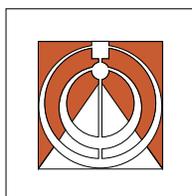




THE HERBERT H. & GRACE A. DOW FOUNDATION



ANNUAL REPORT 2003

Cover photos:

Top: Dow Gardens' trail in winter

Middle: Children's Garden

Bottom: Front porch of "The Pines"

(Original home of Herbert and Grace Dow)

THE HERBERT H. AND GRACE A.
DOW FOUNDATION
ANNUAL REPORT - 2003



Entryway to The Herbert H. and Grace A. Dow Foundation

1018 West Main Street
Midland, Michigan 48640-4292



Grace A. and Herbert H. Dow
Circa 1928

HISTORY OF HERBERT H. AND GRACE A. DOW

Grace A. Dow established The Herbert H. and Grace A. Dow Foundation in 1936 in memory of her husband, Herbert H. Dow, founder of The Dow Chemical Company, who died in 1930. She was a Trustee of the Foundation until her death in 1953.

Grace A. Ball and Herbert H. Dow were married in Midland, Michigan, in 1892. Herbert was born in 1866 to Sarah (Bunnell) and Joseph Henry Dow. He grew up in Cleveland, Ohio, where he graduated from Case School of Applied Science (now Case Western Reserve University). Grace was born in 1869 to Amelia (Eaton) and George Willard Ball. Grace's father was the founder of Midland's first bank; Grace was a schoolteacher at the Post Street School (now the Post Street Archives) before she married Herbert.

Young Herbert Dow was fortunate in having a father who was a creative inventor, and his formal education was complemented by the hands-on mechanical and inventive education he received from his father.

During his studies at Case, Herbert Dow became interested in the composition of brine, a topic on which he wrote several papers. His first commercial chemical venture in Ohio was unsuccessful, but by the time he moved to Midland in 1890, he'd proven that his new chemical process for removing bromine from brine by electrolysis was feasible. The rich source of brine beneath the ground in Midland and the availability of power were major factors in his choosing Midland as the site of his Midland Chemical Company. During the years 1894-97 Herbert Dow further expanded his electrolytic process to separate chlorine from brine. In 1897 he established The Dow Chemical Company to produce chlorine bleach based upon this new technology. In 1900 he merged the Midland Chemical Company into The Dow Chemical Company.

Herbert Dow was honored with doctorate degrees from Case Western Reserve University and the University of Michigan. He is credited with 107 inventions and in 1930 received the prestigious Perkin Medal for Chemical Achievement from the Society of Chemical Industry.

Grace and Herbert Dow were parents of seven children and spent their married life in Midland. They were both devoted to the family, the community, and to the enhancement of the quality of life for everyone in the Midland area and in Michigan. Their compassionate and visionary philosophy continues to be the guiding inspiration for the Dow Foundation trustees.

The Dow Foundation is the fifth largest foundation in Michigan, and since its establishment has granted almost \$375 million to worthy programs and projects in the Midland area and in Michigan.

PRESIDENT'S LETTER

Dear Friends,

This has been an exciting year for us as many new projects have started or been completed. We are particularly proud of two new Midland ventures—the new Midland County Historical Museum that is about halfway completed and the new addition to ETC (Education and Training Connection). Both of those projects are important to the Midland area, but in different ways.

The new Historical Museum will anchor the entire Historical Buildings Complex, which already houses the Bradley Home, the Carriage House, a Dow Chemical Company Brinewell, and the H.H. Dow Museum (with its replicated early chemical factory).

ETC has played an increasingly important role in helping students complete their high school education, as well as being a center for continuing adult education classes. ETC's work with students who "fall through the cracks" at the more traditional schools has been important and successful. In the past they've had to make-do with old and inefficient offices and classrooms. Their huge new addition has already helped to make the old classes more pleasant and allowed them to expand their programs, particularly in the technology area. (See feature on page 19.)

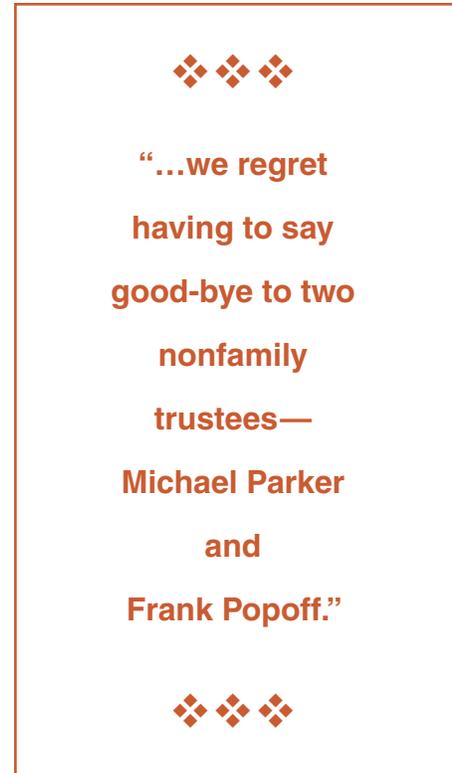
Internally we've had some changes too. Two new family members have joined our Board of Trustees—Diane Dow Hullet and Helen Dow Whiting. New trustees are always stimulating, as they bring new ideas and diverse interests. At the same time we regret having to say good-bye to two other trustees—Michael Parker and Frank Popoff. We will miss their good input but thank them for their dedicated service.

We are pleased that the investment climate has improved, and that fact has allowed us to continue with our grantmaking at about the same pace as last year. Education continues to be a focus for this foundation, and seeing the completion of the Saginaw Valley State University (SVSU) Regional Education Center was a wonderful event. (See feature on page 18.)

Sincerely,



Margaret Ann Riecker
President



THE EXECUTIVE COMMITTEE

The Executive Committee of The Herbert H. and Grace A. Dow Foundation gather in front of the windows in the Dow Foundation offices. The four officers meet frequently to discuss the upcoming trustee board agenda, financial management of the foundation, and grant evaluation.



Standing (left to right): Herbert D. Doan, Chairman;
Macauley Whiting Jr., Secretary; Michael L. Dow,
Treasurer.

Seated: Margaret Ann Riecker, President.

TRUSTEES AND ASSOCIATES



The Dow Foundation Trustees and Associates assemble in the reception/dining area of the Dow Foundation office.

TRUSTEES AND OFFICERS:

Standing (left to right) Bonnie B. Matheson; Margaret E. Thompson; Helen Dow Whiting; Diane Dow Hullet; Julie C. Arbury.

Seated (left to right): Ruth H. Buchanan; Macauley Whiting Jr., Secretary; Margaret Ann Riecker, President; Herbert D. Doan, Chairman; Michael L. Dow, Treasurer.

ASSOCIATES:

Standing (far right) Stephen P. Carras. Seated (far right) Douglas D. Inghish.

FINANCIAL STATEMENT

SUMMARIZED STATEMENT OF FINANCIAL POSITION

December 31, 2003

BALANCE SHEET

ASSETS

Cash and cash equivalents	\$ 22,962,000
Investments at fair market value	436,121,000
Land, buildings and equipment (net of depreciation)	<u>14,101,000</u>
	<u>\$ 473,184,000</u>

LIABILITIES AND FUND BALANCE

Current liabilities	\$ 32,932,000
Net assets	<u>440,252,000</u>
	<u>\$ 473,184,000</u>

The Foundation's grants/qualified distributions totaled \$19,809,887 during 2003.

This summarized financial information is unaudited. The most current 990PF is on The Herbert H. and Grace A. Dow Foundation's website.

GRANTS—2003

MIDLAND COUNTY HISTORICAL SOCIETY For the new museum, and planning, fabricating and installing the museum's Midland County History Gallery.	\$1,105,000
HOPE COLLEGE A grant for the construction of a new science facility.	\$1,000,000
KALAMAZOO COLLEGE Payment on a \$3.2 million grant for Distinguished and Trustee Professorships in the Natural Sciences.	\$1,000,000
CENTRAL MICHIGAN UNIVERSITY (CMU) For the building to house the Herbert H. and Grace A. Dow College of Health Professions.	\$1,000,000
MIDLAND CENTER FOR THE ARTS (MCFTA) For auditorium acoustical enhancement; yearly operations; and a matching grant to encourage community support.	\$924,000
MIDLAND COUNTY EDUCATIONAL SERVICE AGENCY For Midland County Fiber Network—to connect city, county and schools.	\$750,000
EDUCATION AND TRAINING CONNECTION (ETC) Part of a \$1.5 million grant to build an 8136 square-foot education addition to the school complex.	\$500,000
SAGINAW VALLEY STATE UNIVERSITY (SVSU) Part of a \$2.5 million pledge to help build a Regional Educational Center to improve K-12 education.	\$500,000
ALMA COLLEGE For the Alan J. Stone Recreational Center on campus.	\$500,000
DELTA COLLEGE and CENTRAL MICHIGAN UNIVERSITY Grants to the two institutions for government-mandated digital conversion of their Public Television Stations.	\$500,000
SAGINAW VALLEY ZOOLOGICAL SOCIETY To support stages 2 and 3 of the Children's Zoo expansion plan.	\$463,000
SPRINGHILL CAMP Part of a \$1 million grant and matching grant to build a new camp center and support facilities.	\$456,000
MICHIGAN STATE UNIVERSITY For the Norma Guyer and Gary L. Seevers Endowed Chair in Natural Resource Conservation.	\$450,000
UNIVERSITY PREPARATORY ACADEMY First part of a three-year grant for the Wayne State University mathematics and science partnership project.	\$400,000
FACE—TRUTH AND CLARITY ON ALCOHOL For producing alcohol-abuse warnings and informational materials for youth.	\$350,000
UNIVERSITY OF MICHIGAN—CENTER FOR BIOLOGIC NANOTECHNOLOGY For the Ruth Dow Doan Endowed Professorship and Directorship for the Center.	\$330,000
MITECH+ For a county-wide initiative to improve technical career opportunities in Midland County.	\$300,000
COUNCIL OF MICHIGAN FOUNDATIONS A grant for the Land Use Leadership Council and a Leadership Endowment Fund.	\$265,000

CONNECT MICHIGAN ALLIANCE First part of a four-year \$1 million pledge for endowment support of the Michigan volunteer infrastructure.	\$258,000
CITY OF MIDLAND For softball fields, property, Barstow Airport terminal, equipment for the Law Enforcement Center, etc.	\$245,000
DETROIT SCIENCE CENTER Part of a \$1 million grant for renovation and expansion of the Detroit Science Center.	\$200,000
CYBERSTATE.ORG Grant payment for operations, as part of a \$600,000 three-year grant.	\$200,000
EAGLE VILLAGE Part of a \$1 million grant to support new capital projects in this family-resource facility.	\$200,000
DETROIT AREA PRE-COLLEGE ENGINEERING PROGRAM A grant for summer and weekend courses to encourage minority youth in science and technology.	\$200,000
YOUNG LIFE MICHIGAN For their Timber Wolf Lake Camp's Club Building completion.	\$200,000
UNITED WAY OF MIDLAND COUNTY For general support, challenge grant, kickoff campaign, and the data analyst position.	\$190,000
MIDLAND AREA COMMUNITY FOUNDATION Support for the Entrance Way Committee.	\$180,000
BAY COUNTY LIBRARY Part of a \$500,000 grant to build a new library on Center Avenue in Bay City.	\$167,000
MIDLAND ECONOMIC DEVELOPMENT COUNCIL Grants for the M-30 waterline, for the Midland Tomorrow Initiative, Vision Tri-County etc.	\$161,000
MILLS TOWNSHIP FIRE DEPARTMENT For the purchase of a new pumper fire truck.	\$160,000
LITERACY COUNCIL OF MIDLAND COUNTY A grant for the Jay Grosberg Memorial Literacy Endowment Fund.	\$150,000
OPEN DOOR YOUTH OUTREACH OF MIDLAND A grant for a new home to help shelter the homeless.	\$150,000
STATE THEATRE OF BAY CITY Part of a \$500,000 grant to renovate the historic State Theatre in Bay City.	\$150,000
CLEVELAND MANOR, INC. To renovate and refurbish a portion of this low-income housing complex in Midland.	\$145,000
WEST MIDLAND FAMILY CENTER Payment on the 3-1 matching grant to build their endowment campaign.	\$143,000
MICHIGAN 4-H FOUNDATION For the "Connected Children's Garden" internet project.	\$141,000

GRANTS—2003 (continued)

CREATIVE SPIRIT CENTER To buy and renovate an Alden B. Dow building in Midland to house the Center.	\$125,000
CHARLEVOIX AREA HOSPITAL For an expansion of the emergency room, intensive care and obstetrical wing.	\$120,000
MACKINAC CENTER FOR PUBLIC POLICY For support of their Science, Environment and Technology (SET) program.	\$110,000
7 GRANTS OF \$100,000	\$700,000
<ul style="list-style-type: none"> Broad Center for Superintendents Bay Area Community Foundation Partnership for Learning Midland County's 100 churches 	<ul style="list-style-type: none"> Michigan Disability Rights Coalition Camp Arbutus/Hayo-Went-Ha Russell Kirk Center for Cultural Renewal
14 GRANTS OF \$51,000–\$99,000:	\$948,000
<ul style="list-style-type: none"> Midland Conservation District North Midland Family Center Family and Children's Service of Midland Chippewa Nature Center Saginaw County Sheriff's Department Reaching our Community Kids (ROCK) MITCON—Midland Technology Consortium Network 	<ul style="list-style-type: none"> The Eden Club Michigan Leadership Institute Surrey Township Public Library Midland County 4-H Council Computer Challenge Pinecrest Farms Midland Community Center
11 GRANTS OF \$50,000:	\$550,000
<ul style="list-style-type: none"> Conservation Fund Michigan Community Blood Centers Foundation Michigan AIDS Fund Center for Automotive Research Michigan Technological University Roscommon County Community Foundation 	<ul style="list-style-type: none"> Midland County Habitat for Humanity Ann Arbor IT Zone Saginaw County Vision 2020 Washtenaw Housing Alliance Midland Center for Accessible Health Care
SMALLER AND MISCELLANEOUS GRANTS: Grants for many different types of projects.	\$876,000
TOTAL GRANT PAYMENTS—2003	<u>\$17,462,000</u>

FUTURE PLEDGES

FUTURE PLEDGES APPROVED IN 2003

MIDLAND AREA COMMUNITY FOUNDATION Support for the Entrance Way (Midland) project.	\$2,500,000
UNIVERSITY OF MICHIGAN For the new Gerald R. Ford School of Public Policy.	\$1,500,000
MIDMICHIGAN MEDICAL CENTER A pledge for the Gamma Knife.	\$1,300,000
MACKINAC CENTER FOR PUBLIC POLICY Education Policy Initiative campaign to accelerate reform in education.	\$968,000
UNIVERSITY PREPARATORY ACADEMY Future pledge portion of the Wayne State University Mathematics and Science Partnership Project.	\$800,000
GREAT LAKES CENTER FOUNDATION A challenge grant for the Pere Marquette Railroad Depot historical restoration.	\$670,000
MIDLAND SOCCER CLUB An expansion project for additional soccer fields, new parking, restrooms and meeting space.	\$625,000
OTHER PLEDGES For the Midland Center for the Arts, Pine Mountain Music Festival, Western Michigan University, Covenant Health Care, Creative Spirit Center, Little Forks Conservancy, MidMichigan Community College, Pinecrest Farms, United Way of Midland County, etc.	\$4,100,000

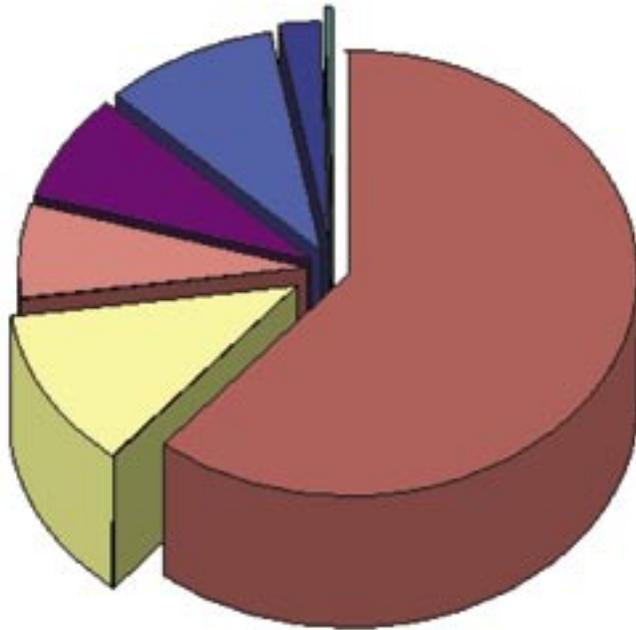
FUTURE PLEDGES APPROVED IN 2003 **\$12,463,000**

FUTURE PLEDGES APPROVED IN PRIOR YEARS **\$37,191,000**

TOTAL FUTURE PLEDGES **\$49,654,000**

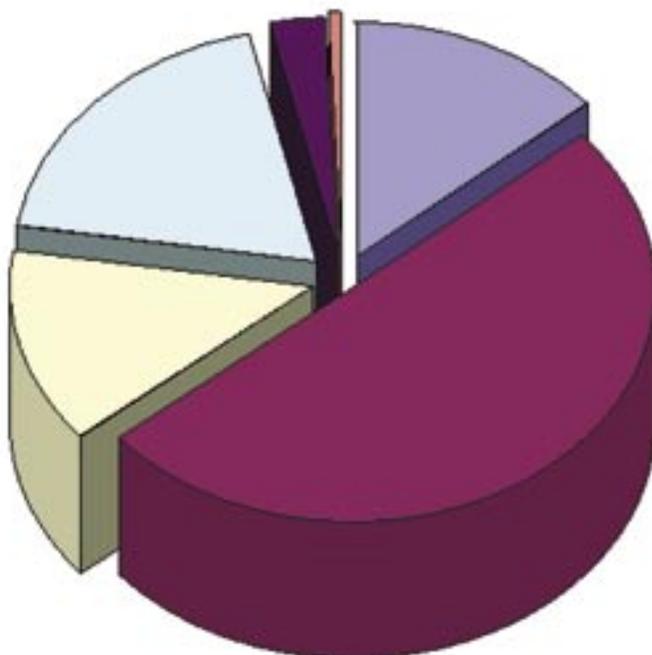
THE HERBERT H. AND GRACE A. DOW FOUNDATION CHARTS—2003

GRANTS BY GEOGRAPHIC AREA



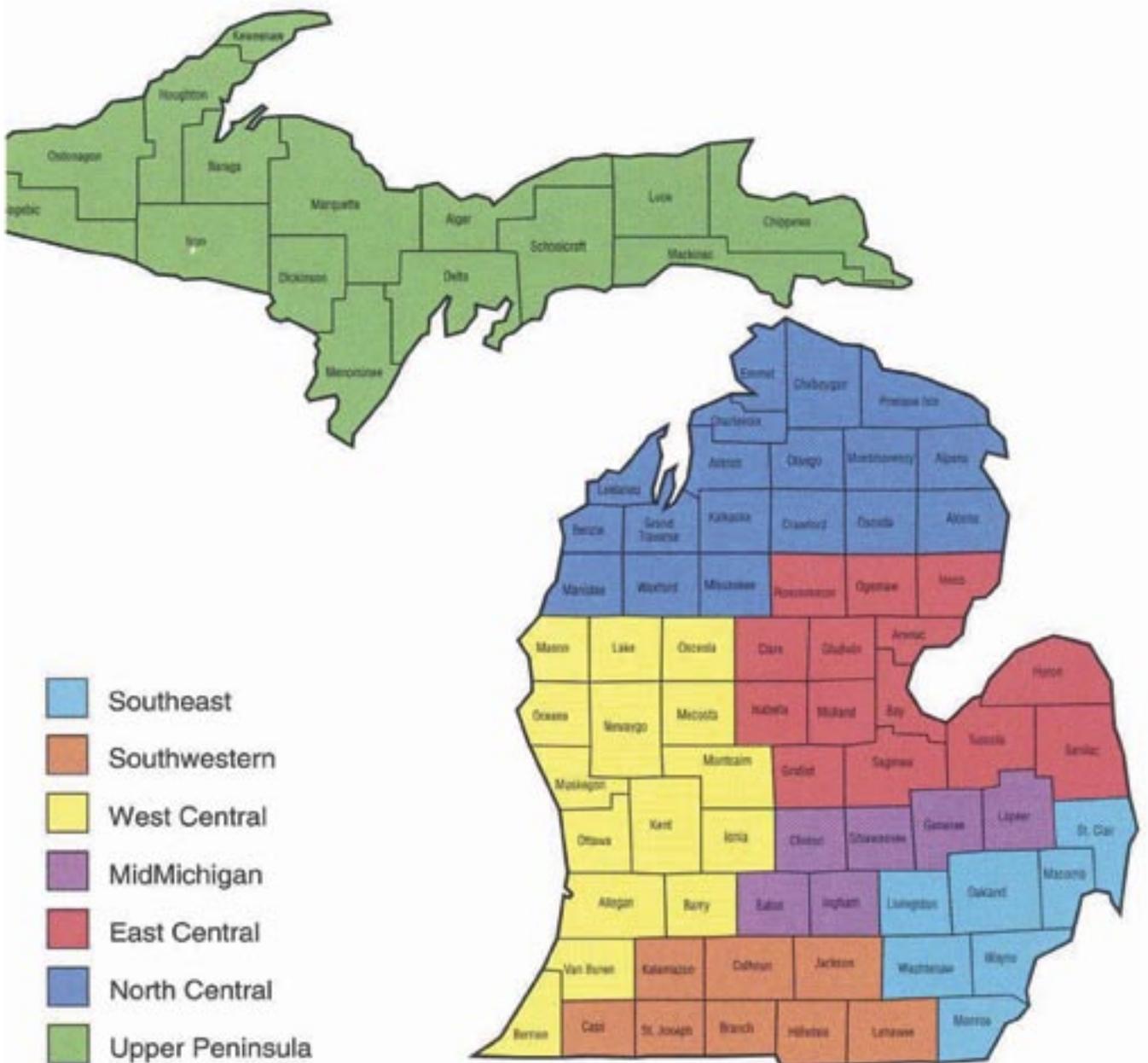
- East Central—Bay City/Midland/Saginaw (60%)
- West Central—Grand Rapids/Muskegon (12%)
- Southwestern—Battle Creek/Kalamazoo (7%)
- MidMichigan—Lansing/Owosso (8%)
- Southeast—Ann Arbor/ Detroit (10%)
- North Central—Charlevoix/ Petoskey/Traverse City (2%)
- Upper Peninsula (1%)

GRANTS BY PROGRAM AREA



- Education (50%)
- Health and Human Services (13%)
- Civic and Community (19%)
- Environment (3%)
- Religion—Annual Church Grants (Midland) (1%)
- Arts and Culture (14%)

THE HERBERT H. AND GRACE A. DOW FOUNDATION GEOGRAPHICAL AREAS DEFINED



THE DOW GARDENS

Owned and operated by The Herbert H. and Grace A. Dow Foundation

A GARDEN FOR ALL SEASONS

From the cheerful blooms of the first daffodils, to the serene blanket of snow on the pines, the Dow Gardens reflect and enhance the attributes of each season of the year.

Some of the seasonal events/attractions:

- The Dow Gardens Christmas Walk
- "Growin' Gardeners"—garden plots for kids
- The Poinsettia Tree
- "Butterflies are in Bloom"—live butterflies
- Prom night
- The Great Pumpkin
- Story time
- Tours for 4th graders
- Dow Homestead Tours
- Classes Galore!
- The Rose Garden
- Perennial Exchange
- Flood Watch



Above: Autumn means pumpkins and bright leaves.
Below: Forsythia show off sunny blossoms in spring.
Bottom: The annual poinsettia tree in the Conservatory is a Christmas treat for the eyes.



Above: The pond and red bridge in the winter.
Below: The Children's Garden is a cheerful spot in the summer.



DOW HOME TOURS



Above: The Pines (the original Dow Home) in spring.

Right: Herbert H. and Grace A. Dow (Circa 1890s).



The Dow Home is located in the southwestern area of the Dow Gardens. Tours are conducted daily in the summer and weekly in the winter (phone ahead for reservations).

The Pines was built in 1899 and is the original dwelling of Herbert and Grace Dow. Herbert Dow (founder of The Dow Chemical Company) worked with architects Clark and Munger to come up with an original, eclectic design. The home is a three story, front-gabled, colonial revival with a cross-gable on the east side.



Rear view of home

A porch spans the front of the house and joins a porte-cochere on the west side. In 1904, a renovation project resulted in upgraded floors, furnishings and a custom-designed window for the stairwell. In 1914 an addition enlarged the house considerably by adding three bedrooms, two bathrooms, a sun parlor, sleeping porch and a separate maid's quarters.

In the rear of the home is a small garden that is now used for growing herbs. The home is a National Historic Landmark.

OPEN ALL YEAR

The Dow Gardens is open 362 days a year from 10 a.m. to dusk. It is located in Midland, on Eastman Avenue, with its entrance next to the Midland Center for the Arts. Admission charges are \$10 for a yearly-admission card, and \$5 for one-day adult admission. Children under 5 are free, and those ages 6-17 (or anyone with a student ID card) are admitted for \$1.



The Dow Gardens Information Center and Gift Shop

The Dow Gardens is handicap accessible. There are two wheelchairs available for visitors to use free of charge. An Amigo (motorized wheeled vehicle) may be rented for \$5.00 per four hours. Reservations are suggested for both wheelchairs and the Amigo to ensure availability.

Phone: 989-631-2677 or
800-362-4874

Website: www.dowgardens.org

ALMA COLLEGE

The Alan J. Stone Center for Recreation



The doors of the Alan J. Stone Center for Recreation opened for the fall term in September 2001. This fiscal year, there have been 450,000 visits to the Recreation Center.

The 53,000 square-foot facility features a climbing wall large enough to support five climbers at the same time, with routes of varying difficulty. It also has a three-lane

suspended running track, fitness room, open lobby, multipurpose room, two locker rooms and batting cages for athletic training and recreation.



The Suspended Running Track has three lanes: eight laps equal one mile on the inside lane and seven laps equal one mile on the outside lane.

LITTLE FORKS CONSERVANCY (LFC)

The Little Forks Conservancy, established in 1996, has stated, as its mission, to "permanently protect land with natural and cultural resources that add to the quality of life for Midland area residents and visitors. Such areas include the habitats of the Tittabawassee River watershed, especially on the 95 miles of creeks and rivers that flow through Midland County."



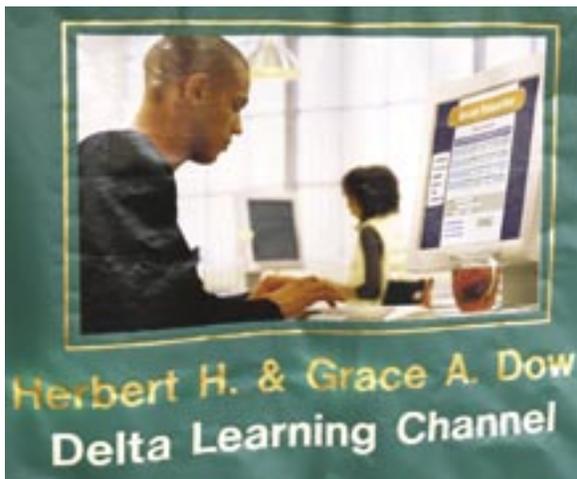
The Midland Area Community Foundation transferred this historic Averil property (pictured above) to the Little Forks Conservancy in the fall of 2003. In the mid to late 1800s this was the site of the largest log banking grounds in the world with more than one billion board feet of timber going over its banks into the Tittabawassee River and then floated downstream to the sawmills in Midland, Saginaw and Bay City.



In 2003, with money raised by Conservancy members, the Conservancy purchased 9.8 acres with approximately $\frac{1}{2}$ mile of river frontage along Big Salt Creek and the Chippewa River in Lee Township, Midland County. A picturesque part of that acreage is shown above.

PUBLIC TELEVISION DIGITAL CONVERSION

Delta College and Central Michigan University (CMU)



- The Herbert and Grace A. Dow Delta College Learning Channel—will increase distance learning capabilities for off-campus college students.
- Today's PBS Channel—will bring more quality entertainment that educates, including the performing arts, drama, music, science, nature and current affairs.
- The Children's Channel—will provide more wholesome programs for families as well as unique capabilities to enhance student learning and provide flexible viewing choices.
- The Enrichment Channel—will provide lifetime learning opportunities through programs ranging from travel and exploration to cooking, sewing and woodworking.

A federal government mandate requiring all public and commercial television stations throughout America to convert to digital broadcasting or lose their licenses, forced two area educational institutions—Delta College and Central Michigan University—to launch fundraising campaigns to pay for the conversions. The cost of conversions for Delta and CMU were \$8 million and \$11.8 million, respectively. The Dow Foundation provided lead grants for both institutions.

Through the multicasting capability of digital technology, Delta College's Q-TV now offers four new programming channels instead of just one:



Herbert D. (Ted) Doan, Chairman of the Dow Foundation, speaks at the ribbon-cutting ceremony at Delta College. The ceremony officially opened the doors to Q-TV's new Frank N. Anderson Broadcast Center.

CMU Public Broadcasting (WCMU) is the largest, university-owned public broadcasting network in the country, covering almost one-half of Michigan with seven radio and six television stations.

CMU is building new digital television broadcast facilities in Barryton, Kalkaska, Manistee and Atlanta. These four Michigan sites are connected back to the Mt. Pleasant studios by a new digital microwave interconnection system. The movement to digital television will greatly increase the university's ability to reach out to over 2.5 million people in central and northern Michigan, with varied educational programs and lifelong learning opportunities. When fully operational in the last quarter of 2004, the network will have the ability to broadcast four channels simultaneously throughout the coverage area.



SAGINAW VALLEY STATE UNIVERSITY (SVSU) Regional Education Center

SVSU was founded in 1963—the vision of community business and professional leaders in the Tri-County area. From an initial graduating class of 10 students, the University today has nearly 9,200 students and 24,000 alumni. More than 1,700 students reside in on-campus student housing.

The new Regional Education Center houses the College of Education and the numerous programs that benefit both students and area educators. It features high-tech classrooms and an auditorium equipped for technologically advanced teaching and conference presentations.



Above: the new 120,000 square-foot Regional Education Center. It serves as a regional center for the improvement of K-12 schools in east-central Michigan.



The Alan W. Ott Auditorium is named in honor of Alan Ott, a successful banker and community and foundation leader in the Midland area.



THE NEW DETROIT SCIENCE CENTER

Located in the heart of Midtown Detroit's Cultural Center, The New Detroit Science Center re-opened in July 2001 after a major renovation and expansion. Since reopening, it has served more than one million visitors. The Science Center features 110,000 square feet of scientific exploration, including the Herbert H. and Grace A. Dow Foundation Life Sciences Laboratory.



The Herbert H. and Grace A. Dow Foundation Life Sciences Laboratory explains the wonders of nature with spectacular exhibits and interactive displays. Human anatomy is illuminated at the touch of a button, as visitors light up a life-size anatomical model.



A two-story, simulated rain forest allows the visitor not only to explore the wonders of the forest environment, but to actually change the water flow of an interactive waterfall.



Children use a Wentz scope to learn about microscopic structures.

EDUCATION AND TRAINING CONNECTION (ETC)

ETC has experienced a 32% increase in students in the last school year. They serve both Young Adults (ages 16-19) and Adults (age 20 and over). In addition to basic courses that result in high school credit, they also offer Occupational Certificate Preparation, Community Education and Leisure Programs, as well as Business and Industry Training.



ETC purchased the 9,000 square-foot building from B.B.S. Printing in 1998. A new 8,000 square-foot addition (along with remodeling and renovations of the existing building) was completed in 2003.



A computer classroom awaits new students. Many young and older students are eager to gain computer skills that will help them in future careers.



Above, the front of ETC that borders on M20 highway. Left: Orrin Barrett and Ranny Riecker dig some ceremonial dirt at the festive ground-breaking in October of 2002.



CLEVELAND MANOR A Collaborative Project

Cleveland Manor is a senior housing facility in the City of Midland. There are two distinct parts—Cleveland Manor I, which opened in 1968 and was the first low-income senior complex in Midland, and Cleveland Manor II which opened in 1980. The purpose of both units is to provide affordable housing to low-income seniors.

In 2003 the Dow Foundation, in collaboration with three other private foundations in Midland, gave a grant to allow for the repayment of the mortgage, maintenance of operations and to make needed major improvements.



The apartment complex consists of 197 apartments with 224 residents. The average age is 76, and seventy percent of the residents are women. Many residents have lived at Cleveland Manor for many years—including one original resident who has occupied the same residence for thirty-five years. Tenants often organize potlucks, bingo games and coffee hours.

NEW FAMILY TRUSTEES



DIANE DOW HULLET

Diane Dow Hullet is the daughter of Mike and Rhea Dow. Her father, Mike Dow, is a trustee and treasurer of The Herbert H. and Grace A. Dow Foundation. Although now living in Colorado, Hullet has always felt a close connection to Midland County. "I grew up outside of Lansing, but came to Midland frequently when I was a child. I've always admired the charm of the city and the exciting combination of resources in this community—people, business, art, and natural beauty."

Hullet is a trustee of The Alden and Vada Dow Family Foundations in Midland, and is an active volunteer in the Community Foundation Serving Boulder County (Colorado). She serves as board chair of the Women Donors Network in San Francisco, and is a past director of the September School in Boulder. Ms. Hullet holds a B.A. Degree from the University of Colorado, and an M.A. Degree from Stanford University. After graduation she taught middle-school English, and in 1996 founded the PassionPaint Studio in Boulder. Her

current work focuses on teaching creative-expression workshops for children and adults.

Margaret Ann (Ranny) Riecker, president of the Dow Foundation says, "We are pleased to welcome Diane to the board. She has that rare combination of compassion, enthusiasm and humor that makes her a delightful person as well as a fine addition to our board."



Helen Dow Whiting was born in Midland and lived thirty-three years in Midland before moving to Sun Valley, Idaho. Her son Macauley Whiting, Jr. is a trustee and secretary of The Herbert H. and Grace A. Dow Foundation. Helen Whiting is enthusiastic about becoming a permanent part of the Board of Trustees. "Midland has always had a special place in my heart. Even though I now live far away, I very much enjoy being involved in the projects and programs that make Midland such a special city and county."

Whiting holds a B.A. Degree from Sarah Lawrence College, and an honorary Dr. of Humanities from Northwood University. She is the author of three books, and was a community leader during her years in Midland. Services to Midland organizations included the Salvation Army, Northwood University, the Midland Area Community Foundation, the Midland Center for the Arts, and Big Sisters of Midland.



HELEN DOW WHITING

"Helen's presence on the board will truly be a delight," said Margaret Ann (Ranny) Riecker, president of the Dow Foundation. "She is well known for her graciousness, and she knows Midland 'from both inside and out' since she lived here for many years but has also lived in the West and in Europe. Her perspective will contribute to our discussions and decision-making."

TWO NEW NONFAMILY TRUSTEES



ANDREW N. LIVERIS

Andrew N. Liveris and Terence F. Moore were elected as non-family trustees of The Herbert H. and Grace A. Dow Foundation Board of Trustees during 2003.

Andrew N. Liveris is President and Chief Operating Officer of The Dow Chemical Company. He was born in Australia and joined Dow Chemical in 1975 in Melbourne, Australia. He holds a B. S. Degree in Chemical Engineering from the University of Queensland, Brisbane, Australia, and at graduation received the University Gold Medal—the university’s highest honor. He moved to the U.S. with Dow Chemical in 1992, and in 1995 moved to Hong Kong as President of Dow Pacific. He returned to the U.S. as vice president of Specialty Chemicals in 1998. He was named to his current position in 2003.

“I’m honored to be invited to join the board of this remarkable foundation, which has had such a profound and lasting influence on the people of Midland, the state of Michigan and beyond,” Liveris said.

Terence F. Moore is President and Chief Executive Officer of MidMichigan Health, the parent company of MidMichigan Medical Center—Midland, and twelve other medical/health entities throughout a six-county area. He holds M.B.A. and B.S. Degrees from Central Michigan University as well as a Master’s Degree in Hospital Administration from Washington University School of Medicine in St. Louis, Missouri.

Moore serves on numerous boards including Northwood University, Chemical Financial Corporation, and the Michigan Molecular Institute. He has published 55 articles and coauthored or authored eight books. He served in the United States Army as a lieutenant and paratrooper.

“I have lived in Midland for 47 years and am deeply honored to be a part of an organization that is so extraordinarily committed to making life better for others in the Midland area and in Michigan,” Moore said.



TERENCE F. MOORE

Margaret Ann (Ranny) Riecker, President of The Herbert H. and Grace A. Dow Foundation, said, “Although we have a long history as a family foundation and have been fortunate to have many outstanding family members either serving today or having served us well in the past, we are always pleased to welcome nonfamily members. They bring differing viewpoints and areas of strength to our board. We’re fortunate in that Terry Moore brings with him a lifetime of knowledge about the Midland Community as well as business acumen, and Andrew Liveris brings a global business viewpoint and the experience as a newer resident of our Mid-Michigan region. ”

Three nonfamily trustees have served the Dow Foundation in prior years: Michael D. Parker, Frank Popoff, and the late I. Frank Harlow.

FOUNDATION PHILOSOPHY

The Herbert H. and Grace A. Dow Foundation, while limited in its grantmaking to organizations within Michigan, has charter goals to improve the educational, religious, economic and cultural lives of Michigan's people as those needs can be defined in a world which constantly presents new or different challenges and opportunities. The Foundation Trustees carefully consider proposals submitted, and look for programs where their contribution can be leveraged. Organizations requesting funding for a new program should be sure that they have planned for that program's future self-sufficiency.

PROGRAM PRIORITIES

Since the needs, desires and capabilities of Michigan's people and their organizations are constantly changing, there can be no fixed or steadfast priority in Dow Foundation grant requests. However, within its charter and philosophy the Trustees tend to support organizations that:

- have clearly stated objectives, strong and purposeful management and are publicly accountable
- have needs which are in areas not normally funded by governmental or public financing
- are not hesitant to explore, initiate, volunteer, or execute original ideas or concepts
- are willing to collaborate with other persons or organizations to give synergy to a common objective or goal
- have purposes which tend to advance private enterprise and the preservation of a free, open and self-resourceful society.

PROGRAM EXAMPLES

1. Education

The Foundation is always interested in improving the quality of education at Michigan's academic institutions, particularly in those specific areas where a given institution already is establishing preeminence.

2. Science

Since the community of Midland and the base of the Foundation's assets have been products of scientific achievement, the Trustees seek to encourage projects that include advanced research and new applications of science and/or technology. The Foundation is currently involved with the Saginaw Bay Watershed Initiative which is aimed at environmental improvement that is consistent with community growth.

3. Arts and Culture

The Dow Gardens, the Midland Center for the Arts, and the Alden B. Dow Museum of Science and Art are programs and projects that the Foundation champions and supports. Art-related activities that explore or promote the interrelation of science and art are encouraged. The Trustees particularly enjoy supporting tasteful, creative, and innovative programs that expand the general public's art and cultural horizons.

4. Community Life—Midland and Michigan

To improve the quality of life for Midland and Michigan residents continues to be a major goal of the Foundation. The Trustees support programs and projects that add an important dimension to community life, such as the Grace A. Dow Memorial Library, the Midland Community Center, the West Midland Family Center, the North Midland Family Center and the 100 Midland County churches. The Foundation affirms the importance of local initiatives, particularly private initiatives, that encourage economic development and promote job creation.

PROGRAM NOTES:

Both in Midland and in Michigan, the Trustees look for opportunities where a grant of seed money or a matching grant will stimulate broad public participation in an artistic, recreational, educational or cultural project so that the project can become self-sustaining. Projects that benefit youngsters or senior citizens are of special interest.

If a program needs launching or requires changes, the Foundation may help. Requests for general support money for ongoing programs are more properly directed to other organizations of broad public benefit.

APPLICATION AND REVIEW PROCEDURES

There is no formal application form; however, applicants are asked to include the following information in a proposal:

- a letter setting forth the nature and potential results of the program for which funding is sought
- the total cost of the project including any endowment for operations
- the total amount sought from the Foundation, and how and over what period of time the grant may be disbursed
- evidence of the organization's tax-exempt status—I.R.C. §(501(c)(3)
- a detailed annual budget and audited financial statement for the organization. (These should be submitted annually for the duration of the grant)
- the names of management and of the trustees or directors of the organization.

Those proposals that pass initial evaluation are referred to the appropriate program committee of the Board of Trustees for full consideration. Trustees may request additional information, make site visits, or invite organizations to meet with them in Midland. The Board meets periodically during the year to make final grant decisions. Grants and installments on grants are usually disbursed in mid-December.

GRANT FOCUS

The Foundation does not make grants directly to individuals. Its charter limits grants to Michigan organizations. In addition, it cannot legally support:

- organizations to which contributions are not tax deductible, according to Internal Revenue Service regulations
- organizations that practice discrimination by race, sex, creed, age or national origin
- political organizations or organizations whose purposes are to influence legislation

The Foundation will not be bound by preset "formulas for giving" prepared by nonprofit agencies.

A NOTE TO GRANT SEEKERS

The Foundation would like to be in a financial position to assist all grant requests within its philosophy. But its resources are limited. Many worthy grant applications must thus be declined simply because funds to accept them are not available. Consequently, an applicant should never view a declination by the Foundation as a judgment on the merits of the proposal.

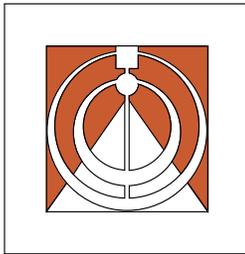
THE HERBERT H. AND GRACE A. DOW FOUNDATION

GRANT APPLICATIONS SHOULD BE SUBMITTED IN WRITING TO:

Mrs. Margaret Ann Riecker, President
The Herbert H. and Grace A. Dow Foundation
1018 West Main Street
Midland, Michigan 48640-4292

THE PURPOSE OF THE FOUNDATION

The Herbert H. and Grace A. Dow Foundation was established by Mrs. Grace A. Dow in 1936 in memory of her husband Dr. Herbert H. Dow, founder of The Dow Chemical Company. The Trust Agreement specifies that the income of the trust is to be used "for religious, charitable, scientific, literary, or educational purposes for the public benefaction of the inhabitants of the City of Midland and of the people of the State of Michigan."



The Herbert H. and Grace A.
Dow Foundation

1018 WEST MAIN STREET
MIDLAND, MICHIGAN 48640-4292

Telephone: (989) 631-3699
Facsimile: (989) 631-0675
Website: www.hhdowfoundation.org
Email: info@hhdowfoundation.org



Recycled paper

Corn-soy ink

