

April 18, 2006

Dear Institutional Investor,

We are writing as fellow shareholders of Dow Chemical Company (Dow) to ask you to vote your proxies in favor of the **Resolution on Bhopal, Item 03** on the Proxy Ballot 2006. The resolution requests Dow management to report by October 2006 at reasonable cost and excluding confidential information, descriptions of any new initiatives instituted by management to address specific health, environmental and social concerns of Bhopal, India survivors. A copy of this resolution is enclosed.

The resolution is sponsored by our funds and institutions -- representing over 4.5 million shares total, including the New York City Fire Department (NYCFD) Pension Fund, New York State Common Retirement Fund (NYSCRF), Boston Common Asset Management, Amnesty International, Dominican Sisters: Grand Rapids, Sisters of the Holy Cross and Sisters of Mercy Regional Community of Detroit Charitable Trust.

**We are concerned with the impact that the array of remaining issues relative to the Bhopal chemical disaster may pose on our company, and are seeking your support.** In December 1984, more than 7,000 people died within a matter of days when toxic gases leaked from a UCC chemical plant in Bhopal, India. Records show that bulk quantities of a hazardous chemical, methyl isocyanate, were stored in Bhopal without proper safety and security features. Since then, exposure to the toxins has resulted in the additional deaths of 15,000 people as well as chronic and debilitating illnesses for over 100,000 more. The economic conditions in Bhopal are reported to be severely impacted by the number of people suffering disability as a result of the disaster. Contamination of soil and groundwater at and surrounding the facility continues to this day.

Dow Chemical has become entangled with these issues as a result of its 2001 acquisition of the Union Carbide Corporation (UCC). Although Dow Chemical management has insisted from the time of acquisition of Union Carbide that there are no remaining corporate liabilities or responsibilities associated with Bhopal, an array of serious issues continued to be raised by the survivors and human rights organizations like Amnesty International. While the Dow Board opposition statement asks you to vote against the resolution, we believe the management's commentary is misleading in several ways and thus we are writing to clarify a few matters in order to allow you to make a fully informed decision.

▪ Dow Chemical is not insulated from the issues of Bhopal

The management implies in its opposition statement that the interests of Dow Chemical are insulated from the issues remaining in Bhopal. However, Dow Chemical continues to face reputational risks associated with the Bhopal disaster, including some circumstances which may limit the ability of the company to grow its business in Asia.

A group of survivors of the Bhopal disaster recently marched over 500 miles and met with India's Prime Minister. They delivered requests to the government to remedy environmental contamination, to hold Dow Chemical of responsible for cleanup of the site and its environs, to require Union Carbide to appear in the criminal trial that is still pending over the disaster, and to exclude Dow Chemical from doing business in India if it does not address the outstanding issues. While the Prime Minister agreed to demands to remedy the contamination and to provide water to the community, he did not agree to prosecute or exclude Dow Chemical, instead stating that he would explore whatever options existed within the law to hold UCC/Dow Chemical accountable. After the Prime Minister's statement, a spokesman declared survivor groups' intentions to redouble their focus on Dow. Champa Devi Shukla, a Bhopal survivor said, "Dow should beware now because all our energies will be focused on putting the brakes on Dow's business in India."

India and Asia are important growth markets for Dow Chemical. We believe this continually festering issue may threaten to restrict access to those markets.

**The extent of control by Union Carbide over the Bhopal plant at the time of the disaster is a continued point of contention.** In its opposition statement, Dow management implies that only Union Carbide of India Limited (UCIL) would be on trial in the resulting Indian criminal litigation and that Union Carbide Corp. itself did not have control over the events and circumstances leading to the disaster. This is a point of controversy which remains to be resolved in the criminal case. Union Carbide Corp., the U.S. parent, is a named defendant in the ongoing criminal trial. The company has been named an absconder (fugitive) for its failure to appear in that trial. Efforts are continuing in India to seek to bring the U.S. company to trial in the criminal case. Items referenced in the opposition statement, such as the sale of stock related to Union Carbide of India Ltd. and the civil settlement have not had the effect of eliminating the ongoing criminal trial in which Union Carbide remains a named defendant.

▪ **Issues relative to remediation continued to point toward corporate liability**

The Madhya Pradesh state government has written to the Southern District Court of New York and the Madhya Pradesh High Court of its opinion that UCC or Dow should be made liable for the remediation of the site as per the Polluter Pays Principle. Although government is overseeing the development of remedial plans, the future liabilities of Union Carbide and Dow Chemical for remedial costs are unresolved.

▪ **New initiatives are needed**

In its opposition statement, Dow management asserts that it has not implemented any new initiatives relative to Bhopal and does not plan to do so. Therefore, it says, there is no need for a report as requested by the resolution.

**As proponents of the resolution, we believe that without new initiatives by the management, the company's reputation will continue to suffer under the weight of the Bhopal legacy.**

The range of possible initiatives is wide open, and in no way should imply an expansion or admission of Dow Chemical legal liability. **Initiatives could include for instance, the resumption of dialogue with representatives of the survivors, mediation, commitment of personnel or resources to remedial efforts, disclosure of additional scientific information related to the health effects of methyl isocyanate, establishment of additional institutional or financial support for Bhopal survivors, or various other initiatives of the management's own development.**

Continuing to stonewall the survivors of the worst chemical disaster in history is not a good business decision for Dow Chemical as the acquirer of Union Carbide. We hope you will join with us in voting for item No. 3 on the Dow Chemical proxy.

Sincerely,

Patrick Doherty  
New York City, Office of the Comptroller

Julie Gresham  
New York State Common Retirement Fund  
(NYSCRF)

Lauren Compere  
Boston Common Asset Management

Amy O'Meara  
Amnesty International

Valerie Heinonen  
Sisters of Mercy Regional Community of  
Detroit Charitable Trust.

Mary Brigid Clingman OP  
Dominican Sisters: Grand Rapids

Ann Oestreich IHM  
Sisters of the Holy Cross

**Note: This is not a proxy solicitation and no proxies will be accepted by the proponents. We urge you to vote in favor resolution item number 3 on the management's proxy.**