

DOW CHEMICAL CO /DE/
Form DEFR14A
March 21, 2001

NOTICE OF THE ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 10, 2001

March 21, 2001

Dear Dow Stockholder:

We are pleased to invite you to the Annual Meeting of Stockholders of The Dow Chemical Company to be held on Thursday, May 10, 2001, at 2 p.m. at the Midland Center for the Arts, 1801 West St. Andrews, Midland, Michigan.

Stockholders will vote upon the following matters either by proxy or in person:

1. Election of five Directors: Arnold A. Allemang, John C. Danforth, Allan D. Gilmour, James M. Ringler and William S. Stavropoulos.
2. Ratification of the appointment of Deloitte & Touche LLP as Dow's independent auditors for 2001.
3. 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, we hope you will vote your shares as soon as possible. You may vote your shares by telephone, on the Internet, or by mailing a completed form. Your voting form includes instructions on each of these voting methods.

Your Board of Directors has set the close of business on March 12, 2001, as the record date for determining stockholders who are entitled to receive notice of the Annual Meeting and any adjournment, and 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, from 8:30 a.m. to 5 p.m., at the Office of the Corporate Secretary, 2030 Dow Center, Midland, Michigan.

Since seating is limited, the Board has established the rule that only stockholders may attend or up to three people holding proxies for any one stockholder or account (in addition to those named as Board proxies on the printed proxy forms). Proxy holders are asked to present their credentials in the lobby before the Annual Meeting begins.

You will need a validated ticket of admission or proof of stock ownership to be admitted to the Meeting. Stockholders will receive a ticket as part of their proxy material. Stockholders of record and participants in the Dividend Reinvestment Program, The Dow Chemical Company Employees' Savings Plan, The Dow Chemical Company Stock Ownership Plan, the Dow AgroSciences Employee Savings Plan, The Savings and Investment Program for Employees of Union Carbide Corporation and Participating Subsidiary Companies, the Union Carbide Corporation Stock Ownership Plan and/or the DH Compounding Savings and Retirement Plan need only check the box on

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the voting form to validate their preprinted ticket and indicate that they will attend. Questions may be directed to 877-227-3294 (a toll-free number in the U.S. and Canada) or 517-636-1792.

Other stockholders holding stock in nominee name or beneficially (in "street name") will receive a ticket with their proxy material and need take no further action. Street name holders without tickets will need proof of ownership for admission to the Annual Meeting, such as a recent brokerage statement or letter from the bank or broker.

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

/s/Tina S. Van Dam
Assistant Secretary of the Company

Enclosures

2001 ANNUAL MEETING OF STOCKHOLDERS THE DOW CHEMICAL COMPANY

NOTICE OF THE ANNUAL MEETING AND PROXY STATEMENT

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This Proxy Statement is issued in connection with the 2001 Annual Meeting of Stockholders of The Dow Chemical Company to be held on May 10, 2001.

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 the current Directors, and one resolution to be voted upon at the Annual Meeting of Stockholders or any adjournment 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.

VOTING YOUR SHARES BY PROXY

You are encouraged to use the proxy form to cast your vote. As explained on the form, you may vote by telephone, on the Internet, or by mail. YOUR SHARES WILL BE VOTED IF THE PROXY FORM IS PROPERLY EXECUTED AND RECEIVED PRIOR TO MAY 10, 2001, THE DATE OF THE ANNUAL MEETING. IF NO SPECIFIC CHOICES ARE MADE BY YOU, AS EXPLAINED ON YOUR PROXY FORM, THE SHARES REPRESENTED BY YOUR EXECUTED PROXY FORM WILL BE VOTED AS RECOMMENDED BY THE BOARD OF DIRECTORS.

You may revoke your proxy at any time before its use at the Meeting by sending a written revocation, by submitting another proxy at a later date, or by attending the Meeting and voting in person. No matter which voting method you choose, however, you need not vote any single account more than once unless you wish to change your vote.

The Company has a 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 defined contribution plans, and requires the appointment of independent tabulators and inspectors of election for the Meeting.

DIVIDEND REINVESTMENT PROGRAM SHARES AND EMPLOYEES' SAVINGS PLAN SHARES

If you are enrolled in the Dividend Reinvestment Program ("DRP"), the enclosed proxy form indicates 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. Fleet National Bank, as the DRP administrator, will vote all shares of stock held in your DRP account only if you return your proxy form. If no specific instruction is given on an executed proxy form returned by you, the DRP administrator will vote as recommended by the Board of Directors.

Separate "Confidential Voting Instruction" cards are being sent to current and former Dow employees participating in The Dow Chemical Company Employees' Savings Plan, The Dow Chemical Company Stock

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Ownership Plan, the Dow AgroSciences Employee Savings Plan, The Savings and Investment Program for Employees of Union Carbide Corporation and Participating Subsidiary Companies, the Union Carbide Corporation Stock Ownership Plan and/or the DH Compounding Savings and Retirement Plan (the "Plan" or "Plans"), covering all shares of common stock held for each participant in the applicable Plan(s) on the record date. Your executed card will provide voting instructions to the applicable Plan trustee(s). If no instructions are provided, the trustees will vote the respective Plan shares according to the provisions of the Plan documents.

DOW SHARES OUTSTANDING

At the close of business on the record date, March 12, 2001, there were 898,339,169 shares of Dow common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote. There are no shares of Preferred Stock outstanding.

PROXIES ON BEHALF OF THE DOW BOARD

The enclosed proxy 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 they are able to attend the Annual Meeting. Proxies on behalf of the Board may be solicited in person, by mail, by telephone or by electronic communication by Dow officers and employees. They will not be specially compensated for their services in this regard.

Dow has retained Georgeson Shareholder Communications Inc. to aid in the solicitation of stockholders (primarily brokers, banks and other institutional investors) for an estimated fee of \$17,000. 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.

THE BOARD OF DIRECTORS AND BOARD COMMITTEES

The ultimate authority to manage the business of The Dow Chemical Company rests with the Board of Directors. The Board appoints the Company's officers, assigns to them responsibilities for management of the Company's operations, and reviews their performance.

There were six Board meetings in 2000. All but one of the Directors attended 100 percent of the Board meetings and all of the Directors then serving attended the last Annual Meeting of Stockholders. All but three Dow Directors had 100 percent attendance at all Board and Board committee meetings they were eligible to attend.

In the past year, three Directors retired from the Board: Enrique C. Falla, who served as a Director since 1985; Frank P. Popoff, who served as a Director since 1982 and Chairman since 1992; and David T. Buzzelli, who served as a Director since 1993. Their advice and experience will be greatly missed.

Board committees perform many important functions. The

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responsibilities of each committee are stated in the Bylaws. The Board, upon the recommendation of the Committee on Directors, elects members to each committee and has the authority to change the responsibilities of any committee and the committee membership. A brief description of the current standing Board committees follows, with memberships listed as of March 12, 2001.

| COMMITTEES AND FUNCTION | CHAIRMAN AND MEMBERS | MEETINGS IN 2000 |
|---|--|---|
| EXECUTIVE COMMITTEE Exercises the powers of the Board to manage the Company between meetings of the Board. | W. S. Stavropoulos, Chairman A. A. Allemang M. D. Parker J. P. Reinhard | 11 |
| AUDIT COMMITTEE Recommends a firm of independent auditors to be appointed by the Board, subject to ratification by the stockholders. Reviews the Company's annual consolidated financial statements. Consults separately with the independent auditors, the Corporate Auditor and the Controller with regard to the adequacy of internal controls. Reviews with the independent auditors the proposed plan of audit and the results. | B. H. Franklin, Chairman J. C. Danforth A. D. Gilmour J. M. Ringler H. T. Shapiro P. G. Stern | 4 |
| COMMITTEE ON DIRECTORS Studies the size and makeup of the Board and its committees and recommends candidates for Board and committee membership. | W. D. Davis, Chairman J. K. Barton W. H. Joyce M. D. Parker H. T. Shapiro W. S. Stavropoulos P. G. Stern | 3 |
| COMPENSATION COMMITTEE Establishes salaries, bonuses and other compensation for Dow Directors and officers and for certain other managerial and professional personnel. Administers the Company's award and option plans. | H. T. Shapiro, Chairman J. M. Cook W. D. Davis B. H. Franklin A. D. Gilmour P. G. Stern | 4 |
| ENVIRONMENT, HEALTH AND SAFETY COMMITTEE Assesses the Company's environment, health and safety policies and performance. | J. Carbone, Chairman A. A. Allemang J. K. Barton A. D. Gilmour W. H. Joyce M. D. Parker | 3 Committee was combined with Public |

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P. G. Stern Interest
Committee
in 2000.

THE BOARD OF DIRECTORS AND BOARD COMMITTEES (CONTINUED)

| COMMITTEES AND FUNCTION | CHAIRMAN AND MEMBERS | MEETINGS IN 2000 |
|---|---|--|
| <p>FINANCE COMMITTEE Reviews Dow's financial affairs and makes recommendations to the Board concerning financial matters. Establishes investment policy and reviews the performance of funds invested for the Dow Employees' Pension Plan. Helps establish investment policies for other funds and entities connected with the Company.</p> | <p>J. P. Reinhard, Chairman A. J. Carbone J. M. Cook M. D. Parker W. S. Stavropoulos</p> | <p>6</p> |
| <p>PUBLIC INTEREST COMMITTEE Assesses aspects of the Company's business decisions to determine their social impact and makes recommendations to the Board and management regarding the most socially desirable alternatives. The committee's focus includes corporate policy management, philanthropic contributions, codes of conduct and reputation management.</p> | <p>J. C. Danforth, Chairman J. M. Cook W. D. Davis B. H. Franklin J. P. Reinhard J. M. Ringler H. T. Shapiro W. S. Stavropoulos</p> | <p>3 Committee was combined with EH&S Committee in 2000.</p> |

BOARD OF DIRECTORS' CLASSES

The Dow Board of Directors is divided into three classes. Each class, described in the chart below, serves a term of three years. The terms of the Directors in each class expire at the Annual Meeting of Stockholders in the year listed on the chart.

| Class III - 2001 | Class I - 2002 | Class II - 2003 |
|--|--|--|
| <p>Arnold A. Allemang John C. Danforth Allan D. Gilmour James M. Ringler William W. Stavropoulos</p> | <p>Jacqueline K. Barton Anthony J. Carbone Barbara Hackman Franklin William H. Joyce Harold T. Shapiro</p> | <p>J. Michael Cook Willie D. Davis Michael D. Parker J. Pedro Reinhard Paul G. Stern</p> |

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AGENDA ITEM 1

CANDIDATES FOR ELECTION AS DIRECTOR

In accordance with the recommendation of the Committee on Directors, the Board of Directors has nominated Arnold A. Allemang, John C. Danforth, Allan D. Gilmour, James M. Ringler and William S. Stavropoulos for election as Directors in Class III, to serve three-year terms to expire at the Annual Meeting in the year 2004, 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. All nominees, except for Mr. Ringler, have previously been elected as Directors by the Company's stockholders.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF ALL OF THESE NOMINEES AS DIRECTORS.

The election of Directors requires a plurality of the votes actually cast. As explained on the accompanying proxy, it is the intention of the persons named as proxies to vote in favor of the candidates nominated by the Board unless such authority is withheld. 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.

Information in the biographies of candidates and continuing Directors that follows is current as of March 12, 2001, the record date for the Annual Meeting.

CANDIDATES FOR ELECTION AS DIRECTOR (CONTINUED)

Photo 1

ARNOLD A. ALLEMANG, 58. DOW EXECUTIVE VICE PRESIDENT. DIRECTOR SINCE 1996.

Employee of Dow since 1965. Director of Technology Centers, Dow U.S.A. 1989-92. Manufacturing General Manager, Dow Benelux N.V.* 1992-93. Regional Vice President, Manufacturing and Administration, Dow Benelux N.V.* 1993. Vice President, Manufacturing Operations, Dow Europe S.A.* 1993-95. Dow Vice President and Director of Manufacturing and Engineering 1996-97. Dow Vice President, Operations 1997-2000. Executive Vice President 2000 to date. Director of Liana Limited* and Dorinco Reinsurance Company.* Representative on the Members Committee of DuPont Dow Elastomers L.L.C.* Director of the National Association of Manufacturers. Member of the American Chemical Society; the Advisory Board, Center for Chemical Process Safety, American Institute of Chemical Engineers; College of Engineering Advisory Council, Kansas State University; the Corporate Executive Board's Operations Management Roundtable and the National Academy of Engineering's Action Forum on Diversity.

Photo 2

JOHN C. DANFORTH, 64. PARTNER OF BRYAN CAVE LLP AND FORMER UNITED STATES SENATOR. DIRECTOR SINCE 1996.

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Partner with the law firm of Bryan Cave LLP 1995 to date. Attorney General of Missouri 1969-76. United States Senate 1976-95, serving on the Committee on Finance; Committee on Commerce, Science and Transportation; and the Select Committee on Intelligence. Director of General American Life Insurance Company; GenAmerican Corporation; General American Mutual Holding Company; Cerner Corporation and Metropolitan Life Insurance Company. Recipient of the St. Louis Award, the Harry S Truman Good Neighbor Award, the St. Louis Man of the Year Award, the Right Arm of St. Louis Award, the University of Missouri-Kansas City Chancellor's Medal Award, the Presidential World Without Hunger Award, the Legislative Leadership Award of the National Commission Against Drunk Driving, and the Distinguished Missourian and Brotherhood Awards of the National Conference of Christians and Jews.

Photo 3

ALLAN D. GILMOUR, 66. RETIRED VICE CHAIRMAN OF FORD MOTOR COMPANY. DIRECTOR SINCE 1995.

Employee of Ford Motor Company 1960-95, Vice President and Controller 1979-84, Vice President - External and Personnel Affairs 1984-86, Executive Vice President and Chief Financial Officer 1986-87, Executive Vice President - International Automotive Operations 1987-89, Executive Vice President - Corporate Staffs 1989-90, and President - Ford Automotive Group 1990-93. Ford Motor Company Director 1986-95, Vice Chairman 1993-95. Director of DTE Energy Company, The Prudential Insurance Company of America and Whirlpool Corporation.

Photo 4

JAMES M. RINGLER, 55. VICE CHAIRMAN, ILLINOIS TOOL WORKS, INC. DIRECTOR SINCE FEBRUARY 2001.

Tappan Company - President and Chief Operating Officer 1982-86; White Consolidated Industries' Major Appliance Group - President 1986-90 (both companies are subsidiaries of Electrolux AB). Premark International, Inc. - Director 1990-99; Executive Vice-President 1990-92; President and Chief Operating Officer 1992-96; Chief Executive Officer 1996-97; Chairman 1997-99. Illinois Tool Works, Inc. following its acquisition of Premark International, Inc. - Vice Chairman 1999 to date. Director of Union Carbide Corporation* 1996-2001. Director of the National Association of Manufacturers, the Business Roundtable and Evanston Hospital. Trustee of the Manufacturers' Alliance for Productivity and Innovation. National Trustee of the Boys and Girls Clubs of North American, Midwest Region. Director of the Lyric Opera of Chicago.

* A number of Company entities are referenced to 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 the Annual Meeting record date.) Dow Corning Corporation and DuPont Dow Elastomers L.L.C. - companies ultimately 50 percent-owned by Dow. Dorinco Reinsurance Company, Dow AgroSciences LLC, Dow Benelux N.V., Dow Chemical Pacific Limited, Dow Europe S.A., Dow Italia S.p.A., Liana Limited, Mycogen Corporation and Union Carbide Corporation - all ultimately wholly owned subsidiaries of Dow. Ownership by Dow

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described above may be either direct or indirect.

CANDIDATES FOR ELECTION AS DIRECTOR (CONTINUED)

Photo 5

WILLIAM S. STAVROPOULOS, 61. CHAIRMAN OF THE DOW BOARD OF DIRECTORS. DIRECTOR SINCE 1990.

Employee of Dow since 1967. President, Dow Latin America 1984-85. Dow U.S.A. Commercial Vice President, Basics and Hydrocarbons 1985-87. Group Vice President, Plastics and Hydrocarbons, 1987-90. President, Dow U.S.A. 1990-93. Dow Vice President 1990-91, Senior Vice President 1991-93, Chief Operating Officer 1993-95, President 1993-2000, Chief Executive Officer 1995-2000, Chairman 2000 to date. Director of Dow Corning Corporation,* BellSouth Corporation, Chemical Financial Corporation and NCR Corporation. Board member of American Enterprise Institute for Public Policy Research, Fordham University, and J. P. Morgan International Council. Advisory Board to the Fidelity Group of Funds. Member of the American Chemical Society, The Business Council and University of Notre Dame Advisory Council for the College of Science. Executive Committee, World Business Council for Sustainable Development.

CONTINUING DIRECTORS

Photo 6

JACQUELINE K. BARTON, 48. ARTHUR AND MARIAN HANISCH MEMORIAL PROFESSOR OF CHEMISTRY, CALIFORNIA INSTITUTE OF TECHNOLOGY. DIRECTOR SINCE 1993.

Assistant Professor of Chemistry and Biochemistry, Hunter College, City University of New York 1980-82. Columbia University: Assistant Professor 1983-85, Associate Professor 1985-86, Professor of Chemistry and Biological Sciences 1986-89. California Institute of Technology: Professor of Chemistry 1989 to date, Arthur and Marian Hanisch Memorial Professor of Chemistry 1997 to date. Named a MacArthur Foundation Fellow 1991, the American Academy of Arts and Sciences Fellow 1991 and the American Philosophical Society Fellow 2000. Recipient of the American Chemical Society ("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 American Academy of Arts and Sciences and the Gilead Sciences Scientific Advisory Board. Trustee of Barnard College.

Photo 7

ANTHONY J. CARBONE, 60. VICE CHAIRMAN OF THE DOW BOARD OF DIRECTORS AND SENIOR CONSULTANT. DIRECTOR SINCE 1995.

Employee of Dow since 1962. Dow Latin America Marketing Director for Plastics 1974-76. Dow Business Manager for STYROFOAMT 1976-80, Director of Marketing for Functional Products and Systems 1980-83. Dow U.S.A. General Manager of the Coatings and Resins Department 1983-86, General Manager of Separation Systems 1986-87,

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Vice President Dow Plastics 1987-91. Dow North America Group Vice President for Plastics 1991-93. Group Vice President, Global Plastics 1993-95. Group Vice President - Global Plastics, Hydrocarbons and Energy 1995-96. Executive Vice President, 1996-2000. Vice Chairman of the Board of Directors February 2000 to date. Senior Consultant November 2000 to date. Member of the American Chemical Society. Previous Board member and Chairman of the American Plastics Council and the Society of Plastics Industries. Served on the Advisory Council of the Heritage Foundation.

* A number of Company entities are referenced to 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 the Annual Meeting record date.) Dow Corning Corporation and DuPont Dow Elastomers L.L.C. - companies ultimately 50 percent-owned by Dow. Dorinco Reinsurance Company, Dow AgroSciences LLC, Dow Benelux N.V., Dow Chemical Pacific Limited, Dow Europe S.A., Dow Italia S.p.A., Liana Limited, Mycogen Corporation and Union Carbide Corporation - all ultimately wholly owned subsidiaries of Dow. Ownership by Dow described above may be either direct or indirect.

CONTINUING DIRECTORS (CONTINUED)

Photo 8

J. MICHAEL COOK, 58. RETIRED CHAIRMAN/CEO OF DELOITTE & TOUCHE LLP. DIRECTOR SINCE 2000.

Chairman and CEO of Deloitte & Touche 1989-99 and Chairman and CEO of Deloitte, Haskins & Sells 1986-89. Director of HCA - The Healthcare Company, Rockwell International, International Flavors & Fragrances, and The Fidelity Group of Mutual Funds. 62nd member of the Accounting Hall of Fame 1999 and Distinguished Alumnus of University of Florida. Catalyst Award and United Way Spirit of America Award to Deloitte & Touche under Mr. Cook's leadership. Columbia Business School Botwinick Prize in Business Ethics, Yeshiva University's Distinguished Leadership Award, Monmouth College's Distinguished Business Leader, CEO Recognition Award from Women in Technology International and Working Mother Magazine's Family Champion of the Year Award. Columbia University, School of Business Board of Overseers. Chairman, Accountability Advisory Group to the Comptroller General of the United States.

Photo 9

WILLIE D. DAVIS, 66. PRESIDENT AND CHIEF EXECUTIVE OFFICER OF ALL PRO BROADCASTING, INC. DIRECTOR SINCE 1988.

President and Chief Executive Officer of All Pro Broadcasting, Inc., a Los Angeles broadcasting company, 1976 to date. Director of Wicor, Inc.; Sara Lee Corporation; Alliance Bank; MGM Grand, Inc.; MGM, Inc.; Kmart Corporation; Johnson Controls Inc.; Rally's Hamburgers Inc.; the Strong Funds; and Bassett Furniture Industries. Trustee of the University of Chicago and Marquette University. Member of the Grambling College Foundation and the Ewing Marion Kauffman Center for Entrepreneurial Leadership

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Development Committee.

Photo 10

BARBARA HACKMAN FRANKLIN, 60. PRESIDENT AND CEO OF BARBARA FRANKLIN ENTERPRISES AND FORMER U.S. SECRETARY OF COMMERCE. DIRECTOR 1980-92 AND 1993 TO DATE.

President and CEO, Barbara Franklin Enterprises, a private investment and consulting firm, 1995 to date. Business consultant 1993-95. U.S. Secretary of Commerce 1992-93. President and CEO, Franklin Associates 1984-92. Senior Fellow and Director of Government and Business Program, Wharton School of the University of Pennsylvania 1979-88. Commissioner, U.S. Consumer Product Safety Commission 1973-79. Staff Assistant to the President of the United States 1971-73. Assistant Vice President, Citibank 1969-71. President's Advisory Council for Trade Policy and Negotiations 1982-84 and 1989-92. Alternate Representative to 44th United Nations General Assembly 1989-90. AICPA Board of Directors 1979-86. Recipient of John J. McCloy Award for contributions to excellence in auditing; Director of the Year, National Association of Corporate Directors 2000. Director of Aetna, Inc.; Milacron, Inc.; MedImmune, Inc.; and Watson Wyatt & Company. Chairman of the Board of Guest Services, Inc., a private hospitality company.

Photo 11

WILLIAM H. JOYCE, 65. VICE CHAIRMAN OF THE DOW BOARD OF DIRECTORS. RETIRED CHAIRMAN/CEO OF UNION CARBIDE CORPORATION.* DIRECTOR SINCE FEBRUARY 2001.

Employee of Union Carbide Corporation* 1957-2001, Vice President, Licensing/Technology for Polyolefins 1979-82; President, Silicones and Urethane Intermediates 1982-85; President, Polyolefins Division 1985-92; Executive Vice President, Operations 1992-93; Director 1993-2001; President and Chief Operating Officer 1993-95; Chief Executive Officer 1995-2001; Chairman of the Board 1996-2001. Director of C V S, American Chemical Council and American Plastics Council. Trustee of the Universities Research Association, Inc. Co-Chairman of the Council of Government-University-Industry Research of The National Academies. Secretary and Executive Committee member of the Society of Chemical Industry. National Medal of Technology Award recipient 1993. Plastics Academy's Industry Achievement Award recipient 1994 and Lifetime Achievement Award 1997. National Academy of Engineering inductee 1997.

CONTINUING DIRECTORS (CONTINUED)

Photo 12

MICHAEL D. PARKER, 54. DOW PRESIDENT AND CHIEF EXECUTIVE OFFICER. DIRECTOR SINCE 1995.

Employee of Dow since 1968. Dow Europe S.A.* Product Marketing Manager for Epoxy Resins 1977-79. Director of Marketing for Inorganic Chemicals 1979-82. Director of Marketing for Organic Chemicals 1982-83. Commercial Director for the Functional Products Department 1983-84. Dow U.S.A. General Manager of the

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Specialty Chemicals Department 1984-87. Dow Chemical Pacific Limited* Commercial Vice President 1987-88, President 1988-93. Dow Group Vice President 1993-96. Group Vice President - Chemicals and Hydrocarbons 1993-95. Business Vice President for Chemicals 1995-2000. President Dow North America 1995-2000. Executive Vice President 1996-2000. President and Chief Executive Officer 2000 to date. Members Committee, Dow AgroSciences LLC.* Director of Dow Corning Corporation.* Director of the National Legal Center for the Public Interest and the American Plastics Council. Director, Executive Committee member and Chair of the Strategic Communication Committee, the American Chemistry Council.

Photo 13

J. PEDRO REINHARD, 55. DOW EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER. DIRECTOR SINCE 1995.

Employee of Dow since 1970. Dow Brazil Area Finance Director 1978-81. Dow Europe S.A.* Finance Director 1981-85. Dow Assistant Treasurer 1984-85. Dow Europe S.A.* Vice President 1985-88. Managing Director, Dow Italy 1985-88. Dow Treasurer 1988-96, Vice President 1990-95, Financial Vice President 1995-96, Chief Financial Officer 1995 to date, Executive Vice President 1996 to date. Chairman of the Board of Liana Limited* and Dorinco Reinsurance Company.* Chairman of the Members Committee, Dow AgroSciences LLC.* Director of Royal Bank of Canada, Mycogen Corporation* and Dow Corning Corporation.* Member of the Financial Executives Institute and The Conference Board's Council of Financial Executives.

Photo 14

HAROLD T. SHAPIRO, 65. PRESIDENT OF PRINCETON UNIVERSITY. DIRECTOR SINCE 1985.

President of The University of Michigan 1980-87. President of Princeton University 1988 to date. Chairman, National Bioethics Advisory Commission 1996 to date. Presidential Appointment to the Council of Advisors on Science and Technology 1990-92. Member of the Institute of Medicine and the American Philosophical Society. Fellow of the American Academy of Arts and Sciences. Trustee and Chair of the Board of the Alfred P. Sloan Foundation. Trustee of the University of Pennsylvania Medical Center, The Universities Research Association, and member of the Board of Overseers for the Robert Wood Johnson Medical Center.

Photo 15

PAUL G. STERN, 62. PARTNER OF THAYER CAPITAL PARTNERS AND ARLINGTON CAPITAL PARTNERS. DIRECTOR SINCE 1992.

Partner and co-founder of Thayer Capital Partners 1995 to date. Partner and co-founder of Arlington Capital Partners 1999 to date. Special Partner at Forstmann Little & Co. 1993-95. Northern Telecom Limited - Chairman of the Board 1990-93, Chief Executive Officer 1990-93, Vice Chairman and Chief Executive Officer 1989-90, Director 1988-93. President, Unisys Corporation (formerly Burroughs Corporation) 1982-87. Director of Aegis Communications, Inc. and Whirlpool Corporation. Board member of the Lauder Institute and the University of Pennsylvania's School of Engineering and Applied Science and the Wharton School. Treasurer, John F. Kennedy Center for the Performing Arts. Board

of Trustees, Library of Congress.

* A number of Company entities are referenced to 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 the Annual Meeting record date.) Dow Corning Corporation and DuPont Dow Elastomers L.L.C. - companies ultimately 50 percent-owned by Dow. Dorinco Reinsurance Company, Dow AgroSciences LLC, Dow Benelux N.V., Dow Chemical Pacific Limited, Dow Europe S.A., Dow Italia S.p.A., Liana Limited, Mycogen Corporation and Union Carbide Corporation - all ultimately wholly owned subsidiaries of Dow. Ownership by Dow described above may be either direct or indirect.

AGENDA ITEM 2
RATIFICATION OF THE APPOINTMENT
OF THE INDEPENDENT AUDITORS

RESOLVED, THAT THE APPOINTMENT BY THE BOARD OF DIRECTORS OF DELOITTE & TOUCHE LLP TO AUDIT THE 2001 CONSOLIDATED FINANCIAL STATEMENTS OF THE DOW CHEMICAL COMPANY AND ITS SUBSIDIARIES IS HEREBY RATIFIED.

The Bylaws provide that the Board's selection of auditors must be presented for stockholder ratification or rejection at the Annual Meeting. The Audit Committee has recommended and the Board has, subject to your ratification, appointed Deloitte & Touche LLP to audit and report on the consolidated financial statements of Dow and its subsidiaries for 2001. Deloitte & Touche LLP has audited Dow's financial statements for more than ninety years and served as its independent auditors for 2000. Deloitte & Touche LLP has offices or affiliates at or near most of the locations where Dow operates in the United States and other countries. Deloitte & Touche LLP regularly rotates its lead audit partner assigned to Dow.

Before making its recommendation for appointment, the Audit Committee carefully considers the qualifications of candidates for independent auditors. For Deloitte & Touche LLP, this has included a review of its performance in prior years, as well as its reputation for integrity and for competence in the fields of accounting and auditing. The Audit Committee has expressed its satisfaction with Deloitte & Touche LLP. In February 2001, Deloitte & Touche LLP advised the Audit Committee that it believes all litigation against Deloitte & Touche LLP can fairly be characterized as incidental to the practice of the accounting profession and that resolution of its cases will not affect its ability to serve as independent auditors for the Company. The Audit Committee has concluded that the ability of Deloitte & Touche LLP to perform services for the Company is not adversely affected by such litigation. Representatives of Deloitte & Touche LLP will attend the Annual Meeting and may make a statement if they wish. They will be available to answer stockholder questions at the Meeting.

Audit services performed by Deloitte & Touche LLP for the year ended December 31, 2000, included the audit of the consolidated financial statements of the Company and its subsidiaries, the separate audits of the financial statements of certain subsidiary

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companies and employee benefit plans where required by government regulations or agreement, as well as services related to filings with the Securities and Exchange Commission and consultation on matters related to accounting and financial reporting.

Approval of this proposal to ratify the appointment of Deloitte & Touche LLP requires a majority of votes actually cast on the matter. For purposes of determining the number of votes cast on the matter, only those cast "for" or "against" are included. Abstentions and broker non-votes are not included. If Agenda Item 2 does not pass, the selection of independent auditors will be reconsidered by the Audit Committee and the Board. Because it is difficult and not cost effective to make any change in independent auditors so far into the year, the appointment of Deloitte & Touche LLP would probably be continued for 2001, unless the Audit Committee or the Board finds additional good reasons for making an immediate change.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE PROPOSAL TO RATIFY ITS SELECTION OF DELOITTE & TOUCHE LLP AS DOW'S INDEPENDENT AUDITORS FOR 2001.

FEES PAID TO THE INDEPENDENT AUDITORS

AUDIT FEES. The aggregate fees billed by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, "Deloitte") for professional services rendered for the audit of the Company's annual financial statements for the year ended December 31, 2000, and for the reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q for that fiscal year were \$6,745,000.

FINANCIAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION FEES. There were no Deloitte fees or services relating to financial information systems design and implementation for the year ended December 31, 2000.

ALL OTHER FEES. The aggregate fees billed by Deloitte for services rendered to the Company, other than the services described above, for the year ended December 31, 2000, were \$12,224,000 (the largest component of which related to the merger with Union Carbide Corporation).

AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors (the "Committee") is entirely made up of independent directors as defined in the New York Stock Exchange listing standards. It operates pursuant to a charter, which appears below.

The Committee reviews the Company's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process. The independent auditors are responsible for expressing an opinion on the conformity of the Company's audited financial statements with accounting principles generally accepted in the U.S.

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In this context, the Committee has reviewed and discussed with management and the independent auditors the audited financial statements. The Committee has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees), as amended by Statements on Auditing Standards Nos. 89 and 90. In addition, the Committee has received from the independent auditors the written disclosures required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and discussed with them their independence from the Company and its management. And, the Committee has considered whether the independent auditors' provision of non-audit services to the Company is compatible with the auditors' independence.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors, and the Board has approved, that the audited financial statements be included in the Company's Annual Report on SEC Form 10-K for the year ended December 31, 2000, for filing with the Securities and Exchange Commission.

AUDIT COMMITTEE

Barbara Hackman Franklin, Chairman
John C. Danforth
Allan D. Gilmour
James M. Ringler
Harold T. Shapiro
Paul G. Stern

AUDIT COMMITTEE CHARTER 1

1. The Board of Directors shall appoint an Audit Committee of at least three members, consisting entirely of "independent" directors of the Board, and shall designate one member as chairman. For purposes hereof, "independent" shall mean a director who, in the judgment of the Board of Directors, meets the New York Stock Exchange definition of "independence."

In the context of the New York Stock Exchange rules, each member of the Company's Audit Committee must, in the judgment of the Board of Directors, be financially literate and one or more members of the Audit Committee shall, in the judgment of the Board of Directors, have accounting or related financial management expertise.

2. The Audit Committee shall perform the duties assigned to it by Section 4.3 of the Company's Bylaws and as set forth in this Charter.

3. The Audit Committee shall:

(a) Recommend to the Board of Directors the engagement, retention or discharge of the independent auditors, which auditors shall be ultimately accountable to the Board of Directors through the Audit Committee.

(b) Review and discuss the written statement from the independent auditor of the Company under Independence Standards Board Standard No. 1 concerning any relationships between the auditor and the Company or any other relationships that may adversely affect the independence of the auditor. Assess the independence of the auditor.

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(c) Review and approve arrangements for the annual audit, including the proposed scope and fee.

(d) Review and discuss with management and with the independent auditors the Company's annual audited and quarterly unaudited financial statements, including a discussion of the auditors' judgment as to the quality of the Company's accounting principles and the appropriateness of including the audited financial statements in the Company's public reports and filings with governmental agencies.

(e) Review with the staffs of the accounting, internal auditing and legal departments their procedures and reports for assuring that the Company's internal controls and policies for assuring compliance with legal requirements are adequate and functioning.

1 As adopted by the Audit Committee on July 8, 1987; and revised by the Audit Committee on November 7, 1990; November 13, 1991; November 10, 1993; November 9, 1994; November 8, 1995; November 13, 1996; December 10, 1997; and April 12, 2000; and as approved and adopted by the Board of Directors on April 13, 2000.

AUDIT COMMITTEE CHARTER (CONTINUED)

(f) Review any internal control comments and recommendations rendered by the independent auditors that are classified as material weaknesses or reportable conditions as well as management's response to such comments and recommendations.

(g) Review the independent auditors' recommendations for significant changes in accounting policies and management's responses to those recommendations.

(h) Meet as often as may be deemed necessary or appropriate in its judgment, generally four times each year, either in person or telephonically. Consult in executive session at each meeting with the independent auditors, the Corporate Auditor and the Controller, and, as deemed appropriate, any other members of management, on any of the matters within the Audit Committee's jurisdiction.

(i) Report regularly to the Board of Directors.

(j) Review and approve a report of the Audit Committee's activities as may be required from time to time.

4. At its discretion from time to time, and at least annually, in connection with its duties, the Audit Committee will:

(a) Review the Corporate Auditor's activities, annual and quarterly reports, and any recommendations to the Audit Committee. Review the mission and objectives, resources, reporting relationship, and independence of the Corporate Auditor.

(b) Review with the Company's General Counsel the status of major items of litigation pending against or involving the Company and the reserves that may be established in connection with such litigation.

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(c) Consult with the independent auditors concerning significant accounting questions or policies.

(d) Be apprised by the Controller of significant changes in accounting rules and conventions.

(e) Review the adequacy of internal controls. The specific areas to be reviewed will vary from time to time. For example, among the areas currently reviewed are internal controls relating to: (i) the Company's electronic data processing and information systems, including security, and (ii) derivative financial instruments.

(f) Review with the Company's Director of Corporate Risk Management the coverage levels of liability, property and casualty insurance.

5. The Audit Committee shall review (a) the findings and recommendations arising from the periodic conflict of interest program and questionnaires and (b) investigations concerning compliance with Company policies or applicable law. The Audit Committee shall initiate any other investigations which, in its judgment, are necessary to maintain the Company's high standards of integrity, accountability and internal control.

6. The Audit Committee shall assess at least annually the adequacy and appropriateness of this Charter, and, from time to time, its own procedures and performance.

COMPENSATION COMMITTEE REPORT

THE COMMITTEE

The Compensation Committee of the Board of Directors (the "Committee") is made up entirely of independent, non-employee Directors. The Committee is responsible for establishing base salaries, bonuses, long-term incentives, retirement benefits and other compensation for Company Directors and officers. In meeting this responsibility, the Committee's policy is to ensure that executive compensation is appropriately competitive in the attraction and retention of talented leaders, and is linked closely to individual performance, Company performance, and increases in Dow shareholder value.

After the end of each year, the Committee asks the Global Compensation and Benefits staff to present a proposed compensation plan, along with supporting competitive market data, for each executive officer. After discussion with the Chief Executive Officer ("CEO") about the individual performance of each executive compared to pre-established goals, individual compensation plans are established. The Committee meets with the Vice President of Human Resources to review similar information on the CEO (who is absent from this portion of the meeting). The Committee monitors the performance of the CEO and other executive officers throughout the year, and has final responsibility for determining their compensation levels.

Dow's policy is to manage overall executive compensation at the median level relative to companies with which we compete for executive talent, with appropriate variation for high-performing

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individuals and Company performance. The Committee compares executive compensation levels and performance with a selected cross-industry group of other multinational manufacturing companies of similar size. Note that this is a different group of companies than those in the graphs on page 21. For 2000, as in prior years, compensation paid to the Company's executive officers qualified as fully deductible under applicable tax laws, with the exception of \$278,333 in base salary paid to the outgoing CEO (W.S. Stavropoulos) that was in excess of the \$1,000,000 cap for purposes of tax deductibility.

Executive employee compensation has three components: base salary, performance award (bonus), and long-term incentives, each explained more fully below.

BASE SALARIES

Base salaries for all Dow employees - including the Company's top executives - are based upon an evaluation of their responsibilities, an assessment of their performance, and market comparisons from regularly scheduled compensation surveys. Average salaries for each employee group are managed such that they fall within the median range of the survey results, in order to ensure Dow's ability to attract and retain a talented workforce. Changes in base salary for the executives named in the Proxy Statement compensation tables, as well as for all Dow employees, depend upon projected changes in the external market as well as the individual's contributions to Dow's corporate performance. In addition, the Committee reviews the performance of each executive officer against pre-established annual goals.

For 2000, the Committee reviewed the goals established by the outgoing Chief Executive Officer and his performance towards achieving each of them. Specifically, the Committee considered the following factors: economic profit; earnings per share; return on stockholders' equity; progress towards 2005 Environment, Health and Safety goals; building effective relationships with various stakeholders of the Company; and implementation of Dow's long-term strategic plan (including planning for the effective integration of the merger with Union Carbide Corporation and the implementation of Six Sigma improvement processes throughout the Company). Thus, his 2000 base pay was increased both to reflect his performance in these areas and to maintain his base salary within the competitive range. Late in the year, a promotional increase was granted to the incoming CEO, in order to position his base salary at an appropriate level relative to the external market for comparable positions.

In general, the Committee has structured the Chief Executive Officer's pay so that, at target levels of total direct compensation, no more than 25 percent is delivered as base pay. The remainder - more than 75 percent - is variable or performance-dependent pay. For the past several years, that ratio has been approximately 20 percent base pay and 80 percent of compensation at risk in the form of performance-dependent pay.

PERFORMANCE AWARDS (BONUSES)

The Executive Performance Plan (the "Plan"), first established in 1994, sets a minimum performance goal of \$700 million of Net Income as defined in the Plan. In addition, the Committee has determined that no award will be paid to those named in the Proxy Statement if the minimum economic profit goal for the Dow employees' variable pay

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program is not achieved. Once these goals have been met, the Compensation Committee evaluates corporate and individual performance. The Compensation Committee was notified that the Net Income goal was achieved in 2000. In accordance with the Plan, the Committee used its discretion to determine the amount of

COMPENSATION COMMITTEE REPORT (CONTINUED)

each executive's performance award, based upon corporate financial performance as measured by economic profit results, the impact on earnings before interest and taxes from Six Sigma projects, individual performance towards key Company goals, and the competitive environment.

LONG-TERM INCENTIVE COMPENSATION

In 2000, long-term incentive compensation for selected executives, including the officers of the Company, consisted of grants of Market Priced Stock Options. The decision not to use one or more additional types of performance-based equity in 2000, as was Dow's practice in 1998 and 1999, was made to achieve a short-term simplification of the program in anticipation of changes in the Company's management, organization and structure. It is expected that the Company will return to the use of performance-based equity programs as a portion of the overall long-term incentive grant in 2001. The grants of Step Stock Options made in 1998 and 1999, Performance Shares granted in 1999, as well as the ongoing grants of Market Priced Stock Options, continue to provide significant incentives to executives to achieve high levels of Total Return to Shareholders (TSR) through the delivery of superior returns on capital with an ongoing emphasis on value growth. The Compensation Committee approved long-term incentive compensation awards for 2000 after evaluating the contribution of each executive to the Company's long-term performance and the importance of his or her responsibilities within the organization.

To determine the outgoing CEO's long-term incentive compensation for 2000, the Committee evaluated progress towards:

- The optimization of Dow's business portfolio, including the identification, execution and management of acquisitions and divestitures, with emphasis on the effective integration of the Union Carbide Corporation into the overall operations of the Company.
- The furthering of Dow's value-growth initiatives, including progress in the development of New Business opportunities.
- Initiatives regarding the development of Dow employees, including the recruitment and retention of a talented global workforce.
- Progress towards meeting the Company's 2005 Environmental, Health and Safety goals.

In addition, the Committee considered the appropriate mix of short-term and long-term compensation and Dow's competitive position as compared to market data from the compensation comparison group.

The Committee determined that for 2000 the levels of long-term

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incentive compensation granted to the outgoing CEO reflected actual performance measured against these goals, with appropriate consideration of the desired emphasis on long-term incentive compensation and the competitive positioning of the overall compensation package.

SHARE OWNERSHIP GUIDELINES

Minimum stock ownership guidelines for key Dow executives were established in 1998. The ownership requirement for the CEO was set as six times the then-current annual base salary. The outgoing CEO currently owns shares that exceed the ownership requirement. The incoming CEO will be expected to meet the same requirement by March 31, 2004. Other executives named in the Proxy Statement tables, as well as a group of global business and corporate leaders, are required to own by March 31, 2002 (or within four years from the date they entered the group of leaders subject to ownership guidelines, if entry came subsequent to 1998) shares equivalent in value to either three or four times their then-current annual base salary.

COMPENSATION COMMITTEE

Harold T. Shapiro, Chairman
 J. Michael Cook
 Willie D. Davis
 Barbara Hackman Franklin
 Allan D. Gilmour
 Paul G. Stern

FINANCIAL INFORMATION SUMMARY COMPENSATION TABLE

| NAME AND PRINCIPAL POSITIONS | YEAR | ANNUAL COMPENSATION | | OTHER ANNUAL COMPEN- -SATION (\$) | LONG-TERM COMPENSATION | | | | LONG -TERM INCEN- TIVE PAYOUTS (\$ (B)) | LONG -TERM COMPEN- -SATION (\$ (C)) |
|---|------|---------------------|---------------|---|---|--|----------------------|----------------------|--|---|
| | | SALARY (\$) | BONUS (\$) | | DEFERRED/ RESTRICTED/ STOCK AWARDS (\$ (A)) | SECURITIES UNDERLYING OPTIONS/ SARS (# SHARES) | PAYMENTS (\$ (D)) | PAYMENTS (\$ (E)) | | |
| M.D. PARKER | 2000 | 703,717 | 930,000 | 0 | 0 | 210,000 Shares | 12,006 | | 2,742 | |
| Exec. V.P. | 1999 | 553,000 | 735,000 | 0 | 0 | 158,400 Shares (d) | 12,006 | | 3, | |
| Global Chemicals and President, Dow North America 1/2000 - 10/2000. President and CEO 11/2000 to date. | 1998 | 522,334 | 385,000 | 114,580 (c) | 0 | 138,000 Shares (e) | 12,006 | | 6, | |
| A.A. ALLEMANG | 2000 | 461,575 | 360,000 | 0 | 0 | 150,000 Shares | 4,280 | | 43,287 | |
| Executive Vice, President | 1999 | 407,420 | 500,000 | 80,845 (c) | 0 | 108,000 Shares (d) | 4,280 | | 44, | |
| | 1998 | 381,684 | 280,000 | 0 | 0 | 90,000 Shares (e) | 4,280 | | 36,926 | |

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Operations.

| | | | | | | | | | |
|--------------------|------|-----------|-----------|---|---|---------|------------|--------|----------|
| A.J. CARBONE | 2000 | 691,368 | 650,000 | 0 | 0 | 210,000 | Shares | 18,103 | 339,418 |
| Exec. V.P., | 1999 | 574,040 | 765,000 | 0 | 0 | 158,400 | Shares (d) | 18,103 | 91, |
| Global Plastics | 1998 | 539,784 | 400,000 | 0 | 0 | 138,000 | Shares (e) | 18,103 | 59,514 |
| and Hydrocarbons | | | | | | | | | |
| & Energy 1/2000- | | | | | | | | | |
| 10/2000. Vice | | | | | | | | | |
| Chairman 11/2000 | | | | | | | | | |
| to date. | | | | | | | | | |
| R.M. GROSS | 2000 | 381,652 | 294,393 | 0 | 0 | 120,000 | Shares | 1,305 | 33,650 |
| Corporate | 1999 | 347,140 | 419,095 | 0 | 0 | 72,000 | Shares (d) | 1,305 | 38, |
| Vice President, | 1998 | 315,041 | 254,595 | 0 | 0 | 39,000 | Shares (e) | 1,305 | 32, |
| Research & | | | | | | | | | |
| Development | | | | | | | | | |
| J.P. REINHARD | 2000 | 649,960 | 650,000 | 0 | 0 | 210,000 | Shares | 17,226 | 3,056,57 |
| Executive Vice | 1999 | 553,000 | 735,000 | 0 | 0 | 158,400 | Shares (d) | 17,226 | 52 |
| President and | 1998 | 522,334 | 385,000 | 0 | 0 | 138,000 | Shares (e) | 17,226 | 47,74 |
| Chief Financial | | | | | | | | | |
| Officer | | | | | | | | | |
| W.S. STAVROPOULOS | 2000 | 1,278,333 | 1,600,000 | 0 | 0 | 450,000 | Shares | 62,379 | 128,11 |
| President/CEO | 1999 | 986,664 | 1,560,000 | 0 | 0 | 360,000 | Shares (d) | 62,379 | 136 |
| 1/200-10/2000 | 1998 | 908,338 | 675,000 | 0 | 0 | 300,000 | Shares (e) | 62,379 | 94,43 |
| Chairman 11/2000 | | | | | | | | | |
| to date. | | | | | | | | | |
| L.J. WASHINGTON JR | 2000 | 377,420 | 242,982 | 0 | 0 | 90,000 | Shares | 6,003 | 32,24 |
| Corporate V.P. - | 1999 | 357,630 | 394,415 | 0 | 0 | 67,200 | Shares (d) | 6,003 | 39 |
| EH&S, HR | 1998 | 340,983 | 228,214 | 0 | 0 | 52,200 | Shares (e) | 6,003 | 35 |
| Public Affairs. | | | | | | | | | |

(a) The following grants of restricted or deferred stock were outstanding on 12/31/00 for the named executives: L. J. Washington Jr., 1,125 shares having a total value of \$41,873.

(b) This column represents cash payouts from Dividend Unit awards granted in prior years.

(c) Compensation to employees for foreign service assignments for taxes in excess of those that would otherwise be incurred.

(d) 62.5% of the shares are 120-month market-priced stock options. Remaining shares granted are 66-month performance options that are exercisable only if the daily average market price of Dow stock equals or exceeds \$50 per share by 2/16/04. Amounts previously reported in this column are restated to reflect the mid-2000 three-for-one split in Dow's common stock.

(e) Half of the shares are 120-month market-priced stock options. Remaining shares granted are 66-month performance options that are exercisable only if the daily average market price of Dow stock equals or exceeds \$50 per share by 2/27/03. Amounts previously reported in this column are restated to reflect the mid-2000 three-for-one split in Dow's common stock.

(f) All other compensation details for 2000 appear in a separate

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chart on the next page.

(g) Amounts previously reported in this column for 1998 are restated to reflect Elective Deferral Plan interest calculated on an accrual rather than vested basis.

DETAILS OF ALL OTHER COMPENSATION FROM 2000 SUMMARY COMPENSATION TABLE

| NAME | DEFERRED CASH INTEREST (\$) | ELECTIVE DEFERRAL CO MATCH (\$) | LIFE INSURANCE ECONOMIC BENEFIT (\$) | KEY EMPLOYEE INSURANCE PREMIUMS (\$) | PERSONAL EXCESS LIABILITY INSURANCE (\$) | 401 (K) (\$) | ONE-TIME DEFERED AWARD (\$) | TOTAL OTHER COMPENSATION |
|-----------------------|-----------------------------|---------------------------------|--------------------------------------|--------------------------------------|--|--------------|-----------------------------|--------------------------|
| M. D. Parker | 0 | 0 | 1,927 | 0 | 815 | 0 | 0 | 2,742 |
| A. A. Allemang | 4,639 | 0 | 25,267 | 5,766 | 815 | 6,800 | 0 | 43,287 |
| A. J. Carbone | 19,902 | 10,200 | 29,895 | 11,156 | 815 | 6,800 | 260,650 (a) | 339,418 |
| R. M. Gross | 1,688 | 5,614 | 17,486 | 1,247 | 815 | 6,800 | 0 | 33,650 |
| J. P. Reinhard | 140 | 0 | 43,396 | 5,424 | 815 | 6,800 | 3,000,000 (b) | 3,056,575 |
| W. S. Stavropoulos | 27,014 | 10,200 | 60,152 | 23,133 | 815 | 6,800 | 0 | 128,114 |
| L. J. Washington, Jr. | 2,399 | 5,929 | 13,688 | 2,615 | 815 | 6,800 | 0 | 32,246 |

(a) Special award to recognize early deceleration from line responsibilities and commencement of services as Vice Chairman. Award deferred and to be paid in cash over 15 years following retirement.

(b) Special retention incentive award to recognize individual achievement and value to the Company. Award granted in the form of phantom stock units under a deferred compensation plan. To be paid in cash over ten years following retirement.

OPTION GRANTS IN 2000

INDIVIDUAL GRANTS

| NAME | NUMBER OF UNDERLYING OPTIONS GRANTED (#) | PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR | EXERCISE OR BASE PRICE (\$/SHARE) | EXPIRATION DATE | POTENTIAL REALIZABLE VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR 10-YEAR OPTION TERM (A) | | |
|------------------|--|--|-----------------------------------|-----------------|--|--------------------|---------------|
| | | | | | 0% (\$) | 5% (\$) | 10% (\$) |
| All Shareholders | N/A | N/A | N/A | N/A | 0 | 15,321,716,802 (b) | 38,669,094,78 |

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| | | | | | | | |
|--|-------------|------|-----------|----------|-------|-----------------|------------|
| All Optionees | 10,468,350 | | \$36.0208 | 02/16/10 | 0 | 237,559,355 | 599,554 |
| | 1,200 | | \$35.1875 | 03/01/10 | 0 | 26,602 | 67 |
| | 1,200 | | \$39.3958 | 04/03/10 | 0 | 29,783 | 75 |
| | 2,100 | | \$31.3750 | 07/03/10 | 0 | 41,509 | 104 |
| | 5,000 | | \$25.8750 | 09/01/10 | 0 | 81,506 | 205 |
| | 10,477,850 | 100% | | | 0 (c) | 237,738,755 (c) | 600,007,33 |
| All Optionees' Gain as % of All Shareholders' Gain | N/A | N/A | N/A | N/A | N/A | 1.6% | |
| M.D. Parker | 210,000 (d) | 2.0% | \$36.0208 | 02/16/10 | 0 | 4,765,552 | 12,027 |
| A.A. Allemang | 150,000 (d) | 1.4% | \$36.0208 | 02/16/10 | 0 | 3,403,966 | 8,590 |
| A.J. Carbone | 210,000 (d) | 2.0% | \$36.0208 | 02/16/10 | 0 | 4,765,552 | 12,027 |
| R.M. Gross | 120,000 (d) | 1.1% | \$36.0208 | 02/16/10 | 0 | 2,723,172 | 6,872 |
| J.P. Reinhard | 210,000 (d) | 2.0% | \$36.0208 | 02/16/10 | 0 | 4,765,552 | 12,027 |
| W.S. Stavropoulos | 450,000 (d) | 4.3% | \$36.0208 | 02/16/10 | 0 | 10,211,897 | 25,772 |
| L.J. Washington Jr. | 90,000 (d) | 0.9% | \$36.0208 | 02/16/10 | 0 | 2,042,379 | 5,154 |

(a) The dollar amounts under these columns are the result of calculations at 0%, and at the 5% and 10% rates set by the Securities and Exchange Commission and, therefore, are not intended to forecast possible future appreciation, if any, of the Company's stock price.

(b) Gain for all shareholders was determined from the \$36.0208 exercise price applicable to options granted in 2000 to the named executives based on the 675,170,607 shares outstanding on the 2/16/2000 grant date.

(c) No gain to the optionees is possible without stock price appreciation, which will benefit all shareholders commensurately. A 0% gain in stock price will result in zero dollars for the optionee.

(d) This was a single grant made on 2/16/2000. Options vest in three equal annual installments, beginning 2/16/2001.

PENSION PLANS

The Company provides the Dow Employees' Pension Plan (the "Plan") for employees on its U.S. payroll and for employees of some of its wholly owned U.S. subsidiaries. Because it is a defined benefit plan, the amount of a retiree's pension is calculated using pay and years of service as an employee, rather than by the market value of the Plan assets, as in a defined contribution plan.

Upon normal retirement at age 65, a participant receives an annual pension from the Plan subject to a statutory limitation. The annual pension is the greater of (a) or (b):

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(a) 1.6 percent of the employee's highest average credited compensation for any three consecutive years, multiplied by the employee's years of credited service up to 35 years, and by one-half of the years of credited service in excess of 35 years. The Plan contains a provision for an offset of the employee's primary Social Security benefit, calculated using the method specified in the Tax Reform Act of 1986.

(b) A benefit that is the sum of the employee's yearly basic and supplemental accruals. Basic accruals equal the employee's highest average credited compensation for any three consecutive years multiplied by a percentage ranging from 4 percent to 18 percent dependent upon the employee's age in the years earned. Supplemental accruals are for compensation in excess of a rolling 36-month average of the Social Security wage base. Supplemental accruals range from 1 percent to 4 percent, based on the age of the employee in the years earned.

The sum of the basic and supplemental accruals is divided by a conversion factor to calculate the immediate monthly benefit. If the employee terminates employment before age 65 and defers payment of the benefit, the account balance calculated under this formula (b) will be credited with interest, currently at 8 percent per year.

The following table illustrates the annual pension benefits, including those from the Executives' Supplemental Retirement Plan or the Key Employees' Insurance Plan payable to executive officers, calculated before the application of an offset of the employee's primary Social Security benefit. The benefits shown are single-life annuities for participants who retire at age 65. While a single life annuity provides a higher retiree benefit, most participants elect pensions with survivorship provisions.

ANNUAL PENSION BENEFITS

| AVERAGE PAY FOR PENSION PURPOSES | YEARS OF CREDITED SERVICE | | | | | | |
|---|---------------------------|---------|-----------|-----------|-----------|-----------|-----------|
| | 15 YRS. | 20 YRS. | 25 YRS. | 30 YRS. | 35 YRS. | 40 YRS. | 45 YRS. |
| 700,000 | 239,000 | 302,000 | 351,000 | 384,000 | 402,000 | 406,000 | 406,000 |
| 800,000 | 274,000 | 346,000 | 402,000 | 440,000 | 461,000 | 465,000 | 465,000 |
| 900,000 | 309,000 | 390,000 | 453,000 | 496,000 | 520,000 | 524,000 | 524,000 |
| 1,000,000 | 343,000 | 434,000 | 504,000 | 552,000 | 578,000 | 583,000 | 583,000 |
| 1,100,000 | 378,000 | 478,000 | 555,000 | 608,000 | 637,000 | 643,000 | 643,000 |
| 1,200,000 | 413,000 | 522,000 | 606,000 | 664,000 | 696,000 | 702,000 | 702,000 |
| 1,300,000 | 448,000 | 566,000 | 657,000 | 720,000 | 754,000 | 761,000 | 761,000 |
| 1,400,000 | 482,000 | 610,000 | 708,000 | 776,000 | 813,000 | 820,000 | 820,000 |
| 1,500,000 | 517,000 | 654,000 | 759,000 | 832,000 | 872,000 | 880,000 | 880,000 |
| 1,600,000 | 552,000 | 698,000 | 810,000 | 888,000 | 931,000 | 939,000 | 939,000 |
| 1,700,000 | 587,000 | 742,000 | 861,000 | 944,000 | 989,000 | 998,000 | 998,000 |
| 1,800,000 | 622,000 | 786,000 | 912,000 | 1,000,000 | 1,048,000 | 1,057,000 | 1,057,000 |
| 1,900,000 | 656,000 | 830,000 | 964,000 | 1,056,000 | 1,107,000 | 1,117,000 | 1,117,000 |
| 2,000,000 | 691,000 | 874,000 | 1,015,000 | 1,112,000 | 1,165,000 | 1,176,000 | 1,176,000 |
| 2,100,000 | 726,000 | 918,000 | 1,066,000 | 1,168,000 | 1,224,000 | 1,235,000 | 1,235,000 |

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| | | | | | | | |
|-----------|---------|-----------|-----------|-----------|-----------|-----------|-----------|
| 2,200,000 | 761,000 | 962,000 | 1,117,000 | 1,224,000 | 1,283,000 | 1,294,000 | 1,294,000 |
| 2,300,000 | 796,000 | 1,007,000 | 1,168,000 | 1,280,000 | 1,341,000 | 1,354,000 | 1,354,000 |

For the persons named in the Summary Compensation Table, the years of credited service and 2000 compensation covered by the pension plans as of December 31, 2000, are: Messrs. Stavropoulos - 33.6 years, \$2,236,660; Allemang - 35.6, \$821,915; Carbone - 38.5, \$1,114,648; Gross - 26.2, \$624,953; Reinhard - 30.2, \$1,209,976; Washington - 31.6, \$596,323.

Mr. Parker participates in the Swiss Pension Plans, which have different terms than the U.S. retirement plan. His pensionable salary as of December 31, 2000, was 2,561,025 Swiss francs (approximately \$1,561,696). His total service is 32.3 years.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR
AND DECEMBER 29, 2000, OPTION VALUES

| NAME | NUMBER OF SECURITIES UNDERLYING OPTIONS/SARS EXERCISED (#) | VALUE REALIZED (\$) | NUMBER OF SECURITIES UNDERLYING UNEXERCISED | | VALUE OF UNEXERCISED, IN-THE-MONEY OPTIONS 12/29/2000 (\$) | |
|---------------------|---|---------------------------|--|---------|--|---------------|
| | | | OPTIONS AT 12/29/2000 (#) | | EXERCISABLE | UNEXERCISABLE |
| M.D. Parker | 0 | 0 | 487,000 | 427,400 | 5,670,002 | 1,635,000 |
| A.A. Allemang | 0 | 0 | 232,500 | 295,500 | 2,355,998 | 1,104,700 |
| A.J. Carbone | 0 | 0 | 460,000 | 427,400 | 5,247,937 | 1,635,000 |
| R.M. Gross | 0 | 0 | 76,000 | 203,000 | 805,137 | 666,600 |
| J.P. Reinhard | 0 | 0 | 229,000 | 427,400 | 2,096,115 | 1,635,000 |
| W.S. Stavropoulos | 0 | 0 | 1,360,000 | 935,000 | 16,312,451 | 3,622,400 |
| L.J. Washington Jr. | 0 | 0 | 271,400 | 178,000 | 3,462,116 | 666,400 |

12/29/2000 Fair Market Value = \$37.22

COMPENSATION OF DIRECTORS

DIRECTORS' FEES

Directors' fees are paid only to Directors who are not Dow employees as follows:

- Board Service \$45,000 annually
- Each Board Committee \$8,000 annually
- Each Committee Chairmanship \$8,000 annually

Nonemployee Directors receive a one-time grant of 4,500 shares of the Company's common stock, subject to certain transfer restrictions specified by the Compensation Committee. Mr. Ringler received a grant in February 2001.

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DEFERRED COMPENSATION PLAN

Nonemployee Directors may elect, prior to the start of any Board year (from election or from the Annual Meeting to the next Annual Meeting), to have all or part of their fees credited to a deferred compensation account. At the election of the Director, this may be a cash account or an account in units based on the value of Dow common stock. Amounts credited to the Director's account will accrue interest either equivalent to 125 percent of the 120-month rolling average of the ten-year U.S. Treasury Note determined on September 30 of the preceding year, or amounts equivalent to dividends paid on Dow common stock. Such deferred amounts will be paid in installments at the election of the Director, commencing on the July 15 following the Director's termination of Board membership, on the following July 15 or on July 15 of the calendar year following the Director's 70th birthday. If the Director remains on the Board beyond his or her 70th birthday, payments shall start on the July 15 following termination of Board membership.

OPTION GRANTS

Nonemployee Directors may receive grants of ten-year nonqualified market-priced options for the purchase of Dow common stock. Such grants may be made once every five years, for the ten-year duration of the Option Plan. All options are subject to a three-year incremental vesting schedule. The size of the option grants is determined by a fixed formula based on the then current annual retainer and price of Dow common stock, and grants are contingent upon the Director owning increasingly larger amounts of Dow stock.

To be eligible to receive the third and final grant in 2004, Directors who received both prior grants under the Option Plan must hold 7,500 Dow shares; one prior grant, 6,000 Dow shares; and new grantees, 4,500 Dow shares, holding such shares for at least a year prior to the grant date.

STOCK INCENTIVE PLAN

As a substitute for a nonemployee Directors' pension plan discontinued at the end of 1997, the Company has established a nonemployee Directors' stock incentive plan. It provides annual grants of ten-year non-qualified market-priced stock options, that vest after completion of five years of Board service. However, no options may be exercised earlier than one year from the date of grant. The number of options granted to each eligible nonemployee Director is determined according to a fixed formula that calculates 45 percent of the prior year's average annual retainer and fees for nonemployee Directors. This value is then divided by the product of the Black-Scholes valuation of a ten-year option and the market price of Dow stock on the date of grant. In 2000, each nonemployee Director received an option grant for the purchase of 3,450 shares of Dow common stock.

STOCK OWNERSHIP OF MANAGEMENT AND CERTAIN OTHER PERSONS

The table below states beneficial ownership, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of Dow common stock as of February 9, 2001, except as otherwise noted.

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| NAME | SHARES OF DOW COMMON STOCK BENEFICIALLY OWNED* | RIGHTS TO ACQUIRE BENEFICIAL OWNERSHIP OF SHARES OF DOW COMMON STOCK** | PERCENTAGE OF COMMON SHARES BENEFICIALLY OWNED PLUS RIGHTS TO ACQUIRE OWNERSHIP** |
|---|---|---|---|
| DIRECTORS: | | | |
| A.A. Allemang | 86,031.6 | 321,485.0 | *** |
| J.K. Barton | 6,000.0 | 16,200.0 | *** |
| A.J. Carbone | 105,629.1 (a) | 588,151.0 | *** |
| J.M. Cook | 7,722.0 (a) | | *** |
| J.C. Danforth | 4,500.0 | 11,550.0 | *** |
| W.D. Davis | 6,150.0 | 15,450.0 | *** |
| B.H. Franklin | 8,247.8 | 16,200.0 | *** |
| A.D. Gilmour | 7,500.0 | 11,550.0 | *** |
| R.M. Gross | 27,831.1 | 138,817.0 | *** |
| W.H. Joyce | 495,822.3 | 2,209,512.0 | *** |
| M.D. Parker | 110,257.5 (a) | 674,572.0 | *** |
| J.P. Reinhard | 142,357.1 (a) | 357,013.0 | *** |
| J.M. Ringler | 5,286.0 | 23,519.0 | *** |
| H.T. Shapiro | 7,900.1 | 17,400.0 | *** |
| W.S. Stavropoulos | 310,755.1 (a) | 1,638,894.0 | *** |
| P.G. Stern | 10,500.0 | 17,400.0 | *** |
| L.J. Washington Jr | 40,994.5 | 325,387.0 | *** |
| GROUP TOTAL | 1,383,484.2 (a) | 6,383,100.0 | *** |
| ALL DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP | | | |
| | 1,416,857.2 (a) | 6,618,671.0 | *** |
| CERTAIN OTHER OWNERS (b) | | | |
| Capital Research and Management Company | 56,469,500 (c) | | 8.30% |
| AXA Financial, Inc. | 44,675,567 (c) | | 6.60% |

* In addition to shares held in sole name, these columns include all shares held by the spouse and other members of the person's immediate family who share that household with the named person. These columns also include all shares held in trust for the benefit of the named party or group in The Dow Chemical Company Employees' Savings Plan. The named person may disclaim beneficial ownership of some or all of the shares listed.

** This column includes any shares that the party or group could acquire through April 10, 2001, by (a) exercise of an option granted by Dow, (b) distribution of shares under a Deferred Stock Agreement or (c) payment of any balance due under a subscription in The Dow Chemical Company 2000-2001 Employees' Stock Purchase Plan. The shares indicated in this column have not been issued and cannot be voted.

*** Less than one percent.

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(a) Directors Carbone, Cook, Parker, Reinhard and Stavropoulos are all members of the Board's Finance Committee, which shares investment and voting authority for stock held in the Dow Employees' Pension Plan Trust ("DEPP"). As of February 9, 2001, the DEPP beneficially owned 5,156,940 shares of Dow common stock. The named individuals, and all other Directors and officers, disclaim beneficial ownership of Dow common stock owned by the DEPP.

(b) Certain information regarding the only beneficial owners of more than five percent of the Company's voting securities known to the Company.

(c) As reported in Schedules 13G dated as of December 29, 2000, filed by Capital Research and Management Company (333 South Hope Street, Los Angeles, CA 90071) and AXA Financial, Inc. (1290 Avenue of the Americas, New York, NY 10104) in their roles as investment advisors and brokers/dealers for various clients.

STOCKHOLDER RETURN

The charts below illustrate cumulative total return to Dow stockholders for certain periods of time. They depict a hypothetical \$100 investment in Dow common stock on December 31 of the first year of the charts, and show the increased value of that investment over time until December 31 of the final year, with all dividends reinvested in stock. Hypothetical investments of \$100 in the Standard & Poor's 500 Stock Index and the Standard & Poor's Chemicals - 500 Index are shown in comparison.

Five-Year Cumulative Total Return

| | DOW CHEMICAL | S&P 500 | S&P CHEMICALS |
|------|--------------|----------|---------------|
| 1995 | \$100.00 | \$100.00 | \$100.00 |
| 1996 | \$115.80 | \$122.95 | \$132.08 |
| 1997 | \$155.67 | \$163.96 | \$162.33 |
| 1998 | \$144.81 | \$210.81 | \$147.85 |
| 1999 | \$219.32 | \$255.16 | \$193.40 |
| 2000 | \$187.06 | \$231.93 | \$161.78 |

Ten-Year Cumulative Total Return

| | DOW | S&P 500 | S&P CHEMICALS |
|------|----------|----------|---------------|
| 1990 | \$100.00 | \$100.00 | \$100.00 |
| 1991 | \$118.94 | \$130.40 | \$130.41 |
| 1992 | \$132.50 | \$140.33 | \$142.87 |
| 1993 | \$137.59 | \$154.45 | \$159.78 |
| 1994 | \$169.45 | \$156.49 | \$184.99 |
| 1995 | \$184.21 | \$215.25 | \$241.63 |
| 1996 | \$213.30 | \$264.65 | \$319.13 |
| 1997 | \$286.76 | \$352.91 | \$392.23 |
| 1998 | \$266.74 | \$453.75 | \$357.25 |
| 1999 | \$404.00 | \$549.22 | \$467.30 |
| 2000 | \$344.58 | \$499.23 | \$390.90 |

The form of the charts above is in accordance with SEC requirements. Stockholders are cautioned against drawing any conclusions from the data contained therein, as past results are

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not necessarily indicative of future performance. These charts do not reflect the Company's forecast of future financial performance.

OTHER INFORMATION

FUTURE STOCKHOLDER PROPOSALS

If you wish to submit a proposal to be considered for inclusion in the proxy material for next year's Annual Meeting, please send it to the Office of the Corporate Secretary.* Under the rules of the Securities and Exchange Commission, proposals must be received no later than November 21, 2001.

NOMINATIONS FOR DIRECTOR

The Committee on Directors will continue its 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 may be sent to the Committee on Directors through the Office of 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 Office of the Corporate Secretary* between November 21, 2001, and January 20, 2002. Such notices must comply with the provisions set forth in the Bylaws. A copy of the relevant provisions of the Bylaws will be sent without charge to any stockholder who requests it in writing. Such requests should be addressed to the Office of the Corporate Secretary.*

NOTIFICATION OF FUTURE ANNUAL MEETING BUSINESS

Under the Company's Bylaws, if you wish to raise items of proper business at an Annual Meeting you must give advance written notification to the Office of the Corporate Secretary.* For the 2002 Annual Meeting, written notice must be given between November 21, 2001, and January 20, 2002. Such notices must comply with the Bylaws provisions and include your name and address, representation that you are a holder of common stock entitled to vote at such Meeting and intend to appear in person or by proxy at the Meeting, disclosure of any material interest in such business, description of the business proposed, and the reasons for conducting such business. A copy of the relevant provisions of the Bylaws will be sent without charge to any stockholder who requests it in writing. Such requests should be addressed to the Office of the Corporate Secretary.*

ADDITIONAL INFORMATION AVAILABLE

Dow's Proxy Statement and Annual Report are posted on Dow's website: <http://www.dow.com> in both HTML and PDF formats. The annual report on Form 10-K is also available on the website. Printed copies of each of these documents will be sent without charge to any stockholder sending a written request to Dow's stock transfer agent: EquiServe, P.O. Box 43016, Providence, RI 02940-3016.

OTHER MATTERS

The Board does not intend to present any business at the Meeting not described in this Proxy Statement. The enclosed proxy voting form confers upon the persons designated to vote the shares represented thereby discretionary authority to vote such shares in

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accordance with their best judgment with respect to all matters that may come before the Meeting in addition to the scheduled items of business, including any stockholder proposal omitted from the Proxy Statement and form of proxy, pursuant to the proxy rules of the Securities and Exchange Commission, and matters incident to the conduct of the Meeting. At the time this Proxy Statement went to press, the Board of Directors was not aware of any other matter that may properly be presented for action at the Meeting, but the enclosed proxy form confers the same discretionary authority with respect to any such other matter.

/s/Tina S. Van Dam
Midland, Michigan
Assistant Secretary of the Company
March 21, 2001

*The address is:
Office of the Corporate Secretary
The Dow Chemical Company
2030 Dow Center
Midland, MI 48674

APPENDIX

List of Photos of Directors and Omitted Graphics

- Photo 1 Photograph of Arnold A. Allemang
- Photo 2 Photograph of John C. Danforth
- Photo 3 Photograph of Allan D. Gilmour
- Photo 4 Photograph of James M. Ringler
- Photo 5 Photograph of William S. Stavropoulos
- Photo 6 Photograph of Jacqueline K. Barton
- Photo 7 Photograph of Anthony J. Carbone
- Photo 8 Photograph of J. Michael Cook
- Photo 9 Photograph of Willie D. Davis
- Photo 10 Photograph of Barbara Hackman Franklin
- Photo 11 Photograph of William H. Joyce
- Photo 12 Photograph of Michael D. Parker
- Photo 13 Photograph of J. Pedro Reinhard
- Photo 14 Photograph of Harold T. Shapiro
- Photo 15 Photograph of Paul G. Stern

PERFORMANCE GRAPHS - Values provided for EDGAR only but shareholders given line graph.

A. Five-Year Cumulative Total Return

B. Ten-Year Cumulative Total Return

-----REGISTERED-----

THE DOW CHEMICAL COMPANY

2001 Annual Meeting of Stockholders

TICKET OF ADMISSION

Doors will open at 12:30 p.m.

-----perforation-----

You are cordially invited to attend the 104th Annual Meeting of Stockholders of The Dow Chemical Company. It will be held on Thursday, May 10, 2001, 2 p.m., at the Midland Center for the Arts, 1801 West St. Andrews at Eastman, Midland, Michigan.

A ticket is required for admission. To attend the Annual Meeting, simply check the box on the proxy voting form to validate your ticket and indicate that you plan to attend. Please keep the ticket above, bring it with you to the Annual Meeting and present it at the door. Stockholders without tickets will be directed to the registration area. This ticket is not transferable.

We hope you are able to attend.

Hearing amplification devices will be available.
Cameras and recording devices are not permitted at the Meeting.

-----perforation-----

2001 ANNUAL MEETING OF STOCKHOLDERS
Company

The Dow Chemical

THIS CARD IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints H. T. Shapiro, P. G. Stern and J. P. Reinhard, jointly and severally, proxies, with full power of substitution, to vote all the shares of common stock of THE DOW CHEMICAL COMPANY that the undersigned may be entitled to vote at the Annual Meeting of Stockholders to be held at the Midland Center for the Arts, 1801 West St. Andrews, Midland, Michigan, on Thursday, May 10, 2001, at 2 p.m., and at any adjournment thereof, on the following matters and upon such other business as may properly come before the Meeting.

SUCH PROXIES ARE DIRECTED TO VOTE AS SPECIFIED ON THE REVERSE SIDE, OR IF NO SPECIFICATION IS MADE, FOR THE ELECTION OF FIVE DIRECTORS AS LISTED BELOW, FOR AGENDA ITEM 2, AND TO VOTE IN ACCORDANCE WITH THEIR DISCRETION ON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING. TO VOTE IN ACCORDANCE WITH THE BOARD OF DIRECTORS' RECOMMENDATIONS, JUST SIGN AND DATE ON THE REVERSE SIDE - NO VOTING BOXES NEED TO BE CHECKED.

Agenda Item 1: The election of five Directors: (01) Arnold A. Allemang, (02) John C. Danforth, (03) Allan D. Gilmour, (04) James M. Ringler, (05) William S. Stavropoulos.

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Agenda Item 2: Ratification of the appointment of Deloitte and Touche LLP as Dow's independent auditors for 2001.

YOU MAY SPECIFY YOUR CHOICES BY MARKING THE APPROPRIATE BOXES ON THE REVERSE SIDE, BUT YOU NEED NOT MARK ANY VOTING BOXES IF YOU WISH TO VOTE IN ACCORDANCE WITH THE BOARD OF DIRECTORS' RECOMMENDATIONS. The Proxy Committee cannot vote your shares unless you sign, date and return this card, or vote electronically as explained on the reverse side.

If voting by mail, please sign, date and promptly return this proxy form in the enclosed envelope to the tabulating agent: EquiServe, P.O. Box 9371, Boston, MA 02205-9941

TICKET OF ADMISSION
2001 ANNUAL MEETING OF STOCKHOLDER
Midland Center for the Arts
1801 West St. Andrews, Midland, Michigan
May 10, 2001 - 2 p.m.

-----perforation-----

THREE WAYS YOU CAN VOTE

VOTE BY PHONE - 1-877-779-8683

1. Read the accompanying Proxy Statement and this card.
2. Call toll-free 1-877-799-8683 (U.S. and Canada only).
3. Enter your 14-digit control number, located above your name on the proxy card below.
4. Follow the simple recorded instructions.

A vote by phone or Internet authorizes the named proxies to vote your shares just as if you had completed and mailed this card. DO NOT RETURN THIS CARD IF YOU VOTE BY TELEPHONE OR INTERNET.

VOTE BY INTERNET -
WWW.EPROXYVOTE.COM/DOW

1. Read the accompanying Proxy Statement and this card.
2. Go to the website WWW.EPROXYVOTE.COM/DOW
3. Enter your 14-digit control number, located above your name on the proxy card below.
4. Follow the simple instructions.

Your Dow Annual Report and Proxy Statement are either enclosed or have been delivered to you electronically by email. You may access both documents at <http://www.dow.com/2001meeting>

VOTE BY MAIL:

1. Mark, sign and date this card.
2. Return it in the enclosed postage-paid envelope.

DETACH PROXY CARD TO MAIL.

-----perforation-----

X PLEASE MARK VOTES AS IN THIS EXAMPLE.

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YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR AGENDA ITEMS 1 AND 2.

AGENDA ITEM 1: Election of five Directors:
(01) Arnold A. Allemang (02) John C. Danforth (03) Allan D. Gilmour (04) James M. Ringler (05) William S. Stavropoulos

FOR ALL ____ FOR ALL EXCEPT" ____ WITHHOLD ALL ____

To withhold authority to vote for a candidate(s), mark FOR ALL EXCEPT and write the nominee's number(s) or name(s) here: ____

AGENDA ITEM 2: Ratification of the appointment of Deloitte and Touche LLP as Dow's independent auditors for 2001.

FOR _____ AGAINST _____ ABSTAIN _____

I/We plan to attend the Annual Meeting. _____

I have made comments on this card or an attachment or have marked an address change. _____

This proxy, when properly executed, will be voted in the manner directed herein by the undersigned. IF NO DIRECTION IS GIVEN, THIS PROXY WILL BE VOTED FOR ALL THE CANDIDATES AND FOR AGENDA ITEM 2. THE PROXIES ARE AUTHORIZED TO VOTE IN ACCORDANCE WITH THEIR DISCRETION ON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT THEREOF. The undersigned hereby revokes all proxies heretofore given by the undersigned to vote at said meeting and at any adjournment thereof.

Signature _____ Date _____

Signature _____ Date _____

PLEASE SIGN THIS PROXY AS THE NAME(S) APPEAR ABOVE. WHEN SIGNING AS ATTORNEY, EXECUTOR, ADMINISTRATOR, TRUSTEE, OR GUARDIAN, PLEASE GIVE FULL NAME AS SUCH.

-----VOTING INSTRUCTION CARD-----

THE DOW CHEMICAL COMPANY

2001 Annual Meeting of Stockholders

TICKET OF ADMISSION

Doors will open at 12:30 p.m.

-----perforation-----

You are cordially invited to attend the 104th Annual Meeting of Stockholders of The Dow Chemical Company. It will be held on Thursday, May 10, 2001, 2 p.m., at the Midland Center for the Arts, 1801 West St. Andrews at Eastman, Midland, Michigan.

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A ticket is required for admission. To attend the Annual Meeting, simply check the box on the proxy voting form to validate your ticket and indicate that you plan to attend. Please keep the ticket above, bring it with you to the Annual Meeting and present it at the door. Stockholders without tickets will be directed to the registration area. This ticket is not transferable.

We hope you are able to attend.

Hearing amplification devices will be available.
Cameras and recording devices are not permitted at the Meeting.

-----perforation-----

2001 ANNUAL MEETING OF STOCKHOLDERS
Company

The Dow Chemical

CONFIDENTIAL VOTING INSTRUCTION CARD

The undersigned hereby directs the applicable Trustee to vote all shares of common stock of THE DOW CHEMICAL COMPANY ("Dow") credited to the undersigned's account in The Dow Chemical Company Employees' Savings Plan, The Dow Company Stock Ownership Plan, the Dow AgroSciences Employee Savings Plan, The Savings and Investment Program for Employees of Union Carbide Corporation and Participating Subsidiary Companies, the Union Carbide Corporation Stock Ownership Plan and/or the DH Compounding Savings and Retirement Plan ("the Plan" or "the Plans") as of the record date for the Annual Meeting of Stockholders of The Dow Chemical Company to be held on May 10, 2001, at 2 p.m. and at any adjournment thereof, on the following matters and upon such other business as may properly come before the Meeting. Dow has instructed the Trustees and their agents not to disclose to the Dow board or management how individuals in the Plans have voted.

THE APPLICABLE TRUSTEE IS DIRECTED TO VOTE AS SPECIFIED ON THE REVERSE SIDE, OR IF NO SPECIFICATION IS MADE FOR THE ELECTION OF FIVE DIRECTORS, AND FOR AGENDA ITEMS 2, AND TO VOTE IN ACCORDANCE WITH ITS DISCRETION OF SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING. TO VOTE IN ACCORDANCE WITH THE DOW BOARD OF DIRECTORS' RECOMMENDATIONS JUST SIGN AND DATE ON THE REVERSE SIDE- NO VOTING BOXES NEED TO BE CHECKED. IF NO INSTRUCTIONS ARE PROVIDED, THE APPLICABLE TRUSTEE WILL VOTE THE RESPECTIVE PLAN SHARES ACCORDING TO THE PROVISIONS OF THE APPLICABLE PLAN DOCUMENTS.

Agenda Item 1: The election of five Directors: (01) Arnold A. Allemang, (02) John C. Danforth, (03) Allan D. Gilmour, (04) James M. Ringler, (05) William S. Stavropoulos.

Agenda Item 2: Ratification of the appointment of Deloitte and Touche LLP as Dow's independent auditors for 2001.

To provide voting instruction by mail, please sign, date and promptly return this proxy form in the enclosed envelope to the tabulating agent EquiServe, P.O. Box 9371, Boston, MA 02205-9941

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TICKET OF ADMISSION
2001 ANNUAL MEETING OF STOCKHOLDER
Midland Center for the Arts
1801 West St. Andrews, Midland, Michigan
May 10, 2001 - 2 p.m.

-----perforation-----

THREE WAYS YOU CAN VOTE

VOTE BY PHONE - 1-877-779-8683

1. Read the accompanying Proxy Statement and this card.
2. Call toll-free 1-877-799-8683 (U.S. and Canada only).
3. Enter your 14-digit control number, located above your name on the voting instruction card below.
4. Follow the simple recorded instructions.

A vote by phone or Internet authorizes the named Trustee(s) to vote your shares just as if you had completed and mailed this card. DO NOT RETURN THIS CARD IF YOU VOTE BY TELEPHONE OR INTERNET.

VOTE BY INTERNET -
WWW.EPROXYVOTE.COM/DOW

1. Read the accompanying Proxy Statement and this card.
2. Go to the website WWW.EPROXY.COM/DOW
3. Enter your 14-digit control number, located above your name on the voting instruction card below.
4. Follow the simple instructions.

Your Dow Annual Report and Proxy Statement are either enclosed or have been delivered to you electronically by email. You may access both documents at <http://www.dow.com/2001meeting>

VOTE BY MAIL:

1. Mark, sign and date this card.
2. Return it in the enclosed postage-paid envelope.

DETACH PROXY CARD TO MAIL.

-----perforation-----

X PLEASE MARK VOTES AS IN THIS EXAMPLE.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR AGENDA ITEMS 1 AND 2.

AGENDA ITEM 1: Election of five Directors:
(01) Arnold A. Allemang (02) John C. Danforth (03) Allan D. Gilmour (04) James M. Ringler (05) William S. Stavropoulos

FOR ALL ___ FOR ALL EXCEPT: ___ WITHHOLD ALL: ___

To withhold authority to vote for a candidate(s), mark FOR ALL EXCEPT and write the nominee's number(s) or name(s) here: ___

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AGENDA ITEM 2: Ratification of the appointment of Deloitte and Touche LLP as Dow's independent auditors for 2001.

FOR _____ AGAINST _____ ABSTAIN _____

I/We plan to attend the Annual Meeting. _____

I have made comments on this card or an attachment or have marked an address change. _____

This voting instruction card, when properly executed, will be voted in the manner directed herein by the undersigned. IF NO DIRECTION IS GIVEN, THESE PLAN SHARES WILL BE VOTED FOR ALL THE CANDIDATES AND FOR AGENDA ITEM 2. THE TRUSTEES(S) ARE AUTHORIZED TO VOTE IN ACCORDANCE WITH THEIR DISCRETION ON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT THEREOF. The undersigned hereby revokes all voting instructions heretofore given by the undersigned to vote at said meeting and at any adjournment thereof.

Signature _____ Date _____

PLEASE SIGN THIS VOTING INSTRUCTION CARD AS THE NAME APPEAR ABOVE. WHEN SIGNING AS ATTORNEY, EXECUTOR, ADMINISTRATOR, TRUSTEE, OR GUARDIAN, PLEASE GIVE FULL NAME AS SUCH.