

DOW CHEMICAL CO /DE/
Form 11-K
June 26, 2017
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 1-3433

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

THE DOW CHEMICAL COMPANY EMPLOYEES' SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

THE DOW CHEMICAL COMPANY
2030 DOW CENTER
Midland, Michigan 48674

REQUIRED INFORMATION

Financial statements for the years ended December 31, 2016 and 2015, supplemental schedules for the year ended December 31, 2016, and Report of Independent Registered Public Accounting Firm.

Exhibits

23.1 Consent of Plante & Moran, PLLC

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees have duly caused this annual report to be signed on their behalf by the undersigned hereunto duly authorized.

THE DOW CHEMICAL COMPANY EMPLOYEES' SAVINGS PLAN

DATE:

June 26, 2017 BY: /s/ Bryan
Jendretzke

Bryan
Jendretzke
Global
Benefits

Director and
Plan
Administrator

The Dow Chemical
Company Employees'
Savings Plan
Financial Statements as of and for the Years Ended
December 31, 2016 and 2015, Supplemental
Schedules as of and for the Year Ended
December 31, 2016, and Report of Independent
Registered Public Accounting Firm

THE DOW CHEMICAL COMPANY EMPLOYEES' SAVINGS PLAN
TABLE OF CONTENTS

	Page
<u>REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	<u>1</u>
<u>FINANCIAL STATEMENTS</u>	
<u>Statements of Net Assets Available for Benefits as of December 31, 2016 and 2015</u>	<u>2</u>
<u>Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2016</u>	<u>3</u>
<u>Notes to Financial Statements as of December 31, 2016 and 2015, and for the Year Ended December 31, 2016</u>	<u>4</u>
<u>SUPPLEMENTAL SCHEDULES</u>	
<u>Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2016</u>	<u>12</u>
<u>Schedule H, Line 4j - Schedule of Reportable Transactions for the Year ended December 31, 2016</u>	<u>16</u>
<u>APPENDICES</u>	<u>17</u>

Report of Independent Registered Public Accounting Firm

The Dow Chemical Company
Employees' Savings Plan

We have audited the accompanying statements of net assets available for benefits of The Dow Chemical Company Employees' Savings Plan (the "Plan") as of December 31, 2016 and 2015 and the related statement of changes in net assets available for benefits for the year ended December 31, 2016. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Plan at December 31, 2016 and 2015 and the changes in net assets for the year ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

The supplemental information in the accompanying schedule of assets held at end of year as of December 31, 2016, and the schedule of reportable transactions for the year ended December 31, 2016, have been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Department of Labor's Rules and Regulations for Reporting under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Plante & Moran, PLLC
Plante & Moran, PLLC
Flint, Michigan
June 26, 2017

THE DOW CHEMICAL COMPANY EMPLOYEES' SAVINGS PLAN
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
 AS OF DECEMBER 31, 2016 and 2015

	2016			2015		
	Allocated Participant Directed	Unallocated Non-participant Directed	Total	Allocated Participant Directed	Unallocated Non-participant Directed	Total
Assets						
Investments - at fair value (Notes 4 and 5)	\$7,885,096,868	\$770,739,425	\$8,655,836,293	\$6,777,761,426	\$862,090,730	\$7,639,852,156
Fully benefit-responsive investment contracts - at contract value	2,395,335,710	—	2,395,335,710	1,843,606,334	—	1,843,606,334
Receivables - interest, dividends and other	31,932,856	6,196,481	38,129,337	31,582,249	7,613,360	39,195,609
Receivables - participant notes	118,773,218	—	118,773,218	118,643,446	—	118,643,446
Total Assets	\$10,431,138,652	\$776,935,906	\$11,208,074,558	\$8,771,593,455	\$869,704,090	\$9,641,297,545
Liabilities						
LESOP loan payables (Note 6)	\$—	\$54,247,769	\$54,247,769	\$—	\$67,939,773	\$67,939,773
Other payables	28,991,987	2,620,539	31,612,526	42,141,588	3,272,989	45,414,577
Total Liabilities	\$28,991,987	\$56,868,308	\$85,860,295	\$42,141,588	\$71,212,762	\$113,354,350
Net Assets						
Available For Benefits	\$10,402,146,665	\$720,067,598	\$11,122,214,263	\$8,729,451,867	\$798,491,328	\$9,527,943,195
See notes to the financial statements.						

THE DOW CHEMICAL COMPANY EMPLOYEES' SAVINGS PLAN
 STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Allocated Participant Directed	Unallocated Non- Participant Directed	Total
Additions			
Investment income			
Net realized/unrealized gain on investments	\$655,510,900	\$77,570,551	\$733,081,451
Interest and dividends	106,211,177	26,226,745	132,437,922
Total investment income	761,722,077	103,797,296	865,519,373
Employee contributions	245,719,535	—	245,719,535
Interest on participant notes receivable	4,013,784	—	4,013,784
Allocation of 3,411,306 shares of common stock of The Dow Chemical Company, at market	175,911,030	—	175,911,030
Total additions	1,187,366,426	103,797,296	1,291,163,722
Deductions			
Distributions and withdrawals	673,723,648	—	673,723,648
Administrative expenses	1,948,839	—	1,948,839
Interest expense	—	6,309,996	6,309,996
Allocation of 3,411,306 shares of common stock of The Dow Chemical Company, at market	—	175,911,030	175,911,030
Total deductions	675,672,487	182,221,026	857,893,513
Transfers			
Transfers in (Note 3)	1,163,298,950	—	1,163,298,950
Transfers out	2,298,091	—	2,298,091
Net transfers	1,161,000,859	—	1,161,000,859
Net Increase (Decrease)	1,672,694,798	(78,423,730)	1,594,271,068
Net Assets Available for Benefits			
Beginning of year	8,729,451,867	798,491,328	9,527,943,195
End of year	\$10,402,146,665	\$720,067,598	\$11,122,214,263
See notes to financial statements.			

THE DOW CHEMICAL COMPANY EMPLOYEES' SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2016 and 2015, AND FOR THE YEAR ENDED DECEMBER 31, 2016

1. DESCRIPTION OF THE PLAN

The following description of The Dow Chemical Company Employees' Savings Plan (the "Plan") provides only general information. Participants should refer to the plan document or Summary Plan Description for the legal description of the Plan's provisions.

General - The Plan is a defined contribution plan consisting of (1) a profit sharing plan with a cash or deferred feature which is intended to qualify under Sections 401(a) and 401(k) of the Internal Revenue Code as of 1986, as amended ("Code") and (2) a leveraged employee stock ownership plan ("LESOP") which is intended to qualify as a stock bonus plan under Sections 401(a) and 4975(e)(7). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan covers any person who is, or becomes, a regular employee of The Dow Chemical Company (the "Company" or "Dow"), or of certain of the Company's subsidiaries, subject to certain eligibility service requirements for part-time employees.

Employee Contributions - Plan participants generally may elect to contribute from 0.5% to 40% of their compensation, depending on the participant's eligible pay, limited to a 0.5% minimum contribution. Employees who do not exceed the gross compensation limits are limited to 40% of eligible pay in 0.5% increments, with a 0.5% minimum contribution. The maximum yearly gross compensation pre-tax or Roth 401(k) contribution made through payroll deductions was \$18,000 in 2016. Participants who attained age 50 before the end of the plan year were eligible to make additional catch-up contributions in the amount of \$6,000 in 2016. Plan participants may elect to increase, decrease, suspend, or resume compensation deferrals at any time. New elections are effective as soon as practicable after the request is processed. Newly hired eligible employees not electing to enroll (within 60 days of being hired) are automatically enrolled to contribute 3% of their eligible pay to the Plan, unless the employee elects to opt out. The automatic contributions will increase by 1% each year effective April 1 until the contribution rate reaches 6%, unless the employee designates otherwise. The contributions default to the applicable BTC Lifepath Fund based on the employee's date of birth, unless otherwise designated by the employee.

Company Contributions - In general, the Company's matching contribution provides a 100% match on the first 2% of eligible pay deferrals and a 50% match of the next 4% of eligible pay deferrals. Legacy Rohm and Haas Company employees' Company matching contributions are calculated as 100% of the first 3% of eligible pay deferrals and a 50% match of the next 3% of eligible pay deferrals. For legacy Dow Corning Corporation employees hired prior to January 1, 2006, the Company's matching contribution provides a 100% match on the first 3% of eligible pay deferrals and 50% on the next 2% of eligible pay deferrals; and for those hired on and after January 1, 2006 and prior to September 1, 2016, the Company matching contribution provides a 100% match on the first 3% of eligible pay deferrals and 50% on the next 4% of eligible pay deferrals. The Company's matching contribution is made in the form of Company stock from the LESOP. Employees may divest their Dow stock at any time and elect one of the other investment options available to them under the Plan.

In accordance with the provisions of the Plan, the Plan is required to release shares in proportion to the principal and interest paid on the LESOP loan as a percentage of beginning of year outstanding principal and interest. The shares released from unallocated LESOP shares are allocated to participants to satisfy the Company's matching requirements.

Except as otherwise provided by the Plan, if the required contributions are less than the value of shares released, the difference is allocated to certain participants in the form of contingent matching contributions, and then to all participants, as an "Excess ESOP Shares Distribution" contribution. For the year ended December 31, 2016, the total number of shares allocated as contingent matching contributions and Excess ESOP Shares distribution contributions amounted to 1,803,701, with a market value of \$103,207,771. The Company allocated these shares to the participants

in March 2017.

If the required Company matching contributions under the provisions of the Plan are greater than the value of the shares released, the Company is required to make an additional contribution to cover the shortfall. No such Company contributions were required for the year ended December 31, 2016.

Dividends - Participants invested in The Dow Chemical Company common stock funds may elect to receive dividends as a distribution rather than reinvesting dividends within the participant account.

Account Valuation - Participant account balances reflect the total contributions made to the Plan by employees and the Company, plus investment results, less expenses and withdrawals.