for attendance at each meeting of a committee of our Board of Directors of which he or she is a member. In addition, we paid each the following quarterly retainers: (a) \$7,500 to our non-employee directors; (b) \$35,000 to our Chairman of the Board; (c) \$1,250 to each member of our Audit Committee and \$2,500 to the Chairman of our Audit Committee; (d) \$1,250 to the Chairman of our Compensation Committee; and (e) \$1,250 to the Chairman of our Nominating and Corporate Governance Committee. Each non-employee director was eligible for an annual stock grant of \$20,000. We do not pay retainer or attendance fees to employee members of our Board of Directors for their service on our Board or its committees.

Directors Retirement Benefits

Any director who was elected to our Board on or before February 23, 1995 and who retires from our Board will receive \$12,000 per year for life after age 60. The \$12,000 is payable in quarterly installments. The retirement payments to former directors may be discontinued under certain circumstances. Of our current directors, Messrs. Bruce C. Gottwald, Thomas E. Gottwald, Scott and Walker, and Ms. Cothran are eligible for this benefit upon their retirement after age 60.

2004 NewMarket Corporation Incentive Compensation and Stock Plan

Under the 2004 Incentive Plan, each non-employee director is awarded on each July 1 that number of whole shares of NewMarket common stock that, when multiplied by the closing price of NewMarket common stock on the immediately preceding business day, as reported in *The Wall Street Journal*, equal as nearly as possible but do not exceed \$20,000. The shares of NewMarket common stock awarded under the 2004 Incentive Plan are nonforfeitable and the recipient directors immediately and fully vest in the NewMarket common stock issued under 2004 Incentive Plan. Subject only to the limitations on transfer as may be specified by applicable securities laws, directors may sell their shares acquired pursuant to the 2004 Incentive Plan at any time.

Certain Relationships and Related Transactions

Thomas E. Gottwald, President, Chief Executive Officer and director of our company, is a son of Bruce C. Gottwald, Chairman of the Board of Directors of our company. The members of the family of Bruce C. Gottwald may be deemed to be control persons of our company.

Our policy is to require that any transaction with a related person required to be reported under applicable Securities and Exchange Commission rules be reviewed and approved or ratified by a committee consisting of independent

directors. We have not adopted procedures for review of, or standards for approval of, these transactions, but instead review related person transactions on a case-by-case basis.

Section 16(a) Beneficial Ownership Reporting Compliance

Based solely on our review of the forms required by Section 16(a) of the Exchange Act that we have received, we believe that there has been compliance with all filing requirements applicable to our officers and directors and beneficial owners of greater than 10% of NewMarket common stock, except for an inadvertent late filing for Mark M. Gambill and an inadvertent late filing for Mr. C. S. Warren Huang. Mr. Gambill timely filed his Initial Statement of Beneficial Ownership on Form 3 which inadvertently omitted a holding of 730 shares in a managed account. Mr. Gambill promptly filed an amended report to correct this omission. Mr. Huang's late filing was related to two small acquisitions and a sale made by a managed account beneficially owned by Mr. Huang. A Form 4 was promptly filed once Mr. Huang became aware of these transactions.

Stock Ownership

Principal Shareholders

The following table lists any person (including any group as that term is used in Section 13(d)(3) of the Exchange Act) who, to our knowledge, was the beneficial owner as of January 31, 2009, of more than 5% of our outstanding voting shares.

Title of Class	Name and Address of Beneficial Owners	Number of Shares	Percent of Class
Common Stock	Bruce C. Gottwald	2,317,151(a)	15.24%
	330 South Fourth Street		
	Richmond, Virginia 23219		
	Floyd D. Gottwald, Jr.	844,685(b)	5.56%
	330 South Fourth Street		
	Richmond, Virginia 23219		
	LSV Asset Management	822,150(c)	5.41%
	1 N. Wacker Drive		
	Suite 4000 Chicago, Illinois 60606		
	Barclays Global Investors, NA	809,242(d)	5.32%
	400 Howard Street		
	San Francisco, California 94105		

- (a) As of January 31, 2009, Bruce C. Gottwald had sole voting and investment power over all of the shares disclosed except 18,731 shares held by his wife and 43,720 shares held in a charitable foundation as to which he disclaims beneficial ownership. This amount does not include an aggregate of 415,125 shares (2.73%) of NewMarket common stock beneficially owned by the adult sons of Bruce C. Gottwald or an aggregate of 637,220 shares (4.19%) beneficially owned by three separate trusts of which each of the adult sons of Bruce C. Gottwald and his wife are co-trustees. Bruce C. Gottwald and his adult sons have no agreement with respect to the acquisition, retention, disposition or voting of NewMarket common stock.

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- (b) As of January 31, 2009, Floyd D. Gottwald, Jr. had sole voting and investment power over all of the shares except 43,720 shares held in a charitable foundation as to which he disclaims beneficial ownership. This amount does not include an aggregate 605,389 shares (3.98%) of NewMarket common stock beneficially owned by the adult sons

of Floyd D. Gottwald, Jr. Floyd D. Gottwald, Jr. and his adult sons have no agreement with respect to the acquisition, retention, disposition or voting of NewMarket common stock.

- (c) Information provided is based solely on Schedule 13G filed on February 17, 2009 by LSV Asset Management, which has sole voting and dispositive power over all 822,150 shares.
- (d) Information provided is based solely on Schedule 13G filed on February 5, 2009 jointly filed by Barclays Global Investors, NA (Barclays), Barclays Global Fund Advisors (BGI Fund), Barclays Global Investors, Ltd. (BGI LTD), Barclays Global Investors Japan Limited (BGI Japan), Barclays Global Investors Canada Limited (BGI Canada), Barclays Global Investors Australia Limited (BGI Australia) and Barclays Global Investors (Deutschland) AG (BGI Deutschland). Barclays reported sole voting power with respect to 223,056 shares and sole dispositive power over 269,689 shares. BGI Fund reported sole voting power with respect to 391,378 shares and sole dispositive power over 531,377 shares. BGI LTD reported sole voting power with respect to 315 shares and sole dispositive power over 8,176 shares. BGI Japan, BGI Canada, BGI Australia and BGI Deutschland each reported no beneficial ownership of shares. The shares reported are held in trust accounts for the economic benefit of the beneficiaries of those accounts.

Directors and Executive Officers

The following table sets forth as of January 31, 2009, the beneficial ownership of NewMarket common stock by all of our directors, our Chief Executive Officer and our other executive officers listed under Compensation of Executive Officers on page 18 and all of our directors and current executive officers as a group. Unless otherwise indicated, each person listed below has sole voting and investment power over all shares beneficially owned by him or her.

Name of Beneficial Owner or Number of Persons in Group	Number of Shares with Sole Voting and Investment Power(1)	Number of Shares with Shared Voting and Investment Power	Total Number of Shares	Percent of Class(2)
Phyllis L. Cothran	3,692		3,692	
Steven M. Edmonds	2,898		2,898	
David A. Fiorenza	1,030		1,030	
Mark M. Gambill	730		730	
Bruce C. Gottwald	2,254,700	62,451(3)	2,317,151	15.24%
Thomas E. Gottwald	197,493	32,181(4)	229,674	1.51%
Patrick D. Hanley	2,153		2,153	
Bruce R. Hazelgrove, III	18,931	1,070	20,353	
C. S. Warren Huang	15,714		15,714	
James E. Rogers	3,907		3,907	
Sidney Buford Scott	15,737		15,737(5)	
Charles B. Walker	14,723		14,723	
Directors and executive officers as a group (15) persons)	2,545,235	95,702	2,640,937	17.34%

- (1) The amounts in this column include shares of NewMarket common stock with respect to which certain persons had the right to acquire beneficial ownership within 60 days of January 31, 2009, pursuant to the exercise of

options granted under the 1982 Stock Option Plan: Thomas E. Gottwald: 30,000 shares; and the directors and current executive officers as a group: 30,000 shares.

- (2) Except as indicated, each person or group owns less than 1% of NewMarket common stock.
- (3) Mr. Bruce C. Gottwald disclaims beneficial ownership of all 62,451 of such shares.
- (4) Mr. Thomas E. Gottwald disclaims beneficial ownership of all 32,181 of such shares.
- (5) Mr. Sidney Buford Scott has pledged as security all 15,737 of such shares.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy and Objectives

Our executive compensation philosophy is to create a long-term direct relationship between pay and our performance. Our executive compensation program is designed to provide a balanced total compensation package over the executive's career with our company. The compensation program objectives are to attract, motivate and retain the qualified executives that help ensure our future success, to provide incentives for increasing our profits by awarding executives when individual and corporate goals are achieved and to align the interests of executives and long-term shareholders. The compensation package of our named executive officers consists of four main elements:

1. base salary in the 50th percentile range among peer group companies;
2. annual performance awards payable in cash and tied to corporate and individual objectives;
3. periodic awards of stock options and grants intended to achieve unity of interest between executives and shareholders; and
4. benefit plans designed to promote long-term employment.

Process for Setting Executive Compensation

The Compensation Committee, referred to as the Committee in this discussion, is responsible for developing and overseeing the implementation of our philosophy with respect to the compensation of executives and for monitoring the implementation and results of the compensation philosophy to ensure compensation remains competitive, creates proper incentives to enhance shareholder value, rewards superior performance and is justified by returns available to shareholders. The Committee annually reviews and approves for each named executive officer, and particularly with regard to the Chief Executive Officer, all components of compensation, corporate goals and objectives and performance in light of the stated goals and objectives. Additionally, the Committee reviews and approves the base salary, annual and long term incentive opportunities, employment agreements, severance agreements, change in control agreements, if applicable, and any other special or supplemental benefits of the named executive officers. All of our independent directors also approve the compensation of the Chief Executive Officer. The Chief Executive Officer annually provides the Committee a written evaluation of each named executive officer's performance based on the goals and objectives developed by the Chief Executive Officer and named executive officer at the beginning of the year. As part of the evaluation, the Chief Executive Officer provides a statement of the named executive's accomplishments versus established goals to support the compensation recommended to the Committee.

Under its charter, the Committee has the sole authority to retain and terminate one or more compensation consultants or other advisors to assist it with its duties. For 2008, the Committee engaged Frederic W. Cook & Co., Inc. as its compensation consultant to advise it on our executive compensation program and to provide it with market benchmarking data. The Committee provided instructions to the consultants pertaining to the scope of work to be performed but did not direct the manner in which the work was performed.

Peer Group and Compensation Targets

With the assistance of Frederic W. Cook & Co., the Committee selected a compensation peer group of companies similar to us in size or business. The peer group is used to benchmark executive compensation levels against companies that have executive positions with responsibilities similar in breadth and scope to ours and have businesses that compete with us for executive talent. The Committee reviews benchmark data prepared by Frederic W. Cook & Co. to ensure that our executive compensation program is competitive.

The following 11 companies comprise the peer group used in connection with 2008 compensation: Arch Chemicals, Inc., Compass Minerals Group, Inc., Fuller, Innospec, Lubrizol, Minerals Technologies Inc., OM Group, Inc., A. Schulman, Inc., Sensient Technologies Corporation, Stepan Company and Tredegar Corporation.

Program Components

Our executive compensation program consists of the following elements: