

Summary Plan Description for:

**The Dow Chemical Company
COLI Incentive Benefit Program**

**Salaried and
Midland Hourly Employees**

See also the Choices enrollment brochures which are published annually for summaries of the most recent modifications to this SPD. Copies of any of the above can be found on the Dow IntraNet or by requesting a copy from the Human Resources (HR) Service Center, Employee Development Center, Midland, MI 48674, telephone 877-623-8079 or 989-638-8757. Summaries of modifications may also be published from time to time in Dow's Newslite publication or by separate letter.

*Amended and Restated: November 1, 2002,
For the Plan Year Beginning January 1, 2003*

M.A. Weber
Amended and Restated: November 1, 2002,
for the Plan Year Beginning January 1, 2003
Unrestricted

Plan Description

This is the Summary Plan Description (SPD) for the COLI Incentive Benefit Plan for Salaried Employees and the COLI Incentive Benefit Plan for Midland Hourly Employees (hereafter collectively referred to as the “Plans” or the “Program”, and each singly referred to as “Plan”). Both COLI Incentive Benefit Plans are part of the COLI Incentive Benefit Program. The Plans provide a death benefit at no cost to Employees who signed and submitted a COLI Consent Form in 1991 or 1992 on whom The Dow Chemical Company (Company) purchased a corporate-owned life insurance¹ (“COLI”) policy on their lives. In addition, the Plan provides a death benefit for Employees for whom the Company purchased a COLI policy on their lives in 1983, 1985 or 1988. The amount of the benefit upon the death of an active Salaried Employee, Salaried Retiree, or a person who was being paid a benefit under Dow’s Long Term Disability Income Protection Plan (LTD) at time of death is \$5000. The amount of the benefit upon the death of a Salaried Employee who left Dow and/or a Participating Subsidiary prior to Retirement is \$2,500. The amount of the benefit upon the death of an active Midland Hourly Employee, Midland Hourly Retiree, or a Midland Hourly Employee who was being paid a benefit from Dow’s Michigan Division Contract Disability Program at time of death is \$4,000. The amount of the benefit upon the death of a Midland Hourly Employee who left Dow and/or its Participating Subsidiaries prior to Retirement is \$2000. For purposes of the COLI Incentive Benefit Plans, an employee does not “leave Dow and/or its Participating Subsidiaries” when the employee leaves Dow or a Participating Subsidiary to immediately work for an entity that is partially owned, directly or indirectly, by The Dow Chemical Company.

Terms that are capitalized are either defined in this SPD or in the Plan Document for the Plans. A copy of the Plan Document is available upon request of the Plan Administrator identified in the *ERISA Information* section of this SPD.

Eligibility

Any active Salaried Full-Time or Retiree of The Dow Chemical Company and Participating Subsidiaries and Full Time active Midland Hourly Employees who have provided written consent to the Company to purchase Corporate-Owned Life Insurance (COLI) on their lives in 1991 and 1992 is eligible. An Employee or Retiree eligible for or receiving a benefit under the Dow Employees’ Pension Plan (“DEPP”), on whom the Company purchased COLI on his or her life in December 1983, November 1985, or May 1988, is also eligible.

The Plan Administrator determines eligibility. The Plan Administrator is a fiduciary to the Plans and has the full discretion to interpret the provisions of the Plans and to make findings of fact. Interpretations and eligibility determination by the Plan Administrator are final and binding on Participants.

Employee Contribution

Dow and its Participating Subsidiaries provide this benefit at no cost to you.

Amount of Coverage – Salaried

Your benefit under this Plan is \$5,000 if, at the time of your death, you are an active Salaried Full-Time or Less-Than-Full-Time Employee, a Salaried Retiree, or are receiving or have been approved to receive payment from Dow’s Long Term Disability Income Protection Plan (LTD). If at the time of your death, you previously left the Company or Participating Subsidiary prior to Retirement, the benefit is \$2,500, and the benefit is payable only to your surviving Spouse or surviving Domestic Partner; if there is no surviving Spouse or surviving Domestic Partner at the time of your death, no benefit will be paid. For purposes of the COLI Incentive Benefit Plans, an employee does not “leave Dow and/or its Participating

¹ Corporate-owned life insurance is insurance in which the Company purchases a life insurance policy on an employee's life. The beneficiary of the life insurance policy is the Company.

Subsidiaries” when the employee leaves Dow or a Participating Subsidiary to immediately work for an entity that is partially owned, directly or indirectly, by The Dow Chemical Company.

Amount of Coverage –Midland Hourly

Your benefit under this Plan is \$4,000 if, at the time of your death, you are a Full-Time active Midland Hourly Employee, a Midland Hourly Retiree, or are receiving or have been approved to receive payment from Dow’s Michigan Division Contract Disability Program. If at the time of your death, you previously left the Company prior to Retirement, the benefit is reduced to \$2,000, and the benefit is payable only to your surviving Spouse or surviving Domestic Partner; if there is no surviving Spouse or surviving Domestic Partner at the time of your death, no benefit will be paid. For purposes of the COLI Incentive Benefit Plans, an employee does not “leave Dow and/or its Participating Subsidiaries” when the employee leaves Dow or a Participating Subsidiary to immediately work for an entity that is partially owned, directly or indirectly, by The Dow Chemical Company.

EFFECTIVE DATES OF BENEFIT

Beginning

December 1, 1991 for Salaried Employees. February 1, 1992 for Midland Hourly Employees.

Ending

The COLI Incentive Benefit Program ends for each covered Participant once his or her beneficiary is paid the death benefit. Upon the death of an Employee who left Dow or Participating Subsidiary prior to Retirement, the death benefit will be paid to his or her surviving Spouse or surviving Domestic Partner. If there is no surviving Spouse or surviving Domestic Partner, no benefit will be paid, and the Plan will end for such Participant at time of death.

BENEFIT PAYMENT

Naming Your Beneficiary

If you die while you are an active Employee, a Retiree under DEPP or are receiving a payment from LTD or Contract Disability, the beneficiary is the same as the beneficiary on your Company-Paid Life Insurance, unless you specify in writing otherwise. If you are not eligible for Company-Paid Life Insurance, then your beneficiary is the same beneficiary as the beneficiary for Executive Split Dollar Life Insurance. If you are not enrolled in the Executive Split Dollar Life Insurance Plan, then your beneficiary is the same beneficiary as the beneficiary for the 1X Life Insurance Benefit Portion under the Key Employees Insurance Program or Post-65 Executive Life. You may elect a different beneficiary by completing and returning a beneficiary form to the HR Service Center.

If there is no beneficiary designation in effect, the COLI Incentive benefit will be paid to the Employee's estate.

Notwithstanding the above, if you die after you left Dow or a Participating Subsidiary prior to Retirement, the benefit will only be paid to your surviving Spouse or surviving Domestic Partner; if there is no surviving Spouse or surviving Domestic Partner at the time of your death, no benefit will be paid.

FILING A CLAIM

In the event of your death, your beneficiary must present a certified copy of your death certificate to the Dow Benefits Center. The benefit will be paid as a lump sum. See Claims Procedures Appendix for how to file a claim.

APPEALING A DENIAL OF CLAIM

See Claims Procedures Appendix for how to appeal the denial of a claim.

FRAUD AGAINST THE PLAN

Any Plan Participant who intentionally misrepresents information to the Plan or knowingly misinforms, deceives or misleads the Plan, or knowingly withholds relevant information, may have his/her coverage cancelled retroactively to the date deemed appropriate by the Plan Administrator. Further, such Plan Participant may be required to reimburse the Plan for Claims paid by the Plan. The employer may determine that termination of employment is appropriate and The Plan may choose to pursue civil and/or criminal action. The Plan Administrator may determine that the Participant is no longer eligible for coverage under the Plan because of his or her actions.

GRIEVANCE PROCEDURE

If you want to appeal the denial of a claim for benefits, see the section of this SPD entitled "*Appealing a Denial of Claim*".

If you feel that anyone is discriminating against you for exercising your rights under this benefit program, or if you feel that someone has interfered with the attainment of any right to which you feel you are entitled under this benefit program, or if you feel that the Plan Administrator has denied you any right you feel that you have under this benefit program, you must notify the Plan Administrator (listed in the "*ERISA Information*" section of this SPD) in writing within 60 days of the date of the alleged wrongdoing. The Plan Administrator will investigate the allegation and respond to you in writing within 90 days. If the Plan Administrator determines that your allegation has merit, the Plan Administrator will either correct the wrong (if it was the Program which did the wrong), or will make a recommendation to the Plan Sponsor or Participating Employer if any of them have been alleged to be responsible for the wrongdoing. If the Plan Administrator determines that your allegation is without merit, you may appeal the Plan Administrator's decision. You must submit written notice of your appeal to the Plan Administrator within 60 days of receipt of the Plan Administrator's decision. Your appeal will be reviewed and you will receive a written response within 60 days, unless special circumstances require an extension of time. (The Plan Administrator will give you written notice and reason for the extension.) In no event should the decision take longer than 120 days after receipt of your appeal. If you are not satisfied with the Plan Administrator's response to your appeal, you may file suit in court. **If you file a lawsuit, you must do so within 120 days from the date of the Plan Administrator's written response to your appeal. Failure to file a lawsuit within the 120 day period will result in your waiver of your right to file a lawsuit.**

ERISA RIGHTS

When you are a Participant in the COLI Incentive Benefit Program, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). This law requires that all Program Participants must be able to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, the Plan Document and annual report filed with the U.S. Department of Labor.
- Obtain copies of the Plan Document upon written request to the Plan Administrator. The Administrator may charge a reasonable fee for the copies.
- Receive a summary of the Program's annual financial report. The Plan Administrator is required by law to furnish each Program Participant with a copy of this summary report.

In addition to creating rights for you and all other Program Participants, ERISA imposes duties on the people who are responsible for operating an employee benefit plan. The people who operate the COLI Incentive Benefit Program, called "fiduciaries" of the Program, have a duty to act prudently and in the interest of you and other Program Participants and beneficiaries.

No one, including your employer or any other person, may discharge you or otherwise discriminate against you in any way to prevent you from obtaining a Program benefit, or from exercising your rights under ERISA. If your claim for a Program benefit is denied, in whole or in part, you must receive a written explanation of the reason for the denial. If you feel that anyone is discriminating against you for exercising your rights under this benefit program, or if you feel that someone has interfered with the attainment of any right to which you feel you are entitled under this benefit program, you must notify the Plan Administrator (listed in the "*ERISA Information*" section of this SPD) in writing within 120 days of the date of the

alleged wrongdoing. The Plan Administrator will investigate the allegation and respond to you in writing within 120 days. If the Plan Administrator determines that your allegation has merit, the Plan Administrator will either correct the wrong (if it was the Program which did the wrong), or will make a recommendation to the Plan Sponsor or Participating Employer if any of them have been alleged to be responsible for the wrongdoing. If the Plan Administrator determines that your allegation is without merit, you may appeal the Plan Administrator's decision. You must submit written notice of your appeal to the Plan Administrator within 60 days of receipt of the Plan Administrator's decision. Your appeal will be reviewed and you will receive a written response within 60 days. If you are not satisfied with the Plan Administrator's response to your appeal, you may file suit in court. **If you file a lawsuit, you must do so within 120 days from the date of the Plan Administrator's written response to your appeal. Failure to file a lawsuit within the 120-day period will result in your waiver of your right to file a lawsuit.**

If you have any questions about the Program, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

ERISA Enforcement

Under ERISA, there are steps you can take to enforce the legal rights described above. For instance, if you request materials from the Program and do not receive them within 30 days, you may file suit in a federal court. In such case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you are entitled to a written explanation of the reason for denial. If you do not agree with the claims decision, you must request a review and reconsideration of your claim within the time period specified in the claims review process. Failure to comply with the reconsideration or claims review process may significantly jeopardize your rights to benefits. If you are not satisfied with the reconsideration results, you may file suit in a state or federal court. **If you file a lawsuit, you must do so within 120 days from the date of the Claims Administrator's final written decision. Failure to file a lawsuit within the 120-day period will result in your waiver of your right to file a lawsuit.**

If Plan fiduciaries misuse the Program's money or if you are discriminated against for asserting your rights, you may seek assistance from the U. S. Department of Labor, or you may file a suit in federal court.

The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees. This might happen, for example, if the court rules that your claim has little or no merit.

FUNDING

The Program is funded from the general assets of The Dow Chemical Company.

DOW'S RIGHT TO AMEND, MODIFY, AND TERMINATE THE PROGRAM

Dow reserves the right to amend, modify or terminate the Program at any time at its sole discretion. Amendments, modifications, or termination of the Program that have a financial impact of U.S. \$10 million or more to The Dow Chemical Company (Company) in any single year require the approval of the Board of Directors of the Company or any committee of the Company that the Board may authorize to act on its behalf. Amendments, modifications, or termination of the Program that have a financial impact of less than U.S. \$10 million to the Company in any single year must be signed by the President or a Vice President of the Company and reviewed by the applicable Plan Administrator and an attorney in the Company's Legal Department. Certain modifications or amendments of the Program which the Company deems necessary or appropriate to conform the Program to, or satisfy the conditions of, any law, governmental regulation or ruling, and to permit the Program

to meet the requirements of the Internal Revenue Code may be made retroactively if necessary. Other amendments or modifications may also be made retroactively effective.

DISPOSITION OF PROGRAM ASSETS IF THE PROGRAM IS TERMINATED

The Company may terminate the Program at any time at its sole discretion. If the Company terminates the Program, the assets of the Program, if any, shall not be used by the Company, but may be used in any of the following ways:

- (1) to provide benefits for Participants in accordance with the Program, and/or
- (2) to pay third parties to provide such benefits, and/or
- (3) to pay expenses of the Program and/or the Trust holding the Program's assets, and/or
- (4) to provide cash for Participants

WELFARE BENEFITS

Welfare benefits, such as the COLI Incentive Benefit Program, are not required to be guaranteed by a government agency.

FOR MORE INFORMATION

If you have questions, contact HR Service Center, 1-877-623-8079 at The Dow Chemical Company, Employee Development Center, Midland, MI 48674. They can provide more details about this benefit Program.

IMPORTANT NOTE

This booklet is the Summary Plan Description (SPD) for the COLI Incentive Benefit Program. However, it is not all-inclusive and it is not intended to take the place of the Plan Document. In case of conflict between this SPD and the Plan Document, the Plan Document will govern.

The Plan Administrator is the Program fiduciary. The Plan Administrator has the full and complete discretion to interpret and construe all of the provisions of the Program for all purposes, and such interpretation shall be final, conclusive and binding. The Plan Administrator also has the full and complete discretion to make findings of fact for all purposes, and the Plan Administrator has the full authority to apply those findings of fact to the provisions of the Program. All findings of fact made by the Plan Administrator shall be final, conclusive and binding. For a detailed description of the Plan Administrator's authority, see the Plan Document.

Dow reserves the right to amend, modify or terminate the COLI Incentive Benefit Program at any time at its sole discretion. The procedures for amending the Program are contained in the Plan Document for the COLI Incentive Benefit Program.

The Plan document can be made available for your review upon written request to the Plan Administrator (listed in the ERISA Information section of this Summary Plan Description.) This booklet is a summary description of your COLI Incentive Benefit Program. The SPD and the Program do not constitute a contract of employment. Dow and each Participating Subsidiary retains the right to terminate your employment or otherwise deal with your employment as if this booklet and the Plan document had never existed. Dow retains the right to amend any aspect of this Program, and to terminate the Program at sole its discretion.

**ERISA Information
COLI Incentive Benefit Program
(A Welfare Benefit Plan)**

**Plan Sponsor and
Plan Administrator:** The Dow Chemical Company
Employee Development Center
Midland, MI 48674-0001
1-877-623-8079

Claims Administrator: The Dow Chemical Company
Employee Development Center
Midland, MI 48674
1-877-623-8079

Employer Identification Number: 38-1285128

Plan Number: 530

**To Apply For A Benefit
Determination:** The Dow Chemical Company
Employee Development Center
Midland, MI 48674

To Appeal A Benefit: Plan Administrator, at the above address

To Serve Legal Process: General Counsel
The Dow Chemical Company
Corporate Legal Department
2030 Dow Center
Midland, MI 48674

Plan Administration: The Dow Chemical Company
The Dow Benefits Center
Employee Development Center
Midland, MI 48674
1-877-623-8079

Plan Year: The Program's fiscal records are kept on a Plan year
beginning January 1 and ending December 31.

Funding: Dow pays the entire cost of the Program.

CLAIMS PROCEDURES APPENDIX

What is a “Claim”?

A “Claim” is a written request by a claimant for a *Plan benefit* or an *Eligibility Determination*.

Who Will Decide Whether to Approve or Deny My Claim?

The Dow Chemical Company will approve or deny a Claim. The initial determination is made by the Dow Benefits Center. If you appeal, the appellate decision is made by the Director of Global Benefits.

An Authorized Representative May Act on Your Behalf

An Authorized Representative may submit a Claim on behalf of a Plan Participant. The Program will recognize a person as a Plan Participant’s “Authorized Representative” if such person submits a notarized document signed by the Participant stating that the Authorized Representative is authorized to act on behalf of such Participant. A court order stating that a person is authorized to submit Claims on behalf of a Participant will also be recognized by the Program.

Authority of the Administrator and Your Rights Under ERISA

The Administrator has the full, complete, and final discretion to interpret the provisions of the Program and to make findings of fact in order to carry out its Claims decision-making responsibilities.

Interpretations and claims decisions by the Administrator are final and binding on Participants. If you are not satisfied with the Administrator’s final appellate decision, you may file a civil action against the Program under s. 502 of the Employee Retirement Income Security Act (ERISA) in a federal court. **If you file a lawsuit, you must do so within 120 days from the date of the Administrator’s final written decision. Failure to file a lawsuit within the 120-day period will result in your waiver of your right to file a lawsuit.**

Information Required In Order to Be a “Claim”:

Claims must be in writing and contain the following information:

- State the name of the Employee or Retiree
- Name the benefit program (COLI Incentive Benefit Program)
- Attach certified copy of the death certificate of the Employee or Retiree
- Specify what is being requested

Claims must be filed with:

Dow Benefits Center
The Dow Chemical Company
Employee Development Center
Midland, MI 48674
Attention: Administrator for COLI Incentive Benefit

Initial Determinations

If you submit a Claim to the Administrator, the Administrator will review your Claim and notify you of its decision to approve or deny your Claim. Such notification will be provided to you in writing within a reasonable period, not to exceed 90 days of the date you submitted your claim; except that under special circumstances, the Administrator may have up to an additional 90 days to provide you such written notification. If the Administrator needs such an extension, it will notify you prior to the expiration of the initial 90-day period, state the reason why such an extension is needed, and indicate when it will make its

determination. If the Administrator denies the Claim, the written notification of the Claims decision will state the reason(s) why the Claim was denied and refer to the pertinent Program provision(s). If the Claim was denied because you did not file a complete Claim or because the Administrator needed additional information, the Claims decision will state that as the reason for denying the Claim and will explain why such information was necessary.

Appealing a Denial of the Initial Determination

If the Dow Benefits Center has denied your Claim, you may appeal the decision. If you appeal the Dow Benefit Center's decision, you must do so in writing within 60 days of receipt of the Dow Benefit Center's determination, assuming that there are no extenuating circumstances, as determined by the Director of Global Benefits. Your written appeal must include the following information:

- Name of Employee or Retiree
- Name of the benefit Program (COLI Incentive Benefit Program)
- Reference to the Initial Determination
- Explain reason why you are appealing the Initial Determination

Send appeals to:

Director of Global Benefits
The Dow Chemical Company
2020 Dow Center
Midland, MI 48674
Attention: Administrator of COLI Incentive Benefit Program

You may submit any additional information to the Director of Global Benefits when you submit your request for appeal. You may also request that the Director of Global Benefits provide you copies of documents, records and other information that is relevant to your Claim, as determined by the Director of Global Benefits under applicable federal regulations. Your request must be in writing. Such information will be provided at no cost to you.

After the Director of Global Benefits receives your written request to appeal the initial determination, the Director of Global Benefits will review your Claim. Deference will not be given to the initial adverse decision, and the appellate reviewer will look at the Claim anew. The person who will review your appeal will not be the same person as the person who made the initial decision to deny the claim. In addition, the person who is reviewing the appeal will not be a subordinate who reports to the person who made the initial decision to deny the Claim. The Director of Global Benefits will notify you in writing of its final decision. Such notification will be provided within a reasonable period, not to exceed 60 days of the written request for appellate review, except that under special circumstances, the Director of Global Benefits may have up to an additional 60 days to provide written notification of the final decision. If the Director of Global Benefits needs such an extension, it will notify you prior to the expiration of the initial 60 day period, state the reason why such an extension is needed, and indicate when it will make its determination. If the Director of Global Benefits determines that it does not have sufficient information to make a decision on the Claim prior to the expiration of the initial 60-day period, it will notify you. It will describe any additional material or information necessary to submit to the Program, and provide you with the deadline for submitting such information. The initial 60 day time period for the Director of Global Benefits to make a final written decision, plus the 60 day extension period (if applicable) are "tolled" from the date the notification of insufficiency is sent to you until the date on which it receives your response. The tolling period ends when the Director of Global Benefits receives your response, regardless of the adequacy of your response. ("Tolled" means the "clock or time is stopped or suspended". In other words, the deadline for the Director of Global Benefits to make its decision is "put on hold" until you the Program receives the requested information.)

If the Administrator has determined to that its final decision is to deny your Claim, the written notification of the decision will state the reason(s) for the denial and refer to the pertinent Program provision(s).