

**Summary Plan Description for the
UCEPP Component
of the
Union Carbide Employees' Pension Plan
as amended and restated effective January 1, 2017**

**Applicable to Employees Hired
Prior to January 1, 2008**

A U.S. Benefit Plan

If you are an active employee of the Union Carbide Corporation or a related company, the most current copy of the Summary Plan Description (SPD) can be found on the Dow Intranet at My HR Connection, or you may request a copy from the Dow Benefits Service Center.

Dow Benefits Service Center
P.O. Box 5807
Hopkins, MN 55343
Telephone (877) 623-8079

If you are no longer employed by the Union Carbide Corporation or a related company, the most current copy of the SPD can be found on www.DowFriends.com, or you may request a copy from the Dow Benefits Service Center.

Dow Benefits Service Center
P.O. Box 5807
Hopkins, MN 55343
Telephone (800) 344-0661

You may also submit a request via email by accessing Message Center on the Dow Benefits website (<https://dowbenefits.ehr.com>).

October 2017

Summary Plan Description for the UCEPP Component of the Union Carbide Employees' Pension Plan

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INTRODUCTION

This is a Summary Plan Description of the “**UCEPP Component**” and “**Prior Plan Component**” of the Union Carbide Employees’ Pension Plan. The Union Carbide Employees’ Pension Plan is referred to throughout this Summary Plan Description as the “**Plan**.”

Union Carbide Corporation (“**Union Carbide**”) sponsors the Plan. Union Carbide is a wholly owned subsidiary of The Dow Chemical Company (“**Dow**”). Employees of Union Carbide and certain of its participating subsidiary companies are eligible to participate in the Plan.

Union Carbide and its subsidiaries that participate in the Plan are referred to in this SPD as the “**Corporation**.”

The Union Carbide Employees’ Pension Plan has three components: the UCEPP Component, the Personal Pension Account Component (“**PPA Component**”), and the Retirement Program Plan for Employees of Union Carbide Corporation and Its Participating Subsidiary Companies (the “**UCRP**” or “**Prior Plan Component**”):

- The **UCEPP Component** is a “pension equity plan” formula that generally applies to employees hired between February 7, 2003 and January 1, 2008. The UCEPP Component also applies to employees who were hired before February 7, 2003, and who were employed by the Corporation on that date.
- The **Prior Plan Component** applies to employees who terminated employment before February 7, 2003. In addition, employees who were hired before February 7, 2003, and who were employed by the Corporation on that date, may have benefits under the Prior Plan Component.
- The **PPA Component** generally applies to employees who were first hired by the Corporation on or after January 1, 2008 (and certain participants in the Prior Plan Component who are rehired on or after January 1, 2008).

This Summary Plan Description – also called the “**SPD**” – is a summary of the most significant features of the UCEPP Component. The SPD also includes a description of certain features of the Prior Plan Component in **Appendix E**. The PPA Component is described in a separate Summary Plan Description.

The Plan was most recently amended and restated effective January 1, 2017. This SPD describes the Plan as amended most recently. Although the provisions of this SPD apply to most employees who are eligible for the UCEPP Component, some of the provisions do not apply—or are modified—for certain groups of employees. These groups of employees are either employees whose collective bargaining units have negotiated different benefits, or employees who have past service with certain entities that were acquired by or merged into Union Carbide or Dow, or for which Union Carbide or Dow entered into a joint venture or other type of business relationship. In addition, if you were transferred to or from a company that was or is partially owned by Union Carbide or Dow, but is not a company that is authorized to participate in the Plan, your UCEPP Component benefit may be calculated in a way that is different from

the description in this SPD. For more information, please consult the Plan document, which is available upon request from the Plan Administrator.

Some Key Features of the Plan

This SPD describes the most significant features of the UCEPP Component and Prior Plan Component of the Plan. Here are some key features of the Plan:

- The Plan is provided at no cost to you. Benefits under the Plan are funded with Corporation contributions to the Trust (and any investment gains from those contributions). The contributions are actuarially determined.
- In general, you are a participant in the UCEPP Component if:
 - You (i) were hired by the Corporation, and were at least 21 years old, between February 7, 2003 and December 31, 2007, (ii) you worked 1,000 hours within 12 months of your hire date, and (iii) you continued to work for the Corporation until at least your first anniversary of employment; or
 - You were hired by the Corporation before February 7, 2003, and you continued to work for the Corporation on and after February 7, 2003.
- You may also have a Prior Plan Component benefit if you were hired before February 7, 2003.
- Your retirement benefit from the Plan is generally based on your service with and your pensionable compensation from the Corporation.
- In general, your benefits under the Plan become vested upon your completion of 3 years of Vesting Service or upon reaching age 65 while still employed by the Corporation or a related company. (Different rules apply if you terminated employment before January 1, 2008.)
- Your pension benefit will generally be paid as an annuity.
- If you vest in your UCEPP Component benefit, but die before commencing it, a death benefit will be paid to your beneficiary.
- Your benefits are not subject to federal income tax until they are paid to you.
- You may make a claim for benefits under the Plan under the Plan's claims procedures. If your claim is denied in whole or in part, you may appeal the denial under the Plan's review procedures.

Important Notes

- The terms of the Plan and your rights and obligations under the Plan are set forth in a lengthy Plan document. This SPD is only a summary of the most significant aspects of the Plan document and is not designed to be comprehensive. If the language in this SPD, or any oral or written representation made by anyone regarding the Plan, conflicts with the provisions of the Plan document, the language in the Plan document will prevail.

- The Plan document was most recently restated effective January 1, 2017. The restated Plan document supersedes all earlier amendments and restatements of the Plan.
 - If you begin receiving a benefit from the Plan on or after January 1, 2017, the amount of your retirement benefit, death benefit or other benefit under the Plan will be determined solely under the January 1, 2017 restatement (unless the Plan specifically requires a different effective date).
 - If you terminated employment with the Corporation on or before December 31, 2016 and you are not rehired or credited with additional service after that date, the amount of your vested accrued benefit under the Plan is determined pursuant to the terms of the Plan in effect on the date of your retirement, death or other termination of employment, as reflected in the Plan Administrator's records on December 31, 2016. The administrative provisions in the most recent restatement (effective January 1, 2017) generally apply to you, however.
 - If you terminated employment with the Corporation and commenced your benefit on or before December 31, 2016, please note this SPD may not fully describe the rules applicable to you.
- If you became an employee of the Corporation due to an acquisition or merger, or if you terminated employment with the Corporation due to a sale or divestiture, special rules may apply to your benefit. If your group is not described in this SPD and you are seeking additional information about your benefit, please refer to the Plan document.

ERISA INFORMATION

Name of the Plan:	Union Carbide Employees' Pension Plan The Plan consists of three components: the UCEPP Component , the PPA Component and the Prior Plan Component (or "UCRP"). This SPD describes the UCEPP Component.
Sponsor:	Union Carbide Corporation c/o The Dow Chemical Company Global Dow Center 2211 H.H. Dow Way Midland, MI 48674 Union Carbide Corporation is a wholly owned subsidiary of The Dow Chemical Company. Employees of certain subsidiaries of Union Carbide Corporation may also be eligible to participate in the Plan.
Corporation:	Union Carbide Corporation and its subsidiaries that participate in the Plan are referred to in this SPD as the " Corporation. "
Type of Plan:	Defined Benefit Pension Plan
Plan Administrators:	The Plan Administrators are the North America Retirement Programs Leader; and the Global Benefits Director; and other persons, groups, or entities that may be designated as Plan Administrators in accordance with the terms of the Plan. The address and telephone numbers for the Plan Administrators are: Union Carbide Corporation c/o Dow North America Benefits P.O. Box 2169 Midland, MI 48641-2169 Telephone Numbers For Active Employees: (877) 623-8079 For Former Employees: (800) 344-0661 The Plan is administered by the Plan

Administrators, with the assistance of outside recordkeepers, actuaries and third-party administrators.

Sponsor's Employer Identification Number: 13-1421730

Plan Number: 001

Normal Retirement Age: 65

Normal Retirement Date: First day of the month after the participant reaches age 65.

To Apply For a Benefit: Contact the Dow Benefits Service Center:
For Active Employees: (877) 623-8079
For Former Employees: (800) 344-0661

To Appeal a Benefit Determination: Retirement Board
c/o Pension Plan Manager (UCEPP)
The Dow Chemical Company
North America Benefits
P.O. Box 2169
Midland, MI 48641

Trust and Plan Trustee: The trust for the Plan is the Union Carbide Employees' Pension Plan Trust (the "Trust").

The trustee of the Trust is:
Northern Trust
50 South LaSalle
Chicago, Illinois 60603

To Obtain Further Information: Contact the Dow Benefits Service Center:
For Active Employees: (877) 623-8079
For Former Employees: (800) 344-0661

Agent for Service of Legal Process: General Counsel
The Dow Chemical Company
Global Dow Center
2211 H.H. Dow Way
Midland, MI 48674

Legal process may also be served on a Plan Administrator or the Trustee.

Plan Year: January 1 – December 31

Funding and Plan Expenses:

Benefits under the Plan are paid by the Trust and are funded with Corporation contributions to the Trust. The amount of the contributions made by the Corporation to the Trust is actuarially determined. The Corporation or the Trust pays the administrative costs of the Plan. Prudential and MetLife Insurance Companies also maintain funds to provide benefits under certain components of this Plan.

ERISA:

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

ELIGIBILITY FOR THE PLAN AND THE UCEPP COMPONENT

Who is eligible to participate in the Plan?

You are eligible to participate in the Plan if:

- you were hired as an employee of the Corporation (Union Carbide Corporation and its subsidiaries that participate in the Plan);
- you are not in one of the ineligible employee categories listed below; and
- you meet the 1,000 hours of service requirement described in the Participation section below.

In addition, you may be eligible to participate in the Plan if you satisfied the eligibility requirements applicable under the Prior Plan. For more information, please refer to Appendix E.

A participating employer in the Plan may participate only while the company is a member of Union Carbide Corporation's controlled group of corporations and businesses. If a participating employer leaves Union Carbide Corporation's controlled group of corporations and businesses, its employees cease participating in the Plan and accruing additional benefits under the Plan as of the date the participating employer exits the controlled group.

Who is eligible to participate in the UCEPP Component of the Plan?

You are eligible to participate in the UCEPP Component if you satisfy one of the following two criteria:

- You were hired by the Corporation on or after February 7, 2003, but before January 1, 2008, and you satisfied the eligibility requirements set forth above; *or*
- You were hired by the Corporation before February 7, 2003, and continued to work for the Corporation on and after February 7, 2003.

If you were initially hired by the Corporation on or after January 1, 2008, this SPD does not apply to you. For more information, please contact the Service Center for a copy of the SPD applicable to the PPA Component. This information is also available at My HR Connection (for active employees) and on DowFriends (for former employees).

Who is not eligible to participate in the Plan?

You are not eligible to participate in the Plan if you are:

- classified by the Corporation as an independent contractor, contingent worker or consultant, or you are otherwise not a common law employee of the Corporation;
- a leased employee;

- a temporary employee (unless and until you meet the 1,000 hours of service requirement described in the Participation section below);
- a special project employee;
- a nonresident alien;
- employed by a non-participating subsidiary or business unit;
- covered by a collective bargaining agreement that does not provide for participation in the Plan;
- a participant in another qualified retirement plan sponsored by the Corporation or a related company (other than The Dow Chemical Company Employees' Savings Plan); or
- a student employee (co-op, intern or alternating term co-op).

If you are a student employee participating in a student employment program and your date of hire is prior to January 1, 2008, you become eligible to participate in the Plan if you become an employee without terminating at the end of your student employment program.

Special rules may apply in the case of employees hired to work at companies acquired by Union Carbide Corporation or The Dow Chemical Company. For more information please contact the Service Center. For the avoidance of doubt, E.I. du Pont de Nemours & Co. and the businesses in its controlled group of corporations on the closing date of the merger with The Dow Chemical Company (collectively, "DuPont") are not participating employers in the Plan, and individuals employed or hired by DuPont on or after the closing date are not eligible to participate in the Plan.

PARTICIPATION

When do I begin participating in the UCEPP Component?

If you are an eligible employee, you will be eligible to begin participating in the Plan on the first day of the month following the later of:

- The end of the 12-month period in which you complete 1,000 hours of service; or
- The day you turn 21 years old.

The 12-month measurement period for this requirement commences on your original hire date. However, if you do not complete 1,000 hours of service within that period, a new measurement period begins on the first day of the Plan Year (that is, the calendar year) beginning after you were hired.

VESTING

When do my retirement benefits vest?

“Vesting” refers to your benefit becoming nonforfeitable. This means that you have a right to your retirement benefit after you terminate employment with the Corporation, regardless of the reason for your termination. Your retirement benefit becomes 100% vested after you complete three years of Vesting Service (which is described below), if you have an hour of service on or after January 1, 2008.

- You generally earn one year of Vesting Service for each Plan Year in which you complete 1,000 hours of service.
- Vesting Service includes service with the Corporation, and may include service with certain related companies, service with predecessor employers, and service as a leased employee (solely to the extent required by Code section 414(a)).

Your benefit will also become 100% vested if you are still working for the Corporation or certain related companies when you reach age 65, if your benefit is not already 100% vested when that occurs.

If you terminated employment before January 1, 2008, different vesting rules applied. For example, if you worked for the Corporation on or after January 1, 1989, and terminated before January 1, 2008, your retirement benefit became 100% vested after completion of five years of Vesting Service rather than three. Other rules applied to employees who terminated employment before 1989. Different rules may also apply to you if you were employed on September 29, 1985.

If you terminate employment with the Corporation (and all related companies) before vesting, your retirement benefit is forfeited. However, if you did not vest during your first period of employment, and are later rehired by the Corporation, you will resume accruing Vesting Service, and your benefit attributable to your earlier period of employment may be restored. Please see Appendix D of this SPD for a more detailed explanation of rules for reemployed former employees.

CREDITED SERVICE AND ELIGIBILITY SERVICE

What are “Credited Service” and “Eligibility Service” and how are they calculated?

“Credited Service” is used to determine the amount of your benefit under the Plan.

Your Credited Service is determined each year by dividing the number of hours for which you receive pay by the normal number of hours in the work schedule for your location (these hours are referred to as your “location work schedule hours”). Generally, the work schedule for a normal year of work is 2,080 hours (40-hour work week times 52 weeks). However, your work schedule can vary slightly based on your pay frequency or your location’s work schedule hours.

Credited Service generally includes your service with the Corporation while you are working in a position covered by the Plan, and may include service with certain related companies and service with predecessor employers.

You can earn no more than one year of Credited Service in a calendar year. If you receive pay for more than your location's work schedule hours in a year, you will still earn only one year of Credited Service for that year.

"Eligibility Service" is used for determining eligibility for a disability retirement benefit. It is generally equal to Credited Service, although in some circumstances (such as cases involving acquired companies), Eligibility Service may be greater than Credited Service.

What is an hour of service?

An hour of service is an hour during a Plan Year for which you are paid or entitled to payment of compensation for the performance of services with the Corporation. Each overtime hour is counted as one hour for this purpose. You also receive credit for periods during which you are paid but perform no duties on account of vacation, jury duty, or sick leave. Hours of service also include hours for which back pay has been awarded or agreed to by your employer, calculated in accordance with Department of Labor regulations.

Do I accrue Vesting Service, Credited Service and Eligibility Service when I am on a leave of absence?

Yes, for certain leaves of absence (generally, for paid leaves of absence). See the Leaves of Absence section beginning on page 26.

CALCULATING YOUR BENEFIT

How is my retirement benefit calculated?

Your retirement benefit under the Plan is calculated as an annuity beginning at your Normal Retirement Date (*i.e.*, the first day of the month following the month in which you reach age 65). Your annuity is calculated differently depending upon your employment history:

- If you were hired by the Corporation on or after February 7, 2003, but before January 1, 2008, your retirement benefit is your UCEPP Component benefit, which is described below.
- If you were hired by the Corporation before February 7, 2003, and you continued to work for the Corporation on and after February 7, 2003, your retirement benefit is the greatest of three amounts:
 - Your UCEPP Component benefit (which is described below);
 - Your Prior Plan Component benefit (which is described in Appendix E); and
 - Your UCRP Transition Benefit (which is described in Appendix F).

- If you were hired by the Corporation *and* terminated employment before February 7, 2003, your benefit amount is determined solely under the Prior Plan Component. For more information, please refer to Appendix E.

How is my benefit determined under the UCEPP Component?

Your retirement benefit under the UCEPP Component is a monthly benefit beginning at your Normal Retirement Date that is based upon an accumulated percentage of your pensionable compensation. This section explains the components of your benefit and how your final benefit is calculated.

Summary of UCEPP Component Benefit Formula

For each year of Credited Service with the Corporation, you earn a “percentage.” When you retire or terminate employment, the percentages that you earned each year are added together, and the total percentage is multiplied by an average of your pensionable compensation (this average is referred to in the SPD as your “HC3A,” and is described in more detail below). The amount you get when you multiply the total percentage by your HC3A is referred to as your “account balance.”

- For example, if you accumulate a percentage of 250%, and your HC3A is \$100,000, your “account balance” on your termination date would be \$250,000 (*i.e.*, 250% of \$100,000).
- The percentage that you earn for each year of Credited Service – which is referred to in the Plan and this SPD as an “Accrual” – will depend on several factors, including your age during the year and, in some cases, your age when you were hired and at certain other points in time. This is explained further below.
- If you do not begin your benefit **immediately** after you terminate employment, your account balance is credited with interest until your benefit commencement date.
- On your benefit commencement date, your account balance is converted into an annuity using factors set forth in Appendix B.

Estimating Your UCEPP Component Benefit

Most employees who are working for the Corporation may use the Pension Modeler to calculate estimates of what their UCEPP Component benefit might be as of a given benefit commencement date. You may access the Pension Modeler online. The Pension Modeler enables you to calculate estimates of your benefit using many different pension payment options and scenarios.

*Please Note: Amounts shown on the Pension Modeler are **estimates**. These estimates are based on interest rates and other assumptions that change over time. Accordingly, your final benefit amount may differ from the estimate shown on the Pension Modeler. Your final benefit is calculated under the terms of the Plan at the time you commence your benefit. If you do not have access to the Internet, or otherwise cannot use the Pension Modeler, please contact the Dow Benefits Service Center to request a manual projection.*

The remainder of this section explains the UCEPP Component benefit calculation in more detail.

What is the amount of my retirement benefit under the UCEPP Component?

Your retirement benefit under the UCEPP Component is a monthly benefit beginning at your Normal Retirement Date. In short, your monthly benefit is determined by dividing your “account balance” by the applicable Benefit Conversion Factor set forth in Appendix B.

- As noted above, for each year of Credited Service with the Corporation, you accumulate a “percentage” (which is also referred to in this SPD as an “Accrual”) that is applied to an average of your pensionable compensation (which is referred to in this SPD as your “HC3A”).
- You accumulate these percentages at different rates over the course of your career. These rates are primarily based on your age when you earn each year of Credited Service.
- When you terminate employment, your total Accruals are multiplied by your HC3A. The resulting amount is your “account balance.”
 - If you elect to commence your benefit immediately, your account balance is divided by the appropriate Benefit Conversion Factor set forth in Appendix B. The resulting amount is your monthly benefit if paid in the form of a Single Life Annuity (see the “Payment of Your Benefit – Forms of Payment” section below for more information).
 - If you elect to defer commencement of your benefit, your account balance will be credited with interest for the period beginning on your termination date and ending on your benefit commencement date. When you elect to commence your benefit, your account balance, determined as of your benefit commencement date, is divided by the Benefit Conversion Factor from Appendix B that applies to you on your benefit commencement date.

For example, if your total Accruals equal 300% of your HC3A, your HC3A is \$100,000, and you terminate employment at your Normal Retirement Date and commence your benefit immediately, your monthly benefit would be \$2,717.39. The calculation works like this:

$$\text{Monthly Benefit} = (\text{Total Accruals} \times \text{HC3A}) \div \text{Benefit Conversion Factor}$$

In the above example, the calculation would be:

$$\begin{aligned} \text{Monthly Benefit} &= (300\% \times \$100,000) \div 110.4 \\ &= \$300,000 \div 110.4 \\ &= \$2,717.39 \end{aligned}$$

How do I earn Accruals?

You earn an Accrual for each year of Credited Service you earn with the Corporation. There are four types of Accruals: Basic Annual Accruals, Supplemental Annual Accruals, Minimum Transition Annual Accruals, and Phase-in Minimum Transition Annual Accruals. You may not be eligible for all types of Accruals.

Accruals are “age-graded.” This means that the Accrual you earn in any given year of Credited Service will depend on your age in that year.

The remainder of this section explains the eligibility requirements for each type of Accrual and the rate at which each type of Accrual is earned.

Basic Annual Accruals

All employees who participate in the UCEPP Component are eligible to earn Basic Annual Accruals. You will earn a Basic Annual Accrual for each year of Credited Service, *unless you earn a Minimum Transition Annual Accrual for that year instead.* (In other words, for each year of Credited Service, you will earn a Basic Annual Accrual *or* a Minimum Transition Annual Accrual, but you will not earn both.)

The Basic Annual Accrual Schedule is set forth below:

Basic Annual Accruals for Each Year of Credited Service

<u>Age During Year of Credited Service</u>	<u>Accrual Rate</u>
Under 30	4%
30-34	5%
35-39	7%
40-44	10%
45-49	13%
50-54	16%
55 and older	18%

You may earn a maximum of 425% in Basic Annual Accruals. However, if you are eligible for Minimum Transition Annual Accruals or Phase-in Minimum Transition Annual Accruals, the 425% maximum applies cumulatively to all three types of Accruals. In other words, your Basic Annual Accruals, Minimum Transition Annual Accruals, and/or Phase-in Minimum Transition Annual Accruals, may not exceed a total of 425%.

Minimum Transition Annual Accruals

Minimum Transition Annual Accruals were designed to ease the transition from UCRP to the UCEPP Component. You are eligible for Minimum Transition Annual Accruals only if you were:

- Working for the Corporation on February 6, 2001 and on February 7, 2003, *and*
- At least age 50 on February 6, 2001, *and*
- Initially hired by the Corporation before reaching age 30.

If you are eligible for Minimum Transition Annual Accruals you will receive this type of Accrual *instead* of Basic Annual Accruals for certain years of Credited Service. Specifically, you will earn a Minimum Transition Annual Accrual for a given year of Credited Service if the Minimum Transition Annual Accrual is greater than the Basic Annual Accrual you would otherwise earn. If the Basic Annual Accrual is greater, you will receive the Basic Annual Accrual.

If you are eligible for Minimum Transition Annual Accruals you will also not be eligible for Phase-in Minimum Transition Annual Accruals, which are explained below.

As with Basic Annual Accruals, Minimum Transition Annual Accruals are earned at different rates depending upon your age when you earn each year of Credited Service. However, in addition, Minimum Transition Annual Accruals are earned at different rates depending upon your age when you were initially hired by the Corporation. The Minimum Transition Annual Accrual Schedule is set forth below:

Minimum Transition Annual Accruals

<u>Hire Age</u>	<u>Minimum Accrual Rate for Credited Service while Ages 45-49</u>	<u>Minimum Accrual Rate for Credited Service after Attainment of Age 50</u>
Under 23	23%	33%
23	20.5%	28%
24	19%	25%
25	18%	23%
26	17%	21%
27	16%	19%
28	14.5%	16%
29	13.5%	14%

As noted above, you may earn a maximum of 425% in the form of Basic Annual Accruals *and* Minimum Transition Annual Accruals. (If you are eligible for Minimum Transition Annual Accruals, you are not eligible for Phase-in Minimum Transition Annual Accruals.)

In addition, note that Minimum Transition Annual Accruals apply only to years of Credited Service *after* reaching age 45. For years of Credited Service before age 45, you will receive only Basic Annual Accruals (and Supplemental Annual Accruals, if applicable).

To illustrate how the Minimum Transition Annual Accruals work, suppose you were hired by Union Carbide at age 28, were still employed by Union Carbide on February 7, 2003, and were age 50 on February 6, 2001. For each year of Credited Service during ages 45-49, you are eligible for a Minimum Transition Annual Accrual of 14.5% under the schedule above. This accrual rate is higher than the 13% rate applicable under the Basic Annual Accrual Schedule for the same years of Credited Service, which means you receive the Minimum Transition Annual Accrual rate of 14.5% for those years.

For years after reaching age 50, you are eligible for a Minimum Transition Annual Accrual of 16% under the schedule above. For ages 50-54, the 16% Minimum Transition Annual Accrual is the same as the 16% Basic Annual Accrual rate for the same ages, so you would earn Basic Annual Accruals for those years. For years of Credited Service on and after reaching age 55, the Basic Annual Accrual rate of 18% is greater than the 16% Minimum Transition Annual Accrual rate. For those years, you would earn Basic Annual Accruals and no Minimum Transition Annual Accruals.

Phase-in Minimum Transition Annual Accruals

You are eligible for Phase-in Minimum Transition Annual Accruals only if:

- You were initially hired by the Corporation before reaching age 30, *and*
- You were working for the Corporation on February 6, 2001 on February 7, 2003, *and*
- You had at least 10 years of “Company Service Credit” (as defined in the Prior Plan) on February 6, 2001, *and*
- You had not attained age 50 on February 6, 2001.

If you are eligible for Phase-in Minimum Transition Annual Accruals you will receive this type of Accrual *in addition to* your Basic Annual Accruals for certain years of Credited Service. Phase-in Minimum Transition Annual Accruals work differently than Minimum Transition Annual Accruals. The differences are explained further below; however, the general difference is that a Phase-in Minimum Transition Annual Accrual for a given year of Credited Service is equal to a percentage of the difference between the Minimum Transition Annual Accrual and Basic Annual Accrual for that year, if the Minimum Transition Annual Accrual rate is greater than the Basic Annual Accrual rate. (If the Basic Annual Accrual rate is greater than the Minimum Transition Annual Accrual rate, you do not earn a Phase-in Minimum Transition Annual Accrual that year.)

As with Basic Annual Accruals, Phase-in Minimum Transition Annual Accruals are earned at different rates depending upon your age when you earn each year of Credited Service. However, in addition, Phase-in Minimum Transition Annual Accruals are earned at different rates depending upon your age on February 6, 2001. The Minimum Transition Annual Accrual Schedule is set forth below:

Phase-in Minimum Transition Annual Accruals

<u>Age on February 6, 2001</u>	<u>Phase-in Percentage</u>
33 or under	5%
34	5%
35	5%

Phase-in Minimum Transition Annual Accruals

<u>Age on February 6, 2001</u>	<u>Phase-in Percentage</u>
36	5%
37	10%
38	15%
39	20%
40	25%
41	30%
42	35%
43	40%
44	45%
45	50%
46	56%
47	63%
48	70%
49	85%
50 and older	100%

Your Phase-in Minimum Transition Annual Accrual for a given year of Credited Service is equal to the difference between the Minimum Transition Annual Accrual for your age (determined by matching your hire age to the appropriate accrual rate on the Minimum Transition Annual Accrual Schedule on page 8) and the Basic Annual Accrual for your age, multiplied by the applicable Phase-in Percentage above. The resulting Phase-in Minimum Transition Annual Accrual is added to your Basic Annual Accrual for that year.

Note that Phase-in Minimum Transition Annual Accruals apply only to years of Credited Service after reaching age 45. For years of Credited Service before age 45, you will receive only Basic Annual Accruals (and Supplemental Annual Accruals, if applicable).

For example, suppose you are eligible for Phase-in Minimum Transition Annual Accruals, you were hired at age 19, you were age 33 on February 6, 2001, and you are therefore age 49 in 2017.

Your Phase-in Minimum Transition Annual Accrual for 2017 would be based on the following calculation:

$$\begin{aligned} &\textbf{Phase-in Minimum Transition Annual Accrual} = \\ &\textbf{(Minimum Transition Annual Accrual - Basic Annual Accrual) x Phase-in Percentage} \\ &= (23\% - 13\%) \times 5\% \\ &= 10\% \times 5\% \\ &= 0.5\% \end{aligned}$$

Your Phase-in Minimum Transition Annual Accrual for 2017 would be 0.5%. This would be added to your Basic Annual Accrual of 13%, for a total 2017 Accrual of 13.5%.

Supplemental Annual Accruals

In addition to the Accruals described above, employees who have higher earnings may receive additional benefits in the form of Supplemental Annual Accruals. All employees are eligible for Supplemental Annual Accruals. However, Supplemental Annual Accruals are applied only to any portion of an employee's HC3A that is *in excess of* the employee's 36-month average Social Security Taxable Wage Base. See Appendix A for more information about the 36-month average Social Security Taxable Wage Base and an example of how it is calculated.

For example, if your 36-month average Social Security Taxable Wage Base is \$113,600, and your HC3A is \$88,000, you will receive no additional benefits from Supplemental Annual Accruals. On the other hand, if your HC3A is \$118,600, you will receive additional benefits from Supplemental Annual Accruals; however, the Supplemental Annual Accruals are applied only to the excess of your HC3A over your 36-month average Social Security Taxable Wage Base. In this example, Supplemental Annual Accruals would be applied to \$5,000 of HC3A (*i.e.*, the difference between HC3A of \$118,600, and your 36-month average Social Security Taxable Wage Base of \$113,600).

Similarly to Basic Annual Accruals, Supplemental Annual Accruals are earned at different rates depending upon your age when you earn each year of Credited Service. The Supplemental Annual Accrual Schedule is set forth below:

Supplemental Annual Accruals

<u>Age</u>	<u>Accrual Rate</u>
Under 30	1%
30-34	2%
35-39	2%

40-44	3%
45-49	4%
50-54	4%
55 and older	4%

*Note: You may earn a maximum of 120% in Supplemental Annual Accruals. Supplemental Annual Accruals apply **only** to your HC3A in excess of your 36-month average Social Security Taxable Wage Base.*

Example Calculations

Calculating your Accruals can be very complex. Please refer to Appendix C for a series of example calculations that will help you better understand how your Accruals are determined, and how they are applied to your HC3A.

What is my HC3A and how is it calculated?

In general, your UCEPP Component benefit is based upon your highest average pensionable compensation over any three consecutive calendar years during your employment with the Corporation. This amount is referred to as your “HC3A.” Your HC3A is not based on your W-2 wages; it is calculated under special rules in the Plan document. (For examples of how some of these special rules apply, please see Appendix C.)

In general, your “pensionable compensation” includes all cash compensation paid to you for services rendered to the Corporation as a common law employee.

- Pensionable compensation includes all amounts deferred under The Dow Chemical Company Employees’ Savings Plan or any plan maintained by the Corporation pursuant to Section 125 of the Code, and for service on or after the closing of Dow’s merger with DuPont, deferrals elected under The Dow Chemical Company Elective Deferral Plan (Post 2004).
- Pensionable compensation for a calendar year also includes an amount based on your target performance award for that year. You will receive credit for a target performance award in your year of termination only if you remain eligible for a performance award for that year.
- Pensionable compensation excludes cost-of-living bonuses, premium payments in excess of straight time payments for overtime or holidays, disability payments, payments for shift differentials, severance payments, transition or bridging payments, retention awards, special achievement or recognition awards, signing bonuses and, for service rendered prior to the closing of Dow’s merger with DuPont, deferrals elected under The Dow Chemical Company Elective Deferral Plan (Post 2004).

Basic Example. For a brief example of how your HC3A is calculated, suppose that you have five years of Credited Service, during which you earned the following amounts:

Year	Annual Pensionable Compensation
2012	\$55,000
2013	\$58,000
2014	\$64,000
2015	\$68,000
2016	\$71,000

Your HC3A is the highest average of any three consecutive calendar years. In this case, the averages are calculated as follows:

3-Year Period	Average Annual Pensionable Compensation
2012, 2013, 2014	\$59,000
2013, 2014, 2015	\$63,333
2014, 2015, 2016	\$67,667

The highest average is for the 2014, 2015, 2016 period. Accordingly, your HC3A would be \$67,667.

Internal Revenue Code limits. The Internal Revenue Code limits the amount of annual compensation that the Plan may take into account when calculating benefit accruals. This limit is adjusted periodically to reflect changes in the cost of living index. For the Plan Year beginning January 1, 2017, the limit is \$270,000 per year.

Former Prior Plan Participants. If you participated in the Prior Plan and in the UCEPP Component, and you were employed by the Corporation on February 7, 2003, your HC3A is based on pensionable compensation earned on and after January 1, 2000 (*i.e.*, your earnings before January 1, 2000, are disregarded for purposes of HC3A calculations).

Special Rules. There are additional rules for calculating your annual pensionable compensation in special circumstances, *e.g.*, if you have fewer than three years of Credited Service or if you terminate employment in a month other than December, or if you work overseas or are transferred to a different employer in Dow's controlled group of corporations. The Plan document includes information on how these special rules work.

PAYMENT OF YOUR BENEFIT - TIMING

Your benefit may be paid on, after, or before your Normal Retirement Date, depending on when you terminate employment and when you elect to have your benefit commence. You may receive your benefit in any of the forms for which you are eligible, as described below in the “Payment of Your Benefit – Forms of Payment” section. This section describes how you commence your benefit. The date as of which you begin your benefit is referred to as your “benefit commencement date.”

What is my Normal Retirement Date under the Plan?

Your Normal Retirement Date is the first day of the month following the month in which you reach age 65.

When can my benefit be paid?

If your retirement benefit is vested and you have terminated employment with the Corporation and related companies, you are eligible to receive your benefit as of the first day of the month following the month in which you terminate employment or the first day of any later month. The Plan and the Internal Revenue Code require that you begin your benefit no later than April 1 of the calendar year following the calendar year in which you reach age 70½, however.

What is my benefit commencement date?

Your “benefit commencement date” is the date as of which your benefit is calculated, and is the date as of which your payment begins. A benefit commencement date is always the first day of a month. In some cases, payment of your benefit could be delayed for a short time after your benefit commencement date to give the Plan time to process your paperwork and include your final pay in your benefit calculation.

What happens if I do not commence my benefit immediately after terminating employment?

If you terminate employment with the Corporation (and all related companies), and you choose to defer commencement of your benefit, your account balance will be increased with interest for the period beginning on your termination date and ending on your benefit commencement date. Prior Plan benefits (described in Appendix E) and UCRP Transition Benefits (described in Appendix F), however, *do not* increase with interest following termination.

When you elect to commence your benefit, your account balance, determined as of your benefit commencement date, is converted into an annuity using the appropriate Benefit Conversion Factor from Appendix B.

May I begin my benefit while I am employed by the Corporation?

In general, you may not begin your benefit while you are employed by the Corporation or any other entity in its controlled group of corporations (*e.g.*, The Dow Chemical Company). However, you will be required to begin your benefit no later than April 1 of the calendar year next following the calendar year in which you reach age 70½, even if you are still working.

Can my benefit be distributed without my consent before my Normal Retirement Date?

No, except in very limited circumstances. If you terminate employment with the Corporation (and all related companies) and the “present value” of your vested retirement benefit is \$1,000 or less, your benefit will be distributed in a lump sum as soon as administratively feasible after your termination date. You may request that this amount be rolled over into an individual retirement account (“IRA”) or other eligible retirement plan. Please refer to the “Payment of Your Benefit - Forms of Payment” section for more information on rollovers.

The “present value” of your retirement benefit means a lump sum amount that is the actuarial equivalent of your monthly benefit as of your benefit commencement date. Actuarial equivalence is determined by the Plan’s actuaries using the Plan’s interest rate and mortality assumptions.

How do I begin my benefit?

1. *Request a Transitions Kit.* In order to receive your benefit, you must request a Transitions Kit from the Service Center. You should make your request at least 90 days before the date you wish your benefit to be paid.

- Your Transitions Kit will include estimates and information about the optional forms of payment available to you, as well as election forms.
- You will be required to complete the applicable forms and provide the documents listed in the Transitions Kit (including but not limited to proof of your marriage, if you are married, and in some cases proof of your spouse’s age) before your benefit commencement date.
- If you have a domestic partner, you must make sure the Plan Administrator has a domestic partner statement on file that meets the Plan’s requirements and proof of your domestic partner’s date of birth, if required. See the section below on “Domestic Partnerships” for more information on marriage and domestic partnership under the Plan.

2. *Complete and return the forms.* You must return the completed forms and accompanying documentation to the address shown in the Transitions Kit no later than your benefit commencement date. Your required forms and documentation, as outlined in your Transitions Kit, must be legible and complete as determined by the Plan Administrator, and you must submit the forms to the Plan Administrator.

In *extremely rare* circumstances, your benefit may commence *as of* a date that is earlier than the date on which you submit your completed forms and documentation. This may occur, for example, if you make a good faith effort to complete the forms and provide the required documentation by the deadline set forth in your Transitions Kit, but you are unable to do so through no fault of your own. The Plan Administrator will, in its sole discretion, determine whether these circumstances have been met based on the facts of each particular case. (For example, an extension would likely not be granted if you fail to submit all required documentation by the deadline because you waited too long to request a copy of your birth certificate.)

You should carefully consider the form of payment you elect. **You may not change your form of payment or your beneficiary after your benefit commencement date.**

3. *Commencement immediately after you terminate employment.* If you plan to commence your benefit immediately upon your termination of employment, you should request a Transitions Kit from the Service Center approximately 90 days before the date you anticipate terminating employment. A Transitions Kit will be prepared for you based on the first available benefit commencement date following the date you contact the Service Center.

4. *Later commencement.* When you wish to begin your benefit, you should request a Transitions Kit from the Service Center at least 90 days before the date you want your benefit to commence. If you do so, a Transitions Kit will be prepared for you based on the first available benefit commencement date following the date you contact the Service Center.

5. *Administrative delay.* Your benefit payments may be delayed for a short period after your benefit commencement date, in order to allow time for proper processing of your paperwork and in some cases to include your final pay in the calculation.

PAYMENT OF YOUR BENEFIT - FORMS OF PAYMENT

The Plan's various forms of payment and benefit features are described in this section. When you commence your benefit, you will be required to elect a form of payment. You will receive a description of the options and features available, and an estimate of the amount payable under each optional form of benefit, in your Transitions Kit.

What are the optional forms of payment under the Plan?

The following distribution options are available for a vested participant. Once an option is elected and your benefit commencement date has passed, it is irrevocable. You may wish to consult with a tax advisor regarding your distribution options.

Single Life Annuity

This benefit provides you with monthly payments for your lifetime only. The Single Life Annuity may be paid as either a Level Benefit Option or Level Income Option (described in more detail below).

This option is available to you if you:

- Are unmarried, with or without eligible children.
- Are married, and your spouse waives his or her rights to a survivor benefit.
- Are in a domestic partner relationship with a domestic partner. Domestic partners are not required to sign a waiver of survivor benefits.

50% Joint and Survivor Annuity

A 50% Joint and Survivor Annuity generally is available only to participants who are married or in a domestic partnership of record on their benefit commencement date.

A 50% Joint and Survivor Annuity provides a monthly benefit payable for your lifetime. After you die, your surviving spouse or domestic partner of record will receive monthly payments for the rest of his or her lifetime equal to 50% of the amount payable to you.

- Under this method of payment, the amount payable to you during your lifetime will be less than the amount you would receive under the Single Life Annuity. This reduction is necessary because of the added cost of providing benefits over two lifetimes.
- The 50% Joint and Survivor Annuity may be paid as either a Level Benefit Option or Level Income Option, which are described in more detail below. (Note that if you elect a Level *Income* 50% Joint and Survivor Annuity, your surviving spouse or domestic partner of record will receive 50% of the amount that would have been payable to you had you elected the Level *Benefit* Option).
- If you elect this option and your spouse or domestic partner of record dies while he or she is receiving a survivor benefit, then your eligible children under age 23 are entitled to receive the monthly survivor benefit, payable in equal, pro rata portions, until each child reaches age 23.

As noted above, you are generally eligible to elect a 50% Joint and Survivor Annuity only if you are married. However, if you are single on your benefit commencement date but have eligible children under age 23, you may elect to receive a 50% Joint and Survivor Annuity with your eligible children. If you die before all of your eligible children reach age 23, a monthly survivor benefit will be payable to your eligible children until each child reaches age 23. Once all of your eligible children reach age 23, the monthly survivor benefit ends.

100% Joint and Survivor Annuity

A 100% Joint and Survivor Annuity generally is available only to participants who are married or in a domestic partnership of record on their benefit commencement date.

A 100% Joint and Survivor Annuity provides a reduced monthly benefit payable for your lifetime. After you die, your surviving spouse or domestic partner of record will receive monthly payments for the rest of his or her lifetime equal to 100% of the amount payable to you as a Level Benefit 100% Joint and Survivor Annuity (even if you elected a Level Income 100% Joint and Survivor Annuity).

- Under this method of payment, the amount payable to you during your lifetime will be less than the amount you would receive under the Single Life Annuity. This reduction is necessary because of the added cost of providing benefits over two lifetimes.
- The 100% Joint and Survivor Annuity may be paid as either a Level Benefit Option or Level Income Option (described in more detail below). This option is only available to

you if you are married or in a domestic partnership of record on your benefit commencement date.

- If you elect this option *and* your spouse or domestic partner of record dies while he or she is receiving a survivor benefit, then your eligible children under age 23 are entitled to receive the monthly survivor benefit, payable in equal, pro rata portions, until each child reaches age 23. You are eligible to elect a 100% Joint and Survivor Annuity *only if* you are married or in a domestic partnership of record on your benefit commencement date.

Lump Sum Payment

The lump sum option is available to you only if your account balance is \$15,000 or less. A lump sum distribution provides you with a one-time payment of the present value of your benefit as either a cash distribution or a direct rollover to an IRA or other qualified retirement plan. No additional benefits will be paid after you receive a lump sum payment.

If you choose to receive your benefit as a lump sum, please refer to the rollover section below for more information about your ability to rollover your lump sum. If you are married on your benefit commencement date, and the value of your benefit is more than \$1,000, you must provide a notarized spousal consent to elect a lump sum.

In the case of a benefit payable to an alternate payee under a QDRO that assigns a portion of your accrued benefit to that alternate payee, the provisions of this section apply separately to the individual benefit amounts payable to you and that alternate payee.

Level Benefit Option or Level Income Option

The Plan allows you to choose between receiving fixed payments for life (the “Level Benefit Option”), or payments that change when you reach age 62 based on assumptions about your likely Social Security benefits (the “Level Income Option”). You may elect either of these options for the Single Life Annuity, 50% Joint and Survivor Annuity and 100% Joint and Survivor Annuity described above.

Level Benefit Option

The Level Benefit Option provides you with a fixed monthly benefit from the Plan. Payments under the Level Benefit Option may or may not continue after your death, depending on whether you elect a Single Life Annuity or a Joint and Survivor Annuity.

Level Income Option

The Level Income Option provides you with a monthly benefit that is higher before you attain age 62 and lower after you attain age 62. The Level Income Option is available to you if you are 50 years of age or older with at least five years of eligibility service at the time you leave the Corporation, and if you commence your monthly benefit payments prior to age 62. In addition, this option is available only if your monthly benefit payable after age 62 is at least \$15.

If you are eligible and you elect the Level Income Option, the Plan will calculate your benefit by projecting a *hypothetical* monthly Social Security payment for you based on several assumptions, including that you are eligible for and begin receiving a Social Security benefit at age 62. After the Plan calculates the hypothetical Social Security benefit, this hypothetical amount is used as part of the basis for calculating your actual benefit payable from the Plan before and after age 62. Your monthly benefit starting at age 62 *will be smaller* than your monthly benefit before age 62 as a result of this calculation.

Before electing a Level Income Option, you should carefully consider the following:

- The assumptions used to determine the hypothetical Social Security benefit and your resulting benefit payments under the Level Income Option do not necessarily reflect your personal circumstances.
- Your actual Social Security benefit will not affect the amount of your payments from the Plan before or after age 62.
- The Plan does not use your personal Social Security data for purposes of calculating the hypothetical Social Security benefit, and you are therefore not permitted to submit this information to the Plan.
- If you choose the Level Income Option, your payments will be reduced beginning at age 62 irrespective of whether you elect (or are eligible to elect) to begin Social Security benefit payments at age 62.

Because the Level Income Option is determined using estimates set forth in the Plan's governing document, and is not based on your actual Social Security benefit or your eligibility to begin receiving a Social Security benefit, you should carefully consider whether a Level Income Option is the best choice for you.

Payments under the Level Income Option may or may not continue after your death, depending on whether you elect a Single Life Annuity or a Joint and Survivor Annuity.

Optional Benefit Features

In addition to offering different optional *forms of payment*, the Plan also offers two optional *benefit features* that *may* provide additional value to your pension benefit: the Guaranteed Payout Option (the "GPO"), and the Pension Purchase Option (the "PPO"). You are not required to elect a GPO or PPO, and should carefully consider whether one or both of these features would be beneficial for you. We encourage you to discuss your decision with your personal financial advisor.

Please note that, as described in this section, the GPO and PPO are not available to all participants in the UCEPP Component. The PPO in particular is not available to alternate payees.

Guaranteed Payout Option (GPO)

The GPO is designed to ensure that you and your beneficiaries receive a total benefit from the Plan that is at least equal to the value of your account balance on your benefit commencement date.

- If you elect a Single Life Annuity and the sum of all of the monthly benefit payments you receive during your life is less than your account balance on your benefit commencement date, your GPO beneficiary will receive the difference after your death in a single lump sum payment.
- If you elect a 50% or 100% Joint and Survivor Annuity and the sum of all of the monthly benefit payments you receive during your life and your beneficiary receives after your death is less than your account balance on your benefit commencement date, your GPO beneficiary will receive the difference in a single lump sum payment after the death of the beneficiary who was receiving the Joint and Survivor Annuity payments.
- If the sum of all of those payments is *more than* your account balance on your benefit commencement date, no amount will be payable to anyone under the GPO.
- Your GPO beneficiary is designated when you commence your benefit, and is different from your beneficiary under your optional form of payment (*e.g.*, if your surviving spouse is your beneficiary under a 100% Joint and Survivor Annuity, and you elect the GPO, your GPO beneficiary must be someone other than your spouse). Your GPO beneficiary or beneficiaries cannot be changed after your benefit commencement date.
- If you wish to elect the GPO, and you are married on your benefit commencement date, your spouse must consent to your election.
- The GPO is based on the value of your account balance *on your benefit commencement date*. This means your account balance does not increase with interest following your benefit commencement date.

If you elect the GPO, your monthly benefit payment will be actuarially reduced to reflect the cost of the GPO. The reduction factors used for this purpose are set forth in the Plan's governing document, and reproduced below.

- If you elect a Joint and Survivor Annuity, the GPO will reduce your monthly benefit by 2%.
- If you elect a Single Life Annuity, the GPO will reduce your monthly benefit according to the following schedule:

<u>If you are age:</u>	<u>Your benefit reduction will equal:</u>
50 or under	2%

51 - 60	2%, plus 0.3% per year above age 50
61 - 65	5%, plus 0.6% per year above age 60
66 - 70	8%, plus 0.8% per year above age 65

The GPO is not available for certain disabled individuals who have fewer than 10 years of eligibility service. In addition, availability may be limited for some participants who participated in plans that were merged with the Union Carbide Employees' Pension Plan.

Pension Purchase Option (PPO)

The PPO is an optional benefit feature under which you may elect to roll over all or a portion of your pre-tax account balance under The Dow Chemical Company Employees' Savings Plan (the "Savings Plan") from the Savings Plan to the Union Carbide Employees' Pension Plan, and use the rollover contribution to purchase an additional monthly pension benefit payable from the Union Carbide Employees' Pension Plan. This additional monthly pension benefit is payable in the optional form of payment you elect for your benefits under the Union Carbide Employees' Pension Plan.

If you wish to use some or all of your Savings Plan pre-tax account balance to purchase additional pension benefits, you must elect to do so before your monthly benefit payments from the Union Carbide Employees' Pension Plan begin. The minimum amount you may roll over to the Union Carbide Employees' Pension Plan is \$10,000, and the maximum is \$300,000. If your pre-tax account balance is less than \$10,000, you may still elect a PPO, but you must roll over your entire pre-tax account to do so. Your rollover contribution will be converted into the annuity form you elect using rates described in the Union Carbide Employees' Pension Plan's governing documents.

Prior Plan Distribution Option for UCEPP Component Participants

If you participated in the Prior Plan *and* the UCEPP Component, you may be eligible to elect to receive the portion of your retirement benefit earned under the Prior Plan in the joint and 50% survivor annuity form described in Appendix E. If you elect this optional form:

- for benefits commencing prior to age 50, the amount of benefit earned under the Prior Plan is equal to the actuarial equivalent of the immediate single life annuity benefit;
- the remainder of your retirement benefit hereunder will be paid as a Single Life Annuity;
- the Level Income Option (described in the main body of the SPD) is available;
- the Guaranteed Payout Option (described in the main body of the SPD) is not available; and

- the Pension Purchase Option (described in the main body of the SPD) is calculated as if the Single Life Annuity was elected.

What form of payment will I receive if I do not elect a form of payment?

If you are single or have a domestic partner when you commence your benefit, your default form of payment is a “Level Benefit Single Life Annuity,” which is a monthly benefit payable for your lifetime. When you die, payments will stop. There are no death or survivor benefits under a Level Benefit Single Life Annuity.

If you are married when you begin your benefit, your default form of payment is a Level Benefit 100% Joint and Survivor Annuity. This form of payment provides a monthly annuity to you until your death. After your death, 100% of your monthly annuity continues to your surviving spouse for the rest of his or her life. If you elect this option and your spouse dies while he or she is receiving a survivor benefit, then your eligible children less than 23 years of age are entitled to receive the survivor benefit until they reach age 23.

Under this form of payment, the amount payable to you during your lifetime is less than the amount you would receive under the Level Benefit Single Life Annuity. The reduction is necessary because of the added cost of providing benefits over two (or more) lifetimes.

Please note that the term “spouse” includes a same-sex spouse to whom you are lawfully married. A domestic partner of either gender, however, is not a “spouse” for purposes of these spousal consent provisions.

Who is my spouse for purposes of these rules?

A spouse is generally defined as your lawful spouse (generally, based on the law of the jurisdiction in which the marriage was entered into) to whom you are married on your benefit commencement date. Your marriage must be formalized by a marriage license for it to be recognized by the Plan. In accordance with guidance issued by the Internal Revenue Service and the Department of Labor, a domestic partner is *not* considered a spouse for purposes of the Plan.

Who is my domestic partner for purposes of these rules?

In order for the Plan to recognize your domestic partner, you must have a signed domestic partner statement acceptable to the Plan Administrator on file with the Plan Administrator. See the section on Domestic Partnerships below.

What is the tax treatment of distributions from the Plan?

In general, all distributions that you receive from the Plan are taxable income and are subject to income tax and withholding when you receive payment.

If you receive a lump sum distribution before age 59½ and you do not roll it over as described below, the distribution may be subject to a 10% additional tax unless you terminate employment with the Corporation at age 55 or older or on account of disability (as defined by the federal tax laws). The 10% additional tax does not apply to benefits paid to your beneficiary.

You may be able to defer taxation if your benefit is paid in a lump sum and you roll over the payment to an eligible retirement plan. (Under the federal tax laws, if your benefit is paid as an annuity, you generally may not roll it over.) See below for more information about rollovers

Can I roll over my distribution in order to defer taxation of my benefits?

In general, you may roll over your lump sum payment in an *indirect rollover* or a *direct rollover*, each of which is described briefly below. These are not full descriptions of the rollover process, but summaries to help you understand the process. You will receive more information about rollovers and the withholding rules in your Transitions Kit.

Eligible Retirement Plan. An “eligible retirement plan” is an individual retirement account or annuity (“IRA”) or another employer’s qualified retirement plan that will accept a rollover from the Plan. For recipients other than participants and their spouses and former spouses, however, an “eligible retirement plan” may only be an IRA.

Direct Rollovers. You may elect to have your lump sum transferred directly from the Plan into a traditional IRA, eligible retirement plan, or Roth IRA that accepts your rollover distribution. If you choose to have your lump sum transferred directly to a traditional IRA or eligible retirement plan, the amount rolled over will not be taxed in the current year and no income tax will be withheld. The amount rolled over will be taxed when you withdraw it from the traditional IRA or eligible retirement plan. If you choose to have your lump sum transferred directly to a Roth IRA, the amount rolled over will be taxed in the current year.

Indirect Rollovers. Alternatively, you may elect to receive a lump sum distribution and then roll it over yourself to an eligible retirement plan. You must make the rollover contribution to the eligible retirement plan or IRA within 60 days after you receive the lump sum distribution in order to avoid immediate taxation. This option is more complicated than the direct rollover described above, because the Plan is required to withhold 20% of the distribution and send it to the IRS. Thus, in order to avoid immediate taxation on the entire distribution, you must: (1) roll over the 80% that you receive from the Plan **and** (2) find other money (*e.g.*, from your personal savings) to replace the 20% that the Plan was required to withhold, so that the total amount that you rollover is 100% of the lump sum amount. If you roll over only the 80% that you received from the Plan, you will be taxed immediately on the 20% that was withheld and that is not rolled over.

PRE-COMMENCEMENT DEATH BENEFITS

If your benefit is vested and you die before beginning your retirement benefit, a death benefit will be paid to your beneficiary as described below. If you die before your benefit becomes vested, no benefits will be payable.

Who is my beneficiary for purposes of preretirement death benefits?

If you are entitled to a death benefit under the Plan, your beneficiary will be determined as follows:

- If you are ***married*** on your date of death, your beneficiary will be your spouse. A spouse is generally defined as your lawful spouse (generally, based on the law of the jurisdiction in which the marriage was entered into). You cannot elect a beneficiary other than your lawful spouse. *Note that your marriage must be formalized by a marriage license for it to be recognized by the Plan. A domestic partner is not considered a spouse for purposes of the Plan.*

If your spouse is not living on the date of your death, or if he or she dies before benefits commence, the benefit will be paid to your spouse's designated beneficiary (if living). If the designated beneficiary is not living when your spouse dies, the benefit will be paid in the following order: (1) your spouse's spouse (if any); (2) your surviving children (if any), in equal shares; (3) the beneficiary of the Corporation Paid Life Insurance (if any); (4) your beneficiary under the Executive Split Dollar Life Insurance Plan (if any); (5) the beneficiary of any Corporation-sponsored life insurance policy for which the Corporation pays all or part of the premium; *or* (6) your spouse's estate.

- If you have a ***domestic partner*** on your date of death, your beneficiary will be your domestic partner, unless you designate another beneficiary on a form provided by the Plan Administrator. The completed, signed form must be on file with the Plan Administrator on your date of death.

In order for the Plan to recognize your domestic partner, you must have a signed domestic partner statement acceptable to the Plan Administrator on file with the Plan Administrator. See the section on Domestic Partnerships below.

- If you are ***not married and do not have a domestic partner*** on your date of death, you may designate a beneficiary on a form provided by the Plan Administrator. The completed, signed form must be on file with the Plan Administrator on your date of death.

If you do not designate a beneficiary, or if your beneficiary dies before a distribution is made, the benefit will be paid to in the following order: (1) your surviving children (if any), in equal shares; (2) the beneficiary of the Corporation Paid Life Insurance (if any); (3) the beneficiary of the Executive Split Dollar Life Insurance Plan (if any); (4) the beneficiary of any Corporation-sponsored life insurance policy for which the Corporation pays all or part of the premium; or (5) to your estate, in that order.

What death benefits are payable if I die before benefit payments begin?

If you die before commencing a benefit from the Plan, death benefits will be paid as follows:

If you are married:

If you are married on your date of death and you did not begin your retirement benefit before your death, your surviving spouse is entitled to a death benefit. Your spouse may elect to begin the death benefit as of the last day of the month in which you die, or the last day of any following month up to your Normal Retirement Date. The death benefit will be paid to your spouse in the form of a Single Life Annuity.

The amount of the death benefit payable to your surviving spouse is equal to your UCEPP Component account balance, determined as of your spouse's benefit commencement date, divided by the applicable Benefit Conversion Factor set forth in Appendix B. For this purpose, your spouse's age at commencement is used to determine the appropriate factor.

Your spouse may elect the Guaranteed Payout Option ("GPO") if he or she wishes to do so. The GPO death benefit is a lump-sum payment equal to the positive difference between the sum of all of the monthly benefit payments received by your spouse during his or her life, and your Plan account balance on your spouse's benefit commencement date. If your surviving spouse receives monthly benefit payments that, in total, exceed the value of your Plan account balance on your spouse's benefit commencement date, no amount is payable under the GPO after your spouse's death.

Special rules apply if your spouse dies before commencing the death benefit. Please refer to the Plan document for additional information.

If you are single or have a domestic partner:

If you are single or in a domestic partnership on your date of death and you did not begin your retirement benefit before your death, a death benefit is payable to your designated beneficiary in the form of a lump-sum payment equal to the amount of your UCEPP Component account balance determined as of your date of death. If you are in a domestic partnership, your designated beneficiary is your domestic partner, unless you elect a different beneficiary as described above. The death benefit is paid as soon as administratively feasible following your death.

What death benefits are payable if I die after commencing my retirement benefit?

If you die after commencing your retirement benefit, a death benefit is payable only if you elected a form of benefit that provides for a death benefit (*e.g.*, a 100% Joint and Survivor Annuity) or a benefit feature like the GPO that may provide a death benefit.

LEAVES OF ABSENCE

What rules apply under the Plan to leaves of absence?

In general, you will not earn additional Credited Service (*i.e.*, you will not earn additional Accruals) during leaves of absence.

Special rules apply to military leave and family leave, however:

- ***Military leave.*** There are special laws that apply if you return to active employment after certain service with the U.S. armed forces. In general, to be eligible for these special rules, your service with the armed forces may not exceed five years, and you must promptly return to active employment with the Corporation after your service with the armed forces ends. If you leave employment to serve in the military and you return to the Corporation after meeting these conditions, you will be credited with Vesting Service and Credited Service for the period of your military leave, once you return to the Corporation.

- *Family leave.* If you are granted family leave under the Corporation's family leave policy, you will receive up to 12 weeks of Credited Service for the period of time you are on leave. In the case of maternity or paternity leave, you generally will be credited with the hours of service for which you would otherwise have been scheduled, up to 501 hours for any such absence.

Your account balance will not be credited with interest during leaves of absence, including during military leave, family leave and paid leave.

If you have any question about how the rules on leaves of absence may apply to you, please contact the Service Center.

DISABILITY

What happens if I become totally disabled while working for the Corporation?

If you become totally disabled while working for the Corporation, and you have ten or more years of Eligibility Service or Credited Service (whichever is greater), you may be eligible to receive additional Credited Service under the Plan and you may be able to commence a disability retirement benefit under the Plan. The definition of "totally disabled" is the same definition as "Total Disability" under The Dow Chemical Company Long Term Disability Program (the "LTD Plan").

Credited Service

If you become totally disabled and you have ten or more years of Eligibility Service or Credited Service (whichever is greater), you will earn ½ month of Credited Service under the UCEPP Component for each month in which you are totally disabled, until the earliest of: (a) the date you cease to be totally disabled; (b) your 65th birthday; and (c) your date of death. You will receive this additional Credited Service irrespective of whether you are receiving a disability retirement benefit (described below).

Disability Retirement Benefit

In general, if you become totally disabled and you have ten or more years of Eligibility Service or Credited Service (whichever is greater), you will be eligible for a disability retirement benefit. A disability retirement benefit is a monthly benefit based on your benefit accrued under the Plan as of your benefit commencement date.

If you become totally disabled after reaching age 50, you may commence your disability retirement benefit immediately. If you become totally disabled before reaching age 50, you may commence a disability retirement benefit when you reach age 50 (unless you have already commenced another benefit under the Plan). Note that employees represented by certain unions are not subject to the age 50 requirement and may begin a disability retirement benefit at any time after becoming totally disabled. Please see the Plan document for more information.

As described above, if you become totally disabled and you have ten or more years of Credited Service, you continue to receive additional Credited Service while you are disabled. After you

commence your disability retirement benefit, your benefit will be recalculated every two years to take into account the additional Credited Service. These recalculations occur until the earliest of: (1) the date you cease to be totally disabled; (2) your 65th birthday; or (3) date of death.

Important Note: Before commencing a disability retirement benefit, you should check the SPD for the LTD Plan because under the LTD Plan, if you receive a distribution from this Plan, you may be disqualified from receiving LTD benefits.

REEMPLOYMENT WITH THE CORPORATION

Special rules apply if you were initially hired by the Corporation, terminate employment or otherwise have a break in service, and are subsequently rehired by the Corporation, or you are hired by Rohm and Haas Company on or after January 1, 2012. Please see Appendix D for more information.

EMPLOYMENT TRANSFERS

Special rules apply if your employment is transferred from the Corporation to a different employer in The Dow Chemical Company controlled group of corporations (or *vice versa*). Depending on the circumstances of your transfer, you may or may not continue to participate in and earn benefits under the Plan. The Plan document sets forth rules for different types of employment transfers. Please refer to the Plan document for more information.

IF YOU DIVORCE OR SEPARATE AND A QUALIFIED DOMESTIC RELATIONS ORDER IS ISSUED

A Qualified Domestic Relations Order (“QDRO”) is a court order that creates or recognizes the right of an alternate payee (*e.g.*, your spouse, former spouse or child) to receive part or all of your benefits under the Plan. QDROs generally are issued, if at all, in the case of divorce or separation. A QDRO can require payment of benefits to the alternate payee even if *you* are not eligible to receive a distribution until a later date. The Plan Administrator will notify you if the Plan receives a domestic relations order related to your Plan benefits and will also determine within a reasonable time if the order is legally qualified. You and each alternate payee will be notified of the decision. You can obtain a copy of the Plan’s procedures governing QDRO determinations by contacting the Service Center.

In preparing a QDRO, you should be aware of the following procedures:

- Final approval of a QDRO will not be given until after a final executed order is received.
- An order will not be qualified as a QDRO if it requires the Plan to provide increased benefits or distribution options not permitted by the Plan, or if it seeks to assign benefits previously assigned another alternate payee under another QDRO.
- For retirees receiving annuity payments, a QDRO generally can only assign your monthly annuity payments, or a portion of your monthly annuity payments, to an alternate payee. A

QDRO cannot require that the Plan recalculate your annuity or change the survivor benefit (if any) that is payable under your annuity.

- In some cases, a QDRO may require that your former spouse be treated as your spouse under the Plan as of your benefit commencement date or the date of your death. This is important because, for example, you might need to seek consent from your former spouse to elect certain forms of distribution (including a lump sum payment) and because your former spouse would be entitled to the pre-retirement death benefits under the Plan. In those cases, the rights of your former spouse will supersede the rights of any subsequent spouse, subject to the terms and conditions of the QDRO. If your benefit is subject to a QDRO and you have questions about a death benefit, please contact the Service Center.

CIRCUMSTANCES THAT COULD RESULT IN A LESSER BENEFIT

The amount of the benefit the Plan will pay, to whom the Plan will pay the benefit, and the time and form in which it will be paid are all subject to the terms of the Plan and applicable law. In certain circumstances, it is possible that (1) all or part of the benefit will be paid to another person rather than to you, (2) the time or times at which the benefit is paid will be delayed, (3) the forms in which the benefit is available to be paid will be limited, or (4) the amount of the benefit you expected to receive will be less than it previously or otherwise appeared to be. Following are examples of some of the circumstances in which this could happen:

- In general, your benefit cannot be paid until you (or your beneficiary) submit a written request for distribution and all information that is required to complete or verify your application. If your request for a benefit is not submitted in a timely fashion or in the method required by the Plan, payment of your benefit may be delayed.
- Benefits that are not vested when you terminate employment will be forfeited.
- If you divorce or separate, all or part of your benefit might be assigned to your former spouse or a dependent under a QDRO. QDROs are reviewed and approved under the Plan's QDRO procedures. As noted above, you can obtain a copy of the Plan's procedures governing QDRO determinations by contacting the Service Center.
- If the Plan's funding level falls below certain levels, by law your ability to receive certain forms of payment or accrue future benefits will be limited. If the Plan's Adjusted Funding Target Attainment Percentage ("AFTAP") falls below 80%, any amendment that provides additional or enhanced benefits cannot take effect. If the Plan's AFTAP is between 60% and 80%, the Plan will not be allowed to pay more than 50% of a lump sum distribution (or, if less, the amount that is guaranteed by the Pension Benefit Guaranty Corporation (the "PBG")), and the remainder of any lump sum distribution would have to be paid in the form of an annuity or deferred until the Plan's AFTAP is restored to 80%. If the Plan's AFTAP is less than 60%, or if the Corporation is in bankruptcy, the Plan must be frozen and no lump sum distributions will be permitted. The Corporation is not required to fund the Plan to a level sufficient to avoid these restrictions.

- If the Plan erroneously pays more benefits to you (or on your behalf) than should have been paid, or pays benefits at a time when payments should not have been paid to you (or on your behalf), the Plan has the right to correct any errors that were made, and to recover any overpayment, plus interest, made to you or your beneficiary or alternate payee. The Plan may, for example, offset future benefit payments to you or your beneficiary or alternate payee, or seek repayment of the overpayment from you or your beneficiary or alternate payee.
- If you are ordered by a court or agree in a legal settlement to pay amounts to the Plan on account of a breach of fiduciary duty or other violation of ERISA, your benefits under the Plan may be reduced accordingly.
- If a benefit is due to be paid to you, the Plan Administrator will make a reasonable effort to locate you. The Plan Administrator is entitled to rely on the latest contact information the Plan has on file for you, which means you should keep your contact information current. However, if the Plan Administrator is unable to locate you, and the Plan does not receive a benefit claim from you (or someone validly acting on your behalf) within one year of the date a benefit was required to be paid to you, your benefit will be forfeited. If you later make a valid claim before the Plan is terminated, the benefit will be reinstated.
- The Plan Administrator generally makes benefit payments by check or electronic funds transfer. If a check is issued to you but not cashed or deposited, or if an electronic funds transfer is attempted on your behalf but not accepted or deposited, within one year after the date of the check or transfer attempt, the benefit is forfeited to the Plan. However, if you submit a valid benefit claim in accordance with the Plan's claims procedures, and the Plan has not been terminated, the forfeited benefit may be reinstated. In the case of benefits payable to an alternate payee pursuant to a QDRO, any forfeited benefits will be subject to reinstatement only to the extent that such benefits have not been paid to the participant.
- All or part of your Plan benefit can be attached, garnished, or otherwise transferred involuntarily to satisfy an IRS tax levy or to satisfy any judgment under a federal law that equates a debt to taxes owed the United States, such as the Mandatory Victims Restitution Act or the Federal Debt Collection Procedures Act, if ordered by the IRS or a court.
- Payments from the Plan are subject to federal, state, and local income taxes and any other taxes that might apply, as well as any additional withholding that you elect.
- Some benefits under the Plan may be reduced to comply with limits under the federal tax laws on the amount of benefits that may be paid from the Plan.
- The Plan takes into account a number of variables in determining the amount of the benefit you will receive, in addition to those described in the bulleted paragraphs above. Under the UCEPP Component Benefit Formula, these variables include, among others, your years of Credited Service, the types of annual accruals (Basic, Supplemental, Minimum Transition, and Phase-in Minimum Transition) for which you qualify, your pensionable compensation and HC3A, the interest rate your account balance earns after

you terminate employment and before you commence your benefit, the Benefit Conversion Factor that applies in converting your account balance into a monthly benefit on your benefit commencement date, and your 36-month average Social Security Taxable Wage Base.

- As a general matter, these variables tend over time to increase the amount of the benefit you will receive. For example, as you accumulate more years of Credited Service, you will earn additional accruals that will increase the size of your account balance at termination (until you have earned the maximum percentage of each type of accrual for which you qualify). Similarly, as your pensionable compensation increases, your HC3A likely will increase as well and, along with it, your account balance at termination (until you reach the Internal Revenue Code limit on the amount of annual compensation the Plan can take into account in calculating your benefit). If your HC3A exceeds your 36-month average Social Security Taxable Wage Base, your account balance at termination will grow further through the addition of Supplemental Annual Accruals. Also, after you terminate employment, although you will no longer earn additional accruals and your HC3A will not increase further, every year you defer receipt of your benefit, your account balance will grow with interest, and a more favorable Benefit Conversion Factor will apply in converting your account balance into a monthly benefit. The larger your account balance and the more favorable the Benefit Conversion Factor, the larger the monthly benefit you will receive.
- There can be exceptions to this general trend, however. For instance, as noted above, you will be eligible for Supplemental Annual Accruals if your HC3A exceeds your 36-month average Social Security Taxable Wage Base. How much your Supplemental Annual Accruals contribute to your account balance will depend on the percentage of Supplemental Annual Accruals you have accumulated and by how many dollars your HC3A exceeds your 36-month average Social Security Taxable Wage Base. If the Social Security taxable wage base increases before you terminate employment, your 36-month average Social Security Taxable Wage Base will be higher as well, which means that you will have *fewer* dollars above your 36-month average Social Security Taxable Wage Base to multiply by the percentage of Supplemental Annual Accruals you have accumulated. Unless this decrease in dollars is offset by an increase in your HC3A or in the percentages of Supplemental Annual or other accruals you have accumulated, your account balance when you terminate employment will be *lower* than it previously would have been had you instead terminated employment before the Social Security taxable wage base increased.
- Even if this is not the case, it is still possible that your account balance could be lower on the date you terminate employment than it would have been on that same date had you instead terminated employment in an earlier year. This would occur if the increase since the earlier year in the total dollar amount of your accruals (including any increase attributable to growth in your HC3A) is less than the interest your account balance would have earned in the interim had you instead terminated employment in the earlier year. This might occur, for example,

if by the earlier year you had already accumulated large accruals equal to several times your HC3A, and the interest on those large accruals (had you terminated employment then) would have exceeded the dollar amount by which your account balance actually grew in the interim due to additional accruals and growth in your HC3A.

- In either of the two scenarios described above, the Plan would protect the monthly benefit amount payable to you immediately upon termination of employment, so that it would not be less than the monthly benefit amount you would have received immediately upon termination had you terminated employment in the earlier year. If you are interested in finding out if either of these scenarios could affect your benefit (for example, if you elected to defer it rather than commence it immediately), you may use the Pension Modeler to prepare estimates of your benefit under varying assumptions. See page 5 for further information on accessing the Pension Modeler and alternative sources of information if you do not have access to the Pension Modeler.

DOMESTIC PARTNERSHIPS

Domestic partners have certain rights under the Plan. (Note that, in accordance with guidance issued by the Internal Revenue Service and the Department of Labor, a domestic partner is *not* considered a spouse for purposes of the Plan.) Under the Plan, a domestic partnership means two people who meet all of the following requirements of Paragraph A, *or* both of the requirements of Paragraph B:

A. Facts and Circumstances Test

1. The two people lived together for at least 12 consecutive months immediately before the earlier of: (a) receiving benefits under the Plan; or (b) the date of the participant's death (the "12-month period");
2. The two people are not lawfully married to other persons at any time during the 12-month period;
3. During the 12-month period the two people are each other's sole domestic partner in a committed relationship similar to a legal marriage relationship and with the intent to remain in the relationship indefinitely;
4. Both people are legally competent and able to enter into a contract;
5. The two people are not related to each other in a way which would prohibit legal marriage;
6. In entering the relationship with each other, neither of the two people is acting fraudulently or under duress;
7. During the 12-month period, the two people are financially interdependent; and

8. Both people have signed a statement acceptable to the Plan Administrator and have provided the statement to the Plan Administrator before the benefit commencement date (or, in the case of a death benefit, before the participant's death), and there has been no change in circumstances that would make the statement invalid as of the last day of the 12-month period.

B. Civil Union Test

1. Evidence satisfactory to the Plan Administrator is provided that the two people are registered as domestic partners, or partners in a civil union in a state or municipality or country that legally recognizes such domestic partnerships or civil unions; and
2. Both people have signed a statement acceptable to the Plan Administrator and have provided the statement to the Plan Administrator before the participant's benefit commencement date (or, in the case of a death benefit, before the participant's death).

ADMINISTRATION OF THE PLAN

Who is responsible for administration of the Plan and investment of Plan assets?

- The Plan Administrators are the North America Retirement Programs Leader and the Global Benefits Director. They can act individually or together as the Plan Administrator. Administrative responsibilities may also be delegated to other persons, such as the Pension Plan Manager for the Plan.
- The Plan Administrators are responsible for administration of the Plan and are authorized to interpret and resolve ambiguities in the Plan document, adopt and enforce rules of Plan administration, and decide all questions of fact arising under the Plan, among other things.
- The Investment Committee of The Dow Chemical Company and Dow's Global Director of Portfolio Investments are responsible for the investment and financial management of the assets of the Plan. The Investment Committee is generally composed of officials of The Dow Chemical Company and the Union Carbide Corporation.
- The North America Retirement Programs Leader and the Pension Plan Manager for the Plan serve as Initial Claims Reviewers, and are responsible for deciding claims under the Plan. The Dow Chemical Company Retirement Board is the Appeals Administrator, and is responsible for reviewing and deciding appeals by participants and other persons who have made a claim for benefits under the Plan, if the claim has been denied.
- The Dow Chemical Company may designate other persons or committees to carry out these functions by action of its Board of Directors or other individuals named in the Plan document.
- From time to time, The Dow Chemical Company may change the titles of certain positions. The titles used in this document include any successor titles to the positions.

What is the effect of decisions and determinations made by these individuals and entities?

- The Plan Administrators, the Investment Committee, the Global Director of Portfolio Investments, The Dow Chemical Company Retirement Board, and any other person or committee designated by The Dow Chemical Company, or to whom authority has been delegated to carry out the functions described above, have the sole and absolute discretion to interpret the Plan document and other relevant documents, make findings of fact and adopt rules and procedures applicable to the matters within their jurisdiction.
- Their interpretations and determinations are conclusive and binding on all persons claiming benefits under or otherwise having an interest in the Plan, and the Plan provides that if their interpretations or determinations are challenged in court, they shall not be overturned unless proven to be arbitrary and capricious.
- These individuals and entities, and any person to whom the Plan's operation, administration, or investment authority is delegated, may rely conclusively on any advice, opinion, valuation or other information furnished by any actuary, accountant, appraiser, legal counsel, or physician whom the entity or person engages or employs. A good faith act or omission based on this reliance is binding on all parties, and no liability can be incurred for it except as the law requires.

MAKING A CLAIM AND APPEALING A DENIED CLAIM

If you wish to make a claim under the Plan, or you wish to appeal a denial or partial denial of your claim, you may do so by following the Plan's claims and appeals procedures, which are described in this section.

Please note that any claimant (including participants, retirees, beneficiaries and alternate payees) may authorize a representative to act on the claimant's behalf. The Plan may establish reasonable procedures for verifying that any representative has in fact been authorized to act on the claimant's behalf.

What is a "Claim" under the Plan?

For purposes of the Plan, a "Claim" is a written application for benefits or other relief from the Plan that is filed with the Initial Claims Reviewer on a form authorized by the Plan. A Claim must contain a completed Claim Form, any required supporting documentation, and any other document the claimant believes to be relevant to a complete review of the Claim.

How do I make a Claim for benefits other than disability benefits?

All Claims must be submitted on an authorized Claim Form, which may be obtained from the Service Center. ***Please note that the Claim Form is not the same as your Transitions Kit.***

Claims should be mailed to:

The Dow Chemical Company
Dow North America Benefits
Pension Claim Department
P.O. Box 2169
Midland, MI 48641-9984

or faxed to: (484) 335-4412

What procedures does the Initial Claims Reviewer follow?

If you submit a Claim, an Initial Claims Reviewer will review your Claim and notify you of the decision to approve or deny your Claim. The Initial Claims Reviewers are the Pension Plan Manager and the North America Retirement Programs Leader. The Initial Claims Reviewer will provide this notification to you in writing within a reasonable period, not to exceed 90 days, after the date you submitted your completed Claim. Under special circumstances, the Initial Claims Reviewer may have up to an additional 90 days to provide you such written notification. If the Initial Claims Reviewer needs such an extension, the Initial Claims Reviewer will notify you prior to the expiration of the initial 90-day period, state the reason why such an extension is needed, and state when the determination will be made.

If the Initial Claims Reviewer denies your Claim, the Initial Claims Reviewer's written notification will state the reason(s) why your Claim was denied and refer to the pertinent Plan provision(s). If your Claim was denied because you did not file a complete Claim or you did not use an authorized application form, or because the Initial Claims Reviewer needed additional material or information, the Initial Claims Reviewer's decision will describe any additional material or information necessary to complete the Claim and will explain why such information was necessary. The decision will also describe the appeal procedures (also described below).

How do I appeal a denial or partial denial of my Claim?

If the Initial Claims Reviewer has denied your Claim in whole or in part, you may appeal the decision to the Appeals Administrator. The Appeals Administrator is The Dow Chemical Company Retirement Board. If you appeal the Initial Claims Reviewer's decision, you must do so in writing within 60 days after you receive the Initial Claims Reviewer's determination. Appeals must be in writing and must include the following information:

- Name of Employee or Retiree
- Dow ID Number (six digits)
- Name of the Plan
- Reference to the Initial Determination
- Explain reason why you are appealing the Initial Determination

Appeals should be sent to:

Retirement Board
c/o Pension Plan Manager (UCEPP)
The Dow Chemical Company
North America Benefits
P.O. Box 2169
Midland, MI 48641

You may submit written comments, documents, records and other information relating to your Claim to the Retirement Board when you submit your appeal. You may also request that the Retirement Board provide you copies of documents, records and other information that is relevant to your Claim. Your request must be in writing. The Retirement Board will determine which documents, records and information is relevant to your Claim under applicable federal regulations and will provide such information to you at no cost.

After the Retirement Board receives your written appeal, the Retirement Board will review your appeal. The Retirement Board will consider all comments, documents, records and other information that you submit that relates to your Claim, whether or not you submitted this information when you submitted your Claim to the Initial Claims Reviewer. The Retirement Board will review your appeal at its next meeting, unless the appeal is filed within 30 days before the meeting, in which case the Retirement Board may choose to review the appeal at the second meeting after your appeal is filed. If special circumstances require a further extension, the Retirement Board will review your appeal at the third meeting after the appeal has been filed. The Retirement Board, or its designee, will notify you of the extension.

The Retirement Board will notify you in writing of its final decision. Such notification will be provided within a reasonable period and will explain (1) the specific reasons for the decision, (2) the specific Plan provisions upon which the denial is based, (3) that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your Claim (as determined by the Retirement Board under applicable federal regulations), and (4) that you have the right to bring a civil action under Section 502(a) of ERISA.

The Retirement Board has full authority and discretion to decide appeals. Interpretations and decisions by the Retirement Board are final and binding on participants, Beneficiaries and all other claimants under the Plan.

You may, however, bring a civil action under Section 502(a) of ERISA in federal court if you disagree with the decision of the Retirement Board, provided you complete the claims procedures described in this section (or the Initial Claims Reviewer or the Retirement Board fails to respond to your Claim in a timely manner).

How do I make a Claim for Disability Retirement Benefits?

As described above on pages 26-27, if you become totally disabled and meet certain other requirements, you may commence a disability retirement benefit from the Plan. You are “totally

disabled” under this Plan if you meet the definition of “Totally Disabled” under The Dow Chemical Company Long Term Disability Program (the “LTD Plan”). The claims administrator of the LTD Plan will determine if you have become Totally Disabled under the LTD Plan. To make a claim that you are Totally Disabled under the LTD Plan you must follow the claims procedures for the LTD Plan.

Is there a statute of limitations for filing a lawsuit for benefits or to clarify or enforce my rights under the Plan?

Yes. If you choose to file a lawsuit, you must do so within the “Applicable Limitations Period” as set forth in the Plan and described here.

If you wish to file a lawsuit against the Plan (i) to recover benefits you believe are due to you under the terms of the Plan or any law; (ii) to clarify your right to future benefits under the Plan; (iii) to enforce your rights under the Plan; or (iv) to seek a remedy, ruling or judgment of any kind against the Plan or the Plan fiduciaries or parties-in-interest (within the meaning of ERISA) that relates to the Plan, then under the terms of the Plan you must file the suit: (a) after exhausting the claims procedure described above and in the Plan document; and (b) within the Applicable Limitations Period. If you do not file within the Applicable Limitations Period, your suit will be time-barred.

The Applicable Limitations Period is two years after:

1. in the case of a claim or action to recover benefits allegedly due to the claimant under the terms of the Plan or to clarify the claimant’s rights to future benefits under the terms of the Plan, the earliest of: (a) the date the first benefit payment was actually made, (b) the date the first benefit payment was allegedly due, and (c) the date the Plan first repudiated its alleged obligation to provide such benefits (regardless of whether such repudiation occurred during review of a claim under the claims procedure described above);
2. in the case of a claim or action to enforce an alleged right under the Plan (other than a Claim for benefits, as described above), the date the Plan first denied the claimant’s request to exercise such right (regardless of whether such denial occurred during review of a claim under the claims procedure described above); or
3. in the case of any other claim or action, the earliest date on which the claimant knew or should have known of the material facts on which the claim or action is based, regardless of whether the claimant was aware of the legal theory underlying the claim or action.

A Claim for benefits or an appeal of a complete or partial denial of a Claim, as described in the Making a Claim section above, usually falls under paragraph (1) above.

Note, however, that if you have a timely Claim pending before the Initial Claims Reviewer or a timely appeal pending before the Retirement Board or Claims Administrator when the Applicable Limitations Period would otherwise expire, the Applicable Limitations Period will be extended to the date that is 120 calendar days after the final decision.

The Applicable Limitations Period replaces and supersedes any limitations period that ends at a later time that otherwise might be deemed applicable under any state or federal law. The applicable limitations period does not extend any limitations period under state or federal law.

The Vice President of The Dow Chemical Company with the senior responsibility for Human Resources (the “VPHR”) may, in his or her discretion, extend the Applicable Limitations Period upon a showing of exceptional circumstances, but such an extension is at the sole discretion of the VPHR and is not subject to review.

Are there requirements for bringing a class action lawsuit pertaining to the Plan?

Yes. To the fullest extent permitted by law, any putative class action lawsuit brought in whole or in part under ERISA section 502 (or any successor provision) and relating to the Plan, the lawfulness of any Plan provision, the administration of the Plan, the management, investment or handling of Plan assets or the performance or non-performance of Plan fiduciaries or administrators must be filed in one of the following jurisdictions: (i) the jurisdiction in which the Plan is principally administered, which is currently within the territorial boundaries of the Northern Division of the United States District Court for the Eastern District of Michigan; or (ii) the jurisdiction in which the largest number of putative class members resides (or if that jurisdiction cannot be determined, the jurisdiction in which the largest number of class members is reasonably believed to reside). Additional rules regarding the appropriate forum in which to file a putative class action lawsuit are set forth in the Plan document.

AMENDMENT AND TERMINATION OF THE PLAN

The Plan was adopted with the expectation that it would be permanent. However, the Corporation reserves the right to amend, modify or terminate the Plan at any time and for any reason. An action to amend, modify or terminate the Plan may be taken by: (1) resolution of the Board of Directors; (2) action of the Benefits Governance and Finance Committee or the President, Chief Financial Officer, VPHR, or Global Benefits Director of The Dow Chemical Company, or its or his respective delegate; or (3) action of any other person or persons duly authorized by resolution of the Board of Directors to take such action.

In the event that the Plan is amended or terminated, any benefits that you have accrued up to the date of such amendment or termination will be protected; an amendment cannot reduce or cancel an accrued benefit unless a reduction is necessary to conform to a law or legal ruling. All amendments to the Plan, and any action to terminate the Plan, must be reviewed by an attorney in The Dow Chemical Company’s Legal Department, the Plan Administrator, and an officer of the Corporation.

If the Plan is terminated, you will become fully vested in your accrued benefit under the Plan (assuming you are not already fully vested at that time). Plan assets that remain after payment of all reasonable administrative expenses will be used to pay vested benefits that have accrued up to the time of termination. If Plan assets are insufficient to pay all accrued benefits, the assets available under the Plan will be allocated to accrued benefits as required by ERISA and applicable regulations. If the Plan does not have sufficient assets in the Plan to pay your entire benefit after such allocation, additional amounts may be payable by the PBGC, as described

below in the “Pension Benefit Guaranty Corporation Insurance” section below. If the value of the Plan’s assets exceeds the amount needed to pay all the benefits accrued under the Plan, the Trustee will dispose of remaining assets as directed by the Corporation. Subject to applicable law, such disposal could include returning contributions to the Corporation.

OTHER IMPORTANT INFORMATION

Legal Limits on Benefits

The Internal Revenue Code limits the amount of benefits that can be paid to you from the Plan in each year as an annuity (\$215,000 for the plan year beginning January 1, 2017). The Internal Revenue Code also limits the amount of compensation the Plan can consider when calculating your benefit (\$270,000 for the plan year beginning January 1, 2017).

The Internal Revenue Code also limits the annual benefits payable to the 25 highest paid employees in some cases. You will be notified if these limits apply to you.

Plan Expenses

The administrative costs of the Plan may be paid by the Corporation or the Trust. If the Corporation pays the administrative costs, it may be reimbursed by the Trust for those costs in certain circumstances.

Non-Alienation

The Plan provides that no benefit under the Plan may be transferred, assigned, sold or otherwise attached by a creditor or other person, or may be subject to liens or other encumbrances, except as legally permitted. Please see the section on “Circumstances that Could Result in a Lesser Benefit” for information on events that could result in a lien or other claim on your benefits, including tax liens and QDROs.

Choice of Law

The Plan will be interpreted and enforced pursuant to the provisions of ERISA. To the extent that state-law issues arise, Texas law will govern (excluding any conflict of laws or choice of law rule or provision of Texas law that might call for application of the substantive law of another state).

With respect to Puerto Rico participants, to the extent that ERISA has not preempted the laws of the Commonwealth of Puerto Rico, the laws of the Commonwealth (specifically, the PR Code) will govern, excluding any conflict of laws or choice of law rule or provision of Puerto Rico law that might call for application of the substantive law of another jurisdiction. More information about the treatment of Puerto Rico participants can be found in the plan document.

Calculation Methodology

The Plan Administrator has established administrative practices and methodologies for calculating benefits. For example, the Plan's practice is to round all dollar amounts to two decimal places when applying a formula to the dollar amount.

Plan Document

The Plan will be administered in accordance with its terms. If the VPHR of The Dow Chemical Company determines that the applicable Plan document has a drafting error (sometimes called a "scrivener's error"), the Plan document will be applied and interpreted as if the error had not been made. The determination of whether there is a scrivener's error, and how to apply and interpret the Plan in the event of a scrivener's error, will be made by the VPHR, in the exercise of his best judgment and sole discretion, based on his understanding of UCC's intent in establishing the Plan and taking into account all evidence (written and oral) that he deems appropriate or helpful.

Privilege

If the Corporation (or a person acting on behalf of the Corporation) or a Plan Administrator or other Plan fiduciary (an "advisee") engages attorneys, accountants, actuaries, consultants, or other service providers ("advisors") to advise them on issues related to the Plan and the Advisee's responsibilities under the Plan:

- The advisor's client is the advisee and not any employee, participant, beneficiary, or other person;
- The advisee shall be entitled to preserve the attorney-client privilege and any other privilege accorded to communications with the advisor, and all other rights to maintain confidentiality, to the full extent permitted by law; and
- Unless mandated by a court order, no employee, participant, beneficiary, or other person shall be permitted to review any communication between the advisee and any of its or his advisors with respect to whom a privilege applies.

Waiver

A term, condition, or provision of the Plan shall not be waived unless the purported waiver is in writing signed by the Plan Administrator. A written waiver shall operate only as the specific term, condition, or provision waived and shall remain in effect only for the period specifically stated in the waiver.

Notices

No notice, election, or communication in connection with the Plan that you, a beneficiary, or other person makes or submits will be effective unless it is duly executed and filed with the Plan Administrator (including any of its representatives, agents, or delegates) in the form and manner required by the Plan Administrator.

Incompetence

If the Plan Administrator determines that a participant, beneficiary, or alternate payee is a minor, or is not physically or mentally capable of electing the time or form of benefit payments, or receiving or acknowledging those payments, the Plan Administrator may make benefit payments to the person's legal guardian or to another individual whom the Plan Administrator determines is the appropriate person to receive such benefits on behalf of the participant, beneficiary, or alternate payee.

Non-Duplication of Benefits

There shall be no duplication of benefits payable under the Plan and any other qualified retirement plan to which the Corporation or The Dow Chemical Company (or any of their subsidiary or affiliated corporations) contributes or has contributed, except The Dow Chemical Company Employees' Savings Plan. For example, if you accrue benefits under this Plan and another plan sponsored by the Corporation or Dow for the same period of service, you will not receive two benefits.

In addition, please note that if your benefit under the Plan is transferred to another plan, your benefit is payable by the receiving plan and not this Plan.

Savings Clause

If any provision of the Plan is found to be illegal or invalid for any reason, that determination will not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if that provision had never been part of the Plan.

Insurance Arrangements

The Plan has purchased annuity contracts for certain participants who had a benefit that was in pay status before January 1, 2015. These contracts provide for the continued payment of your pension benefits in the same form as under the Plan. If you are among the individuals for whom an annuity was purchased, you are no longer a participant in the Plan and the Plan has no further obligation to make any payment of benefits to you, your survivor, alternate payee, or beneficiary. However, under the terms of the annuity contract, the benefits are legally enforceable by you against the insurance company issuing your annuity contract.

PENSION BENEFIT GUARANTY CORPORATION INSURANCE

Your pension benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (the "PBGC"), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers (1) normal and early retirement benefits, (2) disability benefits if you become disabled before the Plan terminates, and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates; (2) some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough for the Corporation; (4) benefits for which you have not met all of the requirements at the time the Plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your Plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask the Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to (202) 326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

YOUR LEGAL RIGHTS

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants shall be entitled to:

Receive Information About Your Plan Benefits

- Examine, without charge, at the Plan Administrator's office and other specified locations, such as worksites and union halls, documents governing the Plan, including insurance contracts (if any) and collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration. See the "ERISA Information" section at the front of this SPD for the address of the Plan Administrator.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts (if any) and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated SPD. The Plan Administrator may make a reasonable charge for the copies.
- Receive an annual funding notice for the Plan, which describes the level at which the Plan is funded. The Plan Administrator is required by law to furnish each participant with a copy of this notice.

- Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age (age 65) and if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for you and all other Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer, your union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit, or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a Plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan 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 Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan’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 suit in a 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, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U. S. Department of Labor, 200 Constitution Avenue N.W., Washington, DC

20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

**APPENDIX A: SOCIAL SECURITY TAXABLE WAGE BASE FOR
PURPOSES OF CALCULATING SUPPLEMENTAL ANNUAL ACCRUALS**

A participant's 36-month average Social Security Taxable Wage Base for purposes of determining his or her Supplemental Annual Accruals is generally the average of the Social Security Taxable Wage Bases, as set forth in the chart below, for the three years ending in the year the participant terminates employment with the Corporation. If a participant terminates employment *on a date other than December 31st, his or her 36-month average is based in part on the number of full months in, and the Security Taxable Wage Base for, his or her final year of employment, and in part on the Security Taxable Wage Base for the third year preceding the final year of employment.*

Social Security Taxable Wage Base

YEAR	SOCIAL SECURITY TAXABLE WAGE BASE
1975	\$14,100
1976	\$15,300
1977	\$16,500
1978	\$17,700
1979	\$22,900
1980	\$25,900
1981	\$29,700
1982	\$32,400
1983	\$35,700
1984	\$37,800
1985	\$39,600
1986	\$42,000
1987	\$43,800
1988	\$45,000
1989	\$48,000
1990	\$51,300
1991	\$53,400
1992	\$55,500
1993	\$57,600
1994	\$60,600
1995	\$61,200
1996	\$62,700
1997	\$65,400
1998	\$68,400

YEAR	SOCIAL SECURITY TAXABLE WAGE BASE
1999	\$72,600
2000	\$76,200
2001	\$80,400
2002	\$84,900
2003	\$87,000
2004	\$87,900
2005	\$90,000
2006	\$94,200
2007	\$97,500
2008	\$102,000
2009	\$106,800
2010	\$106,800
2011	\$106,800
2012	\$110,100
2013	\$113,700
2014	\$117,000
2015	\$118,500
2016	\$118,500
2017	\$127,200

Example of 36-Month Average Social Security Taxable Wage Base

If a participant terminates employment on April 1, 2017, his 36-month average Social Security Taxable Wage Base will be the average of:

- Social Security Taxable Wage Base for 2015: **\$118,500**
- Social Security Taxable Wage Base for 2016: **\$118,500**
- 3/10 of Social Security Taxable Wage Base for 2017 + 7/10 of Social Security Taxable Wage Base for 2014: $(0.3 \times \$127,200) + (0.7 \times \$117,000) = \mathbf{\$120,060}$

The participant's 36-month average Social Security Taxable Wage Base is **\$119,020** (\$118,500 + \$118,500 + \$120,060 divided by 3).

Note: the 3/10 fraction is applied in 2017 because the participant completed three full months of employment in 2017 (January through March 2017). The 7/10 fraction is applied in 2014 because it is the fraction of the year that is left when 3/10 is subtracted from 1 year.

APPENDIX B: BENEFIT CONVERSION FACTORS

The table below sets forth the Benefit Conversion Factors used to convert your UCEPP Component “account balance” into an immediate annuity payable during your lifetime. These factors produce a *monthly* benefit amount.

Immediate Annuity Conversion Chart to Calculate the *Monthly* Benefit Payable During the Participant’s Lifetime

Age	Benefit Conversion Factor	Age	Benefit Conversion Factor
18	175.2	44	144.0
19	174.0	45	142.8
20	172.8	46	141.6
21	171.6	47	140.4
22	170.4	48	139.2
23	169.2	49	138.0
24	168.0	50	136.8
25	166.8	51	135.6
26	165.6	52	134.4
27	164.4	53	133.2
28	163.2	54	130.8
29	162.0	55	129.6
30	160.8	56	128.4
31	159.6	57	127.2
32	158.4	58	124.8
33	157.2	59	123.6
34	156.0	60	121.2
35	154.8	61	118.8
36	153.6	62	117.6
37	152.4	63	115.2
38	151.2	64	112.8
39	150.0	65	110.4
40	148.8	66	110.4
41	147.6	67	110.4
42	146.4	68	110.4
43	145.2	69+	110.4

APPENDIX C: UCEPP COMPONENT CALCULATION EXAMPLES

This section provides several examples of how benefits are calculated under the UCEPP Component. Examples are provided for a participant with only Basic Annual Accruals (**Example A**), a participant with Basic Annual Accruals and Supplemental Annual Accruals (**Example B**), a participant with Basic Annual Accruals and Minimum Transition Annual Accruals (**Example C**), and a participant with Basic Annual Accruals and Phase-in Minimum Transition Annual Accruals (**Example D**).

Example A - Basic Annual Accruals

Kate is a 42½-year old employee who was hired by Union Carbide Corporation in December 2006. She has 11 years of Credited Service and her HC3A is \$50,000. Kate wishes to know what her monthly benefit would be if she terminated employment and commenced her benefit on November 1, 2017.

Kate is not eligible for Minimum Transition Annual Accruals or Phase-in Minimum Transition Annual Accruals, because she was hired after February 7, 2003. She is also not eligible for Supplemental Annual Accruals because her HC3A is below her 36-month average Social Security Taxable Wage Base of \$118,673. Accordingly, Kate’s benefit will be determined solely on the basis of Basic Annual Accruals.

Under the Basic Annual Accrual Schedule, Kate earned the following Accruals (referred to in the table as her cumulative “Accrual Earned”) based on her Credited Service in each applicable age category.

Age	Credited Service	Basic Annual Accrual Rate	Accrual Earned
Under 30	0	4%	0%
30-34	3.5	5%	17.5%
35-39	5.0	7%	35%
40-44	2.5	10%	25%
45-49	0	13%	0%
50-54	0	16%	0%
55 and older	0	18%	0%
Total Basic Annual Accruals*:			77.5%

**Accruals subject to a maximum of 425%.*

UCEPP Component Account Balance

If Kate terminated immediately, her UCEPP Component account balance would be determined by multiplying her HC3A by the total Basic Annual Accruals (in this case, 77.5%):

$$\mathbf{\$50,000 \times 77.5\% = \$38,750}$$

Monthly Benefit in the form of a Level Benefit Single Life Annuity

Kate's monthly benefit is determined by dividing her UCEPP Component account balance of \$38,750 by the appropriate Benefit Conversion Factor from Appendix B. In Kate's case, the Benefit Conversion Factor would be 145.2 if she terminated employment and commenced her benefit on November 1, 2017, because she would be 42½ years old on November 1st. (Because Kate is 42 years and 6 months old, the Plan rounds up to the Benefit Conversion Factor for a 43-year old.) Kate's immediate monthly benefit would be:

$$\mathbf{\$38,750 \div 145.2 = \$266.87}$$

Note: If Kate elected to receive her benefit in the form of a Single Life Annuity with a Level Benefit Option, she would receive \$266.87 per month during her lifetime, and no amount would be payable after her death. If she elected a different form of benefit, her monthly amount would be adjusted accordingly.

Example B - Supplemental Annual Accruals

To continue the prior example, suppose that Kate’s HC3A is \$120,000 rather than \$50,000. Because Kate’s HC3A is above her 36-month average Social Security Taxable Wage Base as of November 1, 2017 (\$118,673), her benefit will include Supplemental Annual Accruals.

The first step is to determine the amount of Kate’s HC3A that exceeds the Social Security Taxable Wage Base. In her case, her HC3A of \$120,000 exceeds the Social Security Taxable Wage Base by \$1,327. This is the amount by which Kate’s Supplemental Annual Accruals will be multiplied.

The second step is to determine Kate’s Accruals. Kate has Basic Annual Accruals and Supplemental Annual Accruals. The amounts are determined separately and added together to create Kate’s UCEPP Component account balance.

Basic Annual Accrual Portion

In Kate’s case, the prior example shows that she has total Basic Annual Accruals of 77.5%. The portion of Kate’s UCEPP Component account balance attributable to Basic Annual Accruals is equal to:

$$\text{Basic Annual Accrual Value} = \$120,000 \times 77.5\% = \$93,000$$

The amount calculated above will be added to the Supplemental Annual Accrual portion.

Supplemental Annual Accrual Portion

Under the Supplemental Annual Accrual Schedule, Kate earned the following Accruals (referred to in the table as her “Accrual Earned for Excess”) based on her Credited Service in each applicable age category.

Age	Credited Service	Supplemental Annual Accrual Rate	Accrual Earned for Excess
Under 30	0	1%	0%
30-34	3.5	2%	7%
35-39	5.0	2%	10%
40-44	2.5	3%	7.5%
45-49	0	4%	0%
50-54	0	4%	0%

Age	Credited Service	Supplemental Annual Accrual Rate	Accrual Earned for Excess
55 and older	0	4%	0%
Total Supplemental Annual Accruals*:			24.5%

**Supplemental Annual Accruals subject to a maximum of 120%.*

Kate's Supplemental Annual Accrual portion is equal to the excess of her HC3A over her 36-month average Social Security Taxable Wage Base as of 2017 (\$118,673), multiplied by her Total Supplemental Annual Accruals:

$$\text{Supplemental Annual Accrual Value} = \$1,327 \times 24.5\% = \$325.12$$

UCEPP Component Account Balance

Kate's total UCEPP Component account balance is equal to the sum of her Basic Annual Accruals and Supplemental Annual Accruals:

$$\$93,000 + \$325.12 = \$93,325.12$$

Monthly Benefit in the form of a Level Benefit Single Life Annuity

Kate's monthly benefit is determined by dividing her UCEPP Component account balance of \$94,735 by the appropriate Benefit Conversion Factor from Appendix B. In Kate's case, the Benefit Conversion Factor is 145.2. Kate's immediate monthly benefit, payable in the form of a Single Life Annuity, is equal to:

$$\$93,325.12 \div 145.2 = \$642.74$$

Note: If Kate elected to receive her benefit in the form of a Single Life Annuity with a Level Benefit Option, she would receive \$642.74 per month during her lifetime, and no amount would be payable after her death. If she elected a different form of benefit, her monthly amount would be adjusted accordingly.

Example C - Minimum Transition Annual Accruals

Jason was 64 years old in 2014 and worked at Union Carbide Corporation for 35 years. He retired and commenced his benefit immediately, with a benefit commencement date of November 1, 2014. Jason’s HC3A is \$95,000, which was below the \$112,920 Social Security Taxable Wage Base applicable at the time. Because Jason’s HC3A was below the Social Security Taxable Wage Base, he will not receive additional benefits in connection with Supplemental Annual Accruals.

Jason, however, qualified for Minimum Transition Annual Accruals because he was older than age 50 on February 6, 2001, and he was hired by the Corporation before age 30. As described in the “Estimating Your UCEPP Component Benefit” section of the SPD, Minimum Transition Annual Accruals are provided *instead of* Basic Annual Accruals for certain years of employment, *if* the Minimum Transition Annual Accrual is greater than the Basic Annual Accrual the employee would otherwise receive. Minimum Transition Annual Accruals are available only for years of Credited Service earned on and after reaching age 45. Jason’s applicable Minimum Transition Annual Accrual rate was based on his hire age, and is found on the Schedule on page 8 of the SPD. For years before age 45, Jason earns Basic Annual Accruals.

Jason’s Accrual calculation looks like this:

A. Age	B. Credited Service	C. Basic Annual Accrual Rate	D. Minimum Transition Annual Accrual Rate	E. Jason’s Accrual Rate (greater of C or D)	F. Accrual Earned (B x E)
Under 30	1.0	4%	N/A	4%	4%
30-34	5.0	5%	N/A	5%	25%
35-39	5.0	7%	N/A	7%	35%
40-44	5.0	10%	N/A	10%	50%
45-49	5.0	13%	13.5%	13.5%	67.5%
50-54	5.0	16%	14%	16%	80%
55 and older	9.0	18%	14%	18%	162%
Total Accruals*:					423.5%

*Greater Accrual Rate in **Bold Text***

**Accruals subject to a maximum of 425%.*

In Jason's case, the Basic Annual Accrual rate is greater for every age category except the age 45-49 category. Accordingly, Jason received the Basic Annual Accrual rate for all age categories except age 45-49.

UCEPP Component Account Balance

Jason's account balance was equal to his total Accruals multiplied by his HC3A. In his case, his account balance was:

$$423.5\% \times \$95,000 = \$402,325$$

Monthly Benefit in the form of a Level Benefit Single Life Annuity

Jason's monthly benefit was determined by dividing his UCEPP Component account balance of \$402,325 by the appropriate Benefit Conversion Factor from Appendix B. In Jason's case, the Benefit Conversion Factor was 112.8. Jason's immediate monthly benefit, payable in the form of a Single Life Annuity with Level Benefit Option was:

$$\$402,325 \div 112.8 = \$3,566.71$$

Note: Jason elected to receive his benefit in the form of a Single Life Annuity with a Level Benefit Option, which means he will receive \$3,566.71 per month during his lifetime, and no amount will be payable after his death. If he had elected a different form of benefit, his monthly amount would have been adjusted accordingly.

Example D - Phase-in Minimum Transition Annual Accruals

Adam turns 59 years old in 2017 and has worked at Union Carbide Corporation for 31 years. He wishes to terminate and commence his benefit immediately. His benefit commencement date will be November 1, 2017. Adam's HC3A is \$87,000, which is below the \$118,673 Social Security Taxable Wage Base. Because Adam's HC3A is below the Social Security Taxable Wage Base, he will not receive additional benefits in connection with Supplemental Annual Accruals.

Adam, however, qualifies for Phase-in Minimum Transition Annual Accruals because he was actively employed by the Corporation on February 6, 2001 (and February 7, 2003), was hired before age 30, and had more than 10 years of "Company Service Credit" (as defined in the Prior Plan) on February 6, 2001.

As described in the main portion of the SPD, Phase-in Minimum Transition Annual Accruals are *in addition to* the Basic Annual Accrual for a given year (unlike full Minimum Transition Annual Accruals, which, if applicable, are provided *instead of* Basic Annual Accruals). An employee's Phase-in Minimum Transition Annual Accrual is based on a percentage of the difference between the full Minimum Transition Annual Accrual rate for the applicable age category, and the Basic Annual Accrual rate for that category. This percentage is referred to in the main portion of the SPD as the "Phase-in Percentage." The Phase-in Percentages are located on the Schedule on page 10 of the main portion of the SPD. In Adam's case, his Phase-in Percentage is 35%, because he was age 42 on February 6, 2001.

Adam's UCEPP Component account balance is equal to the sum of his Basic Annual Accruals and Phase-in Minimum Transition Annual Accruals, multiplied by his HC3A. The Accrual calculations are described below. *Note that a maximum of 425% may be earned as Basic Annual Accruals and Phase-in Minimum Transition Annual Accruals.*

Basic Annual Accrual Portion

The portion of Adam's UCEPP Component account balance attributable to Basic Annual Accruals is based on the following calculation:

Age	Credited Service	Basic Annual Accrual Rate	Cumulative Percent Earned
Under 30	2.0	4%	8%
30-34	5.0	5%	25%
35-39	5.0	7%	35%
40-44	5.0	10%	50%
45-49	5.0	13%	65%

Age	Credited Service	Basic Annual Accrual Rate	Cumulative Percent Earned
50-54	5.0	16%	80%
55 and older	4.0	18%	72%

Total Basic Annual Accruals: 335%

UCEPP Component Account Balance Attributable to Basic Annual Accruals:

$$335\% \times \$87,000 = \$291,450$$

Phase-in Minimum Transition Annual Accruals Portion

The portion of Adam's UCEPP Component account balance attributable to Phase-in Minimum Transition Annual Accruals is determined in several steps:

- The first step is to determine Adam's Phase-in Minimum Transition Annual Accrual rate, which is done by multiplying Adam's Phase-in Percentage by the difference between the full Minimum Transition Annual Accrual rate (determined based on his hire age, as if he were eligible for full Minimum Transition Annual Accruals) and his Basic Annual Accrual Rate for each applicable age category.
- The second step is to multiply the Phase-in Minimum Transition Annual Accrual rate determined above by Adam's Credited Service for each applicable age category. The resulting amounts are Adam's Phase-in Minimum Transition Annual Accruals for each age category.
- The Phase-in Minimum Transition Annual Accruals determined in the preceding step are then multiplied by Adam's HC3A to determine the portion of Adam's UCEPP Component account balance attributable to the Phase-in Minimum Transition Annual Accruals.

The calculation is illustrated in detail below:

Age	Credited Service	Minimum Transition Annual Accrual Rate	Basic Annual Accrual Rate	Difference Between Minimum Transition and Basic Annual Accrual Rates	Phase-in Percentage	Phase-in Minimum Transition Annual Accrual Rate	Cumulative Transition Accruals
< 30	2.0	N/A	4%	N/A	N/A	N/A	N/A
30-34	5.0	N/A	5%	N/A	N/A	N/A	N/A
35-39	5.0	N/A	7%	N/A	N/A	N/A	N/A
40-44	5.0	N/A	10%	N/A	N/A	N/A	N/A
45-49	5.0	14.5%	13%	1.5%	35%	.525%	2.625%
50-54	5.0	16%	16%	0%	35%	0%	0%
55+	4.0	16%	18%	0%	35%	0%	0%
Total Phase-in Minimum Transition Annual Accruals:							2.625%

**UCEPP Component Account Balance
Attributable to Phase-in Minimum Transition Annual Accruals:**

$$2.625\% \times \$87,000 = \$2,283.75$$

UCEPP Component Account Balance

Adam's total UCEPP Component account balance is equal to the sum of the portions attributable to Basic Annual Accruals and Phase-in Minimum Transition Annual Accruals. In his case, the total UCEPP Component account balance is calculated as follows:

$$\$291,450 + \$2,283.75 = \$293,733.75$$

Monthly Benefit in the form of a Level Benefit Single Life Annuity

Adam's monthly benefit under the UCEPP Component is equal to his UCEPP Component account balance divided by the applicable Benefit Conversion Factor from Appendix B. In Adam's case, the Benefit Conversion Factor is 123.6. Adam's immediate monthly benefit, payable in the form of a Single Life Annuity with Level Benefit Option, is equal to:

$$\mathbf{\$293,733.75 \div 123.6 = \$2,376.49}$$

Note: If Adam elected to receive his benefit in the form of a Single Life Annuity with a Level Benefit Option, he would receive \$2,376.49 per month during his lifetime, and no amount would be payable after his death. If he elected a different form of benefit, his monthly amount would be adjusted accordingly.

COMPENSATION EXAMPLES

As described in the “Calculating Your Benefit” section of the SPD, your pensionable compensation and HC3A calculations may be subject to special rules depending on your individual circumstances. The sections below illustrate two of the more common special scenarios, and provide basic examples for how your compensation and HC3A are calculated in those circumstances. This list does not cover more complicated examples; special situations like foreign assignments and transfers may result in a different calculation. Please call the Service Center for more information if those circumstances apply to you.

Compensation Example for an Employee Terminating in a Month Other Than December

If you terminate employment in a month other than December, your pensionable compensation for your final year of employment is “annualized” using special rules set forth in the Plan document. Because your HC3A is based on full calendar years only, the “annualization” process ensures that your final year’s compensation – which is often higher than prior year compensation – will be considered when the Plan Administrator determines your HC3A.

In brief, your final year’s compensation is “annualized” by taking your actual compensation for the year of termination and adding an additional amount based on a percentage of your compensation from three years earlier (*e.g.*, annualized compensation for 2017 would be determined based upon actual compensation in 2017, plus a percentage of 2014 compensation). The percentage is determined based on the difference between your actual hours of service for the year of termination and your “location work schedule hours” (“location work schedule hours” are described in the Credited Service section of the SPD).

Assumptions for the Example:

Nick is a 55-year-old employee who terminates employment on September 30, 2017 after 20 years of service. For purposes of this example, assume the following:

- Location Work Schedule Hours (LWSH): 2080
- Last Day Worked: September 30, 2017
- 2017 Hours of Service as of Last Day Worked: 1560
- Pensionable compensation for 1560 hours of 2017: \$42,840
- Pensionable compensation for 2016: \$55,149
- Pensionable compensation for 2015: \$50,375
- Pensionable compensation for 2014: \$45,784
- Pensionable compensation for 2013: \$42,567

- Pensionable compensation for years before 2013 is lower than pensionable compensation for 2013, so these years would not be included in calculating Nick’s HC3A.

To calculate Nick’s annualized pensionable compensation for 2017, an additional amount based on his 2014 pensionable compensation will be added to his actual 2017 compensation. Here is how the calculation works:

$$\text{2017 Annualized Pensionable Compensation} = \text{2017 Pensionable Compensation} + (\text{2014 Pensionable Compensation} \times \text{Annualization Percentage})$$

The Annualization Percentage is calculated as follows:

$$\frac{\text{Location Work Schedule Hours} - \text{2017 Hours of Service as of Last Day Worked}}{\text{Location Work Schedule Hours}}$$

In Nick’s case:

$$\text{Annualization Percentage} = (2080 - 1560) \div 2080 = 0.25$$

Nick’s 2017 Annualized Pensionable Compensation is therefore equal to:

$$\text{2017 Annualized Pensionable Compensation} = \$42,840 + (\$45,784 \times 0.25) = \$54,286$$

This amount is then factored into Nick’s HC3A calculation:

3-Year Period	Average Annual Pensionable Compensation
2015, 2016, 2017	\$53,270
2014, 2015, 2016	\$50,436
2013, 2014, 2015	\$46,242

Nick’s highest three-year average annual pensionable compensation (*i.e.*, his HC3A) is \$53,270, which was calculated over the 2015-2017 period.

Compensation Example for an Employee with Fewer Than Three Years of Compensation

If you terminate employment with fewer than three consecutive years of pensionable compensation from the Corporation but your benefit is vested (for example, because you were employed by a related company that does not participate in the Plan), your HC3A will be calculated by taking your highest base salary as of the end of any Plan Year during which you

were employed by the Corporation, plus your target performance award for that plan year (if any), and multiplying it by 0.925.

For example:

Rebecca is a former employee who terminated employment on December 31, 2017, due to the sale of a business unit. She had fewer than three years of service when she terminated employment. However, in connection with the divestiture, her benefit under the Plan became 100% vested. Her compensation history is as follows:

Year	Base Salary	Target Performance Award	Total Pensionable Compensation
2017	\$75,550	\$10,000	\$85,550
2016	\$72,234	\$8,000	\$80,234

Rebecca's HC3A is calculated using the following equation:

$$\begin{aligned}\text{HC3A} &= \text{Greatest Total Pensionable Compensation} \times 0.925 \\ &= \$85,550 \times 0.925 \\ &= \$79,134\end{aligned}$$

APPENDIX D: REEMPLOYMENT

Scope

This Appendix D summarizes the rules that apply to participants who participated in the UCEPP Component, experience a Break in Service, and returned to employment with the Corporation. The same rules apply to participants who participate in the UCEPP Component, have a Break in Service, and then return to employment with the Rohm and Haas Company on or after January 1, 2012.

The reemployment rules are complicated, so we encourage you to contact the Plan Administrator if you have any questions about whether and how these rules apply to you.

For this purpose, a Break in Service generally means that you have terminated employment. Special rules may apply if you are on an extended unpaid leave of absence.

Note: Appendix D does not apply to all rehired employees. If you participated in the PPA Component during your initial period of employment, or if you are a former Prior Plan participant rehired on or after January 1, 2008, please see the PPA Component SPD. If you did not participate in the Plan at all, you will be treated as a new hire and any prior service will be taken into account to the extent required by law.

Eligibility

If you return to employment with the Corporation or Rohm and Haas Company after experiencing a Break in Service, you will reenter the Plan, effective as of your rehire date, after you complete 1,000 hours of service in a 12-month period following your rehire date.

Vesting Service and Credited Service

If you return to employment with the Corporation or Rohm and Haas Company after experiencing a Break in Service, your Credited Service (including your Accruals) and Vesting Service will generally be restored; however, the timing of the restoration depends upon whether you are a "Retiree." A "Retiree" is a participant in the Plan who terminates employment with the Corporation after reaching age 65, or after reaching age 50 with at least 10 years of Credited Service, or after becoming eligible for a disability retirement benefit.

- If you return to employment with the Corporation or Rohm and Haas Company after experiencing a Break in Service and you *are not* a Retiree, the Vesting Service and Credited Service you accrued before your Break in Service will be restored, and will be added to your Vesting Service and Credited Service accrued after your return, once you have completed 1,000 hours of service following your rehire date.
- If you return to employment with the Corporation or Rohm and Haas Company after experiencing a Break in Service and you *are* a Retiree, your Vesting Service and Credited Service will be restored immediately upon your rehire.

Note, however, that if you are rehired and you have a Repurchase Right (described below) and do not exercise it, your Credited Service will not be restored, even if you are a Retiree and even if you complete 1,000 hours of service.

Suspension of Annuity Payments

If you started receiving benefit payments from the Plan in one of the annuity forms before you are rehired, your annuity payments will generally be suspended after your rehire. Your annuity payments will generally resume after you terminate employment. However, if you are age 65 or older, your annuity payments will resume when you terminate employment, or if earlier, when you fail to complete 40 hours of service in a calendar month.

If you continue to work beyond age 70½ after your rehire, your annuity payments will resume on April 1st following the year in which you attain age 70½.

Calculation of Your Benefit

If you experienced a Break in Service, are later rehired, and satisfy the eligibility and service restoration conditions, your benefit will be calculated as described below. The calculation of your benefit depends upon whether you received a distribution before your rehire, and if so, whether that distribution was in the form of a lump sum or annuity payments.

a. No Prior Distribution

If you did not take a distribution of your benefit before your rehire, your benefit at your benefit commencement date will be the greatest of the following:

- Your Prior Plan Component benefit, if any (which is described in Appendix E).
- Your UCRP Transition Benefit, if any (which is described in Appendix F).
- Your UCEPP Component benefit (*i.e.*, your account balance) from your initial period of employment, plus interest credited from your initial termination of employment until your benefit commencement date, converted to a monthly benefit using the applicable Benefit Conversion Factor.

Note: If you were not vested at the time of your initial termination of employment and your UCEPP Component benefit was forfeited, but you subsequently become vested following your rehire, your forfeited UCEPP Component account balance will be restored and will be retroactively credited with interest from the date of forfeiture until your benefit commencement date.

- Your “**all-service UCEPP Component benefit.**” Your “all-service UCEPP Component benefit” is your UCEPP Component benefit calculated using service and compensation from both your initial period of employment and your period of employment after your rehire. In other words, it is your account balance calculated using your HC3A, Basic Annual Accruals, Supplemental Annual Accruals (if applicable), Minimum Transition Annual Accruals (if applicable), and Phase-in Minimum Transition Annual Accruals (if

applicable), *from both periods of employment*, converted to a monthly benefit using the applicable Benefit Conversion Factor.

Note: The calculation of your all-service UCEPP Component benefit does not include interest for the period between your first termination date and your rehire date. However, if you defer commencement after your *second termination date*, interest will be credited to your all-service UCEPP Component account balance.

The “greatest of” calculation described above is applied at your benefit commencement date.

b. *Commenced an Annuity*

If you started receiving benefit payments from the Plan in an annuity after your initial termination of employment, your benefit payments will be suspended when you are rehired. Subject to your satisfaction of the eligibility and service restoration conditions described above, your benefit at your second benefit commencement date will be the greatest of the following:

- Your Prior Plan Component Benefit, if any;
- Your UCRP Transition Benefit, if any;
- Your all-service UCEPP Component benefit (described above), reduced by the actuarial equivalent (determined by the Plan’s actuaries as of your second benefit commencement date) of the annuity payments you received before payments were suspended; or
- The amount of your monthly benefit payments before payments were suspended.

c. *Received Lump Sum*

If you received a lump sum distribution after your initial termination of employment and you satisfy the eligibility and service restoration rules described above, your benefit at your second benefit commencement date will be determined as follows:

- If you have a Repurchase Right (described below) and you exercise that right, your UCEPP Component benefit at your second benefit commencement date will be your all-service UCEPP Component benefit.
- If you have a Repurchase Right (described below) and you do not exercise that right, your UCEPP Component benefit at your second benefit commencement date will be a benefit calculated using your HC3A, Credited Service, Basic Annual Accruals, Supplemental Annual Accruals (if applicable), Minimum Transition Annual Accruals (if applicable), and/or Phase-in Minimum Transition Annual Accruals (if applicable), each attributable *only* to your period of employment after you are rehired.

For example, suppose you worked for Union Carbide from 2003-2007 and received your UCEPP Component benefit in a lump sum in 2008. You are rehired by Union Carbide and you work from 2014-2020. If you do not exercise your Repurchase Right (described

below), your final benefit from the Plan will be based solely on your service and compensation from your 2014-2020 period of employment.

- If you do not have a Repurchase Right (described below), your UCEPP Component benefit at your second benefit commencement date will be your all-service UCEPP Component benefit (as described above), reduced by the actuarial equivalent of the lump sum distribution you received following your initial termination of employment.

Repurchase Right

A Repurchase Right is the right to “buy back” the benefit you received in a lump sum following your initial termination of employment. You “buy back” your earlier benefit by paying your lump sum distribution back to the Plan with interest. Interest is 5% per year (compounded annually) from the date of the distribution to the date you make the repayment. If you have a Repurchase Right, you must exercise it no later than 5 years after your rehire date.

You have a Repurchase Right if, during your initial period of employment, you participated in the UCEPP Component or the Prior Plan, and you received a lump sum distribution no later than the close of the second Plan Year following the Plan Year in which your initial period of employment occurred. (*Note: You only have a Repurchase Right if you participated in the UCEPP Component during your initial period of employment.*)

Multiple Breaks in Service

This Appendix contains rules of general applicability. The Plan Administrator will interpret and apply the Plan to individuals who experience multiple breaks in service, using nondiscriminatory rules and applying such rules uniformly to similarly situated individuals.

Former Dow Employees Hired by Union Carbide

If you are a former employee of The Dow Chemical Company and are hired by Union Carbide Corporation, or *vice versa*, special rules apply to your benefit. Please refer to the Plan document for details.

APPENDIX E: PRIOR PLAN FORMULA

Before February 7, 2003, the Union Carbide Employees' Pension Plan was known as the Retirement Program Plan for Employees of Union Carbide Corporation and Its Participating Subsidiary Companies (the "Prior Plan" or "UCRP"). This Appendix describes the benefit formula under the Prior Plan and other rules that apply to the Prior Plan. This Appendix is applicable to any individual who participated in the UCRP on or before February 6, 2003 (a "Prior Plan Participant"). If you were first hired by the Corporation on or after February 7, 2003, this Appendix does not apply to you.

If you participated in the Prior Plan, you may also have a benefit under the UCEPP Component of the Plan, if you remained employed by Union Carbide Corporation or a related company after February 6, 2003. **In that case, your benefit will generally be the greatest of your benefit under the Prior Plan, the UCEPP Component, or the Transition Benefit.** (See the "Calculating Your Benefit" section of the main body of this SPD for more detailed information on calculation of the benefit.)

- If you *do not* have a benefit under the UCEPP Component, the rules set forth in this Appendix E regarding eligibility, service, benefit calculations, benefit payment options and timing, disability benefits, and pre-commencement death benefits will apply to you.
- If you *do* have a benefit under the UCEPP Component:
 - Your benefit under the UCEPP Component is described in the main body of this SPD. The rules set forth in the main body of this SPD will apply generally to your UCEPP Component benefit (*e.g.*, rules regarding eligibility, service, benefit calculations, payment options and timing, and pre-commencement death benefits), except as otherwise specifically provided elsewhere in this SPD.
 - Your "Prior Plan Component" benefit is described in this Appendix E. The rules set forth in this Appendix E generally apply to your Prior Plan Component benefit, except as otherwise provided herein or in the main body of this SPD.
 - Your UCRP Transition Benefit is described in Appendix F. The rules set forth in Appendix F generally apply to your UCRP Transition Benefit, except as otherwise provided in the main body of this SPD.
- The rules regarding administration of the Plan, claims and appeals procedures, domestic partnerships, divorce and separation, and circumstances that could result in a loss of benefits, as provided in the main body of this SPD, generally apply to all Prior Plan Participants, except as otherwise specifically provided in this Appendix E or Appendix F.

ELIGIBILITY

Who is eligible to participate in the Prior Plan formula?

Generally, you are a Prior Plan Participant if you were initially hired by the Corporation – that is, Union Carbide Corporation and subsidiaries of Union Carbide Corporation that participated in the Plan—before February 7, 2003. You are not a Prior Plan Participant, however, if you were:

- a member of a bargaining unit with an agreement requiring the Corporation to contribute to another retirement fund or plan;
- hired outside the United States for foreign employment, or participating in a foreign subsidiary’s pension plan while employed in the United States;
- an employee of a non-participating business unit or a “leased employee”;
- an independent contractor (or any other individual who is carried on the books of the Corporation as an independent contractor, even if you are later determined to be a common law employee for certain purposes);
- an employee covered by an employment contract with the United Mine Workers of America at coal mines owned, leased, or operated by or on behalf of UMETCO Minerals Corporation;
- an employee or longshoreman engaged in operating ships owned, leased, or operated by the Corporation; or
- an employee who was not a regular employee -- that is, an employee of the Corporation who is scheduled to work, from week to week fewer than half of the hours scheduled for the facility or group where employed.

VESTING

“Vesting” refers to your benefit becoming nonforfeitable, which means that you have a right to your retirement benefit after you terminate employment with the Corporation and related companies, regardless of the reason for your termination.

If you have an hour of service on or after January 1, 2008, your benefit is vested after you complete three years of Vesting Service. If you had an hour of service on or after January 1, 1989, but separated from service before January 1, 2008, your benefit is vested after completing 5 years of Credited Service. Other vesting schedules apply to employees who terminated employment before January 1, 1989.

SERVICE

What is “Vesting Service” and how is it calculated?

Vesting Service is generally used to determine whether you are entitled to receive a benefit from the Plan when you leave employment. The calculation depends on when you terminated employment with the Corporation.

Termination of Employment After February 6, 2003

If you terminated employment with the Corporation (and its affiliates) after February 6, 2003, your Vesting Service equal to the sum of the following:

- Your Vesting Service earned before January 1, 2003, as calculated under the Prior Plan methodology. This Vesting Service is generally the same as your Company Service Credit (described below) as of December 31, 2002.
- Your Vesting Service earned after January 1, 2003, as calculated under the methodology used to calculate Vesting Service under the UCEPP Component. These rules are described in more detail in the “Vesting” section in the main body of the SPD.

Termination of Employment Before February 7, 2003

If you terminated employment with the Corporation (and its affiliates) before February 7, 2003, your Vesting Service is generally equal to your Company Service Credit (described below) as of your termination date.

What is “Company Service Credit” and how is it calculated?

Company Service Credit is used for many purposes under the Prior Plan formula, including determining the *amount* of your retirement benefit under the Prior Plan formula.

Company Service Credit is generally earned for the period beginning with your first hour of service with the Corporation and ending on your last day of service with the Corporation, subject to special rules regarding breaks in service, leaves of absence, and reemployment. This type of service crediting is known as the “elapsed time” method. There are special rules, however, depending upon when you terminate employment.

Termination of Employment After February 6, 2003

If you terminated employment with the Corporation (and its affiliates) after February 6, 2003:

- For purposes of determining your benefit under the Prior Plan, Company Service Credit was frozen as of February 6, 2003.
- For all other purposes, the calculation Company Service Credit under the Prior Plan methodology was frozen as of December 31, 2002.

Termination of Employment Before February 7, 2003

If you terminated employment with the Corporation (and its affiliates) before February 7, 2003, you received Company Service Credit until your actual termination date. However, please note that if you are rehired by the Corporation or one of its affiliates after February 6, 2003, you do not resume accruing Company Service Credit.

What is “Eligibility Service” and how is it calculated?

“Eligibility Service” is relevant for Prior Plan Participants who continued to work for the Corporation (or its affiliates) after February 6, 2003. For these participants, Eligibility Service is used in combination with Company Service Credit to determine eligibility for a reduced or unreduced early retirement benefits, or a disability retirement benefit, under the Prior Plan formula. In other words, your Eligibility Service earned on and after January 1, 2003, is treated as if it were Company Service Credit under the Prior Plan formula for all purposes other than benefit accruals. For example, this means that if you are calculating your “points” after December 31, 2002, the service-based portion of your “points” total is equal to your Company Service Credit as of December 31, 2002, plus your Eligibility Service earned on and after January 1, 2003.

Your “Eligibility Service” is generally equal to your “Credited Service” determined under the UCEPP Component methodology. For more information on how Eligibility Service and Credited Service are calculated, please refer to that section of the main body of the SPD.

What is an hour of service?

An hour of service generally is any hour for which you receive compensation from the Corporation, including any hour for which back pay has been awarded or agreed to by your employer, calculated in accordance with Department of Labor regulations.

CALCULATING YOUR BENEFIT

What is my Normal Retirement Date under the Plan?

Your Normal Retirement Date is the first day of the month coincident with or next following the month in which you reach age 65.

What is my normal retirement benefit under the Plan?

Participants Who Terminated Employment Before February 7, 2003

If you terminated employment before February 7, 2003 and you commence your benefit on your Normal Retirement Date, you will be entitled to receive a monthly retirement benefit for your lifetime calculated solely under the Prior Plan formula. This benefit takes into account all of your service with the Corporation, and is based on three benefit formulas, which are explained in more detail below. This benefit is also referred to in this Appendix as your “normal retirement benefit.”

Participants Who Participate in the UCEPP Component

If you participated in the Prior Plan *and* in the UCEPP Component because you were employed by the Corporation before February 7, 2003 *and* on and after February 6, 2003, your normal retirement benefit under the Plan is equal to the greatest of:

- Your normal retirement benefit under the UCEPP Component (described in the main body of the SPD);
- Your normal retirement benefit as of February 6, 2003 under the Prior Plan formula (described in this Appendix); or
- Your normal retirement benefit under the UCRP Transition Benefit (described in Appendix F of the SPD).

When the UCEPP Component was established, your benefit under the Prior Plan formula was “frozen.” This means that it takes into account only your service and compensation with the Corporation as of February 6, 2003. Your service continues to increase for certain purposes—*e.g.*, eligibility for subsidized early retirement benefits—but your normal retirement benefit under the Prior Plan formula does not increase after February 6, 2003. (The Transition Benefit described in Appendix F of the SPD *does* reflect certain increases in your service and compensation for periods after February 6, 2003, however.)

What is the amount of my normal retirement benefit under the Prior Plan formula?

Your normal retirement benefit under the Prior Plan formula is the greatest of the amounts calculated under the Regular Formula, the Alternate Formula, and the Minimum Formula, each as described below:

The Regular Formula

Under the Regular Formula, your monthly normal retirement benefit is equal to 1.2 percent of your compensation multiplied by your service, and with an additional monthly amount added. To be precise, it is equal to:

$$(1.2\% \times \text{ASTME} \times \text{Company Service Credit}) + \$12$$

Your “ASTME” is your compensation used for purposes of the benefit calculation. “ASTME” stands for “average straight time monthly earnings”, and is described in more detail on page 72 below.

Important Note: If you terminate employment before your Normal Retirement Date and you are eligible for a “vested retirement benefit” (as described in the “Payment of Your Benefit - Timing” section below), your benefit under the Regular Formula will be calculated slightly differently. Specifically, the \$12 amount will be multiplied by your “Service Fraction,” which equals your actual years of Company Service Credit divided by the total years of Company Service Credit you would have had if you had continued to work for the Corporation until you reached age 65.

The Alternate Formula

Under the Alternate Formula, your monthly retirement benefit is equal to:

1.5% x ASTME x Company Service Credit

minus the *lesser of*

**1.5% x Primary Social Security Benefit x Company Service Credit *or*
50% of your Primary Social Security Benefit**

Your Primary Social Security Benefit is an estimate of the monthly amount you will receive from Social Security beginning at your Social Security retirement age (or the date you terminate employment with the Corporation, if you work past your Social Security retirement age).

- Your Primary Social Security Benefit estimate is based on your actual wage history with the Corporation and an estimate of your wage history for employment with prior employers. This estimate assumes that the rate of your past wage increases (*i.e.*, your wages from before your employment with the Corporation) matches the rate of increases in the national wage as reported by the Social Security Administration.
- If you are younger than age 62 when you terminate employment with the Corporation, your Primary Social Security Benefit estimate is based on a projection of what your monthly Social Security amount would be if you started receiving Social Security benefits at age 62.
 - If you terminate employment with the Corporation before reaching your early retirement date, the Plan assumes that you receive level annual earnings for the period from your termination until age 65 based on your final full year of earnings from the Corporation as of your termination date.
 - If you terminate employment with the Corporation after reaching your early retirement date, or after you become eligible for a disability retirement benefit, the Prior Plan assumes you have no additional wages after your termination of employment. The Prior Plan assumes that you commence your Social Security benefit as of age 62.
- If you are age 62 or older when you terminate employment with the Corporation, your actual primary Social Security benefit, commencing as of your age at benefit commencement for your Plan benefit is used for purposes of the offset.

You may submit your actual earnings history to be used in lieu of the estimated wage history, if you do so in a timely manner and in a form acceptable to the Plan Administrator. If you submit your actual earnings history, your benefit will change only if the actual earnings history increases your benefit (*i.e.*, only if your actual earnings history results in a smaller Social Security benefit).

Important Note: If you terminate employment before your Normal Retirement Date and you are eligible for a “vested retirement benefit” (as described in the “Payment of Your Benefit -

Timing” section below), your benefit under the Alternate Formula will be calculated differently. Specifically, your benefit is calculated under the Alternate Formula *as if* you remained employed by the Corporation until your Normal Retirement Date, using your ASTME as of your termination date. For ease of reference, this amount is referred to as your Projected Alternate Formula Benefit. Your Projected Alternate Formula Benefit is then multiplied by your Service Fraction (described below). The resulting amount is your actual Alternate Formula benefit.

The Projected Alternate Formula Benefit is calculated as follows:

1.5% x ASTME x Company Service Credit Projected to Age 65

minus the lesser of

1.5% times

**Projected Primary Social Security Benefit (calculated as if you worked for the Corporation to age 65 earning at the same rate in effect on your termination date) times
Company Service Credit Projected to Age 65 (maximum of 33½ years)**

or

50% of your Primary Social Security Benefit

Your actual Alternate Formula benefit is equal to:

Projected Alternate Formula Benefit x Service Fraction

Your Service Fraction equals your actual years of Company Service Credit divided by the total years of Company Service Credit you would have had if you had continued to work for the Corporation until you reached age 65.

The Minimum Formula

Under the Minimum Formula, your monthly normal retirement benefit is equal to:

\$6 multiplied by your first ten years of Company Service Credit, plus

\$9 multiplied by your second ten years of Company Service Credit, plus

\$12 multiplied by any years of Company Service Credit in excess of 20 years, plus

10% of your ASTME (if you have fewer than 8 years of Company Service Credit, the percentage is reduced by 1% for each year less than 8), plus

\$12

Important Note: If you terminate employment before your Normal Retirement Date and you are eligible for a “vested retirement benefit” (as described in the “Payment of Your Benefit -

Timing” section below), your benefit under the Minimum Formula will be calculated slightly differently. Specifically:

- The flat \$12 amount described above is multiplied by your Service Fraction (defined above); and
- If you have fewer than 10 years of Company Service Credit, the percentage of ASTME included in the calculation is reduced by 1% for each year less than 10.

What is my compensation for purposes of the Prior Plan formula?

Your “compensation” for purposes of the Prior Plan formula is your “average straight time monthly earnings” or “ASTME.” Your ASTME is the greater of:

- the monthly average of your straight-time rate of pay for all regularly scheduled hours during the last 36 full calendar months before you terminate employment with the Corporation; or
- the monthly average of your straight-time rate of pay for all regularly scheduled hours during the three consecutive calendar years in which earnings were the highest within the last 10 calendar years before you terminate employment with the Corporation.

If you terminate employment in the middle of a calendar year, your ASTME is calculated by adding together: (a) your scheduled straight-time monthly earnings for the months of the calendar year in which you terminate employment; (b) scheduled straight-time monthly earnings in the two preceding calendar years; and (c) the *average* of the scheduled straight-time monthly earnings for each month in the third preceding calendar year, *multiplied by* the number of months used in the calculation for that year (that is, the number of months needed to reach 36); the resulting amount is divided by 36.

For example, if you terminated employment on May 31, 2002, your ASTME would be equal to:

Your total scheduled straight-time earnings for January 2002-May 2002; *plus*

Your total scheduled straight-time earnings for January 2000-December 2001; *plus*

Your *average* straight-time monthly earnings for 1999, multiplied by 7;

divided by 36.

In general, your straight-time rate of pay includes base rate of pay (including pre-tax contributions to other plans in which the Corporation’s employees participate that meet the requirements of § 125, § 401(a), and/or § 401(k) of the Code), shift differentials, shift premiums, local incentive awards and lump sum payments in lieu of salary increases. It also includes variable compensation, compensation deferred under the deferred compensation program, and up to 20 days per year of profit sharing. Special rules may apply to how your ASTME is calculated; for example, if you have fewer than three full calendar years of employment. Please refer to the Prior Plan document for more information.

ASTME is also subject to Internal Revenue Code limits on the amount of compensation that may be taken into account under a defined benefit pension plan.

Important Note: ASTME was “frozen” as of February 6, 2003. This means that if you were employed by the Corporation on and after February 6, 2003, or if you previously terminated employment and were later rehired by the Corporation on or after February 6, 2003, your ASTME does not change from the amount recorded in the Corporation’s pension administration system on February 6, 2003.

Example Benefit Calculation

David was born in 1949, and was employed by Union Carbide Corporation from 1970 to 2000. When David terminated employment, his ASTME was \$3,500 per month. Assume David’s Primary Social Security Benefit is \$1,200 per month. David’s benefit beginning at normal retirement age is \$1,272 per month. His benefit is calculated as follows:

Benefit Formula	Calculation	Final Benefit
<i>Regular Formula Benefit:</i>	$(1.2\% \times \$3,500 \times 30) + 12 = \$1,272$	\$1,272 per month
<i>Alternate Formula Benefit:</i>	<p>1. <i>Base Benefit:</i></p> $1.5\% \times \$3,500 \times 30 = \$1,575$ <p>2. <i>Social Security Offset:</i></p> $1.5\% \times \$1,200 \times 30 = \540 <p>3. <i>Base Benefit minus Social Security Offset:</i></p> $\$1,575 - \$540 = \$1,035$	\$1,035 per month
<i>Minimum Formula Benefit:</i>	$(\$6 \times 10) + (\$9 \times 10) + (\$12 \times 10) + (10\% \times \$3,500) + \$12$ $\$60 + \$90 + \$120 + \$350 + 12 = \$632$	\$632 per month

David’s benefit is the greatest of the amounts calculated under the Regular Formula, the Alternate Formula, and the Minimum Formula. In this example, the Regular Formula provides the greatest benefit.

Note: All benefits are subject to any qualified domestic relations order (“QDRO”) on file with the Plan. If your benefit is subject to a QDRO and you have questions about your benefit, please contact the Service Center.

PAYMENT OF YOUR BENEFIT - TIMING

When will my benefit be paid?

Your benefit may be paid on, after or before your Normal Retirement Date, depending on when you terminate employment and when you elect to have your benefit commence. You may receive your benefit in one of the forms for which you are eligible, as described below in the “Forms of Payment” section. This section describes how you begin receiving your benefit.

- The date as of which you begin your benefit is referred to as your “**benefit commencement date**.” A benefit commencement date is always the first day of a month. In some cases, payment of your benefit could be delayed for a short time after your benefit commencement date to provide the Plan with time to process your paperwork and include your final pay in your benefit calculation.
- Your **Normal Retirement Date** is the first day of the month coincident with or next following the month in which you reach age 65.

May I receive my retirement benefit before my Normal Retirement Date?

Yes. However, the rules are different depending on whether you terminated employment after February 7, 2003 (and you therefore participate in the UCEPP Component) or you terminated employment before February 7, 2003 (and therefore participate only in the Prior Plan):

- If you participate only in the Prior Plan and your retirement benefit is vested, you are eligible to receive your Prior Plan benefit as of the later of: (1) the first day of the month after which you reach age 50; or (2) the first day of any month coincident with or following the date you terminate employment.
- If you participated in the Prior Plan and the UCEPP Component, you are eligible to commence your benefit under the Plan in accordance with the timing and commencement rules described in the “**Payment of Your Benefit**” sections of the main body of the SPD, beginning on page 15.

In either case, if you begin your benefit before your Normal Retirement Date, your Prior Plan formula monthly benefit amount may be actuarially reduced to reflect that you may receive your benefit over a longer period of time (since you will be starting your benefit earlier). Whether your benefit will be reduced, and the extent to which your benefit may be reduced, depends upon whether you are eligible for an early retirement benefit, a reduced early retirement benefit, or a vested retirement benefit, as explained below.

If your retirement benefit is not vested when you terminate, you will not receive a benefit from the Plan.

When am I eligible to receive an unreduced early retirement benefit?

If you satisfy either or both of these criteria, you can commence your benefit under the Prior Plan without a reduction for early commencement:

- You have at least 10 years of Company Service Credit and you commence your benefit on or after age 62;
- You have at least 85 “points” and you terminate employment with the Corporation (and all related companies) at or after age 50. Each year of your age and Company Service Credit count for one point. Fractional points are awarded for partial years of age and Company Service Credit. For example, if you are age 52 and have 33 years of Company Service Credit when you terminate employment, you are eligible for a full early retirement benefit because you have 85 total “points” (52 + 33 = 85).

By law, you must commence your benefit by April 1st of the calendar year next following the calendar year in which you reach age 70½, however.

Important Note: If you participated in the Prior Plan *and* you participate in the UCEPP Component, your “Eligibility Service” earned under the UCEPP Component on and after January 1, 2003, is treated like “Company Service Credit” for purposes of the early retirement eligibility rules described in this section (including the “points” calculation”).

When am I eligible to receive a reduced early retirement benefit?

If you have at least 10 years of Company Service Credit, you terminate employment with the Corporation after reaching age 50 and you commence your benefit *before* age 62 (and you do not satisfy the 85-point rule described above), you are eligible to receive a *reduced* early retirement benefit. Your normal retirement benefit will be multiplied by a reduction factor based on your age and service, in years and months, when your benefit commences. The following schedule provides the factors for various whole ages:

Table 1 - Early Retirement Reduction Factors													
Years of Service	Age at Commencement												
	50	51	52	53	54	55	56	57	58	59	60	61	62+
10-18	40	45	50	55	60	65	70	75	80	85	90	95	100
19	45	45	50	55	60	65	70	75	80	85	90	95	100
20	50	50	50	55	60	65	70	75	80	85	90	95	100
21	50	55	55	55	60	65	70	75	80	85	90	95	100
22	50	55	60	60	60	65	70	75	80	85	90	95	100
23	50	55	60	65	65	65	70	75	80	85	90	95	100
24	50	55	60	65	70	70	75	80	85	90	95	100	100
25	50	55	60	65	70	75	80	85	90	95	100	100	100
26	55	60	65	70	75	80	85	90	95	100	100	100	100
27	60	65	70	75	80	85	90	95	100	100	100	100	100
28	65	70	75	80	85	90	95	100	100	100	100	100	100
29	70	75	80	85	90	95	100	100	100	100	100	100	100
30	75	80	85	90	95	100	100	100	100	100	100	100	100
31	80	85	90	95	100	100	100	100	100	100	100	100	100
32	85	90	95	100	100	100	100	100	100	100	100	100	100
33	90	95	100	100	100	100	100	100	100	100	100	100	100

Table 1 - Early Retirement Reduction Factors													
Years of Service	Age at Commencement												
	50	51	52	53	54	55	56	57	58	59	60	61	62+
34	95	100	100	100	100	100	100	100	100	100	100	100	100
35+	100	100	100	100	100	100	100	100	100	100	100	100	100

Note that if you terminate employment with at least 10 years of Company Service Credit and after you reach age 50, and you wait until you reach age 62 or you reach 85 points before commencing your benefit, you will be eligible for an unreduced early retirement benefit. Your total points, for purposes of the 85-point rule, will be based on your age at benefit commencement (rather than at termination of employment).

For example, if you are age 53 with 30 years of Company Service Credit when you terminate employment, you would receive a benefit equal to 90% of your normal retirement benefit if you commenced immediately. If you defer your benefit for two years until you are age 55 with 30 years of Company Service Credit, that you will receive 100% of your normal retirement benefit because your two additional years of age are added to your points to give you a total of 85 points.

Important Note: If you participated in the Prior Plan *and* you participate in the UCEPP Component, your “Eligibility Service” earned under the UCEPP Component on and after January 1, 2003, is treated like “Company Service Credit” for purposes of the early retirement eligibility rules described in this section.

Special Early Retirement Bridge Benefit for Involuntarily Terminated Employees

If you are involuntarily terminated by the Corporation on or after January 1, 1976, for a reason other than cause, you may receive additional credit towards eligibility for a reduced early retirement benefit and an unreduced early retirement benefit. This additional credit is also known as a “bridge” benefit. This additional credit:

- is provided only for purposes of *eligibility* for unreduced and reduced early retirement benefits under the Prior Plan. It does not affect the amount of your accrued benefit and does not result in an additional accrual under the Prior Plan.
- is applied only at your termination date. If the bridge benefit does not make you eligible for an unreduced or reduced early retirement benefit when you terminate employment, it will not make you eligible for an unreduced or reduced early retirement benefit at a later date.
- applies only to your benefit under the Prior Plan (except as otherwise provided in Appendix F). If you have a benefit under the UCEPP Component and under the Prior Plan, the bridge benefit is factored into the calculation of your Prior Plan benefit for purposes of determining whether it is greater than your UCEPP Component benefit; however, if your UCEPP Component is greater, the bridge benefit does not affect your final benefit payable under the UCEPP Component.

- is provided only if you are involuntary terminated for a reason other than cause.

Example of Unreduced Early Retirement Benefit. If you are age 60 with 8 years of Company Service Credit and you are involuntarily terminated without cause, the Plan Administrator will treat you as if you had up to two additional years of age (*i.e.*, treat you as if you were age 62) and up to two additional years of Company Service Credit (*i.e.*, treat you as if you had 10 years of Company Service Credit). The additional credit makes you eligible for an unreduced early retirement benefit because you are deemed to be age 62 and have 10 years of Company Service Credit at termination of employment.

Alternatively, if you are age 53 with 30 years of Company Service Credit and you are involuntarily terminated without cause, the Plan Administrator will treat you as if you had up to two additional points, which would give you a total of 85 points. If you have 85 points you are eligible for an unreduced early retirement benefit.

Example of Reduced Early Retirement Benefit. If you are age 48 with 9 years of Company Service Credit and you are involuntarily terminated without cause, the Plan Administrator will treat you as if you had up to two additional years of age (*i.e.*, treat you as if you were age 50) and up to two additional years of Company Service Credit (*i.e.*, treat you as if you had 10 years of Company Service Credit). The additional credit makes you eligible for a reduced early retirement benefit, because you are treated as if you are age 50 with 10 years of Company Service Credit.

However, if you are age 48 with 7 years of Company Service Credit, the additional age and service would not be enough to satisfy the eligibility requirements for a reduced early retirement benefit (*i.e.*, you would be treated as if you were age 50 with 9 years of Company Service Credit). As noted above, the additional credit is applied only at the time of termination, so you would not become eligible for a reduced early retirement benefit at any later time as a result of the bridge benefit.

The following schedule demonstrates the reduction factors applicable to participants who are eligible for the bridge benefit. The ages and years of service columns are based on your *actual age and service*, and do not include the additional credit used for purposes of determining eligibility for a reduced or unreduced early retirement benefit. In addition, please note that Table 2 is used *only* at the time you terminate employment.

Table 2 - Early Retirement Reduction Factors for Bridge Benefit													
Years of Service	Age at Termination of Employment												
	48	49	50	51	52	53	54	55	56	57	58	59	60+
8-9	40	40	40	45	50	55	60	65	70	75	80	85	100
10-18	40	40	40	45	50	55	60	65	70	75	80	85	100
19	45	45	45	45	50	55	60	65	70	75	80	85	100
20	50	50	50	50	50	55	60	65	70	75	80	85	100
21	50	50	50	55	55	55	60	65	70	75	80	85	100
22	50	50	50	55	60	60	60	65	70	75	80	85	100
23	50	50	50	55	60	65	65	65	70	75	80	85	100

Table 2 - Early Retirement Reduction Factors for Bridge Benefit													
Years of Service	Age at Termination of Employment												
	48	49	50	51	52	53	54	55	56	57	58	59	60+
24	50	50	50	55	60	65	70	70	75	80	85	100	100
25	50	50	50	55	60	65	70	75	80	85	100	100	100
26	55	55	55	60	65	70	75	80	85	100	100	100	100
27	60	60	60	65	70	75	80	85	100	100	100	100	100
28	65	65	65	70	75	80	85	100	100	100	100	100	100
29	70	70	70	75	80	85	100	100	100	100	100	100	100
30	75	75	75	80	85	100	100	100	100	100	100	100	100
31	80	80	80	85	100	100	100	100	100	100	100	100	100
32	85	85	85	100	100	100	100	100	100	100	100	100	100
33	90	90	100	100	100	100	100	100	100	100	100	100	100
34	95	100	100	100	100	100	100	100	100	100	100	100	100
35+	100	100	100	100	100	100	100	100	100	100	100	100	100

What if I am not eligible for an unreduced or reduced early retirement benefit when I terminate employment with the Corporation?

If your retirement benefit is vested but you are not eligible for an unreduced or reduced early retirement benefit when you terminate employment with the Corporation, you are eligible to receive a vested retirement benefit.

Vested Benefit -- Timing of Distribution

- If you were employed by the Corporation on and after February 7, 2003, you may elect to begin your benefit as of the first day of the month following your termination of employment, or the first day of any later month until April 1 of the calendar year next following the calendar year in which you reach age 70½.
- If you did not participate in the UCEPP Component because you terminated employment with the Corporation before February 7, 2003, you may elect to begin your vested retirement benefit as of the later of: (1) the first day of the month following the month in which you terminated employment, or (2) the first day of the month following the month in which you reach age 50; or (3) the first day of any later month until April 1 of the calendar year next following the calendar year in which you reach age 70½.

Vested Benefit -- Reduction for Early Commencement

If you commence your benefit on your Normal Retirement Date, your benefit will not be reduced to reflect early commencement.

However, if you begin your benefit before your Normal Retirement Date, your monthly benefit amount will be reduced to reflect the fact that you may receive your benefit over a longer period of time (since you will be starting your benefit earlier). Your benefit will be reduced by

multiplying your monthly benefit by a reduction factor based on your age in years and months, as set forth in Table 3. If your age is between whole years, your reduction factor will be adjusted accordingly.

Table 3 - Vested Retirement Benefit Reduction Factors	
Age at Benefit Commencement	Reduction Factor
65 and older	No Reduction
64	93.33%
63	86.66%
62	80%
61	75%
60	70 %
59	65%
58	60%
57	55%
56	50%
55	45%
54	40%
53	35%
52	30%
51	25%
50	20%

Non-vested Benefit -- If your retirement benefit is not vested when you terminate, you will not receive a benefit from the Plan.

Can my benefit be distributed without my consent before my Normal Retirement Date?

No, except in very limited circumstances. If you terminate employment with the Corporation and related companies and the present value of your retirement benefit is \$1,000 or less, your benefit will be distributed in a lump sum as soon as administratively feasible after your termination date of employment. You may request that this amount be rolled over into an individual retirement

account (“IRA”) or other eligible retirement plan. Please see page 24 for more information on rollovers.

The “present value” of your retirement benefit means a lump sum amount that is the actuarial equivalent of your monthly benefit as of your benefit commencement date, as determined by the Plan’s actuaries using the Plan’s interest rate and mortality assumptions.

May I begin my benefit while I am employed by the Corporation?

Generally, no. The only time that you could begin your benefits while you remain employed by the Corporation is if you keep working for the Corporation until after you reach age 70½.

How do I begin my benefit?

The benefit commencement procedures generally applicable all Plan participants apply to Prior Plan participants. For more information on how to begin your benefit, please see the “**Payment of Your Benefit - Timing**” section of the main body of the SPD.

What is the 2014 Election Window and how did it change the distribution rules for affected participants?

The Plan was amended on August 15, 2014 to add new rules regarding the time and form of payment to certain participants, known as “Affected Participants.” In general, Affected Participants were participants whose benefits were not funded exclusively through a Prudential annuity contract and who (i) were not employed by The Dow Chemical Company or Union Carbide Corporation (or certain affiliated companies) on November 1, 2014, (ii) had a vested benefit with a present value of \$100,000 or less under: (a) the Prior Plan formula, (b) the Retirement Plan for Employees of KTI Chemicals, Inc., prior to February 5, 1992, or (c) the Retirement Income Plan for Employees of London Chemical Company, Inc., prior to August 1, 1994, (iii) had not commenced their benefit prior to November 1, 2014, and (iv) had no contingencies affecting their benefit (e.g., the participant had a qualified or pending domestic relations order or was unable to be located). Participants with a UCEPP Component benefit were not Affected Participants. Affected Participants with a vested benefit under this Appendix E with a present value of \$5,000 or less but more than \$1,000 received a lump sum payment of their benefit (or had their benefit rolled over to an IRA or the qualified plan of another employer) in November 2014. Affected Participants with a vested benefit under this Appendix E with a present value of more than \$15,000 could elect to receive a lump sum payment of their benefit (including rolling over their benefit to an IRA or the qualified plan of another employer), or to receive their benefit in certain annuity forms, in November 2014. Participants with an accrued benefit under this Appendix E with a present value of more than \$5,000 but less than \$15,000, or with a present value of \$1,000 or less, were not affected by this amendment.

In addition, the death benefit protection reduction described on page 88 was waived for Affected Participants.

The amendment and the participants to whom this election window applied are described in more detail in the Summary of Material Modifications that was issued in August 2014 (the “SMM”). Please contact the Dow Benefits Service Center for a copy of the SMM.

PAYMENT OF YOUR BENEFIT - FORMS OF PAYMENT

Your Prior Plan formula benefit is calculated as a monthly annuity payable during your lifetime and ending at your death. However, if you have a benefit under the Prior Plan, you may be eligible to elect a different form of benefit payment. You also may be able to elect to apply the Level Income feature described below.

- All of the forms of payment are calculated by the Plan's actuaries to be the actuarial equivalent of your benefit under the Prior Plan formula.
- The Plan's actuaries use the Plan's interest rate and mortality assumptions to calculate actuarial equivalence.

What are the optional forms of payment under the Plan?

Single Life Annuity

Under the single life annuity form of payment, you receive monthly payments during your life and payments end when you die. Nothing is paid to your estate or another beneficiary after your death.

This is the only form of payment available to you if you are not married and do not have a domestic partner when your benefit commences, except as described below.

Joint and 50% Survivor Annuity

This form of payment is generally available only if you are married or have a domestic partner on your benefit commencement date.

- You may designate only your spouse or domestic partner as your beneficiary for purposes of the joint and 50% survivor annuity.

Under this form of payment, you receive monthly payments during your life and, if you die before your spouse or domestic partner, payments will be made to your spouse or domestic partner for the rest of his or her life. The monthly amount payable to your spouse or domestic partner after your death (if your he or she survives you) will be 50% of the monthly amount payable during your life. The monthly amount paid to you under a joint and 50% survivor annuity will be less than the amount paid to you under the single life annuity described above. However, if your spouse or domestic partner predeceases you, your benefit payments following your spouse's or domestic partner's death will be increased to the amount that you would have received had you elected a single life annuity.

If you are eligible for a "vested retirement benefit" (*i.e.*, you are not eligible for a normal retirement benefit or reduced or unreduced early retirement benefit), you are eligible for a joint and 50% survivor annuity *only if* you have been married (or in a domestic partnership) for at least 12 months. If you have been married for less than 12 months as of your benefit commencement date, you may commence your benefit as a joint and 50% survivor annuity, but the survivor benefit will be paid to your spouse only if you have been married for at least 12

months on your date of death. For example, if you have been married for six months on your benefit commencement date, you must live (and remain married) for another six months after commencement before the survivor benefit would be paid to your spouse after your death.

With your spouse's consent, you may designate certain other family members as beneficiaries of your joint and survivor annuity. These "designated beneficiaries" generally must qualify as your "dependents" under applicable provisions of the Internal Revenue Code.

Note for Unmarried Participants: This form of payment is generally available only if you are married or have a domestic partner on your benefit commencement date. If you are not married on your benefit commencement date but you subsequently marry, however, you may elect to convert your single life annuity to a joint and 50% survivor annuity. The election must be made within 120 days after the date of your marriage. The election, once made, is irrevocable. Please contact the Service Center for more information.

Joint and 75% Survivor Annuity

This form of payment is only available if you are married or have a domestic partner on your benefit commencement date.

- You may designate only your spouse or domestic partner as your beneficiary for purposes of the joint and 75% survivor annuity.

Under this form of payment, you receive monthly payments during your life and, if you die before your spouse, payments will be made to your spouse for the rest of his or her life. The monthly amount payable to your spouse after your death (if your spouse survives you) will be 75% of the monthly amount payable during your life. The monthly amount paid to you under a joint and 75% survivor annuity will be less than the amount paid to you under the single life annuity and joint and 50% survivor annuity described above. You may elect a joint and 75% survivor annuity only if your spouse consents to your election in writing.

If your spouse or domestic partner predeceases you, your benefit payments following your spouse's or domestic partner's death will be increased to the amount that you would have received had you elected a single life annuity.

If you are eligible for a "vested retirement benefit" (*i.e.*, you are not eligible for a normal retirement benefit or reduced or unreduced early retirement benefit), you are eligible for a joint and 50% survivor annuity *only if* you have been married (or in a domestic partnership) for at least 12 months. If you have been married for less than 12 months as of your benefit commencement date, you may commence your benefit as a joint and 75% survivor annuity, but the survivor benefit will be paid to your spouse only if you have been married for at least 12 months on your date of death. For example, if you have been married for six months on your benefit commencement date, you must live (and remain married) for another six months after commencement before the survivor benefit would be paid to your spouse after your death.

With your spouse's consent, you may designate certain other family members as beneficiaries of your joint and survivor annuity. These "designated beneficiaries" generally must qualify as your "dependents" under applicable provisions of the Internal Revenue Code.

Lump Sum Payment

The lump sum option is available to you only if the present value of your benefit is \$15,000 or less. A lump sum distribution provides you with a one-time payment of the present value of your benefit as either a cash distribution or a direct rollover to an IRA or other qualified retirement plan. No additional benefits will be paid after you receive a lump sum payment.

If you choose to receive your benefit as a lump sum, please refer to the rollover section in the main body of the SPD for more information about your ability to rollover your lump sum. If you are married on your benefit commencement date, and the value of your benefit is more than \$1,000, you must provide a notarized spousal consent to elect a lump sum.

Level Income Feature

You may elect the Level Income feature in combination with the single life annuity or the joint and 50% survivor annuity, if you begin payments before reaching age 62. Under this feature, you will receive a greater amount from the Plan before you become eligible for Social Security benefits, and a reduced amount after you become eligible for Social Security benefits. This means that if you elect this feature, your monthly benefit payments will be reduced when you reach age 62, even if your Social Security benefits do not begin at that time.

This feature is intended to make your benefits under the Plan and your Social Security benefits, in the aggregate, as nearly uniform as possible before and after you become eligible for Social Security benefits.

You may elect this option in conjunction with a single life annuity or a joint and 50% survivor annuity. The Level Income feature does not affect the survivor portion of your annuity. Thus, if you elect a joint and 50% survivor annuity with the Level Income feature and your spouse or domestic partner survives you, he or she will receive 50% of the amount you would have received under a joint and 50% survivor annuity had you *not* elected the Level Income feature.

Pre-Commencement Death Benefit Protection Reduction

If you have terminated employment and you are eligible for a “vested retirement benefit”, a death benefit is generally payable to your surviving spouse if you die before commencing your retirement benefit. (This death benefit is described in more detail in the “Pre-Commencement Death Benefits” section below.) However, this death benefit is not without cost. If you commence your retirement benefit before your death, and you did not previously decline the death benefit, your monthly benefit payment from the Plan will be reduced to reflect the cost of the death benefit protection you received during the period between your termination date and your benefit commencement date. This reduction applies irrespective of whether you receive a Single Life Annuity or a Joint and Survivor Annuity.

The reduction will be made under the following schedule:

Your age while death benefit protection is in effect	Benefit reduction for each year death benefit protection is in effect
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Under 45	1/10 of 1%
45 to 54	1/5 of 1%
55 to 65	1/2 of 1%

If you wish to decline the pre-commencement death benefit, you may do so with your spouse's written, notarized consent, provided that you decline the protection before your benefit commencement date. If you properly decline the pre-commencement death benefit, no reduction will be made when you commence your retirement benefit. However, if you die before commencing your retirement benefit, no death benefit will be paid to your spouse.

If you wish to decline the pre-commencement death benefit, please contact the Service Center for the appropriate form.

Note: The cost for death benefit protection *does not apply* if you are eligible for a normal retirement benefit, early retirement benefit, or disability retirement benefit, or if you die while actively employed by the Corporation (or a related company).

What form of payment will I receive if I do not elect a form of payment?

If you are not married on your benefit commencement date, you will receive your retirement benefit in the form of a single life annuity (which is described in more detail above), unless you elect a different form of payment.

If you are married on your benefit commencement date, you will receive your retirement benefit in the form of a joint and 50% survivor annuity (which is described in more detail above), unless you elect one of the other forms of payment described above. If you elect any form of payment other than a joint and 50% survivor annuity, you are required to obtain your spouse's notarized consent before the election can be approved. Spousal consent forms are provided in your retirement kit.

The Level Income option will not apply to your benefit unless you are eligible to elect, and do elect, this feature.

DISABILITY

If you stop working for the Corporation because of a total and permanent disability that prevents you from working at any job, you may be eligible for a disability retirement benefit. Your eligibility for and the amount of your disability retirement benefit (if any) depends upon whether you have only a Prior Plan formula benefit, or if you also have a UCEPP Component benefit. These rules are set forth in the Plan's governing document. If you become disabled and believe you may be eligible for a disability retirement benefit, please contact the Service Center for more information.

PRE-COMMENCEMENT DEATH BENEFITS

The Prior Plan has special rules that apply if you die before beginning your retirement benefit. This section describes the circumstances under which death benefits may be payable to your beneficiary.

Note: If you are a Prior Plan Participant and you participate in the UCEPP Component, any pre-commencement death benefit payable on your behalf is governed by the UCEPP Component, and is described in the main portion of this SPD. The remainder of this section applies only to Prior Plan Participants who do not participate in the UCEPP Component.

* * *

Is there a death benefit under the Prior Plan if I die before I begin my retirement benefit?

Yes, in certain circumstances described in the following sections. However, death benefits are payable only if your benefit is vested. If you die before your benefit becomes vested, no benefits will be payable on your behalf.

Note: All death benefits are subject to any qualified domestic relations order (“QDRO”) on file with the Plan. If your benefit is subject to a QDRO and you have questions about your death benefit, please contact the Service Center.

What death benefits are payable if a participant died while working for the Corporation?

A death benefit is payable under the following circumstances, if a participant with a vested benefit died before February 7, 2003, while working for the Corporation:

- If the participant was married on his date of death, a death benefit is payable to the surviving spouse. If the surviving spouse dies after beginning a death benefit, the death benefit is paid to the participant’s dependent children under age 23, if any, in equal shares, until each child reaches age 23.
- If the participant was not married on his date of death, a death benefit is payable *only if* the participant had dependent children below age 23, or dependent parents. If the participant had dependent children below age 23, a death benefit is payable in equal shares to the dependent children until each child reaches age 23. If the participant did not have dependent children below age 23, but had dependent parents, a death benefit is be paid to the participant’s dependent parents for the remainder of their lives.

If the participant was not married and had no dependent children below age 23 or dependent parents, no death benefit is payable on the participant’s behalf.

- A dependent child is a child of the participant, whether biological or adopted, including a stepchild, who is under age 23, unmarried, *and* qualifies as a “dependent” of the participant under the Internal Revenue Code.

- A dependent parent is a parent, including a stepparent, of the participant, who is also a “dependent” of the participant under the Internal Revenue Code.

Note: If there are multiple beneficiaries receiving death benefits and one dies, or his or her payments cease for another reason (*e.g.*, a dependent child attaining age 23), the payment amount to the remaining beneficiaries is unaffected, *i.e.*, the share that ceased is not reallocated to the remaining beneficiaries.

Benefit Commencement for Beneficiaries of Employees Who Died While Actively Employed before February 7, 2003

If a participant died before February 7, 2003, while actively employed by the Corporation, and a death benefit is payable, the death benefit will commence as follows:

- If the participant’s beneficiary is his surviving spouse, the beneficiary may commence the death benefit on the first day of the month following the month in which the participant died, or the first day of any later month until the date that would have been the participant’s Normal Retirement Date. If the beneficiary waits to begin the death benefit, the monthly amount payable may be greater because it is not subject to as significant of a reduction to reflect commencement before the participant’s Normal Retirement Date.
- If the participant’s beneficiary is someone other than a spouse, the beneficiary must commence within one year of the participant’s date of death.
- The same benefit commencement procedures described in the main body of the SPD apply to the commencement of Prior Plan death benefits. For more information, see the **“Payment of Your Benefit”** sections of the main body of the SPD.

Amount of Death Benefit for Employees Who Died Before February 7, 2003 While Actively Employed

If a participant died before February 7, 2003, while actively employed, and a death benefit is payable, the amount of the death benefit is based on a percentage of the benefit that would have been paid to the participant had he survived:

- If the participant’s beneficiary is the participant’s surviving spouse, the beneficiary will receive a benefit based on 50% of the amount the participant would have received under a single life annuity had he terminated employment on his date of death (rather than dying on that date), elected to begin his benefit on the date the beneficiary begins receiving the death benefit, and then died the following day. However, if the surviving spouse is more than five years younger than the participant, the death benefit will be reduced by ½% for each year in excess of five. The reduction cannot reduce the death benefit to less than 25% of the amount the participant would have received in the form of a single life annuity had the participant terminated employment, survived to his Normal Retirement Date, and commenced his benefit on that date.
- If the participant’s beneficiary is someone other than a surviving spouse (*i.e.*, dependent children or dependent parents), the beneficiary will receive a benefit based on 50% of the

amount the participant would have received under a single life annuity had he terminated employment on his date of death, elected to begin his benefit on the date the beneficiary begins receiving the death benefit, and then died the following day. If there is more than one beneficiary, the benefit is allocated to each beneficiary in equal shares.

What death benefits are payable if I die after terminating employment but before commencing my retirement benefit?

A death benefit is payable under the following circumstances, if you die after terminating employment with the Corporation, provided that your benefit is vested:

- If you are married on your date of death, a death benefit is payable to your surviving spouse, *unless*
 - You and your spouse declined the death benefit (as described in more detail below); or
 - You were not married for at least 12 months before your death.
- In general, if you are not married on your date of death, no death benefit is payable on your behalf (subject to any QDRO). A death benefit may be payable if you commence a disability retirement benefit (described in the “Disability” section above) before your death. For more information, please contact the Service Center.

Benefit Commencement for Beneficiaries of Employees Who Die After Termination

If you are eligible for a death benefit to be paid on your behalf, you did not decline death benefit protection before your death, and you died on or after reaching age 50, your spouse’s death benefit will commence as of the first day of the month following the month in which you die.

If you are eligible for a death benefit to be paid on your behalf, you did not decline death benefit protection before your death, and you died before reaching age 50, your spouse’s death benefit will commence as of the first day of the month following the month in which you would have reached age 50.

Amount of the Death Benefit for Employees Who Die After Termination

If you are eligible for a death benefit to be paid on your behalf, and you did not decline death benefit protection before your death, your spouse will receive the following:

- If you die before reaching age 50, your spouse will receive a death benefit equal to 50% of the vested retirement benefit you would have received had you survived to age 50 and commenced your benefit in the form of a single life annuity on the first day of the month after your 50th birthday. The death benefit is payable until your spouse’s death.
- If you die after reaching age 50, your spouse will receive a death benefit equal to 50% of the vested retirement benefit you would have received had you commenced your benefit

on the first day of the month following your date of death. The death benefit is payable until your spouse's death.

The death benefit will never be less than 25% of the amount you would have received had you terminated employment with the Corporation (and its related companies), survived to your Normal Retirement Date and commenced your benefit in the form of a single life annuity as of that date.

Death Benefit Reductions for Beneficiaries of Vested Participants

If you have terminated employment and you are eligible for a "vested retirement benefit", a pre-commencement death benefit is generally payable to your surviving spouse if you die before commencing your retirement benefit, as described above. However, the pre-commencement death benefit payable to your surviving spouse is reduced to reflect the cost of providing the benefit. The reduction will be made under the following schedule:

Your age while death benefit protection is in effect	Benefit reduction for each year death benefit protection is in effect
Under 45	1/10 of 1%
45 to 54	1/5 of 1%
55 to 65	1/2 of 1%

As described in the "Pre-Commencement Death Benefit Protection Reduction" section above, you may decline the pre-commencement death benefit protection if you wish, provided that you: (i) obtain written, notarized consent from your spouse, and (ii) decline the death benefit before your benefit commencement date.

A participant may wish to decline the death benefit because the reduction described above also applies if the participant commences his retirement benefit before death. Declining the death benefit protection means the participant's retirement benefit is not reduced at commencement. However, declining death benefit protection means that if the participant dies before commencement, no death benefit will be paid.

If you wish to decline the pre-commencement death benefit, please contact the Service Center for the appropriate form.

Note: If you are eligible for (but have not yet commenced) a normal retirement benefit, early retirement benefit, or disability retirement benefit when you die, or if you die while actively employed by the Corporation (or a related company), the reduction described above does not apply, and will not affect your beneficiary's benefit.

What death benefits are payable if I die after commencing my retirement benefit?

If you die after commencing your retirement benefit, a death benefit is payable only if you elected a form of benefit that provides for a death benefit (e.g., a 50% Joint and Survivor Annuity).

REEMPLOYMENT

Special rules apply if you terminate employment and are subsequently rehired by the Corporation or a related company.

- If you are rehired by the Corporation or after January 1, 2008, you will participate (if at all) in the Personal Pension Account Component of the Plan. For more information, please see the PPA Component SPD. You may also refer to the Plan document for more information.
- If you were rehired before January 1, 2008, different rules applied. Please contact the Service Center for more information.
- If you are rehired by the Corporation (or a related company) and you previously commenced an annuity benefit, your payments will be suspended during your reemployment. More information on payment suspensions is provided in the Plan document and in the PPA Component SPD.

OTHER SPECIAL RULES

This Appendix summarizes key features of the Prior Plan. It does not describe every term of the Prior Plan, or every situation that could arise. There are other special rules in the Plan document that could affect your Prior Plan formula benefit. For example, there are special rules in the Plan document for Prior Plan Participants who worked for companies that were acquired by the Corporation, or for business units divested by the Corporation. There are also certain benefit offsets for individuals who participated in a legacy Union Carbide contributory pension plan, or in other limited circumstances.

For more information about the Prior Plan, please refer to the Plan document. A copy of the Plan document may be requested by contacting the Service Center, in writing, at the address listed in the main body of the SPD.

APPENDIX F: UCRP TRANSITION BENEFIT

The UCRP Transition Benefit is provided to certain employees of the Corporation who participated in the Prior Plan *and* in the UCEPP Component. It generally applies to participants who had a benefit under the Prior Plan on February 7, 2003 and remained employed by the Corporation after that date.

The UCRP Transition Benefit is a continuation of the Prior Plan formulas, with some adjustments. In some cases, the participant's UCRP Transition Benefit will be higher than his or her benefit under the Prior Plan or the UCEPP Component. This Appendix describes the UCRP Transition Benefit, and how it affects a participant's final benefit from the Plan if the participant is eligible for the UCRP Transition Benefit.

Who is eligible for the UCRP Transition Benefit?

If you were employed by the Corporation before February 7, 2003 and you remained employed on and after February 7, 2003, you are eligible for a "UCRP Transition Benefit", provided that you are 100% vested before you terminate employment. The vesting rules are described in the "Vesting" section of the main body of the SPD.

What is the UCRP Transition Benefit?

In brief, the UCRP Transition Benefit is a continuation of the Prior Plan formula, but with certain adjustments. Your UCRP Transition Benefit is a component of your final benefit calculation under the Plan. If you are eligible for a UCRP Transition Benefit, your final benefit under the Plan is equal to the *greatest* of:

- Your benefit calculated under the UCEPP Component (described in the main body of the SPD);
- Your benefit calculated under the Prior Plan formula as of February 6, 2003 (described in Appendix E of the SPD); or
- Your UCRP Transition Benefit.

How is my UCRP Transition Benefit calculated?

The UCRP Transition Benefit is generally based on the Prior Plan formula, which is described in Appendix E, but with certain adjustments.

- Like the Prior Plan formula benefit, your UCRP Transition Benefit is equal to the greatest benefit calculated under the Regular Formula, the Alternate Formula, and the Minimum Formula.

The main differences between the Prior Plan formula benefit and the UCRP Transition Benefit are:

- Your “HC3A” under the UCEPP Component is used in the calculation instead of your average straight time monthly earnings (“ASTME”).
- The “Calculating Your Benefit” section of the main body of the SPD provides a detailed description of HC3A. You should note the following in particular, however:
 - Your HC3A is an annual amount, rather than a monthly amount like ASTME. This means that your UCRP Transition Benefit calculated under the Regular Formula, Alternate Formula, and Minimum Formula, is calculated as an *annual* benefit, and must be divided by 12 to determine the monthly payment.
 - Your HC3A is based solely on compensation received on and after January 1, 2000. Compensation you received before January 1, 2000, is disregarded for purposes of calculating your UCRP Transition Benefit.
- Your “Credited Service” for purposes of the UCRP Transition Benefit is based on a combination of your “Company Service Credit” under the Prior Plan as of February 6, 2003, and your “Credited Service” under the UCEPP Component’s definition thereafter.

For more information about Credited Service under the UCEPP Component, please refer to the main body of the SPD.

- Your HC3A and “Credited Service” for purposes of the UCRP Transition Benefit is frozen as of the *earlier of*: your termination of employment, or December 31, 2005. In other words, if you remain employed on and after January 1, 2006, your UCRP Transition Benefit is based solely on your HC3A and Credited Service as of December 31, 2005.

For ease of reference, the frozen HC3A and Credited Service are referred to as your “Transition Benefit HC3A” and “Transition Benefit Credited Service”, respectively.

The UCRP Transition Benefit Regular Formula

Under the Regular Formula, your monthly normal retirement benefit is equal to:

$$(1.2\% \times \text{Transition Benefit HC3A} \times \text{Transition Benefit Credited Service}) + \$144$$

divided by

12

Important Note: If you terminate employment before your Normal Retirement Date and you are eligible for a “vested retirement benefit” under the Prior Plan formula rather than an early retirement benefit or normal retirement benefit, your benefit under the Regular Formula will be calculated slightly differently than as described above. Specifically, the flat \$144 amount described above is multiplied by your “Service Fraction.” Your “Service Fraction” is equal to your actual years of Transition Benefit Credited Service divided by the total years of Transition Benefit Credited Service you would have had if you had continued to work for the Corporation

until you reached age 65 (and if Transition Benefit Credited Service were not frozen on December 31, 2005).

The UCRP Transition Benefit Alternate Formula

Under the Alternate Formula, your monthly retirement benefit is equal to:

1.5% x Transition Benefit HC3A x Transition Benefit Credited Service

minus the lesser of

**1.5% x Annual Primary Social Security Benefit x Transition Benefit Credited Service or
50% of your Annual Primary Social Security Benefit**

divided by

12

Your Annual Primary Social Security Benefit is an estimate of the annual amount you will receive from Social Security beginning at your Social Security retirement age (or the date you terminate employment with the Corporation, if you work past your Social Security retirement age).

- Your Annual Primary Social Security Benefit estimate is based on your actual wage history with the Corporation through December 31, 2005, and an estimate of your wage history for employment with prior employers. This estimate assumes that the rate of your past wage increases (*i.e.*, your wages from before your employment with the Corporation) matches the rate of increases in the national wage as reported by the Social Security Administration.
- If you are younger than age 62 when you terminate employment with the Corporation, your Annual Primary Social Security Benefit estimate is based on a projection of what your monthly Social Security amount would be if you started receiving Social Security benefits at age 62.
 - If you terminate employment with the Corporation before reaching your early retirement date, the Plan assumes that you receive level annual earnings for the period from your termination until age 65 based on your final full year of earnings as of the earlier of your termination date or December 31, 2005.
 - If you terminate employment with the Corporation after reaching your early retirement date, or after you become eligible for a disability retirement benefit, the Prior Plan assumes you have no additional wages after your termination of employment. The Prior Plan assumes that you commence your Social Security benefit as of age 62.

- If you are age 62 or older when you terminate employment with the Corporation, your actual Annual Primary Social Security benefit, commencing as of your age at benefit commencement is used for purposes of the offset.

You may submit your actual earnings history to be used in lieu of the estimated wage history, if you do so in a timely manner and in a form acceptable to the Plan Administrator. If you submit your actual earnings history, your benefit will change only if the actual earnings history increases your benefit (*i.e.*, only if your actual earnings history results in a smaller Social Security benefit).

Important Note: If you terminate employment before your Normal Retirement Date and you are eligible for a “vested retirement benefit” under the Prior Plan formula rather than an early retirement benefit or normal retirement benefit, your benefit under the Alternate Formula will be calculated differently than as described above. Specifically, your benefit is calculated under the Alternate Formula *as if* you remained employed by the Corporation until your Normal Retirement Date, using your Transition Benefit HC3A as of your termination date. For ease of reference this amount is referred to as your Projected Alternate Formula Benefit. Your Projected Alternate Formula Benefit is then multiplied by your Service Fraction (described below). The resulting amount is your actual Alternate Formula benefit.

The Projected Alternate Formula Benefit is calculated as follows:

1.5% x Transition Benefit HC3A x Credited Service Projected to Age 65

minus the *lesser of*

1.5% *times*

Projected Annual Primary Social Security Benefit (calculated as if you worked for the Corporation to age 65 earning at the same rate in effect on your termination date) *times* Credited Service Projected to Age 65 (maximum of 33½ years)

or

50% of your Primary Social Security Benefit

Your actual Alternate Formula under the UCRP Transition Benefit is equal to:

Projected Alternate Formula Benefit x Service Fraction

Your Service Fraction is equal to your actual years of Transition Benefit Credited Service divided by the total years of Transition Benefit Credited Service you would have had if you had continued to work for the Corporation until you reached age 65 (and if Transition Benefit Credited Service were not frozen on December 31, 2005).

The Minimum Formula

Under the Minimum Formula, your monthly normal retirement benefit is equal to:

\$72 multiplied by your first ten years of Transition Benefit Credited Service, plus
\$108 multiplied by your second ten years of Transition Benefit Credited Service, plus
\$144 multiplied by any years of Transition Benefit Credited Service in excess of 20 years,
plus
10% of your Transition Benefit HC3A (if you have fewer than 8 years of Transition Benefit
Credited Service, the percentage is reduced by 1% for each year less than 8), plus
\$144

Important Note: If you terminate employment before your Normal Retirement Date and you are eligible for a “vested retirement benefit” under the Prior Plan formula rather than an early retirement benefit or normal retirement benefit, your benefit under the Minimum Formula will be calculated slightly differently than as described above. Specifically:

- The flat \$144 amount described above is multiplied by your Service Fraction (defined above); and
- If you have fewer than 10 years of Transition Benefit Credited Service, the percentage of Transition Benefit HC3A included in the calculation is reduced by 1% for each year less than 10.

Example Benefit Calculation

Joseph was born in 1950, and was employed by Union Carbide Corporation from 1980 to 2010. When Joseph terminated employment, his HC3A was \$75,000; however, his HC3A as of December 31, 2005 (his “Transition Benefit HC3A”) is \$65,000. Joseph’s has 25 years of Transition Benefit Credited Service (*i.e.*, he has 25 years of service from 1980 to 2005). For purposes of this example, we assume Joseph’s Annual Primary Social Security Benefit is \$14,400 per year. Joseph’s Transition Benefit beginning at his Normal Retirement Date is \$1,272 per month. His benefit is calculated as follows:

Benefit Formula	Calculation	Final Benefit
<i>Regular Formula Benefit:</i>	$(1.2\% \times \$65,000 \times 25) + 144 = \$19,644$ $\$19,644 \div 12 = \$1,637 \text{ per month}$	\$1,637 per month
<i>Alternate Formula Benefit:</i>	<i>Base Benefit:</i> $1.5\% \times \$65,000 \times 25 = \$24,375$	\$1,581.25 per month

2. *Social Security Offset:*

$$1.5\% \times \$14,400 \times 25 = \$5,400$$

3. *Base Benefit minus Social Security Offset:*

$$\$24,375 - \$5,400 = \$18,975$$

4. *Monthly Benefit:*

$$\$18,975 \div 12 = \$1,581.25$$

Minimum Formula Benefit: $(\$72 \times 10) + (\$108 \times 10) + (\$144 \times 10) + \823.67 per month
 $(10\% \times \$65,000) + \144

$$\$720 + \$1,080 + \$1,440 + \$6,500 + \$144 =$$

$$\$9,884 \div 12 = \$823.67$$

David's UCRP Transition Benefit is the greatest of the amounts calculated under the Regular Formula, the Alternate Formula, and the Minimum Formula. In this example, the Regular Formula provides the greatest benefit. David's UCRP Transition Benefit is therefore \$1,637 per month.

Is my UCRP Transition Benefit reduced to reflect commencement before my Normal Retirement Date?

Your UCRP Transition Benefit is subject to the same rules applicable to the Prior Plan formula, *i.e.*, depending upon your age and service, you may be eligible for a normal retirement benefit, unreduced early retirement benefit, reduced early retirement benefit, or vested retirement benefit. For more information on eligibility requirements and the applicable reduction tables, please refer to Appendix E.

Are there special rules related to the commencement of my UCRP Transition Benefit?

No. Your UCRP Transition Benefit is a component of your benefit calculation, and is treated no differently than your UCEPP Component benefit. If your UCRP Transition Benefit is the greatest benefit for you, it is subject to the same commencement rules and procedures as your UCEPP Component benefit. In addition, your UCRP Transition Benefit is payable in any of the optional forms of payment generally available for UCEPP Component benefits. For more information, please see the main body of the SPD.

OTHER SPECIAL RULES

This Appendix F is a summary of the key features of the UCRP Transition Benefit. It does not describe every term of the Plan or the UCRP Transition Benefit, or every situation that could arise. There are other special rules in the Plan document that could affect your UCRP Transition

Benefit. For example, there are certain benefit offsets for individuals who participated in a legacy Union Carbide contributory pension plan, or in other limited circumstances.

For more information about the UCRP Transition Benefit, please refer to the Plan document. A copy of the Plan document may be requested by contacting the Service Center, in writing, at the address listed in the main body of the SPD.