

## **Permitted Disparity Guide**

Under federal law, a pension plan is allowed to incorporate an employee's estimated Social Security benefit into the plan's pension benefit formula in various ways. This is sometimes referred to as "permitted disparity." For example, the amount of your benefit under your benefit formula might be adjusted to take into account your expected Social Security benefit. Another example of permitted disparity would be a formula that provides you a supplemental benefit if your compensation is higher than the Social Security taxable wage base. Some, but not all, Dow benefit formulas include permitted disparity. Whether permitted disparity applies to you depends on whether you are in one of the groups described below. If you are in one of these groups, please refer to the applicable Summary Plan Description ("SPD") for more information on how Social Security may affect your benefit under the Dow Employees' Pension Plan, the Union Carbide Employees' Pension Plan, or the Rohm and Haas Company Retirement Plan. The SPD for your plan is available on My HR Connection at <http://myhr.intranet.dow.com>. Click on the "Benefits" tab at the top, and then "Communications", then scroll down to "Summary Plan Description". You can also call the HR Service Center at (877) 623-8079 or (989) 638-8757.

*The Dow Plan. Note: References below are to the SPD for the "DEPP" component of the Dow Employees' Pension Plan (the "DEPP SPD")*

- If you were hired by Dow before January 1, 1996, please refer to: (a) the "Supplemental Annual Accruals for Employees with Higher Earnings" section of the DEPP SPD for an explanation of whether and how permitted disparity may affect your benefit under the DEPP component; and (b) the "Tax Reform Act Offset" description in Appendix L of the DEPP SPD for an explanation of whether and how permitted disparity may affect your grandfathered benefit under the prior plan ("ERP") formula.
- If you were hired by Dow on or after January 1, 1996 but before January 1, 2008, please refer to the "Supplemental Annual Accruals for Employees with Higher Earnings" section of the DEPP SPD for an explanation of whether and how permitted disparity may affect your benefit.
- If you were hired by Dow on or after January 1, 2008, permitted disparity does not affect your benefit under the Personal Pension Account component of the Dow Employees' Pension Plan.
- If you were originally hired by Dow, terminated employment with Dow before January 1, 1996, and later rehired on or after January 1, 2008, permitted disparity may affect your grandfathered ERP formula benefit (but not your Personal Pension Account). For an example of whether and how this could occur, please refer to the "Tax Reform Act Offset" description in Appendix L of the DEPP SPD.
- If you participated in the Dow AgroSciences Pension Plan and accrued a benefit under the grandfathered Dow AgroSciences formula, please refer to Appendix M of the DEPP SPD for a description of whether and how permitted disparity may affect your grandfathered benefit.

The Union Carbide Plan. *Note: References below are to the SPD for the “UCEPP” component of the Union Carbide Employees’ Pension Plan (the “UCEPP SPD”)*

- If you began participating in the Union Carbide Employees’ Pension Plan before February 7, 2003, please refer to: (a) the “Supplemental Annual Accruals for Employees with Higher Earnings” section of the UCEPP SPD for a description of whether and how permitted disparity may affect your benefit under the UCEPP component; and (b) Appendix B of the UCEPP SPD for a description of whether and how permitted disparity may affect your grandfathered benefit under the prior plan (“UCRP”) formula.
- If you began participating in the Union Carbide Employees’ Pension Plan on or after February 7, 2003, but before January 1, 2008, please refer to the “Supplemental Annual Accruals for Employees with Higher Earnings” section of the UCEPP SPD for a description of whether and how permitted disparity may affect your benefit under the UCEPP component.
- If you were hired by UCC on or after January 1, 2008, permitted disparity does not affect your benefit under the Personal Pension Account component of the Union Carbide Employees’ Pension Plan.
- If you were originally hired by UCC, terminated employment with UCC before February 7, 2003, and rehired on or after January 1, 2008, permitted disparity may affect your grandfathered UCRP benefit (but not your Personal Pension Account). Please see Appendix B of the UCEPP SPD for a description of whether and how permitted disparity may affect your grandfathered UCRP benefit.

The Rohm and Haas Plan. *Note: References below are to the SPD for the Rohm and Haas Company Retirement Plan (the “Rohm and Haas SPD”)*

- If you were hired by the Rohm and Haas Company before January 1, 2001, and you participated in the legacy Rohm and Haas Pension Plan (referred to as “Rider 1”), your benefit contains permitted disparity. Please refer to the “Calculating Your Benefit” section in Part II: Rider 1 on pages 51-55 of the Rohm and Haas SPD for an explanation of how permitted disparity affects your Rider 1 benefit.
- If you participated in the legacy Rohm and Haas Pension Plan and you switched to the Standard formula (sometimes referred to as the “New Plan”) during Pension Choice, the portion of your benefit earned under your legacy plan formula includes permitted disparity. Please refer to pages C-1 through C-6 in “Appendix C – Legacy Rohm and Haas Switchers” of the Rohm and Haas SPD for an explanation of how permitted disparity affects your “Legacy Rohm and Haas Switcher” benefit.
- If you were hired by Morton International, Inc., before January 1, 2001, and you participated in the legacy Morton International, Inc. Pension Plan (referred to as “Rider 2”), your benefit contains permitted disparity. Please refer to the “Calculating Your Benefit” section in Part III: Rider 2 on pages 66 –70 of the Rohm and Haas SPD for an explanation of how permitted disparity affects your Rider 2 benefit.

- If you participated in the legacy Morton International, Inc. Pension Plan and you switched to the Standard formula (sometimes referred to as the “New Plan”) during Pension Choice, the portion of your benefit earned under your legacy plan formula includes permitted disparity. Please refer to pages D-1 through D-6 in “Appendix D – Legacy Morton Switchers” of the Rohm and Haas SPD for an explanation of how permitted disparity affects your “Legacy Morton Switcher” benefit.
- If you were hired by Morton International, Inc., before January 1, 2001, and you participated in the legacy Morton International, Inc. Retirement Income Plan for Collective-Bargaining Employees (referred to as “Rider 3”), your benefit contains permitted disparity. Please refer to the “Calculating Your Benefit” section in Part IV: Rider 3 on pages 93 -96 of the Rohm and Haas SPD for an explanation of how permitted disparity affects your Rider 3 benefit.
- If you participated in the legacy Morton International, Inc. Retirement Income Plan for Collective Bargaining Employees and you switched to the Standard formula (sometimes referred to as the “New Plan”) during Pension Choice, the portion of your benefit earned under your legacy plan formula includes permitted disparity. Please refer to pages E-1 through E-6 in “Appendix E – Legacy Morton RIP Switchers” of the Rohm and Haas SPD for an explanation of how permitted disparity affects your “Legacy Morton RIP Switcher” benefit.
- If you were hired by the Rohm and Haas Company or Morton International, Inc. (or any other participating subsidiary of Rohm and Haas Company), on or after January 1, 2001 but before April 1, 2009, you participate in the Standard formula, and your Standard benefit does not include permitted disparity. However, if you are a Special Morton Participant (as described in the plan document and SPD), your benefit is calculated using a minimum benefit that includes permitted disparity. Please refer to the “Special Morton Participants” section on pages 33 and 34 of the Rohm and Haas SPD for an explanation of how permitted disparity affects your Special Morton Minimum Retirement Benefit.