DOW CHEMICAL CO /DE/
Form DEF 14A
March 25, 2011
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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:

¨ Preliminary Proxy Statement

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

x 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):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(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 12, 2011 AT 10:00 A.M. EDT

March 25, 2011

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 12, 2011, 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 thirteen Directors named in the attached Proxy Statement.

Ratification of the appointment of Deloitte & Touche LLP as independent registered public accounting firm for 2011.

Two management proposals regarding an Advisory Vote on Executive Compensation and the Frequency of Future Advisory Votes on Executive Compensation.

One proposal submitted by a stockholder, 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 14, 2011, 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 2011 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 or one person holding a proxy for any stockholder or account (in addition to those named as Board proxies on the proxy forms) may attend. 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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2011 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 2011 Annual Meeting of

Stockholders of The Dow Chemical Company to be held on May 12, 2011.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF

PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON

THURSDAY, MAY 12, 2011 AT 10:00 A.M. EDT

The 2011 Proxy Statement and 2010 Annual Report (with Form 10-K)

are available at *https://materials.proxyvote.com/260543*

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 four 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 25, 2011.

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 (each a Plan or the Plans), will receive, as appropriate, a confidential voting instruction form. 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.

To allow sufficient time for voting by the trustees and/or administrators of the plans, your voting instructions must be received by 11:59 p.m. Eastern Time on May 9, 2011.

Dow Shares Outstanding and Quorum

At the close of business on the record date, March 14, 2011, there were 1,173,246,201 shares of Dow Common Stock outstanding and entitled to vote. Each share of common stock is entitled to one vote. There were 4,000,000 shares of Series A Cumulative Convertible Perpetual Preferred Stock outstanding; however, no such shares of preferred stock outstanding as of 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.

VOTING PROCEDURES (continued)

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, Jennifer M. Granholm, 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 2012, 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 Jennifer Granholm joined the Board following the 2010 Annual Meeting. Governor Granholm was identified and recommended for nomination as a Director by the Chairman 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 March 24, 2011. Please see pages 14 to 16 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, 68. Director since 1996.
The Dow Chemical Company Employee of Dow 1965-2008. 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 March 24, 2011.) 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, 58. 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, 62. Executive Vice President, Corporate President and Chief Financial Officer, The Boeing Company. Director since 2005.
The Boeing Company (an aerospace company and manufacturer of commercial jetliners and military aircraft) 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, 54. Chairman and Chief Executive Officer of Whirlpool Corporation. Director since 2003.
Whirlpool Corporation (a manufacturer of home appliances) 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, 71. President and CEO of Barbara Franklin Enterprises and Former U.S. Secretary of Commerce. Director 1980-1992 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 U.S.-China Business Council and the Atlantic Council. Member of International Advisory Board of Lafarge. Member Emeritus of the PCAOB Advisory Council.

Director of Aetna, Inc. 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).

Jennifer M. Granholm, 52. Distinguished Practitioner of Law and Public Policy, University of California, Berkeley and Former Governor of the State of Michigan. Director since 2011.
Distinguished Practitioner of Law and Public Policy, University of California, Berkeley January 2011 to date. Expert Policy Advisor for The Pew Charitable Trusts Clean Energy Policy Campaign March 2011 to date. Governor of the State of Michigan 2002-2010. Attorney General of the State of Michigan 1998-2002. Wayne County Corporation Counsel 1994-1998. Assistant U.S. Attorney 1990-1994.

John B. Hess, 56. Chairman and Chief Executive Officer of Hess Corporation. Director since 2006.
Hess Corporation (a global energy company) 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.

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CANDIDATES FOR ELECTION AS DIRECTOR (continued)

Andrew N. Liveris, 56. Dow President, Chief Executive Officer and 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 International Council of Chemical Associations; Vice Chairman of the U.S. Business Council; Past Chairman of the U.S.-China Business Council and American Chemistry Council. Member of the President s Export Council, the American Australian Association, the Business Roundtable, the U.S.-India CEO Forum and the Peterson Institute for International Economics. Member of the Board of Trustees of Tufts University.

Director of International Business Machines Corporation and Citigroup, Inc. (2005 - April 2011).

Paul Polman, 54. Chief Executive Officer of Unilever PLC and Unilever N.V. Director since 2010.
Unilever PLC and Unilever N.V. (a provider of nutrition, hygiene and personal care products) Chief Executive Officer January 2009 to date. Nestlé S.A. (a worldwide food company) Executive Vice President of America, Canada, Latin America, Caribbean January 2008-September 2008; Chief Financial Officer 2006-2008. The Procter & Gamble Company (a provider of consumer, pharmaceutical cleaning, personal care and pet products) 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.

Director of Unilever PLC and Unilever N.V. Former director of Alcon (2006-2008).

Dennis H. Reilley, 58. Former Non-Executive Chairman of Covidien, Ltd. Director since 2007.
Covidien, Ltd. (a provider of healthcare products) Non-Executive Chairman, April 2007 to November 2008; Board member, April 2007 to date. Praxair, Inc. (a provider of gases and coatings) 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. Former 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) and Praxair, Inc. (2000-2007).

CANDIDATES FOR ELECTION AS DIRECTOR (continued)

James M. Ringler, 65. Chairman of Teradata Corporation. Director since 2001.
Teradata Corporation (a provider of database software, data warehousing and analytics) Chairman, October 2007 to date. NCR Corporation (a producer of automated teller machines and point of sale devices) 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).

Ruth G. Shaw, 62. Former Executive Advisor of Duke Energy Corporation. Director since 2005.
Duke Energy Corporation (a provider of electricity and natural gas) Executive Advisor, October 2006 to May 2008, Group Executive, Public Policy and President, Duke Nuclear, April 2006 to October 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, Foundation Board of Trustees for the University of North Carolina at Charlotte: Carolina Thread Trail Governing Board. Board of visitors at the Duke University Nicholas School of the Environment. Director, Foundation for the Carolinas. Director, ecoAmerica.

Director of DTE Energy. Former director of MedCath Corporation (2003-2005) and Wachovia Corporation (1990-2008).

Paul G. Stern, 72. Chairman of Claris Capital. Director since 1992. Presiding Director since May 2006.
Chairman of Claris Capital (an asset acquisition and management advisor) 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).

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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.

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.

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 eleven members of the Board are independent: Directors Barton, Bell, Fettig, Franklin, Granholm, 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 2010.

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.

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

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

CORPORATE GOVERNANCE (continued)

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 below under Communication with Directors .

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 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.

The Company s Corporate Governance Guidelines provide that non-employee Directors should not be nominated for election to the Board following their 72^{nd} birthday. Dr. Stern is a current Director who is being nominated for election to the Board at the 2011 Annual Meeting, although he has already reached age 72. Dr. Stern has been a Director since 1992 and has demonstrated tremendous energy and commitment to the Company. In addition to serving as Presiding Director since 2006, he has served on all of the committees of the Board. He currently is a member and former chair of the Audit Committee and chair of the Governance Committee. He has also previously been a member of the Company s Compensation and Leadership Development Committee and the Environment, Health and Safety Committee. Dr. Stern s extensive knowledge and understanding of the Company and its industry, issues, and senior management are critical to the Board and the stockholders as the Company completes the implementation of its transformational strategy. An additional one year term also allows for a transition to a new Presiding Director. The Board has determined that the current needs of the Board warrant the nomination of Dr. Stern to stand for election for a single additional one-year term as a Director.

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 that 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 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 53, 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.

As a specific example of its risk oversight activities, the Compensation and Leadership Development Committee reviewed the Company s compensation policies and practices for all employees and determined that the Company s incentive compensation programs are not reasonably likely to have a material adverse effect on the Company. To make this determination, the Company completed a global inventory of incentive compensation plans and policies and prepared an evaluation of the practices and policies which was reviewed with the Compensation and Leadership Development Committee. The Committee noted that several of the Company s incentive plans have features that mitigate risk, including the use of multiple measures in our annual and long-term incentive plans, use of reported performance measures, the Committee s discretion in incentive payment levels, a balanced mix of long-term incentive vehicles, significant stockownership guidelines, and the Company s compensation recovery policy.

CORPORATE GOVERNANCE (continued)

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 methods of communication 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 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 meetings of the Board Committees on which the Director served during the past year (attendance threshold).

There were seven Board meetings in 2010 and 26 formal Board committee meetings. All of the Directors exceeded the attendance threshold, and all had 100% attendance at the six regularly scheduled Board meetings. The Directors are encouraged to attend all Annual Meetings of Stockholders, and in 2010 all Directors attended.

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 2010, there were seven 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 14, 2011, 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).

CORPORATE GOVERNANCE (continued)

Standing Committee and Function	Chair and Members		Meetings in 2010
Audit Committee	B. H. Franklin, Chair		13
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		6
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	

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, corporate governance, public affairs, government 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 5 to 9 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

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

CORPORATE GOVERNANCE (continued)

J.A. Bell

- global business and 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 U.S. Consumer Product Safety Commission and former White House Assistant)
- 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, Committee for Economic Development, and the Council on Foreign Relations which contributes to understanding and addressing issues at the Company

J. M. Granholm

- State and federal government experience and leadership (former Governor and Attorney General of the State of Michigan and former U.S. Assistant Attorney)
- Extensive public policy experience and affiliations particularly in manufacturing and clean energy sector

Research and teaching experience through position at University of California, Berkeley

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.-India CEO Forum, the Business Roundtable, U.S. Business Council (Vice Chair), and the President s Export Council 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

P. Polman

global business and leadership experience as Chief Executive Officer of Unilever PLC and Unilever N.V.

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

CORPORATE GOVERNANCE (continued)

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 Ltd., 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 Group Executive and 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

Recommendations and 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.*

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, 2011, and January 25, 2012. 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 earlier 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

CORPORATE GOVERNANCE (continued)

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 taken 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 our corporate values of integrity and respect for people, 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.*

Certain Transactions and Relationships, Compensation Committee Interlocks and Insider Participation

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 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

CORPORATE GOVERNANCE (continued)

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.

As discussed above, the Governance Committee has responsibility for reviewing issues involving director independence and related person transactions using information obtained from Directors responses to a questionnaire asking about their relationships with the Company, and those of their immediate family members and primary business or charitable affiliations and other potential conflicts of interest, as well as certain data collected by the Company related to transactions, relationships or arrangements between the Company on the one hand and a director, officer or immediate family member on the other.

As part of its annual independence assessment and review of related person transactions, the Governance Committee reviewed the fact that in 2010 the Company made purchases or sales of products or services in the ordinary course of business with certain entities in which some of our Directors are executive officers or directors. The Governance Committee reviewed such transactions and does not consider the amounts involved in such transactions to be material.

More specifically and as discussed earlier in this Proxy Statement in the section entitled Director Independence , the Governance Committee and the Board reviewed these transactions and 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 (The Boeing Company, Whirlpool Corporation, Hess Corporation, and Unilever PLC/N.V. respectively). 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.

The Company s Corporate Auditing Department conducts routine audits of various Company departments and locations on a periodic basis. In 2010, the Corporate

Auditing Department performed an audit of the Company s Customer Events Department. The Customer Events Department is responsible for facilitating marketing and customer/business partner development meetings and events around the world, including arranging meals and accommodations and procuring tickets to major global sporting and entertainment events. These meetings and events are hosted by Company executives and other employees and are a critical component of the Company s business and marketing activities.

The audit of the Customer Events Department found shortcomings in record-keeping and processing, as well as a failure of current policies and procedures to provide sufficient guidance to avoid confusion and/or misapplication of those policies and procedures. In connection with those findings, it was determined that certain expenditures incurred on behalf of Mr. Liveris during the period 2007-2010 were not primarily business-related or should have been processed by the Customer Events Department as personal expenses and were not billed to Mr. Liveris by the Customer Events Department when incurred. The Corporate Auditing Department presented the results of the audit to Mr. Liveris who then promptly reimbursed the Company for its expenditures in the amount of $719,923. The Corporate Auditing Department also reviewed and the Company approved revised and enhanced policies and procedures for the Customer Events Department designed to address the issues identified in the audit including the failure of the Customer Events Department to timely process and request reimbursement for applicable expenditures.

The Corporate Auditing Department reviewed the audit with the Company s Audit Committee, which consulted with independent external advisors. Following that review, the Audit Committee (which includes all of the members of the Governance Committee) approved the reimbursement and supported the implementation of the revised and enhanced policies and procedures of the Customer Events Department.

No member of the Company s Compensation and Leadership Development Committee has served as a Dow officer or employee at any time or had during 2010 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 the Company s Compensation and Leadership Development Committee.

CORPORATE GOVERNANCE (continued)

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 2010.

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, 2010, as incorporated by reference from this Proxy Statement.

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 COMPENSATION DISCLOSURE

SECTION ONE OVERVIEW AND EXECUTIVE SUMMARY

2010 Fiscal Year Performance

2010 was a critical year as Dow accelerated its transformation to become an earnings growth enterprise. Following the challenges of 2009, it was vitally important that our Company establish and achieve aggressive financial, strategic and operational goals. Through hard work, focus and discipline, we achieved or exceeded every goal for 2010.

Among the significant 2010 highlights:

- Reported full-year 2010 earnings of $1.72 per share compared to prior-year earnings of $0.32 per share
- Exceeded our Net Income goal of $1,422 million as defined in the 2010 Performance Award Program by 59%
- Increased Net Sales by 20% over 2009
- Successfully completed the integration of Rohm and Haas Company (ROH)
- Delivered more than $1 billion of ROH growth synergies
- Exceeded our cost synergies and cost reduction plan, realizing total savings of $2.4 billion
- Divested more than $2.0 billion of non-strategic assets
- Deleveraged the balance sheet by reducing net debt (gross debt minus cash) by $2.7 billion and exceeded our net debt/total capital target of 45% by achieving 42.6% by year end
- Received the prestigious Robert W. Campbell Award, an international award bestowed by the National Safety Council which recognizes one company each year for its business excellence through environmental, health and safety management. Dow was the first chemical company ever to be so honored.

The compensation decisions made for the 2010 fiscal year reflect our Company s strong performance relative to our expectations for the year along with other considerations described in Section Two How Executive Pay is Established.

Committee Actions Taken to Strengthen Governance Practices

In an era of increased attention to corporate governance and the link between pay and performance, the Company has made the following changes over the past several years. For more information on other governance practices, refer to Section Four Executive Compensation Governance.

- Strengthened the link between financial goals, shareholder value creation and executive compensation by adding relative Total Shareholder Return (TSR) to the performance share program

- Increased the weighting of the performance share program in our Long Term Incentive (LTI) mix

- Strengthened the annual incentive program by adding Net Income, Synergy Cost Reductions and Cost Management as the corporate measures

- Eliminated the tax gross-up benefit formerly offered related to a benefit program (KEIP a discontinued benefit with no new entrants since 1999)

- Reviewed and amended the Committee Charter to reflect best in class governance practices

- The Committee, the Board and management are engaged in a more rigorous review of executive talent and succession plans for key corporate roles

- Conducted a risk analysis of our compensation programs

- No new Change-in-Control (CIC) agreements have been executed since 2007. For existing CIC agreements, severance payments are below 2.99 level and double triggers are in place in order for an executive to receive benefits.

- Amended the Company s Corporate Governance Guidelines to provide that it is against Company policy for executive officers to engage in speculative transactions in Company securities

Executive Summary of Dow s Compensation Programs

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

The compensation programs at Dow are designed primarily 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 long-term interests of our stockholders and other stakeholders.

Our compensation programs are designed to **attract, motivate, reward and retain the most talented executives** who can drive business performance.

Dow believes in **pay-for-performance**. The program emphasizes **variable, at-risk incentive award opportunities** which are payable only if specified financial and personal goals are achieved and/or Dow s stock price appreciates. These at-risk incentives represent at least 80% of the Named Executive Officers (NEOs) direct compensation.

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

We emphasize stock ownership. LTI awards are delivered as equity based awards to senior executives. Dow executives are required to maintain, until retirement, between four and six times their annual base salary in Dow stock. This encourages managing from an owner s perspective and better aligns their financial interests with those of Dow stockholders.

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

Our **executives participate in the same group benefit programs including pension and retirement plans**, on substantially the same terms as other salaried employees.

Our executives are allowed **limited perquisites** which are granted to facilitate strong, focused performance on their jobs.

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

Objectives of Dow s Executive Compensation Program

There are four primary objectives of Dow s executive compensation program. The following table describes each objective and how it is achieved.

Compensation Program Objective	How Objective is Achieved
Designed to support the achievement of Dow s vision and strategy	Incentive program metrics are tied to both annual and long term strategic objectives of the Company. The compensation programs provide an incentive for executives to meet and exceed Company goals.
Motivate and reward executives when they deliver desired business results and shareholder value	Compensation awards are based upon performance against Company financial and operational goals and business division goals as well as personal performance. Relative TSR versus a peer group and Return on Capital are equally weighted in our performance share program.
Attract and retain the most talented executives to succeed in today s competitive marketplace	Compensation elements and pay opportunities are targeted at the median of the peer group that we compete with for talent. Executives are held accountable for results and rewarded above target levels when Company and personal goals are exceeded. When goals are not met, compensation awards will be below target levels.
Create an ownership alignment with shareholders	LTI awards are equity-based. Stock Ownership requirements in place for top executives and all NEOs exceed their ownership requirements. Approximately 65-70% of NEO pay is equity-based where the value is directly linked to share price appreciation and TSR.

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Elements of Dow s Executive Compensation Program

The elements of the Company s executive compensation program are presented below in summary format and more fully explained in the sections that follow.

Program	Description & Purpose of Element
Base Salary	Annual Base Salary is designed to provide a competitive fixed rate of pay recognizing different levels of responsibility and performance within the Company.
Performance Award	The Performance Award is an annual cash incentive program to reward employees for achieving critical Company goals.
Stock Options	Stock Options are granted to provide incentive for long-term creation of stockholder value. Stock Options represented 50% of the annual LTI grant value in 2010. Beginning in 2011, Stock Options will be reduced to 40% to shift more of the LTI mix toward Performance Shares.
Performance Shares	Performance Shares are granted to motivate employees and to reward the achievement of specified financial goals over a three-year period. Performance Shares represented 25% of the annual LTI grant value in 2010. Beginning in 2011, Performance Shares will be increased to 35% of the total weighting shifting more of the LTI mix toward performance based equity.
Deferred Stock	Deferred Stock is granted in order to help the Company retain its NEOs and other key employees. Deferred Stock represented 25% of the annual LTI grant value.
Health, Welfare and Retirement Programs	Executives participate in the same benefit programs that are offered to other salaried employees. Dow benefits are designed to provide market competitive benefits to protect employees and their covered dependents health and welfare and provide retirement benefits.
Perquisites	Limited perquisites are provided to executives to facilitate strong performance on the job and enhance their personal security and productivity.

The mix of the three key compensation elements for the CEO and NEOs are shown below. The charts outline the size, in percentage terms, of each element of targeted compensation. The gray sections of the charts reflect the at-risk or performance based components of compensation (e.g. 89% of the Chairman and CEO s compensation is at risk).

Elements of Compensation: Base Salary Detailed Information

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 (50^{th} percentile) of the Survey Group after adjusting for Dow s revenue size. Actual salaries reflect an individual s responsibilities and more subjective factors, such as the Committee s (and the CEO s in the case of other NEOs) assessment of the individual NEO s performance.

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 as determined by the Committee.

Elements of Compensation: Performance Award Detailed Information

The Performance Award is an annual cash incentive program. Dow uses this component of compensation to reward employees for achieving critical annual Company goals. Meeting or exceeding our annual business and financial goals is important to executing our long-term business strategy and delivering long-term value to shareholders. No Performance Award is payable to NEOs or any officer of the Company unless pre-established minimum Net Income goals are achieved. The 1994 Executive Performance Plan establishes a minimum performance goal of $700 million of net income in order for NEOs to receive a payout of the Company component of the Performance Award. This requirement is part of Dow s strategy for complying with Internal Revenue Code Section 162(m).

The 2010 Performance Award Program focused participants on critical financial and operational goals. At the beginning of 2010, the Committee and Board approved the financial and operational goals for the Company and each Business Division. The Committee also reviewed and approved the target award opportunity for each NEO which is expressed as a percentage of base pay. Individual award opportunities vary by job level and are targeted at the median of the annual bonus practices of the group of companies used for benchmarking (the Survey Group).

The 2010 Performance Award corporate target goals and 2010 results are shown below. The 2010 Performance result reflects Net Income (excluding certain items) as set forth in the Company s 2010 Annual Report.

Measure Used (Weighting)	**Rationale for Measure**	**Target Goal**	**2010 Performance**
Net Income *(75%)*	Reflects operating strength, efficiency and profitability	$ 1,422 MM	$ 2,263 MM
Synergies *(25%)*	Reflects progress made on synergy and cost reduction goals established upon the Rohm and Haas acquisition	$ 650 MM	$ 657 MM

Actual award payouts are determined each February following completion of the plan year by measuring the performance against each award component (earned base award). For the 2010 program, the earned base award (before considering individual performance) was 175% of the target award opportunity for corporate employees. Actual awards for employees including NEOs can be adjusted up or down by 25% from the earned base award and is based on individual performance and contributions as determined by the Committee. The potential award payouts under the 2010 Performance Award Program are shown in the Grants of Plan-Based Awards table. The actual payouts to the NEOs are shown in the Summary Compensation table in the column labeled Non-Equity Incentive Plan Compensation .

Elements of Compensation: Long-Term Incentive Awards Detailed Information

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

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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 the median market dollar value of LTI applicable for his or her job level. In February 2011, the Committee reviewed the mix of LTI awards (50% stock options, 25% performance shares and 25% deferred stock) and with the goal of moving more of the LTI awards toward performance-based vehicles determined a new mix of LTI for grants made in 2011 (40% stock options, 35% performance shares and 25% deferred stock). The following table shows the 2010 and 2011 mix of LTI awards.

LTI Vehicle	2010 Weighting	2011 Weighting	Vesting Terms & Other Conditions
Stock Options	50%	40%	The exercise price equals the closing price on the date of grant. Options vest in three equal annual installments and expire after 10 years.
Deferred Stock	25%	25%	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	25%	35%	The 2010-2012 performance shares can be earned after a three-year performance period based on an equal weighting of two goals: Dow s TSR versus a peer group Dow s 2010-2012 return on capital (ROC) relative to pre-established goals Dividend equivalents are paid only on earned shares after the three-year performance period has ended.

Under Dow s Executive Compensation Recovery 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.

2010-2012 Performance Share Program Additional Information

The relative TSR peer group is comprised of companies selected from the S&P 500 Chemical Index and several companies from Dow s executive peer group that are technology-based and manufacturing-based global companies. The table below shows the 18 company TSR peer group.

Air Products and Chemicals, Inc.	BASF
CF Industries Holdings, Inc.	Eastman Chemical Company
Ecolab Inc.	E.I. du Pont de Nemours & Company
FMC Corporation	International Flavors & Fragrances Inc.
Monsanto Company	PPG Industries, Inc.
Praxair, Inc.	Sigma-Aldrich Corporation

3M Company	The Procter & Gamble Company
Honeywell International Inc.	United Technologies Corporation
Johnson Controls, Inc.	Tyco International Ltd.

TSR is defined as stock price appreciation plus dividends paid. For Dow and each company in the peer group, a beginning price using a 30 trading day averaging period at the beginning of the performance period and an ending price using a 30 trading day averaging period at the end of the performance period are calculated and used to create a percentile ranking. The plan will pay out at 100% if Dow s TSR is at the 51st percentile of the peer group. No payout will occur if Dow s TSR is at or falls below the 25th percentile. A maximum payout of 250% will occur if Dow s TSR is at the 100th percentile.

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 7.0% to 10.0% on current outstanding grants (target equals 8.5% for 2010-2012 program).

No dividends are paid on unearned Performance Shares. Performance Shares accrue amounts equal to the dividend paid on equivalent shares of Dow Common Stock and are paid only at the time the shares are earned and 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 guidelines for their job level.

Long-Term Incentive Awards Grant and Vesting Practices

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 2010 grant date was February 12, 2010. The Company does not grant discounted options, backdate options or re-price outstanding options. Officers must continue to meet their stock ownership guidelines until retirement and since LTI awards do not have provisions for accelerated vesting at retirement, this results in NEOs holding a significant portion of their compensation value in Dow stock for at least three years after retirement.

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 2010 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 table.

Elements of Compensation: Benefits Detailed Information

The Company provides a comprehensive set of benefits to eligible 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.

Elements of Compensation: Perquisites Detailed Information

The Company provides the NEOs and other selected executives limited perquisites in order to enhance their security and productivity. The Committee reviews the perquisites provided to the NEOs annually as part of their overall review of executive compensation. In 2010, as part of this review, the Committee eliminated tax protection on all life insurance programs for the 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.

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SECTION TWO HOW EXECUTIVE PAY IS ESTABLISHED

Responsibilities of the Committee

The Committee, which is comprised entirely of independent Directors, is responsible for overseeing the Company s executive compensation policies and programs with the goal of maintaining compensation that is 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. 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.*

Committee Resources in Setting Pay

The Committee has several resources, analytical tools and performance measures they consider in determining compensation levels.

Committee Resource	Description
Committee Consultant	The Committee has retained a compensation consultant from Mercer. The consultant, Michael Halloran, reports directly to the Committee. He advises the Committee on trends and issues in executive compensation and the group of companies in 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 our compensation programs. The Committee has the sole authority to retain and oversee the work of Mr. Halloran. Mr. Halloran does not provide services to Company management unless approved by the Chairman of the Committee. In 2010, no such approvals were given. Mercer 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. In 2010, Mercer and its affiliates provided approximately $5 million in unrelated human resources consulting and insurance services to Dow. The decision to engage Mercer to provide these other services was made by management and was reported to the Committee.
Dow s Executive Compensation Department	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, design and target award levels for the Performance Award and design and award levels for LTI awards

- providing scenario planning/tally sheet information

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

Peer Group and Survey Pay Data

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 2009, was evaluated in 2010 and was not changed. The 20 companies, which are comparable to Dow in annual revenue (median of $33 billion) and market capitalization (median of $47 billion), are listed below.

	($millions)	
Company	**Most Recent FYE Revenue**	**Market Value As of 12/31/10**
3M Company	$ 23,123	$ 61,692
Alcoa Inc.	$ 18,439	$ 15,698
Archer-Daniels-Midland Company	$ 61,682	$ 19,218
The Boeing Company	$ 68,281	$ 47,873
Caterpillar Inc.	$ 32,396	$ 59,446
E. I. du Pont de Nemours & Company	$ 27,328	$ 45,535
Emerson Electric Co.	$ 21,039	$ 43,030
General Electric Company	$ 156,783	$ 194,789
Honeywell International Inc.	$ 30,908	$ 41,474
Johnson & Johnson	$ 61,897	$ 170,088
Johnson Controls, Inc.	$ 34,305	$ 25,761
Kraft Foods Inc.	$ 40,386	$ 55,143
Eli Lilly and Company	$ 21,836	$ 38,894
Monsanto Company	$ 10,502	$ 37,376
PepsiCo, Inc.	$ 43,232	$ 103,221
Pfizer Inc.	$ 50,009	$ 140,255
PPG Industries, Inc.	$ 12,239	$ 13,705
The Procter & Gamble Company	$ 78,938	$ 180,124
Tyco International Ltd.	$ 17,016	$ 20,282
United Technologies Corporation	$ 52,920	$ 72,691
75th Percentile	**$ 55,111**	**$ 80,323**
Median	**$ 33,351**	**$ 46,704**
25th Percentile	**$ 21,637**	**$ 34,472**
Dow Chemical	**$ 44,875**	**$ 39,602**

Factors and Steps in Setting Pay

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 along with Company, business division and individual performance data. An individual executive s compensation is established after considering the following factors:

Median (50^{th} percentile) range compensation for similar jobs and job levels in the market

Company s performance against financial measures including net income, earnings per share, EBITDA (earnings before interest, income taxes, depreciation, and amortization), ROC, TSR, economic profit, cash flow management, and cost management discipline

Company s performance relative to goals approved by the Committee

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 scenario sheets 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.

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The CEO makes recommendations to the Committee regarding compensation for senior executives after reviewing their performance. Market median compensation values of Dow s Survey Group for similar jobs and job levels are considered for base pay adjustments. Achievement against performance award goals and the executive s individual contribution toward Company objectives are considered in determining the annual performance award payout. Market median competitive LTI values from Dow s Survey Group are used to determine the annual LTI grant. The CEO uses discretion when making pay recommendations to the Committee. The Committee is responsible for approving NEO compensation and has broad discretion when setting compensation types and amounts.

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 Committee considers Dow s Survey peer group median base pay, annual incentive targets and LTI values from Dow s peer group and uses broad discretion when setting compensation types and amounts for the CEO. The Board of Directors is responsible for approving the CEO s compensation types and amounts.

SECTION THREE 2010 NEOs ACHIEVEMENTS AND PAY ACTIONS

The following contributions and achievements were taken into consideration by the Committee in making the 2010 compensation decisions.

Andrew Liveris: Mr. Liveris serves as President, Chief Executive Officer and Chairman. Mr. Liveris compensation for 2010 reflects his leadership in driving the successful acceleration of Dow s transformational strategy, demonstrated by the fact that Dow exceeded every financial and operational goal established for 2010, including delivering revenue gains in every quarter (excluding divestitures) and earnings results more than triple that of the year-ago period. Mr. Liveris drove the successful integration of Rohm and Haas, the largest acquisition in Dow s history and a key catalyst in positioning the Company for future growth. As a result of this acquisition, Dow delivered more than $1 billion in revenue from growth synergies on an annual run-rate basis in 2010, and surpassed $2 billion in cost synergies both goals delivered ahead of schedule. In parallel, Mr. Liveris led the Company s successful portfolio shift through the divestment of more than $2 billion in non-strategic businesses including the sale of Styron while also driving investment in and commercialization of the Company s innovation and growth agenda. The Committee also considered Mr. Liveris efforts in implementing key initiatives throughout the Company to champion Dow s commitment to sustainability through his visible and continuous support of Dow s 2015 Sustainability Goals, and his pursuit of renewing Dow s focus on high potential employee and leadership identification and development within the enterprise.

William Weideman: Mr. Weideman serves as Executive Vice President and Chief Financial Officer. He is responsible for overseeing the financial management and integrity of the internal controls for the Company and he leads Dow s Finance function. Mr. Weideman s compensation for 2010 reflects his contributions in exceeding every one of Dow s financial goals. This includes enhancing the Company s liquidity by delivering more than $4 billion in cash from operating activities (nearly double that of 2009), reducing our net debt (gross debt minus cash) by $2.7 billion, and exceeding Dow s net debt to total capitalization target achieving net debt / total capital of 42.6 percent at year-end. The Committee also considered Mr. Weideman s contributions in supporting the successful divestiture of 12 non-strategic businesses / assets in 2010, which generated total proceeds of more than $2 billion. Finally, the Committee considered the fact that under Mr. Weideman s leadership Dow maintained its investment grade rating and achieved outlook upgrades from both S&P and Moody s.

Charles Kalil: Mr. Kalil serves as Executive Vice President, Law and Government Affairs, General Counsel and Corporate Secretary. Mr. Kalil s compensation for 2010 reflects his oversight and contributions as counsel to the Company. Mr. Kalil was responsible for leading the Company s litigation and corporate transactions. In particular, Mr. Kalil supported the execution of Dow s transformational strategy with effective legal resource deployment for the Company s new Advanced Materials business model, as well as in Dow s rapidly expanding emerging geographies. Mr. Kalil also guided Government Affairs in enhancing Dow s profile in Washington and supported the launch of the Company s Advanced Manufacturing Plan. The Committee also considered Mr. Kalil s commitment to ethics and compliance, as under his leadership the Ethics and Compliance group introduced a new Business Code of Conduct. Titled The Diamond Standard, this code provides a framework of the core values of our enterprise integrity, respect for people, and protecting our planet. This framework applies to all Dow employees and our subsidiaries, and furthermore these principles are consistent with our expectations of suppliers and business partners.

Heinz Haller: Mr. Haller serves as Executive Vice President and Chief Commercial Officer. Mr. Haller s compensation for 2010 reflects his achievements in driving new business growth activities, as well as joint ventures and subsidiaries. Among the new business development achievements considered by the Committee were the groundbreaking of a world-scale lithium ion battery manufacturing facility by the Dow Kokam joint venture, the launch of Dow s Energy Storage business, and Mr. Haller s oversight of Dow s joint ventures, which delivered earnings of more than $1.4 billion in 2010, matching the Company s 2007 record performance. In addition, Mr. Haller championed the Company s branding and marketing efforts, establishing new metrics for customer success and negotiating a premier partnership as an Official Worldwide Olympic Partner through 2020. The Committee also considered Mr. Haller s leadership as co-chair of Dow s Innovation and Growth team, which drove the enterprise s growth and venture capital agenda, as well as his executive oversight of several emerging regions, including Asia Pacific, where sales exceeded $9 billion in the year for the first time in the Company s history.

William Banholzer: Dr. Banholzer serves as Executive Vice President, Ventures, New Business Development & Licensing and is the Company s Chief Technology Officer. Dr. Banholzer s compensation for 2010 reflects his leadership in driving Dow s commitment to growth. Through rigorous portfolio management and a renewed focus on innovation, the NPV of the Company s R&D pipeline has tripled in three years to more than $30 billion. Dr. Banholzer also established the discipline of Dow s Growth Playbook and R&D Metrics and has institutionalized this best practice throughout the company. As a result of this program, Dow has driven the creation, development and commercialization of several promising products including Dow Powerhouse™ Solar Shingles, Omega-9 Oils, and SmartStax™ (a multi-event technology developed by Dow AgroSciences and Monsanto; SmartStax is a trademark of Monsanto Technology, LLC). The Committee also considered Dr. Banholzer s commitment to talent management and significant efforts the R&D function has taken to upgrade its talent pipeline, including opening an R&D center in Shanghai, establishing Dow s R&D footprint in Saudi Arabia and successfully recruiting top caliber Ph.D.s from premier schools.

2010 Compensation Actions

The Committee approved the following compensation and awards for the CEO after considering Dow s Survey Group median market data and the 2010 accomplishments of the Company and the CEO. The CEO recommended and the Committee approved the following pay actions for the four other NEOs in 2010.

Name	Base Salary ($)	Performance Award ($)	Stock Awards ($)	Option Awards ($)	Total Compensation ($)
Andrew Liveris	1,700,000	5,000,000	5,063,338	5,060,006	16,823,344
William Weideman	600,000	1,215,522	1,061,578	1,060,969	3,938,069
Charles Kalil	884,133	1,791,139	1,795,234	1,791,818	6,262,324
Heinz Haller	862,189	1,383,545	1,795,234	1,791,818	5,832,786
William Banholzer	858,690	1,739,594	1,795,234	1,791,818	6,185,336

Base Salary: All NEOs were given salary adjustments in 2010 to adjust their relative position to the median range of the Dow s Survey Group. After these adjustments, there were no material differences between the Survey Group median survey values and actual base salary for any of the NEOs except for Mr. Weideman who was newly appointed as CFO in 2010. Base salary amounts presented above differ from the amounts disclosed in the Summary Compensation Table because increases in base salary become effective in March. Therefore, the amounts reported in the Summary Compensation Table reflect two months at the 2009 base salary rate and ten months at the 2010 rate.

Performance Award: The 2010 Performance Award resulted in an earned base award equal to 175% of the target award opportunity for corporate employees. This was calculated under the terms of the plan as described in the Elements of Dow s Executive Compensation Program. The Committee used discretion in adjusting the actual payout for NEOs by up to 10% as allowed by the plan and based upon individual NEO contributions described above. There were no material differences between Dow s Survey Group median annual bonus targets and the target Performance Award for any of the NEOs.

Long-Term Incentive Grants (Stock and Option Awards): The Committee approved the LTI grant for each NEO based upon Dow s Survey Group median LTI values and reflective of the mix of equity vehicles described in the Elements of Dow s Executive Compensation Program. There were no material differences between the Survey Group median LTI target values and the target LTI award values for any of the NEOs.

SECTION FOUR EXECUTIVE COMPENSATION GOVERNANCE

In addition to adhering to the processes described in the preceding sections, the Committee has adopted several policies related to Executive Compensation as detailed below.

Stock Ownership Guidelines

Dow has had minimum stock ownership guidelines in place for its NEOs and other senior executives since 1998. The guidelines increase with job level and are reviewed periodically to ensure relevance. Specific stock ownership requirements vary by job level and are determined by applying a multiple between four and six to the base salary midpoint. The guideline values are converted to a fixed share amount for each job level.

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 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 2010 and were determined to be appropriate relative to market practice and the current value of Dow stock. In 2010, none of the NEOs sold Dow shares in the open market, resulting in holdings significantly in excess of the guidelines and further evidence of Dow s philosophy of encouraging the holding of shares in excess of stock ownership guidelines until retirement.

The following table shows the stock ownership guideline for each NEO and their holdings as of December 31, 2010.

Name	Ownership Guideline	Multiple of Base Salary	2010 Holdings	Shares Held In Excess of Guideline
Andrew Liveris	220,000	6x	524,340	304,340
William Weideman	70,000	4x	99,722	29,722
Charles Kalil	70,000	4x	162,720	92,720
Heinz Haller	70,000	4x	137,581	67,581
William Banholzer	70,000	4x	146,695	76,695

Change-in-Control and Severance Arrangements

The Committee adopted a market competitive change-in-control arrangement for its senior executives in 2007. Messrs. Liveris, Kalil, Haller and Dr. Banholzer each have a change-in-control agreement. The change-in-control arrangement provides, 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.

Executive Compensation Recovery Policy

The Company has adopted an Executive Compensation Recovery Policy for executive officers set forth in the Company s Corporate Governance Guidelines. 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 this 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.

Trading Restrictions

As set forth in the Company s Corporate Governance Guidelines, it is against Company policy for executive officers to engage in speculative transactions in Company securities. As such, it is against Company policy for executive officers to trade in puts or calls in Company securities or sell Company securities short.

Compensation Program Risk Analysis

The Committee reviewed the Company s compensation policies and practices for our NEOs, and determined that our incentive compensation programs are not reasonably likely to have a material adverse effect on our Company. To conduct this review, the Company completed an inventory of its incentive compensation plans and policies. This evaluation covered a wide range of practices and policies including: the balanced mix between pay elements, the balanced mix between short and long term programs, caps on incentive payout, governance controls in place to establish, review and approve goals, use of multiple performance measures, discretion on individual awards, use of stock ownership guidelines, use and provisions in severance/change of control policies, use of Compensation Recovery policy and Committee oversight of compensation programs. Several of our incentive plans have features that mitigate risk, including the use of multiple measures in our annual and long-term incentive plans, use of reported performance measures, the Committee s discretion in incentive payment levels, a balanced mix of long-term incentive vehicles, significant stock ownership guidelines, and our Executive Compensation Recovery Policy.

COMPENSATION TABLES AND NARRATIVES

Summary Compensation Table

The following table summarizes the compensation of the principal executive officer (i.e., the CEO), principal financial officer (i.e., the CFO), and the Company s three most highly compensated officers for the fiscal year ended December 31, 2010.

SUMMARY COMPENSATION TABLE FOR 2010

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 & Chairman	2010	1,691,667	0	5,683,729	5,060,006	5,000,000	3,605,210	297,145	21,337,757
	2009	1,650,000	4,485,937	6,921,090	2,363,660	0	2,612,787	246,318	18,279,792
	2008	1,641,667	0	5,500,260	5,500,006	0	2,923,971	138,681	15,704,585
William Weideman, Exec. VP & CFO	2010	575,474	0	1,191,649	1,060,969	1,215,522	1,351,143	14,894	5,409,651
	2009	390,074	530,677	772,982	148,291	0	117,455	10,825	1,970,304
Charles Kalil, Exec. VP	2010	877,116	0	2,015,197	1,791,818	1,791,139	2,240,220	46,697	8,762,187
	2009	767,014	1,381,457	2,509,040	803,218	0	1,811,274	35,489	7,307,492
Heinz Haller, Exec. VP	2010	855,346	0	2,015,197	1,791,818	1,383,545	1,199,164	151,135	7,396,205
	2009	765,146	1,562,717	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	2010	851,875	0	2,015,197	1,791,818	1,739,594	1,679,294	58,713	8,136,491
	2009	733,200	1,341,703	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

(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. A maximum payout on the Performance Share programs would result in additional value of: Liveris $3,177,113; Weideman $666,113; Kalil $1,126,463; Haller $1,126,463; Banholzer $1,126,463.

(b) Dow s valuation for financial accounting purposes uses the widely accepted lattice-binomial model which calculated an option value of $9.17 (grant date of February 12, 2010). The exercise price is the closing Dow stock price on the date of grant. The exercise price was $27.79 for 2010 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 2010 is shown below.

Name	Change in Discount Interest Rate	Change in Deferral Period, Benefits, and	Total Change ($)

	($)	Other ($)	
Andrew Liveris	1,328,571	2,269,696	3,598,267
William Weideman	266,966	1,083,292	1,350,258
Charles Kalil	513,254	1,722,343	2,235,597
Heinz Haller	244,621	954,543	1,199,164
William Banholzer	502,556	1,163,338	1,665,894

Also includes 2010 above-market non-qualified deferred compensation earnings: Liveris $6,943; Weideman $885; Kalil $4,623; and Banholzer $13,400.

(d) All Other Compensation includes the cost of Company provided automobile, personal use of corporate aircraft by the CEO as required by Company policy for security and immediate availability purposes, Company contributions to employee savings plans, and reimbursements of costs paid for financial and tax planning support, home security, executive health examinations and personal excess liability insurance premiums. The 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. The aggregate incremental cost of any personal benefits provided by the Customer Events Department in 2010 were fully reimbursed.

The following other compensation items exceeded $10,000 in value.

Liveris: Automobile ($19,906), personal use of Company aircraft ($134,068), Company contributions to savings plans ($66,340), financial and tax planning ($53,228), home security ($14,438)

Weideman: Company contributions to savings plans ($10,140)

Kalil: Automobile ($11,534), Company contributions to savings plans ($10,140), financial and tax planning ($22,000)

Haller: Tax protection on duplicate tax liabilities due to participation in Swiss pension plan ($133,812)

Banholzer: Automobile ($13,164), Company contributions to savings plans ($29,668), financial and tax planning ($13,694)

Grants of Plan-Based Awards

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 2010

			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 Liveris	2/10/2010	2/10/2010	0	2,635,000	7,822,656							
	2/12/2010	2/10/2010				0	91,100	227,750				3,152,060
	2/12/2010	2/10/2010							91,100			2,531,669
	2/12/2010	2/10/2010								551,800	27.79	5,060,006
William Weideman	2/10/2010	2/10/2010	0	630,000	1,870,313							
	2/12/2010	2/10/2010				0	19,100	47,750				660,860
	2/12/2010	2/10/2010							19,100			530,789
	2/12/2010	2/10/2010								115,700	27.79	1,060,969
Charles Kalil	2/10/2010	2/10/2010	0	928,340	2,756,008							
	2/12/2010	2/10/2010				0	32,300	80,750				1,117,580
	2/12/2010	2/10/2010							32,300			897,617
	2/12/2010	2/10/2010								195,400	27.79	1,791,818
Heinz Haller	2/10/2010	2/10/2010	0	905,298	2,687,605							
	2/12/2010	2/10/2010				0	32,300	80,750				1,117,580
	2/12/2010	2/10/2010							19,100			897,617
	2/12/2010	2/10/2010								115,700	27.79	1,791,818
William Banholzer	2/10/2010	2/10/2010	0	901,625	2,676,698							
	2/12/2010	2/10/2010				0	32,300	80,750				1,117,580

2/12/2010	2/10/2010	32,300			897,617
2/12/2010	2/10/2010		195,400	27.79	1,791,818

(a) Performance Share awards as described in the Elements of Dow s Executive Compensation Program section of the Compensation Discussion and Analysis.

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

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

The value realized from LTI awards differs from the values reported in the Summary Compensation Table and the Grants of Plan-Based Awards Table, which both report value at the time of grant. The value realized by employees when awards vest will be higher or lower than the grant date values due to the fact that 1) Stock Options will only have value when the current stock price exceeds the option exercise price, 2) Deferred Stock will increase or decrease in value from grant date and 3) Performance Shares will deliver a payout between 0% and 250% based upon performance against established metrics. For example, the following chart shows the target versus realizable value at the time of vesting for grants vesting in 2008-2010 for CEO Andrew Liveris.

LTI Vesting In:	Target Value @ Grant Date ($)	Actual Value @ Vesting Date ($)	Difference ($)
2010	9,664,762	9,161,063	(503,699)
2009	7,766,299	293,250	(7,473,049)
2008	11,488,963	8,308,003	(3,180,960)

Outstanding Equity Awards

The following table lists outstanding equity grants for each NEO as of December 31, 2010. The table includes outstanding equity grants from past years as well as the current year.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name		Option Awards				Stock Awards			
	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 ($) (c) (d)
Andrew Liveris (e)	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	n/a	n/a	n/a	n/a
	03/01/2006	400,000		43.68	03/01/2016	50,000	1,707,000	n/a	n/a
	02/16/2007	460,000		43.59	02/16/2017	60,000	2,048,400	n/a	n/a
	02/15/2008	412,912	206,458	38.62	02/18/2018	71,210	2,431,109	61,597	2,102,910
	02/13/2009	303,033	606,067	9.53	02/13/2019	138,820	4,739,315	138,820	4,739,315
	10/16/2009	n/a	n/a	n/a	n/a	n/a	n/a	243,000	8,296,020
	02/12/2010		551,800	27.79	02/12/2020	91,100	3,110,154	91,100	3,110,154
William Weideman (e)	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	n/a	n/a	n/a	n/a
	03/01/2006	16,190		43.68	03/01/2016	1,970	67,256	n/a	n/a
	02/16/2007	36,400		43.59	02/16/2017	4,550	155,337	n/a	n/a
	02/15/2008	27,498	13,752	38.62	02/18/2018	4,750	162,165	4,109	140,273
	02/13/2009	19,011	38,024	9.53	02/13/2019	8,710	297,359	8,710	297,359
	10/16/2009	n/a	n/a	n/a	n/a	n/a	n/a	34,500	1,177,830
	02/12/2010		115,700	27.79	02/12/2020	19,100	652,074	19,100	652,074
Charles Kalil (e)	03/01/2000	n/a	n/a	n/a	n/a	108	3,687	n/a	n/a
	02/23/2001	n/a	n/a	n/a	n/a	55	1,878	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	n/a	n/a	n/a	n/a
	03/01/2006	48,550		43.68	03/01/2016	5,900	201,426	n/a	n/a
	02/16/2007	70,000		43.59	02/16/2017	9,100	310,674	n/a	n/a
	11/01/2007	n/a	n/a	n/a	n/a	40,000	1,365,600	n/a	n/a

	01/02/2008	n/a	n/a	n/a	n/a	10,000	341,400	n/a	n/a
	02/15/2008	110,472	55,238	38.62	02/18/2018	19,060	650,708	16,487	562,863
	12/11/2008	n/a	n/a	n/a	n/a	5,000	170,700	n/a	n/a
	02/13/2009	102,976	205,954	9.53	02/13/2019	47,180	1,610,725	47,180	1,610,725
	10/16/2009	n/a	n/a	n/a	n/a	n/a	n/a	91,500	3,123,810
	02/12/2010		195,400	27.79	02/12/2020	32,300	1,102,722	32,300	1,102,722
Heinz Haller	06/01/2006	64,725		39.89	06/01/2016	7,861	268,375	n/a	n/a
	02/16/2007	100,000		43.59	02/16/2017	12,600	430,164	n/a	n/a
	02/15/2008	154,666	77,334	38.62	02/18/2018	26,690	911,197		