DOW CHEMICAL CO /DE/
Form PRE 14A
March 05, 2010

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 x Filed by a Party other than the Registrant ¨

Check the appropriate box:

x 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

The Dow Chemical Company

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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(1) Amount Previously Paid:

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The Dow Chemical Company

Midland, Michigan 48674

NOTICE OF THE ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON THURSDAY, MAY 13, 2010 AT 10:00 A.M. EDT

March 26, 2010

Dear Stockholder of The Dow Chemical Company:

We are pleased to invite you to the Annual Meeting of Stockholders of The Dow Chemical Company (the Meeting) to be held on Thursday, May 13, 2010, at 10:00 a.m. Eastern Daylight Time, at the Midland Center for the Arts, 1801 West St. Andrews, Midland, Michigan. A map is printed on the back page of this Proxy Statement and is also included on your admittance ticket. At the Meeting, stockholders will vote on the following matters either by proxy or in person:

Election of the twelve Directors named in the attached Proxy Statement.

Ratification of the appointment of Deloitte & Touche LLP as independent registered public accounting firm for 2010.

Amendment of the Restated Certificate of Incorporation regarding special stockholder meetings.

Three proposals submitted by stockholders, if properly presented.

Transaction of any other business as may properly come before the Meeting.

Your vote is important. Whether or not you plan on attending the Meeting, please vote your shares as soon as possible on the Internet, by telephone or by mail. Your Board of Directors has set the close of business on March 15, 2010, as the record date for determining stockholders who are entitled to receive notice of the Meeting and any adjournment, and who are entitled to vote. A list of stockholders entitled to vote shall be open to any stockholder for any purpose relevant to the Meeting for ten days before the Meeting, during normal business hours, at the Office of the Corporate Secretary, 2030 Dow Center, Midland, Michigan.

A ticket of admission or proof of stock ownership is necessary to attend the Meeting. A ticket is included with your proxy material. Stockholders with registered accounts or who are in the Dividend Reinvestment Program or employees savings plans should check the box on the voting form if attending in person. Other stockholders holding stock in nominee name or beneficially through a bank or broker (in street name) need only bring their ticket of admission. Street name holders without tickets will need proof of record date ownership for admission to the Meeting, such as a March 2010 brokerage statement or letter from the bank or broker. Questions may be directed to 877-227-3294 (a toll-free telephone number in the United States and Canada) or 989-636-1792, or faxed to 989-638-1740.

Since seating is limited, the Board has established the rule that only stockholders may attend or one person holding a proxy for any stockholder or account (in addition to those named as Board proxies on the proxy forms). Proxy holders are asked to present their credentials in the lobby before the Meeting begins. If you are unable to attend the Meeting, please listen to the live audio webcast at the time of the Meeting, or the audio replay after the event, at *www.DowGovernance.com.*

Thank you for your continued support and your interest in The Dow Chemical Company.

Charles J. Kalil

Executive Vice President,

General Counsel and Corporate Secretary

® Trademark of The Dow Chemical Company

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2010 ANNUAL MEETING OF STOCKHOLDERS

THE DOW CHEMICAL COMPANY

Notice of the Annual Meeting and Proxy Statement

This Proxy Statement is issued in connection with the 2010 Annual Meeting of

Stockholders of The Dow Chemical Company to be held on May 13, 2010.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF

PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON

THURSDAY, MAY 13, 2010 AT 10:00 A.M. EDT

The 2010 Proxy Statement and 2009 Annual Report (with Form 10-K)

are available at *www.DowGovernance.com/proxy*

VOTING PROCEDURES

In the following pages of this Proxy Statement, you will find information on your Board of Directors, the candidates for election to the Board, and five other agenda items to be voted upon at the Annual Meeting of Stockholders (the Meeting) and any adjournment or postponement of that Meeting. The background information in this Proxy Statement has been supplied to you at the request of the Board of Directors to help you decide how to vote and to provide information on the Company s corporate governance and compensation practices. References in this document to the Company and Dow mean The Dow Chemical Company. This Proxy Statement is first being distributed to stockholders on or about March 26, 2010.

Vote Your Shares in Advance

The enclosed voting form will help you cast your vote on the Internet, by telephone or by mail. **Your shares will be voted if the voting form is properly executed and received by the independent Inspector of Election prior to the Meeting. If no specific choices are made by you when you execute your voting form, as explained on the form, your shares will be voted as recommended by your Board of Directors.**

You may revoke your voting proxy at any time before its use at the Meeting by sending a written revocation, by submitting another proxy on a later date, or by attending the Meeting and voting in person. No matter which voting method you choose, however, you should not vote any single account more than once unless you wish to change your vote. Be sure to submit votes for each separate account in which you hold Dow shares.

Confidential Voting

The Company has a long-standing policy of vote confidentiality. Proxies and ballots of all stockholders are kept confidential from the Company s management and Board unless disclosure is required by law and in other limited circumstances. The policy further provides that employees may confidentially vote their shares of Company stock held by the Company s employees savings plans, and requires the appointment of an independent tabulator and inspector of election for the Meeting.

Dividend Reinvestment Program Shares and Employees Savings Plans Shares

If you are enrolled in the Dividend Reinvestment Program (DRP), the shares of common stock owned on the record date by you directly, plus all shares of common stock held for you in the DRP, will appear together on a single voting form. The DRP administrator, BNY Mellon Shareowner Services, will vote all shares of stock held in your DRP account as directed by you only if you return your proxy form. If no specific instruction is given on an executed proxy form, the DRP administrator will vote as recommended by your Board of Directors.

Participants in various employees savings plans, including The Dow Chemical Company Employees Savings Plan, The Dow Chemical Company Employee Stock Ownership Plan and the PolyOne Retirement Savings Plan (each a Plan or the Plans), will receive, as appropriate, a confidential voting instruction form, in addition to voting forms for any shares held in registered and street name. Your executed form will provide voting instructions to the respective Plan Trustee. If no instructions are provided, the Trustees will vote the respective Plan shares according to the provisions of each Plan.

Dow Shares Outstanding and Quorum

At the close of business on the record date, March 15, 2010, there were shares of Dow Common Stock outstanding and entitled to vote. Each share of common stock is entitled to one vote. There are 4,000,000 shares of Series A Cumulative Convertible Perpetual Preferred Stock outstanding, however, no such shares of preferred stock outstanding as of

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VOTING PROCEDURES (continued)

the record date are entitled to vote. A majority of the outstanding shares of common stock present in person or represented by proxy constitutes a quorum for the transaction of business at the Meeting. Abstentions and broker non-votes will be included in determining the presence of a quorum at the Meeting. Broker non-votes occur when a person holding shares in street name, meaning through a brokerage firm, does not provide instructions as to how to vote their shares and the broker is not permitted to exercise voting discretion.

Proxies on Behalf of the Dow Board

The enclosed voting form is being solicited by your Board of Directors to provide an opportunity to all stockholders of record to vote on agenda items, whether or not the stockholders are able to attend the Meeting or an adjournment or postponement thereof. Proxies on behalf of the Board may be solicited in person, by mail, by telephone or by electronic communication by Dow officers and employees. The proxy representatives of the Board of Directors will not be specially compensated for their services in this regard.

Dow has retained D. F. King & Co., Inc. to aid in the solicitation of stockholders (primarily brokers, banks and other institutional investors) for an estimated fee of $25,000, plus out-of-pocket expenses. Arrangements have been made with brokerage houses, nominees and other custodians and fiduciaries to send materials to their principals, and their reasonable expenses will be reimbursed on request. The cost of solicitation will be borne by the Company.

CORPORATE GOVERNANCE

Corporate Governance Guidelines

The Company has adopted Corporate Governance Guidelines which are available at *www.DowGovernance.com*. Stockholders may receive a printed copy of the Corporate Governance Guidelines without charge by contacting the Office of the Corporate Secretary.* These Guidelines were adopted by the Board of Directors in order to set forth key areas of importance in Dow corporate governance.

The Board of Directors

The ultimate authority to oversee the business of The Dow Chemical Company rests with the Board of Directors. The role of the Board is to effectively govern the affairs of the Company for the benefit of its stockholders and, to the extent appropriate under Delaware corporation law, other constituencies including employees, customers, suppliers and communities in which it does business. Among other duties, the Board appoints the Company s officers, assigns to them responsibility for management of the Company s operations, and reviews their performance.

In 2009 one Director, Geoffery E. Merszei (a Director since 2005), resigned from the Board. One Director joined the Board since the 2009 Annual Meeting: Paul Polman was elected to the Board on February 10, 2010.

Director Independence

The Board has assessed the independence of each non-employee Director based upon the Company s Director independence standards listed on the Company s corporate governance website (*www.DowGovernance.com*). These standards incorporate the criteria in the listing standards of the New York Stock Exchange, as currently in effect, as well as additional, more stringent criteria established by the Board. Based upon these standards, the Board has determined that the following ten members of the Board are independent: Directors Barton, Bell, Fettig, Franklin, Hess, Polman, Reilley, Ringler, Shaw and Stern. These independent Directors constitute a substantial majority of the Board, consistent with Board policy. No independent Director left the Board in 2009.

When assessing independence, the Governance Committee and the Board consider all relationships between the Directors and the Company, including commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others. The Company screens for such relationships using an annual Directors and Officers Questionnaire that requires disclosure of any transactions with the Company in which the Director or executive officer, or any member of his or her immediate family, has a direct or indirect material interest. Given the large size of our Company and its diverse commercial and geographic markets, there are times when Dow sells products to, or purchases products or services from, other companies for which Dow Directors serve as executive officers or directors. The Governance Committee and the Board took into account the fact that Messrs. Bell, Fettig, Hess and Polman served as executive officers during each of the past three years of entities with which Dow made purchases or sales. All such purchases and sales were made at arms-length, commercial terms, and the Directors did not personally benefit from such transactions. In all instances, the extent of business represented significantly less than 2% of Dow s and the other entity s revenues.

Board Leadership Structure

Since 2006, Andrew N. Liveris has served as the Chairman, Chief Executive Officer, and President of the Company, and Paul G. Stern has served as the Presiding Director.

The Board recognizes that the leadership structure and combination or separation of the CEO and Chairman roles is driven by the needs of the Company at any point in time. The leadership structure at the Company has varied over time and has included combined roles, election of a presiding director, separation of roles, and other transition arrangements for succession planning. As a result, no policy exists requiring combination or separation of leadership roles and the Company s governing documents do not mandate a particular structure. This has allowed the Board the flexibility to establish the most appropriate structure for the Company at any given time.

* Office of the Corporate Secretary, The Dow Chemical Company, 2030 Dow Center, Midland, MI 48674, 989-636-1792 (telephone), 989-638-1740 (fax).

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CORPORATE GOVERNANCE (continued)

The Board has determined that the Company and its stockholders are currently best served by having one person serve as Chairman and CEO as it allows for a bridge between the Board and management and provides critical leadership for carrying out the Company s strategic initiatives and confronting its challenges. Mr. Liveris service as Chairman facilitates the Board decision-making process because Mr. Liveris has first-hand knowledge of the Company s operations and the major issues facing the Company, and he chairs the Board meetings where the Board discusses strategic and business issues. Mr. Liveris is the only member of executive management who is also a Director.

As part of the decision to elect Mr. Liveris as Chairman, the independent Directors on the Board have elected Dr. Stern as the Presiding Director with clearly defined leadership authority and responsibilities. Among other responsibilities, the Presiding Director works with the Chairman to call Board meetings, set the Board agenda and determine the appropriate materials to be provided to the Directors. He leads executive sessions of the Board, facilitates communication between the Board and management, and serves as focal point for stockholder communications addressed to independent Directors. The Presiding Director may retain outside professionals on behalf of the Board as the Board may determine is necessary and appropriate. Contact information for the Presiding Director is shown on page .

The election of Mr. Liveris as both Chairman and CEO promotes unified leadership and direction for the Board and executive management. The appointment of the Presiding Director and the use of executive sessions of the Board, along with the Board s strong committee system consisting solely of independent Directors and substantial majority of independent Directors, allows the Board to maintain effective risk oversight and provides that independent Directors oversee such critical items as the Company s financial statements, executive compensation, the selection and evaluation of directors and the development and implementation of our corporate governance programs.

Risk Oversight

The Board of Directors is responsible for overseeing the overall risk management process at the Company. Risk management is considered a strategic activity within the Company and responsibility for managing risk rests with executive management while the Committees of the Board and the Board as a whole participate in the oversight of the process. Specifically, the Board has responsibility for overseeing the strategic planning process and reviewing and monitoring management s execution of the corporate and business plan and each Board Committee is responsible for oversight of specific risk areas relevant to the Committee charters.

The oversight responsibility of the Board and Committees is enabled by an enterprise risk management model and process implemented by management that is designed to identify, assess, manage and mitigate risks. The Audit Committee is responsible for overseeing that management implements and follows this risk management process and for coordinating the outcome of reviews by the other Committees in their respective risk areas. In addition, the enterprise risk management model and process are reviewed with the Board of Directors annually and the Board recognizes risk management and oversight is a dynamic and continuous process.

The strategic plan and critical issues and opportunities are presented to the Board each year by senior management. Throughout the year, management reviews any critical issues and actual results as compared to plan with the Board and relevant Committees. Members of executive management are also available to discuss the Company s strategy, plans, results and issues with the Committees and the Board, and regularly attend such meetings to provide periodic briefings and access. In addition, as noted in the Audit Committee Report on page , the Audit Committee regularly meets in executive sessions with members of management including separate sessions with the independent registered public accounting firm, the internal auditor and general counsel.

Communication with Directors

Stockholders and other interested parties may communicate directly with the full Board, the Presiding Director, the non-management Directors as a group, or with specified individual Directors by any of several methods. These include mail addressed to The Dow Chemical Company, 2030 Dow Center, Midland, MI 48674, and the Contact Us feature of Dow s corporate governance website at *www.DowGovernance.com*. The Presiding Director and other non-management Directors may also be contacted by email addressed to *PresidingDirector@Dow.com*. Please specify the intended recipient(s) of your

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CORPORATE GOVERNANCE (continued)

letter or electronic message. Communications will be distributed to any or all Directors as appropriate depending upon the individual communication. However, the Directors have requested that communications that do not directly relate to their duties and responsibilities as Directors of the Company be excluded from distribution and deleted from email that they access directly. Such excluded items include spam; advertisements; mass mailings; form letters and email campaigns that involve unduly large numbers of similar communications; solicitations for goods, services, employment or contributions; surveys; and individual product inquiries or complaints. Additionally, communications that appear to be unduly hostile, intimidating, threatening, illegal or similarly inappropriate will also be screened for omission by the Office of the Corporate Secretary. Any omitted or deleted communication will be made available to any Director upon request.

Board and Committee Meetings; Annual Meeting Attendance

The Federal securities laws require companies to report whether any Director attended fewer than 75% of the sum of the total number of Board meetings and the total number of Board Committee meetings that each such respective Director was eligible to attend during the past year (attendance threshold).

The Directors are encouraged to attend all Annual Meetings of Stockholders, and in 2009, all Directors then serving attended. All Directors attended 100% of the 6 regularly scheduled Board meetings. In addition to the 6 regularly scheduled meetings of the Board of Directors, there were an additional 12 special meetings held in 2009. These additional meetings were called on short notice on an as-needed basis and held during the first 6 months of the year to allow the Board to maintain active engagement, take appropriate action, and/or receive status updates on various matters facing the Company.

As noted above, there were 18 regular and special Board meetings in 2009 and 23 formal Board Committee meetings. All but one of the Directors (Hess) exceeded the attendance threshold. Mr. Hess attended 100% of the regularly scheduled Board meetings and 72% of the aggregate of all Board meetings and meetings of the Committees on which he served. The unusually high number of special meetings called on short notice contributed to this aggregate percentage and Mr. Hess missed satisfying the attendance threshold by only one meeting. Mr. Hess has been a director since 2006, and this is the only year in which his attendance has been below the attendance threshold. Immediate updates on any matters covered are provided to any Director if they are unable to attend a meeting and Mr. Hess was provided with such updates.

Executive Sessions of Directors

The non-management Directors meet in executive session, chaired by the Presiding Director (currently Dr. Stern), in connection with each regularly scheduled meeting of the Board, and at other times as they may determine appropriate. In 2009, there were 10 executive sessions of the Board of Directors. The Audit, Compensation and Leadership Development, and Governance Committees of the Board typically meet in executive session in connection with every Committee meeting.

Board Committees

Board Committees perform many important functions. The responsibilities of each Committee are stated in the Bylaws and in their respective Committee charters, which are available at *www.DowGovernance.com*. Stockholders may receive a printed copy of the Committee charters without charge by contacting the Office of the Corporate Secretary.* The Board, upon the recommendation of the Governance Committee, elects members to each Committee and has the authority to change Committee chairs, memberships and the responsibilities of any Committee. A brief description of the current standing Board Committees follows, with memberships listed as of March 15, 2010, the record date for the Meeting. The Audit Committee, Compensation and Leadership Development Committee, and Governance Committee are comprised entirely of independent Directors who meet the applicable independence requirements of the New York Stock Exchange, the U.S. Securities and Exchange Commission (as applicable) and the Company.

* Office of the Corporate Secretary, The Dow Chemical Company, 2030 Dow Center, Midland, MI 48674, 989-636-1792 (telephone), 989-638-1740 (fax).

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CORPORATE GOVERNANCE (continued)

Standing Committee and Function	Chair and Members		Meetings in 2009
Audit Committee	B. H. Franklin, Chair		9
Oversees the quality and integrity of the financial statements of the Company; the qualifications, independence and performance of the independent auditors; and the Company s system of disclosure controls and procedures and system of internal control over financial reporting. Has oversight responsibility for the performance of the Company s internal audit function and compliance with legal and regulatory requirements. A more complete description of the duties of the Committee is contained in the Audit Committee charter available at *www.DowGovernance.com*.	J. A. Bell J. M. Fettig	J. M. Ringler P. G. Stern	
Compensation and Leadership Development Committee	D. H. Reilley, Chair		7
Assists the Board in meeting its responsibilities relating to the compensation of the Company s Chief Executive Officer and other senior executives in a manner consistent with and in support of the business objectives of the Company, competitive practice and applicable standards. A more complete description of the duties of the Committee is contained in the Compensation and Leadership Development Committee charter available at *www.DowGovernance.com*.	J. K. Barton J. B. Hess	P. Polman R. G. Shaw	
Environment, Health and Safety Committee	J. K. Barton, Chair		3
Assists the Board in fulfilling its oversight responsibilities by assessing the effectiveness of environment, health and safety programs and initiatives that support the environment, health and safety policy of the Company, and by advising the Board on matters impacting corporate citizenship and Dow s public reputation. A more complete description of the duties of the Committee is contained in the Environment, Health and Safety Committee charter available at *www.DowGovernance.com*.	A. A. Allemang A. N. Liveris P. Polman	D. H. Reilley J. M. Ringler R. G. Shaw	
Governance Committee	P. G. Stern, Chair		4
Assists the Board on all matters relating to the selection, qualification, and compensation of members of the Board, as well as any other matters relating to the duties of Board members. Acts as a nominating committee with respect to candidates for Directors and makes recommendations to the Board concerning the size, structure and committees of the Board. Assists the Board with oversight of governance matters. A more complete description of the duties of the Committee is contained in the Governance Committee charter available at *www.DowGovernance.com*.	J. A. Bell J. M. Fettig	B. H. Franklin	

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CORPORATE GOVERNANCE (continued)

Board of Directors Terms

Dow s Restated Certificate of Incorporation provides that all Directors stand for election at each Annual Meeting of Stockholders.

Director Qualifications and Diversity

There are certain minimum qualifications for Board membership that Director candidates should possess, including strong values and discipline, high ethical standards, a commitment to full participation on the Board and its Committees, relevant career experience, and a commitment to ethnic, racial and gender diversity. The Governance Committee has adopted guidelines to be used in evaluating candidates for Board membership in order to ensure a diverse and highly qualified Board of Directors. In addition to the characteristics mentioned above, the guidelines provide that candidates should possess individual skills, experience and demonstrated abilities that help meet the current needs of the Board and provide for diversity of membership, such as experience or expertise in some of the following areas: the chemical industry, global business, science and technology, finance and/or economics, competitive positioning, corporate governance, public affairs, and experience as chief executive officer, chief operating officer or chief financial officer of a major company. Other factors that are considered include independence of thought, willingness to comply with Director stock ownership guidelines, meeting applicable Director independence standards (where independence is desired) and absence of conflicts of interest. The Governance Committee may modify the minimum qualifications and evaluation guidelines from time to time as it deems appropriate. These guidelines for Director qualifications are included in Dow s Corporate Governance Guidelines, available at *www.DowGovernance.com*.

The guidelines for Director qualifications provide that a commitment to diversity is a consideration in the identification and nomination of Director candidates. The Governance Committee and the full Board implement and assess the effectiveness of these guidelines and the commitment to diversity by referring to these guidelines in the review and discussion of Board candidates when assessing the composition of the Board and by including questions regarding the diversity of the Board membership in the Board s annual self-evaluations.

The Governance Committee and the Board believe that the qualifications, skills and attributes set forth generally above for all Directors and more specifically below for each of the Directors, support the conclusion that these individuals are qualified to serve as Directors of the Company and collectively possess a variety of skills, professional experience, and diversity of backgrounds allowing them to effectively oversee the Company s business. As noted below, the Directors have a diverse combination of the following background and qualifications: leadership experience (including current and former chief executive officer, chief financial officer and other senior executive management positions) at major domestic and foreign companies with global operations in a variety of relevant fields and industries; experience on other public company boards (including chair positions); board or other significant experience with academic, research and philanthropic institutions and trade and industry organizations; and prior government or public policy experience. The Governance Committee and Board have determined that all of the Directors meet the personal and professional qualifications identified in this section and the list below highlights several of these key attributes as they apply to the individual Directors that support the conclusion that these individuals are highly qualified to serve on the Company s Board of Directors. Please see pages to for the complete biographies for each of the nominees.

<u>A.A. Allemang</u>

-diverse global business leadership experience in various executive management and advisory positions with The Dow Chemical Company providing first-hand knowledge of the Company

-extensive experience and knowledge in chemical industry manufacturing and engineering

-active involvement with major business and industry organizations including the American Chemical Society which contributes to understanding and addressing issues at the Company

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CORPORATE GOVERNANCE (continued)

J.K. Barton

-leadership experience as Chair of the Division of Chemistry and Chemical Engineering of California Institute of Technology

-leadership, research, and teaching experience through positions at leading research universities including California Institute of Technology, Columbia University, and Hunter College-City University of New York which is particularly important given the Company s research and innovation focus

-active involvement with major science and technology organizations including the National Academy of Sciences and the American Chemical Society which contributes to understanding and addressing issues at the Company

J.A. Bell

-global business leadership experience as Chief Financial Officer of The Boeing Company

-finance and accounting expertise including experience with and direct involvement and supervision in the preparation of financial statements and risk management

-active involvement with major business and public policy organizations including World Business Chicago, the Chicago Economic Club, and the Commercial Club of Chicago which contributes to understanding and addressing issues at the Company

J.M. Fettig

-global business and leadership experience as Chairman and Chief Executive Officer of Whirlpool Corporation

-extensive experience and knowledge of international business operations, manufacturing, marketing, sales and distribution which is particularly important given the global presence and nature of the operations of the Company

-extensive experience and knowledge of consumer dynamics, branded consumer products, and end-user markets and servicing relevant to the business operations and focus of the Company

B.H. Franklin

-high level U.S. Government experience and leadership (former U.S. Secretary of Commerce, former Commissioner US Consumer Product Safety Commission)

-extensive public company board experience on 14 boards and currently as a director of Aetna, Inc.; Chair of National Association of Corporate Directors; recognized expertise and leadership in corporate governance, auditing, and financial reporting

-active involvement with major business and international organizations including the Economic Club of New York (chair emerita), director of U.S.-China Business Council, Atlantic Council, and Committee for Economic Development which contributes to understanding and addressing issues at the Company

J.B. Hess

-global business and leadership experience as Chairman and Chief Executive Officer of Hess Corporation

-extensive experience and knowledge of international business operations and energy, petroleum and petrochemical industries which is particularly important given the global presence and nature of the operations of the Company

-active involvement with major business and public policy organizations including The Business Council, The National Petroleum Council and The Council of Foreign Relations which contributes to understanding and addressing issues at the Company

A.N. Liveris

-global business and leadership experience as Chairman and Chief Executive Officer of The Dow Chemical Company

- active involvement with major business, public policy, and international organizations including U.S.-China Business Council (Chair), U.S.-India CEO Forum, the Business Roundtable (Vice Chair), The Business Council (Vice Chair), and the Societe de Chimie Industrielle which contributes to understanding and addressing issues at the Company

-additional public company board experience as a director of Citgroup, Inc. and International Business Machines Corporation and academic institution governance experience as a trustee of Tufts University which provides additional corporate governance and compensation experience and financial expertise

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CORPORATE GOVERNANCE (continued)

P. Polman

-global business and leadership experience as Chief Executive Officer of Unilever PLC and Unilever NV

-extensive experience and knowledge of international business operations and global consumer product industries and end uses which is particularly important given the global presence and nature of the operations of the Company

-active involvement with major trade and public policy and international organizations including the European Round Table, The International Business Council of the World Economic Forum, Swiss American Chamber of Commerce, and the World Business Council for Sustainable Development which contributes to understanding and addressing issues at the Company

D.H. Reilley

-global business and leadership experience in multiple major corporations including Covidien Ltd. (former non-executive Chairman), Praxair, Inc. (former Chairman, President and Chief Executive Officer), E.I. DuPont de Nemours & Co. (former Chief Operating Officer), and Conoco, Inc., (various managerial and executive positions)

-extensive experience and knowledge of the global oil, petrochemical and chemical industries which is particularly important given the global presence and nature of the operations of the Company

-additional public company board experience as a director of Covidien, H.J. Heinz and Marathon Oil Company which provides additional corporate governance and compensation experience and financial expertise

J.M. Ringler

-global business and leadership experience as Chairman of Teradata Corporation

-extensive knowledge and experience in a variety of manufacturing industries which is particularly important given the global presence and nature of the operations of the Company

-additional public company board experience as a director of Autoliv, Inc., Corn Products International, Inc., John Bean Technologies Corporation, and FMC Technologies, Inc. which provides additional corporate governance and compensation experience and financial expertise

R.G. Shaw

-global business and leadership experience with Duke Energy Corporation (former Executive Advisor) and Duke Power Company (former President and Chief Executive Officer) and leadership experience at major academic institutions including Central Piedmont Community College (former President) and El Centro College (former President)

-extensive knowledge of and experience with energy and power industries and markets including nuclear, coal, and natural gas which is particularly important given the global presence and nature of the operations of the Company

- additional public company board experience as a director of DTE Energy Co. which provides additional corporate governance and compensation experience and financial expertise

P.G. Stern

-extensive global business and leadership experience through variety of senior leadership positions including Claris Capital (Chairman), co-founder of Arlington Capital Partners and Thayer Capital Partners, Northern Telecom Limited (former Chairman), and Unisys Corporation (former President)

-active involvement with major business, public policy and international organizations including Council on Foreign Relations, and Business Executives for National Security which contributes to understanding and addressing issues at the Company

-additional public company board experience as a director of Whirlpool Corporation which provides additional corporate governance and compensation experience and financial expertise

Nominations for Director

Among the Governance Committee s most important functions is the selection of Directors. The Committee has a long-standing practice of accepting stockholders suggestions of candidates to consider as potential Board members, as part of the Committee s periodic review of the size and composition of the Board and its Committees. Such recommendations should be sent to the Governance Committee through the Corporate Secretary.*

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CORPORATE GOVERNANCE (continued)

Under the Company s Bylaws, stockholders wishing to formally nominate a person for election as a Director at the next Annual Meeting must notify the Corporate Secretary* between November 26, 2010, and January 25, 2011. However, if the annual meeting is called for a date that is not within 30 days before or after the anniversary of the prior year s annual meeting, to be timely such notice by the stockholder must be so received not later than the close of business on the one hundred twentieth day prior to such annual meeting and not later than the close of business on the later of the ninetieth day prior to such annual meeting or the tenth day following the date on which public disclosure (as defined in the Bylaws) of the annual meeting is first made by the Company. Such notices must comply with the provisions set forth in the Bylaws. A copy of the Bylaws may be found on the Company s website at *www.DowGovernance.com*. Alternatively, a copy of the Bylaws will be provided without charge to any stockholder who requests it in writing. Such requests should be addressed to the Corporate Secretary.*

The Governance Committee has adopted a process for identifying new Director candidates. Recommendations may be received by the Committee from various sources, including current or former Directors, a search firm retained by the Committee, stockholders, Company executives, and by self-nomination. The Governance Committee uses the same process to evaluate Director nominees recommended by stockholders as it does to evaluate nominees identified by other sources.

The evaluation of new Director candidates involves several steps, not necessarily in any particular order. A preliminary analysis of a nominee involves securing a resume and other background data and comparing this data to the Director attributes mentioned above, as well as to the current needs of the Board for new members including considerations to ensure diversity of membership in accordance with the guidelines identified above. References are checked and analyses are performed to identify potential conflicts of interest and appropriate independence from the Company. Candidate information is provided to all Governance Committee members for purposes of discussion and evaluation. If the Committee decides to further evaluate a candidate, interviews are conducted. Other steps may include requesting additional data from the candidate, providing Company background information to the candidate, and determining the candidate s schedule compatibility with Dow Board and Committee meeting dates.

Code of Business Conduct

All Directors, officers and employees of Dow are expected to be familiar with the Company s Code of Business Conduct, and to apply it in the daily performance of their Dow responsibilities. The Code of Business Conduct is intended to focus employees, officers and Directors on areas of ethical risk, help them recognize and make informed decisions on ethical issues, help create a culture of the highest ethical and business standards, and provide mechanisms to report unethical conduct. The full text of Dow s Code of Business Conduct is available at *www.DowGovernance.com*. Stockholders may receive a printed copy of the Code of Business Conduct without charge by contacting the Office of the Corporate Secretary.*

Compensation Committee Interlocks and Insider Participation

No member of Dow s Compensation and Leadership Development Committee has served as a Dow officer or employee at any time or had during 2009 any relationship requiring disclosure as a related person transaction. None of Dow s executive officers serves as a member of the compensation committee of any other company that has an executive officer serving as a member of Dow s Board of Directors. None of Dow s executive officers serves as a member of the board of directors of any other company that has an executive officer serving as a member of Dow s Compensation and Leadership Development Committee.

Related Person Transaction Policy

The Federal securities laws require public companies to describe any transaction, since the beginning of the last fiscal year, or any currently proposed transaction, in which the Company was or is to be a participant and the amount involved exceeds $120,000, and in which any related person had or will have a direct or indirect material interest. Related persons are directors and executive officers, nominees for director and any immediate family members of directors, executive officers or nominees

* Office of the Corporate Secretary, The Dow Chemical Company, 2030 Dow Center, Midland, MI 48674, 989-636-1792 (telephone), 989-638-1740 (fax).

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CORPORATE GOVERNANCE (continued)

for director and greater than 5% holders of Dow Common Stock. Companies are also required to describe their policies and procedures for the review, approval or ratification of any related person transaction.

Pursuant to Dow s Code of Business Conduct, and annual review of Director independence, the Company has had procedures in place to monitor related person transactions for several years. Upon the recommendation of the Governance Committee, the Board of Directors adopted a formal written policy (the Policy) on related person transactions on February 15, 2007.

The Governance Committee is responsible for reviewing the material facts of all transactions that could potentially be transactions with related persons. The Policy covers any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which (1) the aggregate amount involved will or may be expected to exceed $100,000 in any calendar year, (2) the Company is a participant, and (3) any related person has or will have a direct or indirect interest (other than solely as a result of being a director or a less than 10% beneficial owner of another entity). The Governance Committee is responsible to either approve

or disapprove of the entry into the transaction, subject to the exceptions listed below. If advance Committee approval of the transaction is not feasible, then the transaction shall be considered and, if the Committee determines it to be appropriate, ratified at the Committee s next regularly scheduled meeting.

The Governance Committee has determined that certain types of transactions shall be deemed to be preapproved by the Committee even if the amount involved will exceed $100,000, including: (a) employment of executive officers where the officer s compensation is either reported in the Proxy Statement or would have been reported in the Proxy Statement if the officer was a named executive officer, and the Compensation and Leadership Development Committee approved such compensation; (b) Director compensation where such compensation is reported in the Proxy Statement; (c) certain transactions with other companies where the related person s only relationship with the other company is as a director, employee or beneficial owner of less than 10% of that company s shares, and the aggregate amount involved does not exceed the greater of $1 million or 2% of that company s total annual revenues; (d) certain Company charitable contributions where the related person s only relationship is as an employee or director of the charitable entity and where the aggregate amount does not exceed the greater of $1 million or 2% of the charitable entity s total annual receipts; (e) transactions where all stockholders receive proportional benefits; (f) transactions involving competitive bids; and (g) regulated transactions.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), requires the Company s Directors and executive officers and persons who own more than 10% of a registered class of the Company s equity securities (the Reporting Persons) to file with the U.S. Securities and Exchange Commission (SEC) reports on Forms 3, 4 and 5 concerning their ownership of and transactions in the common stock and other equity securities of the Company, generally within two business days of a reportable transaction. As a practical matter, the Company seeks to assist its Directors and executives by monitoring transactions and completing and filing reports on their behalf.

Based solely upon a review of SEC filings furnished to the Company and written representations that no other reports were required, we believe that all Reporting Persons complied with these reporting requirements during fiscal 2009.

* Office of the Corporate Secretary, The Dow Chemical Company, 2030 Dow Center, Midland, MI 48674, 989-636-1792 (telephone), 989-638-1740 (fax).

Agenda Item 1

CANDIDATES FOR ELECTION AS DIRECTOR

In accordance with the recommendation of the Governance Committee, the Board of Directors has nominated Arnold A. Allemang, Jacqueline K. Barton, James A. Bell, Jeff M. Fettig, Barbara H. Franklin, John B. Hess, Andrew N. Liveris, Paul Polman, Dennis H. Reilley, James M. Ringler, Ruth G. Shaw and Paul G. Stern for election as Directors, to serve for a one-year term that expires at the Annual Meeting in 2011, and until their successors are elected and qualified.

Each nominee is currently serving as a Director and each has consented to serve for the new term. Director Paul Polman joined the Board following the 2009 Annual Meeting. Mr. Polman was recommended for nomination as a Director by the Company s Chairman and CEO and several independent Directors. All other nominees have previously been elected as Directors by the Company s stockholders. Information in the biographies below is current as of February 23, 2010. Please see pages to for additional information on Director Qualifications and Diversity.

The Board of Directors unanimously recommends a vote FOR the election of ALL of these nominees as Directors.

The Company s Bylaws prescribe the voting standard for election of Directors as a majority of the votes cast in an uncontested election, such as this one, where the number of nominees does not exceed the number of Directors to be elected. Under this standard, a nominee must receive more for than against votes to be elected. Abstentions and broker non-votes are not included. Under the Company s Corporate Governance Guidelines, if a nominee who already serves as a director is not elected, that nominee shall offer to tender his or her resignation to the Board. The Governance Committee will then recommend to the Board whether to accept or reject the resignation, or whether other action should be taken. Within 90 days of the certification of election results, the Board will publicly disclose its decision regarding whether to accept or reject the resignation. As explained on the accompanying proxy, it is the intention of the persons named as proxies to vote executed proxies for the candidates nominated by the Board unless voting instructions are provided. If something unanticipated should occur prior to the Annual Meeting making it impossible for one or more of the candidates to serve as a Director, votes will be cast in the best judgment of the persons authorized as proxies.

The New York Stock Exchange rules do not permit brokers discretionary authority to vote in the election of directors. Therefore, if you hold your shares of Company common stock in street name and do not provide voting instructions to your broker, your shares will not be voted in the election of directors. We urge you to promptly provide voting instructions to your broker to ensure that your shares are voted in this matter. Please follow the instructions set forth in the voting information provided by your bank or broker.

Arnold A. Allemang, 67. Director since 1996.
The Dow Chemical Company: Employee of Dow 1965-March 2008. Manufacturing General Manager, Dow Benelux N.V.* 1992-1993. Regional Vice President, Manufacturing and Administration, Dow Benelux N.V.* 1993. Vice President, Manufacturing Operations, Dow Europe GmbH* 1993-1995. Dow Vice President and Director of Manufacturing and Engineering 1996-1997. Dow Vice President, Operations 1997-2000. Executive Vice President 2000-2004. Senior Advisor 2004-2008. Member of the Advisory Board for RPM Ventures; the President s Circle of Sam Houston State University; and the American Chemical Society.

* A number of Company entities are referenced in the biographies and are defined as follows. (Some of these entities have had various names over the years. The names and relationships to the Company, unless otherwise indicated, are stated in this footnote as they existed as of February 23, 2010.) Dow Benelux N.V., Dow Chemical Pacific Limited, Dow Europe GmbH and Union Carbide Corporation all ultimately wholly owned subsidiaries of Dow. Ownership by Dow described above may be either direct or indirect.

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CANDIDATES FOR ELECTION AS DIRECTOR (continued)

Jacqueline K. Barton, 57. Arthur and Marian Hanisch Memorial Professor of Chemistry, Chair, Division of Chemistry and Chemical Engineering, California Institute of Technology. Director since 1993.
California Institute of Technology: Professor of Chemistry 1989 to date, Arthur and Marian Hanisch Memorial Professor of Chemistry 1997 to date. Chair, Division of Chemistry and Chemical Engineering, 2009 to date. Assistant Professor of Chemistry and Biochemistry, Hunter College, City University of New York 1980-1982. Columbia University: Assistant Professor 1983-1985, Associate Professor 1985-1986, Professor of Chemistry and Biological Sciences 1986-1989.

Named a MacArthur Foundation Fellow 1991, the American Academy of Arts and Sciences Fellow 1991, the American Philosophical Society Fellow 2000 and National Academy of Sciences member 2002. Named Outstanding Director 2006 by the Outstanding Director Exchange (ODX), Recipient of the Willard Gibbs Award 2006, Recipient of the American Chemical Society (ACS) Breslow Award 2003, ACS William H. Nichols Medal Award 1997, Columbia University Medal of Excellence 1992, ACS Garvan Medal 1992, Mayor of New York s Award in Science and Technology 1988, ACS Award in Pure Chemistry 1988 and the Alan T. Waterman Award of the National Science Foundation 1985.

Member of the Gilead Sciences Scientific Advisory Board (1989-2008). Former director of GeneOhm Sciences Inc. (2001-2005).

James A. Bell, 61. Executive Vice President, Corporate President and Chief Financial Officer, The Boeing Company. Director since 2005.
The Boeing Company Executive Vice President, Corporate President and Chief Financial Officer, 2008 to date; Executive Vice President, Finance and Chief Financial Officer, 2003-2008; Senior Vice President of Finance and Corporate Controller, 2000-2003. Previous positions include Vice President of Contracts and Pricing for Boeing Space and Communications, 1996-2000; Director of Business Management of the Space Station Electric Power System at Boeing Rocketdyne unit, 1992-1996.

Member of the Board of Directors of The Chicago Urban League. Member of the World Business Chicago, the Chicago Economic Club, and the Commercial Club of Chicago.

Jeff M. Fettig, 52. Chairman and Chief Executive Officer of Whirlpool Corporation. Director since 2003.
Whirlpool Corporation Chairman and Chief Executive Officer 2004 to date; President and Chief Operating Officer 1999-2004; Executive Vice President 1994-1999; President, Whirlpool Europe and Asia 1994-1999; Vice President, Group Marketing and Sales, North American Appliance Group 1992-1994; Vice President, Marketing, Philips Whirlpool Appliance Group of Whirlpool Europe B.V. 1990-1992; Vice President, Marketing, KitchenAid Appliance Group 1989-1990; Director, Product Development 1988-1989.

Director of Whirlpool Corporation.

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CANDIDATES FOR ELECTION AS DIRECTOR (continued)

Barbara H. Franklin, 69. President and CEO of Barbara Franklin Enterprises and Former U.S. Secretary of Commerce. Director 1980-92 and 1993 to date.
President and CEO, Barbara Franklin Enterprises, private international consulting firm, 1995 to date. Business consultant 1993-1995. U.S. Secretary of Commerce 1992-1993. President and CEO, Franklin Associates 1984-1992. Senior Fellow, Wharton School, University of Pennsylvania 1979-1988. Commissioner, U.S. Consumer Product Safety Commission 1973-1979. Staff Assistant to the President of the United States 1971-1973. Asst. Vice President, Citibank 1969-1971 and manager in corporate planning, the Singer Company 1964-1970.

President s Advisory Council for Trade Policy and Negotiations 1982-1986, 1989-1992. *Directorship 100*, (the most influential people in corporate governance) 2009. Outstanding Director 2003, Outstanding Directors Exchange (ODX). Director of the Year, National Association of Corporate Directors 2000. John J. McCloy Award for contributions to auditing excellence 1992. Woodrow Wilson Award for Public Service 2006. Chairman of the National Association of Corporate Directors. Chairman *Emerita* of the Economic Club of New York; Director of the National Committee on U.S.-China Relations, the Atlantic Council, and the U.S.-China Business Council. Member Emeritus of the PCAOB Advisory Council.

Director of Aetna, Inc. Director or Trustee of three funds in the American Funds family of mutual funds; Director of JP Morgan Value Opportunities Fund, Inc. Former director of MedImmune, Inc. (1995-2000); GenVec, Inc. (2002-2007); and Milacron, Inc. (1996-2005).

John B. Hess, 55. Chairman and Chief Executive Officer, Hess Corporation. Director since 2006.
Hess Corporation Employee since 1977; Director 1978 to date; Chairman and Chief Executive Officer 1995 to date. Director of National Advisory Board of J.P. Morgan Chase & Co. Member of The Business Council, The National Petroleum Council, The Council of Foreign Relations, Dean s Advisors of Harvard Business School, Board of Trustees for the Mount Sinai Hospital, Wildlife Conservation Society/NY Zoo, United Cerebral Palsy Research and Educational Foundation, and The New York Public Library. Member of the Board of Directors of Lincoln Center for the Performing Arts. Former member of the Secretary of Energy Advisory Board.

Director of Hess Corporation.

Andrew N. Liveris, 55. Dow President, Chief Executive Officer & Chairman. Director since 2004.
Employee of Dow since 1976. General manager of Dow s Thailand operations 1989-1992. Group business director for Emulsion Polymers and New Ventures 1992-1993. General manager of Dow s start-up businesses in Environmental Services 1993-1994. Vice President of Dow s start-up businesses in Environmental Services 1994-1995. President of Dow Chemical Pacific Limited* 1995-1998. Vice President of Specialty Chemicals 1998-2000. Business Group President for Performance Chemicals 2000-2003. President and Chief Operating Officer 2003-2004. President and Chief Executive Officer 2004 to date and Chairman 2006 to date.

Chairman of the U.S.-China Business Council; Vice Chairman of the U.S. Business Council and the Business Roundtable. Member of the U.S.-India CEO Forum, the American Australian Association, the Business Roundtable, and the Société de Chimie Industrielle. Member of the Board of Trustees of Tufts University.

Director of Citigroup, Inc. and International Business Machines Corporation.

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CANDIDATES FOR ELECTION AS DIRECTOR (continued)

Paul Polman, 53. Chief Executive Officer of Unilever PLC and Unilever N.V. Director since February 2010.
Unilever PLC and Unilever N.V. Chief Executive Officer Jan 2009 to date. Nestlé S.A. Executive Vice President of America, Canada, Latin America, Caribbean Jan 2008-Sept 2008; Chief Financial Officer 2006-2008. The Procter & Gamble Company Group President Europe 2001-2006; Vice President and Managing Director UK 1995-1998; Vice President & General Manager Iberia 1989-1995; Category Manager & Marketing Director France 1986-1989; Finance assignments leading to Associate Finance Director 1979-1986. CFO of the Year 2007, Investor Magazine; Carl Lindner Award 2006, University of Cincinnati; WSJ/CNBC European Business Leader of the Year 2003. President of the Kilimanjaro Blindtrust/Chair of Perkins International Advisory Board. Member. European Round Table, International Business Council of WEF, Swiss American Chamber of Commerce and World Business Council for Sustainable Development. Honorary degrees from Universities of Northumbria, UK in 2000 and University of Cincinnati in 2009.

Former director of Alcon.

Dennis H. Reilley, 56. Former Non-Executive Chairman, Covidien, Ltd. Director since 2007.
Covidien, Ltd. Non-Executive Chairman, April 2007 to November 2008; Board member, April 2007 to date. Praxair, Inc. Chairman, 2000-2007; President and Chief Executive Officer, 2000-2006. E.I. DuPont de Nemours & Co. Executive Vice President and Chief Operating Officer, 1999-2000; Executive Vice President, 1997-1999; Vice President and general manager, Lycra business, 1996-1997; Vice President and general manager, specialty chemicals business, 1994-1995; Vice President and general manager, titanium dioxide business, 1990-1994. Prior to 1989, held various senior executive positions with Conoco. Director of the Conservation Fund. Former Chairman of the American Chemistry Council.

Director of Covidien, Ltd., H.J. Heinz Company and Marathon Oil Company. Former director of Entergy Corporation (1999-2005).

James M. Ringler, 64. Chairman of Teradata Corporation. Director since 2001.
Teradata Corporation Chairman, October 2007 to date. NCR Corporation Director and Chairman, 2005-2007. Union Carbide Corporation* Director, 1996-2001. Illinois Tool Works, Inc. (following its merger with Premark International, Inc.), Vice Chairman, 1999-2004. Premark International, Inc. Chairman, 1997-1999; Director, 1990-1999; Chief Executive Officer, 1996-1999; President and Chief Operating Officer, 1992-1996; Executive Vice-President, 1990-1992. Tappan Company President and Chief Operating Officer, 1982-1986; White Consolidated Industries Major Appliance Group President, 1986-1990 (both subsidiaries of Electrolux AB).

Director of Teradata Corporation, Autoliv Inc., Corn Products International, Inc., John Bean Technologies Corporation and FMC Technologies, Inc. Former director of NCR Corporation (2005-2007), Union Carbide Corporation (1996-2001), Premark International (1990-1999), Illinois Tool Works, Inc. (1999-2004).

* A number of Company entities are referenced in the biographies and are defined as follows. (Some of these entities have had various names over the years. The names and relationships to the Company, unless otherwise indicated, are stated in this footnote as they existed as of February 23, 2010.) Dow Benelux N.V.,

Dow Chemical Pacific Limited, Dow Europe GmbH and Union Carbide Corporation   all ultimately wholly owned subsidiaries of Dow. Ownership by Dow described above may be either direct or indirect.

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CANDIDATES FOR ELECTION AS DIRECTOR (continued)

Ruth G. Shaw, 62. Former Executive Advisor of Duke Energy Corporation. Director since 2005.
Duke Energy Corporation Executive Advisor, Oct 2006 to May 2008, Group Executive, Public Policy and President, Duke Nuclear, April 2006 to Oct 2006; President and Chief Executive Officer, Duke Power Company, 2003-2006; Executive Vice President and Chief Administrative Officer, 1997-2003; President of The Duke Energy Foundation, 1994-2003; Senior Vice President, Corporate Resources, 1994-1997; Vice President, Corporate Communications, 1992-1994. President, Central Piedmont Community College, Charlotte, NC 1986-1992. President, El Centro College, Dallas, TX 1984-1986. Chair, Board of Trustees for the University of North Carolina at Charlotte; Chair, Carolina Thread Trail Governing Board. Board of visitors at the Duke University Nicholas School of the Environment. Director, Foundation for the Carolinas.

Director of DTE Energy. Former director of Wachovia Corporation (1990-2008).

Paul G. Stern, 71. Chairman of Claris Capital. Director since 1992. Presiding Director since May 2006.
Chairman of Claris Capital, 2004 to date. Co-founder and General Partner of Arlington Capital Partners in 1999 and co-founder of Thayer Capital Partners in 1995. Special partner at Forstmann Little & Co. 1993-1995. Northern Telecom Limited Chairman of the Board 1990-1993, Chief Executive Officer 1990-1993, Vice Chairman and Chief Executive Officer 1989-1990, Director 1988-1993. President, Unisys Corporation (formerly Burroughs Corporation) 1982-1987. Board member, Business Executives for National Security. Non-Executive Chairman, Claris Holdings LLC, and Council on Foreign Relations. Member of the Potomac Officers Club. Chairman of the Board of the National Symphony Orchestra.

Director of Whirlpool Corporation. Former director of ManTech International Corporation (2004-2007).

COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEE REPORT

The Compensation and Leadership Development Committee (the Committee) of the Board of Directors reviewed and discussed the Compensation Discussion and Analysis (CD&A) with Company management. Based on this review and discussion, the Committee recommended to the Board of Directors that the CD&A be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2009, as incorporated by reference from this Proxy Statement.

The Committee has retained an independent compensation consultant from Hewitt Associates, a compensation advisory firm. The individual consultant reports directly to the Committee and that individual does not provide services to Company management unless approved by the Chairman of the Committee. No such approval was granted in 2009. The consultant supports the Committee by providing guidance on the peer group the Company is benchmarked against, survey data and analysis on the peer group, advice and recommendation on proposed compensation and design of compensation programs, and information on trends in executive compensation.

The charter of the Committee can be found at *www.DowGovernance.com.*

D. H. Reilley, Chair

J. K. Barton

J. B. Hess

P. Polman

R. G. Shaw

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

The following provides an overview of our compensation philosophy and programs as detailed in the Compensation Discussion and Analysis.

The Dow Chemical Company (Dow or the Company) believes in pay-for-performance, which is why about 80% of the compensation of our Named Executive Officers (NEOs) is linked to a combination of personal and Company goals and stock price performance.

The following elements comprise the total compensation awarded to our NEOs: base salary, cash-based annual incentive award (Performance Award), and equity-based long-term incentive (LTI) awards consisting of Performance Shares, Stock Options, and Deferred Stock.

LTI awards are used to align executive actions with long-term management and stockholder goals, providing rewards consistent with the creation of stockholder value. They also help retain executives over time and help executives meet their stock ownership guidelines.

We target all elements of our compensation programs to provide compensation opportunity at the median of our peer group. Actual payouts under these programs can be above or below the median based on Company and personal performance.

Our annual Performance Award is aligned directly to annual Company goals and performance, in line with our pay-for-performance philosophy.

Our executives participate in the same group benefit programs, on substantially the same terms as other salaried employees.

Our executives are allowed limited perquisites, such as financial planning services and executive physical examinations, which are granted to facilitate strong, focused performance on their jobs.

Our compensation programs are designed to attract, motivate, reward, and retain the most talented executives.

The Compensation and Leadership Development Committee (the Committee) exercises discretion in determining compensation actions when necessary due to extraordinary changes in the economy, unusual events, or overall Company performance.

The NEOs who appear in the compensation tables of this 2010 Proxy Statement are:

Andrew N. Liveris, Chairman and Chief Executive Officer (CEO)

Geoffery E. Merszei, Executive Vice President; President of Dow Europe, Middle East and Africa; Chairman of Dow Europe; Former Chief Financial Officer (CFO)

William H. Weideman, Vice President and Interim Chief Financial Officer (Interim CFO)

Charles J. Kalil, Executive Vice President, Law and Government Affairs, General Counsel, and Corporate Secretary

Heinz Haller, Executive Vice President, Performance Systems

William F. Banholzer, Executive Vice President, Ventures, New Business Development & Licensing and Chief Technology Officer

Pierre Brondeau, Former President and CEO of Dow Advanced Materials Division

Introduction

Dow combines the power of science and technology with the Human Element to passionately innovate what is essential to human progress. The Company connects chemistry and innovation with the principles of sustainability to help address many of the world s most challenging problems such as the need for clean water, renewable energy generation and conservation, and increasing agricultural productivity. Dow s diversified industry-leading portfolio of specialty chemical, advanced materials, agrosciences and plastics businesses delivers a broad range of technology-based products and solutions to customers in approximately 160 countries and in high growth sectors such as electronics, water, energy, coatings and agriculture. In 2009, Dow had annual sales of $45 billion and employed approximately 52,000 people worldwide. The Company s more than 5,000 products are manufactured at 214 sites in 37 countries across the globe.

One of the fundamental components of our success in this competitive industry is the Human Element. At Dow, we understand the value of people and know that without our valued employees, we would not be the leading chemical company in the world today. In order to maintain the competitive advantage our employees give us, we must be able to attract, motivate, reward, and retain individuals who can successfully lead and contribute to our Company. Having responsible and competitive compensation programs helps ensure we are able to do this.

Compensation Objectives

The compensation programs at Dow are designed to support the realization of Dow s vision of being the most profitable and respected science-driven chemical company in the world, while promoting the interests of our stockholders and other stakeholders. These principles have enabled the Company to deliver strong stockholder value over time, and have helped the Company develop and retain top talent.

The objectives of Dow s compensation programs are:

- Attract, motivate, reward, and retain the most talented people by providing competitive total compensation
- Motivate and reward employees for the achievement of Dow s measures of success:
  - Stockholder return, as measured by stock price appreciation plus dividends on a reinvested basis
  - Company financial performance
  - Individual performance

Additionally, the following principles apply to the design and implementation of our executive compensation practices:

- *Drive Company results.* The program emphasizes variable, at-risk incentive award opportunities which are payable only if specified goals are achieved and/or Dow s stock price appreciates. The largest part of NEO compensation is focused on long-term performance based on Dow s return to stockholders. These at-risk incentives represent at least 80% of the NEOs direct compensation.
- *Be cost effective and aligned with stockholder value creation.* Incentive awards are earned only if specified financial goals are achieved and when Dow s stock price appreciates. Higher compensation is paid when goals are exceeded and reduced compensation is paid when goals are not met.
- *Emphasize stock ownership.* Long-term incentive awards are delivered as equity-based awards to senior executives. These executives are required to maintain, until retirement, a minimum level of stock ownership to encourage managing from an owner s perspective and to better align their financial interests with those of Dow stockholders. NEOs are expected to own Dow securities with a value equal to between four and six times their annual base salary. For further information, please refer to the Executive Stock Ownership Guidelines section.

The Role of the Compensation and Leadership Development Committee

The Committee, which is comprised entirely of independent Directors, is responsible for ensuring the Company s executive compensation policies and programs are competitive within the markets in which Dow competes for talent and reflect the long-term investment interests of Company stockholders. The Committee reviews and approves the compensation design, compensation levels, and benefits programs for the NEOs and other senior leaders. The Committee also monitors Company processes on executive succession and work environment/culture. In setting compensation, the Committee also considers the risks that may be inherent in the Company s compensation programs. Although a significant portion of executive compensation is performance-based and at-risk , the Committee feels that the Company s compensation programs are appropriately structured and do not create risks that are reasonably likely to have a material adverse effect on the Company, as demonstrated by the following elements:

Incentive plans designed to reward both annual and long-term performance

Time-based vesting for stock options and restricted stock

Mix of long-term incentive awards consisting of stock options, performance shares and restricted stock

Stock Ownership Guidelines requiring executives to retain shares until retirement and full vesting

With respect to the CEO, the Committee annually reviews and approves the corporate goals and objectives relevant to the CEO s compensation, evaluates the CEO s performance against those objectives, and makes recommendations to the Board of Directors regarding the CEO s compensation level based on that evaluation. The Board of Directors is responsible for approving the CEO s compensation types and amounts. The CEO makes recommendations to the Committee regarding compensation for the other NEOs and other senior executives. The Committee is responsible for approving NEO compensation and has broad discretion when setting compensation types and amounts.

The Committee has retained an independent compensation consultant from Hewitt Associates. The consultant, Mr. Michael Powers, reports directly to the Committee. He advises the Committee on trends and issues in executive compensation and the group of companies used for benchmarking (the Survey Group). He consults on the competitiveness of the compensation structure and levels of Dow s executive officers and provides advice and recommendations related to proposed compensation and the design of compensation programs. The Committee has the sole authority to retain and oversee the work of Mr. Powers. Mr. Powers does not provide services to Company management unless approved by the Chairman of the Committee. In 2009, the Committee paid fees of $217,000 to Hewitt Associates for these executive compensation consulting services. As a result of the acquisition of Rohm and Haas Company in 2009, Hewitt Associates provided human resources administrative services for benefits and payroll to the Company that totaled $7.5 million in 2009. These services are expected to end by 2011 as the Rohm and Haas human resource activities are integrated into the Company. Hewitt Associates has multiple safeguards and procedures in place to ensure the independence of the consultants in their executive compensation consulting practice. These safeguards include a rigidly-enforced code of conduct, a policy against investing in client organizations, and separation between consulting and administrative business units from a leadership, performance measurement, and compensation perspective.

Dow s Executive Compensation Department provides additional analysis and counsel as requested by the Committee related to:

- Gathering the compensation data of the Survey Group
- Benchmarking compensation components (base salary, Performance Award, LTI awards) against the Survey Group
- Assisting the CEO and Human Resources Executive Vice President in making preliminary recommendations of base salary structure, target award levels for the Performance Award, and design and award levels for LTI awards

The Executive Compensation Department has retained the compensation consultant services of Towers Watson. Towers Watson provides the following assistance to the Executive Compensation Department:

- Survey Group compensation information for executives and non-employee Directors
- Benchmarking of key compensation practices and trends in executive compensation

You can learn more about the Committee s purpose, responsibilities, structure, and other details by reading the Committee s charter which can be found in the Corporate Governance section of the Company s website at *www.DowGovernance.com*.

Establishing NEO Compensation

Compensation for the NEOs and other executive officers is evaluated and set annually by the Committee based on the latest available Survey Group compensation data and Company performance data. An individual executive s compensation is established after considering the following factors:

- Median compensation for similar job and job levels in the market
- The Company s performance against financial measures including earnings per share, EBITDA (earnings before interest, income taxes, depreciation, and amortization), total stockholder return, economic profit, cash flow management, and cost management discipline
- The Company s performance relative to goals approved by the Committee
- Individual performance versus personal goals and contributions to Company performance
- Business climate, economic conditions, and other factors

As part of an annual review, Company management and the Committee also review summary total compensation scenarios for the NEOs. All aspects of compensation are modeled under various scenarios, such as stock price sensitivity and business performance. The scenarios present the estimated dollar value of compensation components provided to the NEOs during the most recent fiscal year. They are used as an annual reference point to assist the Committee s overall understanding of NEO compensation.

After an analysis of these factors, the Committee develops compensation recommendations for the CEO to be considered by the Board of Directors. The CEO develops compensation recommendations for the other NEOs and presents them to the Committee. The Committee then sets NEO compensation after considering the recommendations of the CEO, as well as other data.

Market Benchmarking

Dow benchmarks its executive compensation programs, designs, and compensation elements against a Survey Group of 20 companies with which Dow competes for executive talent. Market pay data for the Survey Group is gathered through compensation surveys conducted by Towers Watson.

Dow targets the median of the Survey Group for all compensation elements in order to attract, motivate, develop, and retain top level executive talent.

The Survey Group is periodically evaluated and updated to ensure the companies in the group remain relevant. The Survey Group, last updated in 2007, was evaluated and changed in 2009 to eliminate companies that no longer compete with Dow for talent and to add earnings growth companies comparable to Dow in size, innovation, and line of business. The 20 companies, which are comparable to Dow in annual revenue (median of $40 billion) and market capitalization (median of $39 billion) are listed below (new companies shaded):

3M Company	Johnson Controls, Inc.
Alcoa Inc.	Johnson & Johnson
Archer Daniels Midland Company	Kraft Foods Inc.
The Boeing Company	Monsanto Company
Caterpillar Inc.	PepsiCo, Inc.
E. I. du Pont de Nemours and Company	Pfizer Inc.
Eli Lilly and Company	PPG Industries, Inc.
Emerson Electric Co.	The Procter & Gamble Company
General Electric Company	Tyco International Ltd.
Honeywell International Inc.	United Technologies Corporation

Compensation Elements

The key components of targeted compensation for all NEOs are shown below. The chart outlines the size, in percentage terms, of each element of targeted compensation. The striped sections of the charts reflect the at-risk, or performance-based components of compensation.

NEO Compensation at Target

To focus executives on both the short- and long-term success of the Company, greater than 80% of targeted NEO compensation is considered at-risk because the value is based upon the achievement of specified results. If specific financial and operational goals are not met, then at-risk compensation will decrease. If goals are exceeded, then at-risk compensation will increase.

Base Salary

Base salary is a fixed portion of compensation based on an individual s skills, responsibilities, experience, and sustained performance. Base salaries for executives are benchmarked against similar jobs at other companies and are targeted at the median of the Survey Group. Actual salaries vary by individual and are based on sustained performance toward the achievement of Dow s strategy and goals.

Changes in base salary for the NEOs, as well as for all Dow salaried employees, depend on compensation versus the external market for similar jobs, the individual s current salary compared to the market, changes in job responsibilities, and the employee s contributions to Dow s performance.

Performance Award

The Performance Award is an annual cash incentive program. Dow chooses this component of compensation to reward employees for achieving critical Company and individual goals. In February 2009, the Committee exercised discretion, as stated in the Executive Summary as part of our compensation philosophy, and changed the 2009 Performance Award program to a discretionary program without specific financial targets. Given the volatility and uncertainty in the global economy, the inability to predict the closing of the Rohm and Haas acquisition and the transformation of Dow s portfolio through the ultimate closing of Rohm and Haas and the divestiture of many non-strategic businesses, the Committee felt they could not set accurate financial targets and wanted the NEOs, and all employees, focused on critical Company objectives such as improving the balance sheet, divesting non-strategic assets, delivering on integration synergies, and maintaining and building our business portfolios. The Committee reviewed progress on these key objectives and the overall financial performance of the Company to determine the overall payout level (see 2009 Compensation and Award actions taken by the Committee section for the results of the 2009 program). As in prior years, the 2009 program contained an individual component to allow managers the opportunity to differentiate individual performance within the overall budget of the Company payout.

Individual award opportunities vary by job level and are targeted at the median of the annual bonus practices of the Survey Group. Actual award payouts are determined each February following completion of the plan year. Actual awards can range from 0% to 225% of the target award opportunity based on performance as determined by the Committee. Actual payouts to the NEOs are shown in the Summary Compensation Table in the column labeled Bonus.

Long-Term Incentive Awards

Each year the Company grants equity-based LTI awards to leaders and other key employees who demonstrate high performance, as measured during Dow s performance management process. Dow chooses this component of compensation to motivate and reward employees for long-term stockholder value creation, retain top talent, and help executives meet the Executive Stock Ownership Guidelines.

As with Dow s approach for all elements of compensation, LTI awards are targeted to be competitive with the market median of the Survey Group for comparable positions. The size of the grant received by each NEO depends upon his or her job level and performance.

The three components that make up an LTI award are:

1.	Stock Options:	50% of the total LTI value granted
2.	Deferred Stock:	25% of the total LTI value granted
3.	Performance Shares:	25% of the total LTI value granted

LTI grants are approved by the Committee and administered by Dow s Executive Compensation Department. The annual grant date for all employees is traditionally the Friday following the Committee s February meeting held on the second Wednesday of February each year. The 2009 grant date was February 13, 2009.

LTI awards are granted under The Dow Chemical Company 1988 Award and Option Plan, Dow s omnibus stockholder-approved plan for equity awards to employees. Dow calculates the aggregate grant date fair value of awards in the year of grant in accordance with the same standard it applies for financial accounting purposes. Consistent with the U.S. Securities and Exchange Commission regulations, the grant date fair value of 2009 LTI award equity grants for the NEOs is presented in the Summary Compensation Table and Grants of Plan-Based Awards Table. Total outstanding unexercised or unvested LTI grants are shown in the Outstanding Equity Awards at Fiscal Year-End table. Each award type is discussed below:

Stock Options

Stock Options are granted in order to provide incentive for long-term creation of stockholder value. Stock Options only have value to the extent the price of Dow Common Stock appreciates relative to the exercise price. The exercise price equals the closing price on the date of grant. Options vest in three equal annual installments and expire after 10 years. The Company does not grant discounted options, backdate options, or re-price outstanding options.

Deferred Stock

Deferred Stock is granted in order to help the Company retain its NEOs and other key employees. Deferred Stock grants vest after three years. During the vesting period, holders of outstanding Deferred Stock grants receive quarterly payments equal to the dividend paid on equivalent shares of Dow Common Stock.

Performance Shares

Performance Shares are granted to motivate employees and to reward the achievement of specified financial goals. Performance Shares are Deferred Stock which is earned only if the Company s performance over a three-year period exceeds pre-established goals. The 2009 Performance Shares can be earned based on Dow s 2009-2011 Return on Capital (ROC) relative to pre-established goals and can range from 0% to 250% of the target award amount. ROC measures how effectively a company has utilized the money invested in its operations and is calculated as Net Operating Profit after Tax (excluding certain items) divided by total average capital.

To achieve a target payout, Dow s ROC must equal or exceed pre-established ROC goals for the same period. Dow s Performance Share ROC target is 10% across the industry cycle and ranges from 9.5% to 10.0% on specific annual grants.

Performance Shares accrue amounts equal to the dividend paid on equivalent shares of Dow Common Stock. The dividend equivalents on the actual shares earned are paid at the time the shares are delivered. All Performance Shares earned are delivered in the year following the performance period. Instead of receiving the Performance Share Award in the form of Dow Common Stock, the NEOs and other executives subject to stock ownership requirements may elect to receive a cash payment equal to the value of the stock award on the date of delivery. Participants may only make this cash election if they meet or exceed the executive stock ownership guideline for their job level.

LTI awards do not have provisions for accelerated vesting at retirement, resulting in NEOs holding a significant portion of their compensation value in Dow stock for at least three years after retirement.

Benefits

The Company provides a comprehensive set of benefits to most employees. These include medical, dental, life, disability, accident, retiree medical and life, pension, and savings plans. The NEOs are eligible to participate in the same plans as most other salaried employees. In addition, because highly compensated employees are subject to U.S. tax limitations on contributions to some retirement plans, the Company has created non-qualified retirement programs intended to provide these employees with the same benefits they would have received under the qualified plans without the tax limits. The NEOs are eligible to participate in the same non-qualified retirement plans as all other highly compensated salaried employees.

Perquisites

The Committee reviews the perquisites provided to the NEOs annually as part of their overall review of executive compensation. In 2009, as part of this review, the Committee eliminated tax protection on all life insurance programs for the

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NEOs. The Committee has determined that all other perquisites are within an appropriate range of competitive compensation practices. The Company provides the NEOs and other selected executives the following limited perquisites:

- Financial planning support (reimbursed up to the greater of 3% of annual base salary or $5,000)
- Executive physical examination
- Company car
- Executive Excess Umbrella Liability Insurance
- Home security alarm system

In addition, the CEO is required by the Board of Directors for security and immediate availability reasons to use corporate aircraft for personal travel. Details about the NEOs perquisites, including the cost to the Company, are shown in the Summary Compensation Table under the All Other Compensation column and the accompanying narrative.

2009 Compensation and Award Actions made by the Committee

2009 was a year that began in crisis and concluded as the year that fulfilled many ambitions created in the strategic plan that the Board endorsed in 2006. The unusual situation in the first quarter of 2009 demanded a focused and corporate wide set of interventions to keep the Company on its strategic and financial path. After careful consideration of the Company s results in 2008 and the impact of the global economic crisis and recession on the Company s financial results, the Committee approved the following compensation and award actions during the normal compensation cycle in the first quarter of 2009:

- **Base Salary:** Executive management recommended, and the Board agreed, that there would be no merit increases for the CEO and other NEOs.
- **Long-Term Incentive Grants:** The Committee made LTI grants significantly lower in market value to the NEOs for 2009, averaging 59% lower than 2008 grants.

These decisions reflected a balance between paying for 2008 performance and the need to retain and align executives to long-term Company growth and success.

In late 2009 and early 2010 the Committee reviewed the Company s results and accomplishments for 2009, as well as the compensation data for the Survey Group. The Committee considered the following accomplishments achieved by the Company in 2009:

- Dow share price recovered to pre-October 2008 levels a five fold increase from the date of the Rohm and Haas closing

Delivered on financial plan including managing margins, controlling discretionary spending and accelerating acquisition synergies

Closed acquisition of Rohm and Haas on April 1, 2009

Delivered $1.2B in synergies and cost reductions

De-leveraged Company balance sheet reduced debt by $2.5B since the acquisition of Rohm and Haas

Divested $3.3B of non-strategic assets

Credit rating stabilized and flexible capital structure achieved

Based upon the review and analysis of these accomplishments, which were partially offset by the need to issue additional debt and equity and a partial reduction in the dividend, the Committee approved the following compensation and awards actions:

Base Salary: After the Company-wide suspension on promotions and salary actions was lifted in late 2009, Messrs. Weideman, Kalil, Haller, and Banholzer were given salary adjustments to reflect their relative position to the market for their job responsibilities. After these adjustments, there were no material differences between the market base salary and actual base salary for any of the NEOs.

Performance Award: The Committee approved a payout of 125% of each individual employee s target award opportunity, based on Company performance (the approved payouts), subject to adjustment based upon individual performance. Actual individual employee payouts were modified upwards or downwards depending upon individual performance against goals and accomplishments, resulting in final payouts ranging from 75% to 145% of the approved payouts. The Committee used discretion in making such individual performance modifications for the NEOs after considering the accomplishments described above. There were no material differences between the market annual bonus targets and the target Performance Award for any of the NEOs.

Long-Term Incentive Grants: The Committee approved a special Performance Share grant for Messrs. Liveris, Weideman, Kalil, Haller, and Banholzer, as well as for other select executives that will play a key role in accelerating the Company s transformation over the next two years and are critical to retain. There were no material differences between the market LTI values and the 2009 total LTI award values for any of the NEOs and they represent market median of the Survey Group for comparable positions. The process and material factors used for award determination are the same for each NEO as discussed in the Long Term Incentive Awards section described in the Compensation Elements section above.

Executive Stock Ownership Guidelines

Dow has had minimum stock ownership guidelines in place for its NEOs and other senior executives since 1998. The guidelines are stated as a fixed number of shares of Dow Common Stock, which increase with job level and are reviewed periodically to ensure relevance. Specific stock ownership requirements vary by job level, but all executives must own shares of stock with a market value of the designated multiple of their base salary.

The CEO is required to own stock with a value of six times base salary and the other NEOs are required to own stock with a value of three to four times base salary. The executives are given four years to achieve the initial ownership guideline for their job level following promotion to that level and must maintain these levels until retirement. They are given one additional year to achieve compliance with a higher level guideline upon being promoted to that level. For purposes of these guidelines, stock ownership includes Dow Common Stock beneficially owned (including stock owned by immediate family members), Deferred Stock not yet delivered, Performance Shares vested but not yet delivered, and stock held beneficially through the Company s savings plans.

The share guidelines were reviewed by the Committee in 2009 and were determined to be appropriate relative to market practice and the current value of Dow stock. In 2009, none of the NEOs sold Dow shares in the open market, resulting in holdings significantly in excess of the guidelines and further evidence of the Dow culture of holding shares in excess of stock ownership guidelines until retirement.

The following table shows the stock ownership guidelines and respective holdings of the NEOs.

EXECUTIVE STOCK OWNERSHIP GUIDELINES FOR 2009

Name	Ownership Guideline	2009 Holdings	Over / (Under) Guideline	Multiple of Base Salary
Andrew Liveris	220,000	455,491	235,491	6x
Geoffery Merszei	70,000	133,001	63,001	4x
William Weideman	30,000	82,941	52,941	3x
Charles Kalil	70,000	135,970	65,970	4x
Heinz Haller	70,000	108,380	38,380	4x
William Banholzer	70,000	119,836	49,836	4x

Change-in-Control and Severance Arrangements

The Committee adopted a market competitive change-in-control arrangement for its senior executives in 2007. Messrs. Liveris, Merszei, Kalil, Haller, and Banholzer each have a change-in-control agreement. The change-in-control arrangements provide, among other things, a severance payment equal to two times the executive s base salary and target Performance Award (2.99 times for the CEO), and tax gross-up protection in the event severance benefits exceed statutory thresholds and become subject to an excise tax. An executive must be involuntarily terminated within two years of a change-in-control in order to receive benefits. The Company believes this double-trigger practice is in the best interest of stockholders as it does not pay any benefits to an executive unless he or she is negatively impacted by a change-in-control event that is in the best interest of Dow stockholders. No new agreements have been executed since 2007.

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Executive Compensation Recovery Policy

The Committee has adopted an executive compensation recovery policy for executive officers. Under this policy, the Company may recover incentive income that was based on achievement of quantitative performance targets if an executive officer engaged in grossly negligent conduct or intentional misconduct resulting in a financial restatement or in any increase in his or her incentive income. Incentive income includes income related to the annual Performance Award and LTI awards. The Company will also recover any awards made to an executive during the prior three years should the executive engage in activity that competes with, or is otherwise harmful to the Company or its affiliated companies.

Tax Deductibility of Executive Compensation

Section 162(m) of the U.S. Internal Revenue Code generally limits the tax deductibility of compensation paid by a public company to its CEO and certain other highly compensated executive officers to $1 million in the year the compensation becomes taxable to the executive. There is an exception to the limit on deductibility for performance-based compensation meeting certain requirements. Although the Company does consider the impact of the above rule when making compensation decisions, Dow policy does not require all executive compensation to be tax-deductible. In the interest of flexibility and overall benefit for the Company s stockholders, the Committee will continue to facilitate the awarding of responsible but adequate executive compensation while taking advantage of Section 162(m) whenever feasible. Amounts paid under the compensation program, including base salary, Performance Awards, and grants of Deferred Stock (Restricted Stock and Restricted Stock Units), may not qualify as performance-based compensation excluded from the limitation on deductibility.

COMPENSATION TABLES AND NARRATIVES

The following table summarizes the compensation of the principal executive officer (i.e., the CEO), principal financial officers (i.e., the CFO and Interim CFO), the Company s three most highly compensated officers and the former President and CEO of the Dow Advanced Materials Division for the fiscal year ended December 31, 2009. The amounts shown in the stock and option awards columns in the table below reflect the aggregate grant date value of grants made in 2009. Prior year grant values have been recomputed to conform to the new U.S. Securities and Exchange Commission regulations adopted in 2009. New NEOs will not have historical data until completing three years of service as an NEO.

SUMMARY COMPENSATION TABLE FOR 2009

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($) (a)	Option Awards ($) (a) (b)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (c)	All Other Compensation ($) (d)	Total ($)
Andrew Liveris, CEO &	2009	1,650,000	4,485,937(e)	6,921,090	2,363,660	0	2,612,787	246,318	18,279,792
Chairman	2008	1,641,667	0	5,500,260	5,500,006	0	2,923,971	138,681	15,704,585
	2007	1,583,333	216,000	5,230,800	4,512,600	3,240,000	1,811	146,704	14,931,248
Geoffery Merszei, Exec.	2009	861,396	1,187,111(e)	674,342	602,420	0	383,209	33,240	3,741,718
VP & Former CFO	2008	855,214	533,333	2,061,536	2,060,160	0	1,395,058	38,655	6,943,956
	2007	812,360	607,520	2,196,936	1,922,760	1,075,717	363,163	53,387	7,031,843
William Weideman, VP & Interim CFO	2009	390,074	530,677(e)	772,982	148,291	0	117,455	10,825	1,970,304
Charles Kalil, Exec. VP	2009	767,014	1,381,457(e)	2,509,040	803,218	0	1,811,274	35,489	7,307,492
Heinz Haller, Exec. VP	2009	765,146	1,562,717(e)	2,546,398	836,680	0	1,346,540	135,665	7,193,146
	2008	739,442	0	2,415,288	2,060,160	0	0	280,538	5,495,428
William Banholzer, Exec. VP	2009	733,200	1,341,703(e)	2,546,398	836,680	0	1,085,001	27,326	6,570,308
	2008	691,562	0	1,472,194	1,471,505	0	715,772	24,851	4,375,884

	2007	616,990	46,828	1,281,546	1,152,675	679,005	3,421	26,115	3,806,580
Pierre Brondeau, Former Exec. VP	2009	350,000	280,000(e)	0	0	0	0	6,444,613	7,074,613

(a) Amounts represent the aggregate grant date fair value of awards in the year of grant in accordance with the same standard applied for financial accounting purposes. The 2009 Performance Share grants are valued at target which represent probable outcome at grant date. A maximum payout on the Performance Share programs would result in additional value of: Liveris $4,122,022, Merszei $505,757, Weideman $427, 994, Kalil $1,479,333, Haller $1,507,351, Banholzer $1,507,351.

(b) Dow s valuation for financial accounting purposes uses the widely accepted lattice-binomial model which calculated an option value of $2.60 (grant date of February 13, 2009). The exercise price is the closing Dow stock price on the date of grant. The exercise price was $9.53 for 2009 grants.

(c) Reflects the aggregate change in the actuarial present value of accumulated pension benefits at age 65 using the actuarial assumptions included in the Company s audited financial statements. Negative changes in pension value are included as zero in the Summary Compensation Table. An analysis of the Change in Pension Value for 2009 is shown below.

Name	Change in Discount Interest Rate ($)	Change in Deferral Period, Benefits, and Other ($)	Total Change ($)
Andrew Liveris	1,017,191	1,585,826	2,603,017
Geoffery Merszei	304,033	79,176	383,209
William Weideman	102,355	13,854	116,209
Charles Kalil	304,350	1,500,729	1,805,079
Heinz Haller	751,097	595,443	1,346,540
William Banholzer	280,059	786,335	1,066,394

Also includes 2009 above-market non-qualified deferred compensation earnings: Liveris $9,567, Kalil $6,062, and Banholzer $18,214.

(d) Details related to all other compensation can be found in the All Other Compensation table.

(e) 2009 Discretionary Performance Award as described in the Compensation Elements section of the Compensation Discussion and Analysis.

Dr. Brondeau joined the Company on April 1, 2009 as President and CEO of the Dow Advanced Materials Division upon completion of the acquisition of Rohm and Haas Company (Rohm and Haas). He separated from the Company on September 30, 2009. The Company honored the terms of Dr. Brondeau s July 1, 2001 Continuity Agreement with Rohm and Haas (as amended on December 4, 2006 and October 28, 2008). Pursuant to the terms of this agreement, Dr. Brondeau received the following compensation as shown in the All Other Compensation column of the Summary Compensation Table:

Severance equal to 2x Base Salary + Annual Bonus:	$ 2,376,500
Additional 2 years of age and service under the Rohm and Haas pension and savings plans:	$ 1,352,882
280G excise tax protection:	$ 1,715,231
Retention Bonus:	$ 1,000,000

The following table provides additional details for the compensation information found in the Summary Compensation Table under the All Other Compensation column.

ALL OTHER COMPENSATION FOR 2009

Name	Tax Protection ($) (a)	Car ($) (b)	Aviation ($) (c)	Savings Plans Company Contributions ($) (d)	Financial Planning ($) (e)	Other Perquisites ($) (f)	Total ($)
Andrew Liveris		22,154	138,296	15,600	62,345	7,923	246,318
Geoffery Merszei		9,655		9,800	10,500	3,285	33,240
William Weideman				9,800		1,025	10,825
Charles Kalil		12,080		15,600	4,500	3,309	35,489
Heinz Haller	119,101	11,764			3,200	1,600	135,665

William Banholzer	9,800	12,985	4,541	27,326

(a) Tax gross-up protection for duplicate tax liabilities resulting from participation in non-U.S. pension plans.

(b) Costs of Company provided automobile under the Executive Auto Program.

(c) Mr. Liveris is required by the Board of Directors to use the Company aircraft for personal use for security and immediate availability purposes. Incremental cost to the Company of personal use of Company aircraft is calculated based on the variable operating costs to the Company including fuel, landing, catering, handling, aircraft maintenance, and pilot travel costs. Fixed costs, which do not change based upon usage, such as pilot salaries or depreciation of the aircraft or maintenance costs not related to personal travel, are excluded.

(d) Employee Savings Plan Company Match and Nonqualified Deferred Compensation Plan Company contribution.

(e) Reimbursement of costs paid for financial and tax planning support.

(f) Reimbursement of costs paid for home security, costs of executive physical examinations and Executive Excess Umbrella Liability Insurance.

The following table provides additional information about plan-based compensation disclosed in the Summary Compensation Table. This table includes both equity and non-equity awards.

GRANTS OF PLAN-BASED AWARDS FOR 2009

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards (a)						
Name	**Grant Date**	**Date of Action by the Compensation Committee**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All Other Stock Awards: Number of Shares of Stock or Units (#) (b)**	**All Other Option Awards: Number of Securities Underlying Options (#) (c)**	**Exercise or Base Price of Option Awards ($/Sh)**	**Grant Date Fair Value of Stock and Option Awards ($)**
Andrew	2/13/2009	2/11/2009				0	138,820	347,050				1,322,955
Liveris	2/13/2009	2/11/2009							138,820			1,322,955
	2/13/2009	2/11/2009								909,100	9.53	2,363,660
	10/16/2009	10/15/2009				0	162,000	243,000				4,275,180
Geoffery	2/13/2009	2/11/2009				0	35,380	88,450				337,171
Merszei	2/13/2009	2/11/2009							35,380			337,171
	2/13/2009	2/11/2009								231,700	9.53	602,420
William	2/13/2009	2/11/2009				0	8,710	21,775				83,006
Weideman	2/13/2009	2/11/2009							8,710			83,006
	2/13/2009	2/11/2009								57,035	9.53	148,291
	10/16/2009	10/15/2009				0	23,000	34,500				606,970
Charles	2/13/2009	2/11/2009				0	47,180	117,950				449,625
Kalil	2/13/2009	2/11/2009							47,180			449,625
	2/13/2009	2/11/2009								308,930	9.53	803,218
	10/16/2009	10/15/2009				0	61,000	91,500				1,609,790
Heinz	2/13/2009	2/11/2009				0	49,140	122,850				468,304
Haller	2/13/2009	2/11/2009							49,140			468,304
	2/13/2009	2/11/2009								321,800	9.53	836,680
	10/16/2009	10/15/2009				0	61,000	91,500				1,609,790
William	2/13/2009	2/11/2009				0	49,140	122,850				468,304
Banholzer	2/13/2009	2/11/2009							49,140			468,304
	2/13/2009	2/11/2009								321,800	9.53	836,680
	10/16/2009	10/15/2009				0	61,000	91,500				1,609,790

(a) Performance Share awards as described in the Compensation Elements section of the Compensation Discussion and Analysis. Shares granted on 10/16/2009 have a two-year performance period running from 10/1/2009 9/30/2011, with a pre-established EBITDA target determined by the Committee and payout range from 0% to 150% of the target award value.

(b) Deferred Stock awards as described in the Compensation Elements section of the Compensation Discussion and Analysis.

(c) Stock Option awards as described in the Compensation Elements section of the Compensation Discussion and Analysis.

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The following table lists outstanding equity grants for each NEO as of December 31, 2009. The table includes outstanding equity grants from past years as well as the current year.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

		Option Awards				Stock Awards			
Name	**Grant Date**	**Number of Securities Underlying Unexercised Options (#) Exercisable (a)**	**Number of Securities Underlying Unexercised Options (#) Unexercisable (a)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#) (b)**	**Market Value of Shares or Units of Stock That Have Not Vested ($) (b) (c)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (d)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (b) (d)**
Andrew Liveris (e)	02/16/2000	66,000		36.02	02/16/2010	n/a	n/a	n/a	n/a
	03/02/2001	31,700		33.94	03/02/2011	n/a	n/a	n/a	n/a
	02/15/2002	38,300		30.43	02/15/2012	n/a	n/a	n/a	n/a
	02/14/2003	62,500		27.40	02/14/2013	n/a	n/a	n/a	n/a
	02/13/2004	90,000		43.49	02/13/2014	n/a	n/a	n/a	n/a
	02/18/2005	180,000		53.53	02/18/2015	55,000	1,519,650	n/a	n/a
	03/01/2006	400,000		43.68	03/01/2016	50,000	1,381,500	n/a	n/a
	02/16/2007	306,666	153,334	43.59	02/16/2017	60,000	1,657,800	58,200	1,608,066
	02/15/2008	206,456	412,914	38.62	02/18/2018	71,210	1,967,532	71,210	1,967,532
	02/13/2009		909,100	9.53	02/13/2019	138,820	3,835,597	138,820	3,835,597
	10/16/2009	n/a	n/a	n/a	n/a	n/a	n/a	162,000	4,476,060
Geoffery Merszei	07/01/2005	311,340		44.74	07/01/2015	16,580	458,105	n/a	n/a
	03/01/2006	134,850		43.68	03/01/2016	16,380	452,579	n/a	n/a
	02/16/2007	130,666	65,334	43.59	02/16/2017	25,200	696,276	24,444	675,388
	02/15/2008	77,333	154,667	38.62	02/18/2018	26,690	737,445	26,690	737,445
	02/13/2009		231,700	9.53	02/13/2019	35,380	977,549	35,380	977,549
William Weideman (e)	02/16/2000	15,000		36.02	02/16/2010	n/a	n/a	n/a	n/a
	03/02/2001	6,000		33.94	03/02/2011	n/a	n/a	n/a	n/a
	02/15/2002	7,500		30.43	02/15/2012	n/a	n/a	n/a	n/a
	02/14/2003	12,250		27.40	02/14/2013	n/a	n/a	n/a	n/a
	02/13/2004	11,670		43.49	02/13/2014	n/a	n/a	n/a	n/a
	02/18/2005	13,340		53.53	02/18/2015	3,480	96,152	n/a	n/a
	03/01/2006	16,190		43.68	03/01/2016	1,970	54,431	n/a	n/a
	02/16/2007	24,266	12,134	43.59	02/16/2017	4,550	125,717	4,414	121,959
	02/15/2008	13,749	27,501	38.62	02/18/2018	4,750	131,243	4,750	131,243
	02/13/2009		57,035	9.53	02/13/2019	8,710	240,657	8,710	240,657
	10/16/2009	n/a	n/a	n/a	n/a	n/a	n/a	23,000	635,490
Charles Kalil (e)	02/16/2000	15,000		36.02	02/16/2010	n/a	n/a	n/a	n/a
	03/01/2000	n/a	n/a	n/a	n/a	108	2,984	n/a	n/a
	02/23/2001	n/a	n/a	n/a	n/a	55	1,520	n/a	n/a
	03/02/2001	5,000		33.94	03/02/2011	n/a	n/a	n/a	n/a
	02/15/2002	5,700		30.43	02/15/2012	n/a	n/a	n/a	n/a
	02/14/2003	10,000		27.40	02/14/2013	n/a	n/a	n/a	n/a
	02/13/2004	8,000		43.49	02/13/2014	n/a	n/a	n/a	n/a
	02/18/2005	17,500		53.53	02/18/2015	4,610	127,374	n/a	n/a

	03/01/2006	48,550		43.68	03/01/2016	5,900	163,017	n/a	n/a
	02/16/2007	46,666	23,334	43.59	02/16/2017	9,100	251,433	8,827	243,890
	11/01/2007	n/a	n/a	n/a	n/a	40,000	1,105,200	n/a	n/a
	01/02/2008	n/a	n/a	n/a	n/a	10,000	276,300	n/a	n/a
	02/15/2008	55,236	110,474	38.62	02/18/2018	19,060	526,628	19,060	526,628
	12/11/2008	n/a	n/a	n/a	n/a	5,000	138,150	n/a	n/a
	02/13/2009		308,930	9.53	02/13/2019	47,180	1,303,583	47,180	1,303,583
	10/16/2009	n/a	n/a	n/a	n/a	n/a	n/a	61,000	1,685,430
Heinz Haller	06/01/2006	64,725		39.89	06/01/2016	7,861	217,199	n/a	n/a
	02/16/2007	66,666	33,334	43.59	02/16/2017	12,600	348,138	12,222	337,694
	02/15/2008	77,333	154,667	38.62	02/18/2018	26,690	737,445	26,690	737,445
	03/03/2008	n/a	n/a	n/a	n/a	9,324	257,622	n/a	n/a
	02/13/2009		321,800	9.53	02/13/2019	49,140	1,357,738	49,140	1,357,738
	10/16/2009	n/a	n/a	n/a	n/a	n/a	n/a	61,000	1,685,430
William Banholzer	07/14/2005	55,000		47.00	07/14/2015	2,500	69,075	n/a	n/a
	07/14/2005	8,250		47.00	07/14/2015	n/a	n/a	n/a	n/a
	03/01/2006	80,910		43.68	03/01/2016	9,830	271,603	n/a	n/a
	02/16/2007	78,332	39,168	43.59	02/16/2017	14,700	406,161	14,259	393,976
	02/15/2008	55,236	110,474	38.62	02/18/2018	19,060	526,628	19,060	526,628
	02/13/2009		321,800	9.53	02/13/2019	49,140	1,357,738	49,140	1,357,738
	10/16/2009	n/a	n/a	n/a	n/a	n/a	n/a	61,000	1,685,430

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(a) Stock Option award grants vest in three equal installments on the first, second and third anniversaries of the grant date shown in the table.

(b) Deferred Shares vest and are delivered three years after the grant date. Mr. Merszei s grant of 16,580 deferred shares on 7/1/2005 will vest on 7/1/2010. Mr. Haller s grant of 9,324 deferred shares on 3/3/2008 will vest upon retirement.

(c) Market values based on the 12/31/09 closing stock price of $27.63 per share.

(d) Performance Shares granted 2/16/2007, 2/15/2008 and 2/13/2009 will vest and be delivered in April of the year following the end of the performance period. Shares granted 10/16/2009 will vest and be delivered in November 2011 following the end of the performance period. Shares granted in 2008-2009 are shown at the target level of performance. The actual number of shares to be delivered will be determined at the end of the performance period.

(e) In addition to the equity grants described above, Messrs. Liveris, Weideman and Kalil received dividend unit grants on 3/9/1988 of 846 shares, 846 shares and 1,125 shares, respectively, which generate a quarterly payment equal to the dividend paid on equivalent shares of Dow Common Stock. These grants will expire on 3/9/2013.

The following table summarizes the value received from stock option exercises and stock grants vested during 2009.

OPTION EXERCISES AND STOCK VESTED FOR 2009

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Andrew Liveris	n/a	n/a	30,000	293,250 (a)
Geoffery Merszei	n/a	n/a	n/a	n/a
William Weideman	n/a	n/a	12,254	143,411 (b)
Charles Kalil	n/a	n/a	2,670	26,099 (a)
Heinz Haller	n/a	n/a	12,000	178,740 (c)
William Banholzer	n/a	n/a	n/a	n/a

(a) Deferred Stock from grant on February 13, 2004.

(b) Deferred Stock from grant on February 13, 2004 and Performance Share from grants on February 14, 2003 and February 18, 2005.

(c) Deferred Stock grant vesting as a result of completing the terms of 2006 employment agreement.

The following table lists the pension program participation and actuarial present value of each NEOs defined benefit pension at December 31, 2009.

PENSION BENEFITS AS OF 12/31/09

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($) (a)	Payments During Last Fiscal Year ($)
Andrew Liveris	Dow Employees Pension Plan	14	761,496	n/a
	Dow Executives Supplemental Retirement Plan (b)	34	13,674,381	n/a
	Total		**14,435,877**	**n/a**
Geoffery Merszei	Dow Employees Pension Plan	5	148,922	n/a
	Dow Executives Supplemental Retirement Plan (c)	32	6,934,576	n/a
	Total		**7,083,498**	**n/a**
William Weideman	Dow Employees Pension Plan	34	1,143,886	n/a
	Dow Executives Supplemental Retirement Plan	34	1,113,381	n/a
	Total		**2,257,267**	**n/a**
Charles Kalil	Dow Employees Pension Plan	30	935,402	n/a
	Dow Executives Supplemental Retirement Plan	30	5,026,444	n/a
	Total		**5,961,846**	**n/a**
Heinz Haller	Swiss Pension Plan (d)	30	5,194,732	n/a
William Banholzer	Dow Employees Pension Plan	5	269,413	n/a
	Dow Executives Supplemental Retirement Plan (e)	27	3,641,254	n/a
	Total		**3,910,667**	**n/a**
Pierre Brondeau	Rohm and Haas Company Qualified Retirement Plan (f)	21		517,778
	Rohm and Haas Company Non-Qualified Retirement Plan (f)	21		1,711,952
	Total			**2,229,730**

(a) Unless otherwise noted, all present values reflect accrued age 65 benefits. The form of payment, discount rate (6.05%) and mortality (UP94G) are based on assumptions used to determine pension plan obligations as reflected in the consolidated financial statements in the Company s Annual Report on Form 10-K for the year ended December 31, 2009.

(b) Mr. Liveris was asked by the Company to permanently transfer to the United States from Australia in 1995, began participation in the Dow Employees Pension Plan (DEPP) and Executives Supplemental Retirement Plan (ESRP), and ceased contributions to the Australian Superannuation Fund (Australian Fund). Mr. Liveris retirement benefit under the ESRP will equal the amount payable under the DEPP formula based on 34 years of actual service with Dow (14 years as a U.S. employee of Dow plus 20 years as an Australian employee of Dow), as if he were a U.S. employee his entire Dow career. The ESRP benefit will be reduced by the value of his Australian Fund at the time of retirement. The value of Mr. Liveris Company contributions in the Australian Fund at 12/31/09 was 590,156 AUD.

(c) Mr. Merszei was a participant in the Dow Personalvorsorgestiftung Schweiz (Swiss Pension Plan) from 1978 through 2001 and received a portable benefit upon his termination from Dow Europe. Upon his return to Dow in 2005 Mr. Merszei began participation in DEPP and ESRP. Under the terms of his employment contract, Mr. Merszei s retirement benefit will equal the amount payable under the DEPP formula based on his years of credited service as if he were a U.S. Dow employee his entire career. The ESRP benefit will be reduced by the value of his Swiss Pension Plan portable benefit and the benefit received from his previous employer at the time of retirement. The value of Mr. Merszei s Company contributions in the Swiss Pension Plan portable benefit at 12/31/09 was 1,575,442 CHF. The age 65 value of Mr. Merszei s previous employer benefit is 9,611 CAD.

(d) The present value for Mr. Haller was calculated using a 4.00% discount rate, the Swiss BVG 2005 mortality and Dow internal exchange rate of 1 CHF = $.97069 USD assumptions based on assumptions used to determine pension plan obligations as reflected in the consolidated financial statements in the Company s Annual Report on Form 10-K for the year ended December 31, 2009. Mr. Haller was a participant in the Swiss Pension Plan from 1978 until his separation in 1994, and is an active participant since his rehire in 2006. Under the generally applicable terms of the Swiss Pension Plan, Mr. Haller was able to purchase back years of pension service upon his rehire in 2006.

(e) Under the terms of his employment contract, Dr. Banholzer s retirement benefit will equal the amount payable under the DEPP formula based on his years of credited service as if he were a U.S. Dow employee his entire career. The ESRP benefit will be reduced by the value of his previous employer benefit at the time of retirement. The age 65 value of Dr. Banholzer s previous employer benefit is $63,217.

(f) Dr. Brondeau was a participant in the Rohm and Haas U.S. pension plans and elected to take his benefit as a lump-sum under the provisions of the Rohm and Haas plans at the time of his separation on September 30, 2009.

The following table lists the U.S. pension annuity value for each participating NEO and the corresponding replacement value as a percent of total target cash compensation at December 31, 2009. The replacement value percentages for the NEOs are comparable to most other salaried employees with similar age and years of service.

PENSION REPLACEMENT VALUE AS OF 12/31/09

Name	**Pension Annuity Value ($) (a)**	**Replacement Value (%) (b)**
Andrew Liveris	1,784,364	43%
Geoffery Merszei	759,852	44%
William Weideman	279,600	36%
Charles Kalil	558,456	33%
William Banholzer	342,648	21%

(a) Annual pension benefit if NEO retired on December 31, 2009 stated as a single-life annuity with no survivor options.

(b) Annual pension benefit as a percentage of annual Base Salary + Target Performance Award.

The NEOs participate in one or more of the following retirement plans:

The Dow Employees Pension Plan

The Company provides the Dow Employees Pension Plan (DEPP) for its U.S. employees and for employees of some of its wholly owned U.S. subsidiaries. Upon retirement, NEOs receive an annual pension under the DEPP formula subject to statutory limitations. The benefit is paid in the form of a monthly annuity and is calculated based on the sum of the employee s yearly basic and supplemental accruals up to a maximum of 425% for basic accruals and 120% for supplemental accruals. Basic accruals equal the employee s highest consecutive three-year compensation (HC3A) multiplied by a percentage ranging from 4% to 18% dependent on the employee s age in the years earned. Supplemental accruals are for compensation in excess of a rolling 36-month average of the Social Security wage base. Supplemental accruals range from 1% to 4%, based on the age of the employee in the years earned. The sum of the basic and supplemental accruals is divided by a conversion factor to calculate an immediate monthly benefit. If the employee terminates employment before age 65 and defers payment of the benefit, the account balance calculated under this formula will be credited with interest. Messrs. Liveris, Merszei, Weideman, Kalil and Banholzer participate in DEPP.

The Executives Supplemental Retirement Plan

Because the U.S. Internal Revenue Code limits the benefits otherwise provided by DEPP, the Board of Directors adopted the Executives Supplemental Retirement Plan (ESRP) to provide employees who participate in DEPP with non-qualified benefits calculated under the same formulas described above. Messrs. Liveris, Merszei, Weideman, Kalil and Banholzer participate in the ESRP. In addition, Mr. Kalil elected to have his ESRP benefit secured by enrolling in the Key Employee Insurance Program (KEIP) in 1997. KEIP is a life insurance program which secured benefits otherwise available under ESRP, offered to certain employees as an alternative to the ESRP. Dow has not offered KEIP to employees since 1999 and has no plans to reinstate this program for new participants.

The Swiss Pension Plan

The Company provides Swiss employees the opportunity to participate in the Dow Personalvorsorgestiftung Schweiz (Swiss Pension Plan). The Swiss Pension Plan provides a benefit equal to 1.67% of the employee s highest three years pensionable pay multiplied by the number of years of credited pension service. Pensionable pay is calculated using base pay only, reduced by a Social Security coordination factor, and is subject to a statutory maximum. Employees must contribute 6% of their pensionable pay. Benefits are paid as a monthly annuity with actuarial reductions taken if the employee retires after age 58 or before age 60 and does not have at least 85 age and service points. Mr. Haller is a participant in the Swiss Pension Plan.

Dow Savings Plan 401(k)

The Company provides all U.S. salaried employees the opportunity to participate in a 401(k) plan (The Dow Chemical Company Employees Savings Plan). In 2009, for salaried employees who contributed 2% of annual salary, Dow provided a matching contribution of 100% of the employee s contribution. For salaried employees who contributed up to an additional 4%, Dow provided a 50% match. Messrs. Liveris, Merszei, Weideman, Kalil, Banholzer and Brondeau participate in the 401(k) plan on the same terms as other eligible employees.

The following table provides information on compensation the NEOs have elected to defer as described in the narrative that follows.

NON-QUALIFIED DEFERRED COMPENSATION FOR 2009

Name	Executive Contributions in Last Fiscal Year ($) (a)	Company Contributions in Last Fiscal Year ($)	Aggregate Earnings in Last Fiscal Year ($)	Aggregate Withdrawals / Di