



Executive Compensation

Focus on Disclosure

Top level pay in the chemical sector has been stable but is on the verge of significant changes, say leading executive compensation analysts. Some external changes, especially new reporting rules recently enacted by the Securities and Exchange Commission (SEC), emphasize the sound performance of most chemical companies.

But other trends, especially the forthcoming first wave of baby boomer retirements, will lead to a tight market in experienced top management and may force changes in promotion and pay, market watchers say. The industry's reputation for conservatism, moderation, and promoting from within remains intact so far, but exceptions to that tradition are becoming more common than they used to be, analysts say.

This is the first year that SEC reporting rules for executive pay have been subject to the agency's significantly enhanced disclosure requirements adopted in July 2006. The regulators specified the information that publicly traded companies had to disclose and, in most cases, exactly how that had to be disclosed.

The results of SEC's new disclosure rules have varied from inconsequential to



Rohr:



Burns:



Joyce:



Stroucken:



Gottwald:



Bunch:



Cole:



Sullivan:



Gambrell:



McCausland:

embarrassing for most sectors, but, in the chemical industry, they show executive pay packets in relatively positive light, compensation analysts say. The new rules, however, have made year-over-year comparisons problematic. Thus, the year-over-year comparison table, a staple of previous *CW* Executive Compensation features, has been omitted this year though the 2008 analysis will again provide those year-to-year assessments. Also, companies with a fiscal year that started prior to January, 1, 2007, reported compensation under previous rules, again making comparisons difficult. Salaries and bonuses for executives at companies that reported under the previous rules have been separated.

Despite angst in other sectors over the reporting changes, the silence in the process sector has been deafening. "Not a hell of a lot has changed from last year, other than the reporting requirements," says Jim Aslaksen, global sector leader/performance materials at Korn/Ferry International (Chicago). "We are getting a clearer breakdown of options. Certain companies are already considering restricted stock awards as expenses, and some are not."

More importantly, is the growing popularity of performance shares, Aslaksen says. "Monsanto started this, setting performance metrics for three-year rolling periods that pay off in the fourth year. Each period has its own set of targets, but they are typically pertinent to the business. The metrics can be changed each year for the three-year period it starts, but the point is to provide a wealth-accu-

mulation plan for the 40 or 50 top people. Other companies have different periods, some four years, some even five."

Aslaksen calls performance shares, "the fourth leg of executive compensation," along with salary, bonus, and options. However, many diversified chemical companies are reducing stock options and pensions even for top managers, Aslaksen says. "Performance shares are becoming more prevalent," he says.

Viewing compensation in the chemical sector as a whole, there is a flattening of the disparity between the most-richly compensated executives and the rest, Aslaksen says. "The industry has done well," he says. "Plants are operating at high rates of capacity across the sector, and most companies have been good performers—with a few well-known exceptions. Companies have also been able to push through price increases for raw materials and energy, even to build margin. That has been especially true in agricultural chemicals."

That said, these are the good old days for the industry, Aslaksen says. "We don't see a lot of changes coming for 2007 or 2008 pay packages," he says. "We are probably approaching a downturn in the commodity sector, so we are probably done for a while with major changes in compensation. The only thing that could change would be if private equity recruiting in the chemical industry increases. This is not the beginning of the end, but it is the end of the beginning."

In the near term, the answer for properly adjusted executive compensation compensation packages is a combination of rewards tied to long-term company performance and linked to share-price appreciation, Aslaksen says. Some companies are already doing this, and others are planning to do so. That puts the heavy lifting squarely on the shoulders of compensation committees, which have risen to the occasion, he says. "There is no question that they are improving every year," he adds. "We do a lot of board work, and members of the compensation committee now have to prove that they have the mettle to stand up and align pay with company interests and with shareholder interests. They are being very rigorous, and in recruiting they have a very high profile, equivalent even to the audit committee."

Human resources (HR) committees are also rising in stature. "The three of them—audit, compensation, and HR—are the ones that shape strategic leadership today," Aslaksen says.

TOP 10 IN OVERALL COMPENSATION

(2006 overall compensation leaders)

EXECUTIVE	COMPANY	TOTAL COMPENSATION
Andrew Liveris	Dow Chemical	\$16,821,542
George W. Buckley	3M	16,578,101
Andreas Pohlmann	Celanese	15,680,330
Dan F. Smith	Lyondell Chemical	15,618,202
Dannis H. Reilley	Praxair	15,501,248
James Hambrick	Lubrizol	15,058,945
Chad Holliday	DuPont	10,691,858
J. Brian Ferguson	Eastman Chemical	9,449,415
David N. Weidman	Celanese	8,943,477
Morris Gelb	Lyondell Chemical	8,928,574

Source: Company reports.

BIGGEST BASE

(leading base salaries)

Harold C. Simmons	NL Industries	\$3,047,000
George W. Buckley	3M	1,600,000
Peter R. Huntsman	Huntsman	1,451,775
Andrew Liveris	Dow Chemical	1,433,333
Chad Holliday	DuPont	1,293,000
Dan F. Smith	Lyondell Chemical	1,250,000
Dannis H. Reilley	Praxair	1,137,500
John P. Jones	Air Products	1,115,500
Chris Connor	Sherwin-Williams	1,113,742
Hugh Grant	Monsanto	1,087,500

Source: Company reports.

Also, whole boards of directors are becoming more closely involved, says Andrew Talkington, global manager/energy and chemicals for executive recruiting firm Heidrick & Struggles (Houston). "Along with setting company strategy and succession planning, compensation is the way the board directs the company," Talkington says. To that end, there has been a resurgence of outside consultants to help in benchmarking compensation from both within and without the sector.

"Benchmarking can help you stay out of trouble by showing the framework of salary, bonus, long-term and short-term compensation. Where companies have gotten into trouble with benchmarking is in the administration," Talkington says. "What is important is not the final number, but how that number was derived. That is where boards are becoming more active, and that is what will reduce the disparity you see between companies of comparable size within the sector."

At the beginning of this era of greater scrutiny for both pay packages and the way they are put together, the metrics are all over the place, Talkington says. However, "we are already starting to see the metrics start to converge," he says. "Companies are focusing on long-term value creation with time-weighted factors. That will tend to dampen the oscillations." There is also a trend of reduced multiples for changes of control, "although we have not seen the abnormal situations in the chemical sector as we have in other industries," Talkington says.

In those cases, which he calls "pay for non-performance," the problems were that in hiring a new leader no one wanted to focus on what could happen if something went wrong. Now there is that focus. "When you turn the lights up, people will look. Boards are becoming more responsive because the clarity is there externally as well as internally. The press, investor groups, even some larger fund managers can do the math now."

A few excesses will always occur, but the hope is that as the new rules evolve excesses will be minimized. Stock options were put in place to more closely align management with shareholder interests, Talkington says. "Then you got this huge uplift for everyone, followed by a big pushback because executives with options were managing for blips in the share price, not for sustained performance," he says. "Now we are seeing options being used and accounted for differently. But it is like putting



Bell:



Jennings:



Smith:



Saueracker:



Campbell:



Rogerson:



Pohlman



Brisimitzakis:



Bye:



Mack:

fingers into the dam. It just springs out somewhere else. This will continue to happen."

Meanwhile, the widening talent gap in senior management is a developing trend that is not on everyone's radar screen, Talkington says (*CW*, April 11/18, p. 19). "As baby boomers retire, there is going to be a shortage of high-quality executives. And the ones that are left will be stressed. This is no reflection on them, but there will be a dearth of talent at the top."

As the chemical industry has traditionally promoted from within, that trend may not affect the sector as soon or as quickly as it will in other sectors, Talkington says

However, "you will see people moving up more quickly, and you will see people moving to new industries," Talkington says. "There is a lot of sound research that shows people will succeed or fail within eight to 12 weeks of their entry point. That first hundred days is crucial, and there are ways of mitigating a failure rate that can be in the 40% range," he says. "The problem for the chemical sector is that since it has usually grown its own, few companies have in place the mechanism for integrating people at high levels. It is assumed they know the company and the industry." —GREGORY DL MORRIS

with KRISTEN VAYDA

Methodology

CW has taken the compensation figures exactly as reported in proxies or other public documents, using whatever reporting methods the companies use to meet SEC requirements in the U.S. or similar requirements in Canada. Rules for executive pay have been subject to the agency's significantly enhanced disclosure requirements adopted in July 2006.

SEC specified the information that publicly traded companies had to disclose and, in most cases, exactly how that had to be disclosed. Companies must now disclose a dollar value for all stock-based awards, including stock and stock options, measured at grant date fair value. As a result, *CW* will no longer include the net value of options realized during a given year in the total compensation figures, but will now use the reported dollar value of stock-based awards given during the year as reported to the SEC.

The new rules have made year-over-year comparisons problematic. Thus, the year-over-year comparison table, a staple of previous *CW* Executive Compensation features, has been omitted this year though the 2008 analysis will again provide those year-to-year assessments.

Also, companies with a fiscal year that ended prior to December, 31, 2006 reported compensation under previous rules, again making comparisons difficult. Only salaries and bonuses for executives at companies that reported under the previous rules have been separated. Those companies will again be included in the full table next year.

	CASH AND EQUIVALENT RENUMERATION IN DOLLAR							
	SALARY	BONUS	STOCK AWARDS	OPTION AWARDS	NON-EQ COMP ¹	CHANGE IN PEN ²	ALL OTHER	TOTAL
AIRGAS								
Peter McCausland, Chair, pres, CEO	741,667	337,500	1,079,495	982,500	0	12,308	0	3,153,470
Robert M. McLaughlin, s.v.p, CFO	253,904	0	98,004	167,593	0	4,463	0	523,962
Roger F. Millay, for. s.v.p, pres., CFO	153,098	0	276,505	0	0	3,572	0	433,175
Michael L. Molinini, e.v.p., COO	354,750	0	230,164	285,318	0	7,537	0	877,769
B. Shaun Powers, pres./East	275,586	0	174,970	184,441	0	5,661	0	640,658
Ted R. Schulte, pres./gas ops	274,411	0	165,876	173,726	0	5,713	0	619,726

ALBEMARLE								
Mark C. Rohr, pres., CEO	825,000	0	2,154,806	15,396	1,000,000	1,375,783	11,000	5,381,985
Richard Diemer, v.p., CFO	375,020	29,976	915,400	187,333	450,024	32,235	106,275	2,096,263
John M. Steitz, v.p./bus. ops.	390,000	52,000	1,077,403	19,773	468,000	315,888	11,000	2,334,064
Luther C. Kissam, s.v.p., gen. coun., sec.	325,020	59,976	1,006,789	97,125	390,024	118,473	17,646	2,015,053
William M. Gottwald, chair	315,000	0	949,456	5,132	375,000	261,272	15,073	1,920,933

ARCH CHEMICALS								
Michael E. Campbell, chair, CEO	775,000	223,325	1,747,904	0	486,675	472,535	287,654	3,993,093
Hayes Anderson, v.p./hr	300,000	54,000	293,308	0	129,780	93,815	57,846	928,749
Paul J. Craney, e.v.p.	415,000	85,500	535,212	0	205,485	305,237	80,589	1,627,023
Louis S. Massimo, e.v.p., CFO	440,000	119,700	535,212	0	205,485	190,785	75,357	1,566,539
Sarah A. O'Connor, v.p., gen. coun., sec.	315,000	54,000	292,312	0	129,780	108,737	45,306	945,135

ATMI								
Eugene G. Banucci, chair	450,000	0	0	0	235,000	0	40,771	725,771
Douglas A. Neugold, CEO, pres.	475,000	0	500,000	500,000	394,952	0	59,185	1,929,137
Daniel P. Sharkey, exec. v.p., CFO, tr.	292,000	0	264,000	264,000	148,373	0	20,781	989,154
Tod Higinbotham, s.v.p., gen. man.	282,500	0	250,000	250,000	204,045	0	56,821	1,043,366
Cynthia L. Shereda, e.v.p., CLO, sec.	290,000	0	200,000	200,000	123,827	0	19,107	832,934

CALGON CARBON								
John S. Stanik, pres., CEO	420,000	0	213,572	122,036	70,000	42,148	5,112	872,868
Leroy M. Ball, s.v.p., CFO	215,004	0	76,194	45,269	22,800	0	5,414	364,681
James G. Fishburne, s.v.p./Asia	192,900	0	49,629	32,070	23,100	31,480	2,444	331,623
C.H.S. (Kees) Majoro, s.v.p./Europe	311,078	98,578	49,629	32,070	49,764	84,513	24,728	650,360
Robert P. O'Brien, s.v.p./Americas	205,704	0	49,629	32,070	30,600	49,801	2,619	370,423

CAMBREX								
James A. Mack, chair, pres., CEO	458,333	0	229,687	510,598	586,425	21,866	94,574	1,901,482
Luke M. Beshar, e.v.p., CFO	382,000	100,000	155,569	7,190	364,053	29,201	21,576	1,059,589
Gary L. Mossman, exec v.p., COO	284,667	600,000	5,107	0	209,972	0	68,483	1,168,229
Thomas Bird, v.p./corp. dev.	253,000	500,000	43,241	2,960	160,759	129,052	21,576	1,110,588
Steven M. Klosk, e.v.p./admin., COO	358,333	100,000	116,031	7,190	286,452	45,932	21,576	935,514
Paolo Russolo, pres./Cambrex Profarmaco	337,665	71,565	115,163	7,190	226,461	0	0	758,042

CELANESE								
David N. Weidman, CEO	900,000	1,283,750	0	5,141,934	1,087,200	460,192	70,401	8,943,477
John J. Gallagher III, CFO	675,000	0	0	1,726,347	815,400	9,118	83,995	3,309,860
Lyndon E. Cole, e.v.p.	735,000	990,000	0	2,010,196	890,379	347,285	20,180	4,993,040
Andreas Pohlmann, CAO	65,000	927,500	0	1,905,517	785,200	689,031	10,732,082	15,680,330
Curtis S. Shaw, gen. coun.	575,000	0	0	976,532	625,140	10,715	21,900	2,209,287

CHEMTURA								
Robert L. Wood, chair, pres., CEO	970,000	0	859,324	1,915,812	0	41,109	291,882	4,078,128
Karen R. Osar, e.v.p., CFO	433,860	0	268,782	441,096	0	23,699	110,291	1,277,728
Marcus Meadows-Smith, exec v.p.	385,769	0	194,253	307,230	0	5,839	70,464	950,800
Lynn A. Schefsky, senior v.p., gen. coun.	343,100	0	164,862	262,802	0	7,212	85,095	848,647
Gregory E. McDaniel, exec v.p.	316,562	0	177,925	265,237	0	113,300	84,901	833,295

COMPASS MINERALS								
Angelo C. Brisimitzakis, CEO	286,442	128,917	146,125	0	0	409,531	0	971,015
Michael E. Ducey, ret. CEO	487,000	0	47,583	256,560	0	141,289	0	932,432
Rodney L. Underdown, CFO	234,181	29,115	29,540	60,654	0	33,837	0	387,327
Ronald Bryan, gen. mgr., v.p.	230,906	85,211	87,720	81,209	0	42,272	0	527,318
John S. Fallis, gen. mgr., v.p.	247,500	44,529	131,909	62,363	0	59,081	0	545,382
David J. Goadby, v.p./strat. dev.	241,036	29,115	20,055	51,969	196,345	31,297	0	569,817

	CASH AND EQUIVALENT RENUMERATION IN DOLLAR							
	SALARY	BONUS	STOCK AWARDS	OPTION AWARDS	NON-EQ COMP ¹	CHANGE IN PEN ²	ALL OTHER	TOTAL
CYTEC								
D. Lilley, chair, pres., CEO	828,000	0	350,002	2,524,934	794,466	488,650	82,386	5,068,438
J.P. Cronin, e.v.p., CFO	392,000	0	225,215	687,734	217,756	101,288	27,073	1,651,066
S.D. Fleming, pres./chemicals	360,000	0	92,926	407,527	229,680	50,701	431,123	1,571,957
S.C. Speak, pres./materials	315,000	0	92,926	394,867	155,925	40,243	33,824	1,032,785
W.N. Avrin, v.p./corp. and bus. dev.	285,000	0	110,612	321,417	129,533	66,163	38,603	951,328

DOW CHEMICAL								
Andrew Liveris, chair, CEO	1,433,333	0	7,811,118	5,117,892	2,207,250	119,916	132,033	16,821,542
Geoffery Mersezi, e.v.p., CFO	746,902	533,334	2,316,950	2,283,034	739,000	450,804	152,467	7,222,491
Michael Gambrell, exec v.p.	648,220	0	230,827	1,669,497	648,000	102,912	129,569	5,507,025
Romeo Kreinberg, exec v.p.	700,520	0	3,211,234	1,829,116	697,000	801,029	509,551	7,748,450
David Kepler II, SR. v.p.	511,128	0	2,144,940	1,134,127	427,000	50,716	21,484	4,289,395
Luciano Respini, ret. corp. v.p.	622,585	0	2,358,301	1,011,171	313,244	747,237	1,163,597	6,216,135

DUPONT								
C.O. Holliday Jr., chair, CEO	1,293,000	0	2,494,199	3,839,433	2,103,000	896,900	65,326	10,691,858
J.L. Keefer, e.v.p., CFO	451,014	0	1,183,622	526,922	459,000	994,433	22,242	3,637,343
G.M. Pfeiffer, ret. s.v.p., CFO	606,892	2,000,000	1,019,635	1,117,202	506,000	638,630	27,156	5,915,515
E.J. Kullman, exec v.p.	537,640	0	1,944,478	843,871	596,000	416,344	26,486	4,364,819
R.R. Goodmanson, e.v.p., COO	811,000	0	766,992	835,015	850,000	316,234	33,228	3,612,469
T.M. Connelly Jr., e.v.p., CIO	566,640	0	869,059	864,739	596,000	725,555	23,664	3,645,657

EASTMAN CHEMICAL								
J. Brian Ferguson, chair, CEO	1,073,077	0	3,227,568	3,235,460	1,045,000	662,951	205,359	9,449,415
Richard A. Lorraine, s.v.p., CFO	441,923	0	831,012	199,726	292,000	106,440	73,884	1,944,985
James P. Rogers, pres./chem. fibers Bus. group head	548,846	0	701,649	569,173	545,000	153,699	98,190	2,616,557
Gregory O. Nelson, e.v.p., polymers bus. group head	400,385	0	445,184	472,776	250,000	187,213	53,390	1,808,948
Theresa K. Lee, s.v.p., CLO, sec.	388,885	0	580,333	316,640	220,000	148,707	62,612	1,716,877

ECOLAB								
Douglas M. Baker Jr, chair, pres., CEO	800,000	0	0	3,142,043	1,760,000	659,082	197,268	6,558,393
Steven L. Fritze, e.v.p., CFO	420,000	0	0	845,067	504,000	371,556	72,713	2,213,336
Lawrence T. Bell, s.v.p., gen. coun., sec.	342,000	0	0	841,839	376,200	336,384	84,508	1,980,931
James A. Miller, e.v.p./institutional	350,000	8,800	0	522,882	411,200	208,422	93,259	1,594,986
C. William Snedeker, e.v.p./global services	320,000	117,000	0	582,021	206,700	442,422	86,625	1,754,768
Luciano Iannuzzi, former e.v.p./Eur., Mideast, Afr.	388,471	0	0	434,578	272,926	0	2,805,163	3,901,138

FMC								
William G. Walter, chair, pres., CEO	891,667	0	972,697	678,210	2,783,825	2,429,946	123,464	7,879,809
W. Kim Foster, s.v.p., CFO	497,551	0	272,801	135,104	804,950	646,082	75,683	2,432,171
Milton Steele, v.p., gen. man./agri. prod.	406,442	0	172,165	114,648	715,461	696,646	43,655	2,149,017
Theodore H. Butz, v.p. gen. man./spec. chem.	364,457	0	218,440	114,648	553,381	150,291	126,961	1,528,178
D. Michael Wilson, v.p., gen. man./ind. chem.	364,457	0	172,165	114,648	373,977	60,291	110,294	1,195,832

GEORGIA GULF								
Edward A. Schmitt, chair, pres., CEO	760,000	0	2,251,175	1,823,361	802,560	104,324	282,988	6,024,408
James T. Matthews, v.p./fin., tr., CFO	235,000	0	279,937	212,123	215,160	344,714	83,759	1,460,693
Paul D. Carrico, v.p./chem., vin.	325,000	0	285,371	246,121	257,400	516,001	134,167	1,764,060
Mark J. Seal, v.p. outdoor building products	240,000	0	413,383	334,115	270,600	110,259	85,250	1,553,607
Joel I. Beerman, v.p. gen. coun., sec.	335,000	0	433,586	352,628	221,760	73,030	107,276	1,523,280

HERCULES								
C.A. Rogerson, pres., CEO	712,508	0	1,131,676	1,237,157	1,387,000	740,017	192,359	5,400,717
E.W. Carrington, v.p., hr	271,678	0	153,031	81,719	182,000	99,372	27,960	815,760
J.E. Panichella, pres./Aqualon	313,807	0	64,165	0	315,000	349,972	342,954	1,385,898
P.C. Raymond, pres./paper tech, ventures	312,500	0	214,726	124,359	227,500	26,335	40,674	946,094
A.A. Spizzo, CFO	345,838	0	386,178	0	400,000	226,005	44,148	1,402,169

	CASH AND EQUIVALENT RENUMERATION IN DOLLAR							
	SALARY	BONUS	STOCK AWARDS	OPTION AWARDS	NON-EQ COMP ¹	CHANGE IN PEN ²	ALL OTHER	TOTAL
IFF								
Robert M. Amen, chair, CEO	500,000	935,766	130,705	257,882	75,900	0	113,199	2,013,452
Arthur C. Martinez, former interim chair and CEO	0	0	450,932	17,031	0	0	101,918	569,881
Richard A. Goldstein, former Chairman and CEO	403,486	0	628,931	70,351	1,578,983	251,974	4,840,772	7,774,497
Douglas J. Wetmore, senior v.p. and CFO	463,000	0	310,540	22,613	578,728	52,701	103,338	1,503,920
James H. Dunsdon, senior v.p., transition leader	579,375	0	414,206	12,562	846,150	538,440	123,078	2,513,811
Nicolas Mirzayantz, pres./frag.	400,000	0	2,395,200	59,346	491,744	35,194	48,286	1,274,090
Dennis M. Meany, s.v.p., gen. coun. and sec.	386,250	0	234,927	6,030	448,740	93,366	78,005	1,247,318
INNOSEEC								
Paul W. Jennings, pres., CEO	527,938	0	0	375,076	439,337	51,945	126,656	1,520,952
Ian P. Cleminson, e.v.p., CFO	173,932	0	0	20,343	91,281	0	44,380	329,936
Patrick Williams, e.v.p., pres./fuel spec.	375,421	125,000	0	109,381	365,750	0	60,610	1,036,162
Ian McRobbie, s.v.p./R&D	222,477	0	0	148,686	134,553	87,039	143,484	736,239
Cathy Hessner, s.v.p./hr	214,082	0	0	117,645	129,478	42,016	56,260	559,481
LUBRIZOL								
J.L. Hambrick, chair, pres., CEO	840,044	0	1,289,463	1,250,183	9,515,017	1,799,861	364,377	15,058,945
C.P. Cooley, s.v.p., tres., CFO	404,626	0	292,913	271,991	2,195,204	54,694	50,995	3,270,423
S.F. Kirk, s.v.p.	355,935	0	377,748	248,765	1,968,233	306,823	85,574	3,343,078
D.W. Bogus, s.v.p.	355,565	0	72,770	246,504	1,817,316	128,564	138,743	2,759,462
J.W. Bauer, v.p., gen. coun.	305,774	0	170,298	159,252	1,384,083	59,800	33,507	2,112,714
LYONDELL								
Dan F. Smith, president, CEO	1,250,000	0	7,125,048	1,870,864	3,000,000	2,205,473	166,817	15,618,202
T. Kevin DeNicola, s.v.p., CFO	514,644	0	159,088	277,122	669,037	435,616	63,210	3,549,717
Morris Gelb, e.v.p., COO	752,544	0	3,229,580	755,915	1,204,070	2,896,141	90,324	8,928,574
Edward J. Dineen, s.v.p./chem., polymers	492,596	0	1,386,718	231,945	640,375	456,871	70,134	3,278,639
Kerry A. Galvin, s.v.p., gen. coun.	477,256	0	1,182,089	201,817	572,707	267,129	55,017	2,756,015
MINERALS TECHNOLOGIES								
Paul R. Saueracker, chair, pres., CEO	675,000	136,055	541,178	491,846	316,878	1,569,400	54,068	3,784,425
John A. Sorel, s.v.p./finance, CFO	317,000	51,116	170,219	162,072	117,482	380,900	26,076	1,224,865
Kenneth L. Massimine, s.v.p., man. dir., paper PCC	313,000	58,688	220,223	201,865	148,602	133,200	26,975	1,102,553
Alain F. Bouruet-Aubertot, s.v.p., man. dir., Minteq International	306,000	60,244	215,322	201,805	130,534	28,900	27,236	970,041
Kirk G. Forrest, v.p., gen. coun., sec.	270,000	50,625	161,282	56,167	104,401	14,600	20,285	677,360
3M								
George W. Buckley, chair, CEO	1,600,000	4,117,500	4,670,100	2,153,646	3,330,740	54,869	651,246	16,578,101
Patrick D. Campbell, s.v.p., CFO	675,878	0	0	1,223,934	751,406	492,731	94,517	3,238,466
Moe S. Nozari, e.v.p./consumer, office bus.	616,964	0	65,455	2,672,504	713,626	208,751	51,741	4,329,041
Frederick J. Palensky, e.v.p./R&D, CTO	417,259	0	0	1,516,235	618,060	336,802	42,603	2,930,959
Richard F. Ziegler, s.v.p., legal affairs and gen. coun.	714,595	0	81,185	613,711	778,328	904	117,853	2,306,576
MONSANTO								
Hugh Grant, chair, pres., CEO	1,087,500	0	1,093,903	3,185,579	1,958,000	677,160	375,655	8,377,797
Charles W. Burson, special asst., coun. to CEO	460,096	0	172,383	500,737	485,000	363,542	90,738	2,072,496
Carl M. Casale, exec v.p./North America Commercial	485,192	0	312,627	910,327	605,000	38,789	88,252	2,440,187
Terrell K. Crews, e.v.p., CFO	505,269	0	354,700	1,031,541	600,000	107,537	107,863	2,706,910
Robert T. Fraley, Ph.D., e.v.p., CTO	521,240	0	521,240	1,516,960	650,000	123,917	124,540	3,460,330

	CASH AND EQUIVALENT RENUMERATION IN DOLLAR							
	SALARY	BONUS	STOCK AWARDS	OPTION AWARDS	NON-EQ COMP ¹	CHANGE IN PEN ²	ALL OTHER	TOTAL
NALCO								
William H. Joyce, chair, CEO	1,000,000	0	54,776	0	1,166,000	0	230,304	2,451,080
Bradley J. Bell, e.v.p., CFO, tr.	427,450	0	16,286	0	462,634	0	39,644	946,014
William J. Roe, EVP,COO, pres./ind., inst. ser. div.	423,700	0	20,357	0	490,840	284,424	37,842	1,257,163
Gregory N. Nelson, group v.p., pres./ser., equip. man. dir./Europe	259,375	0	62,917	87,387	178,238	0	139,610	727,527
John Gigerich, v.p., admin.	418,308	0	5,857	21,710	207,205	0	0	653,080
Phillipe Creteur, for. v.p.	140,350	0	3,713	0	0	1,475	1,135,522	1,281,060
Mark Irwin, for. group v.p.	193,000	0	3,713	0	0	0	1,029,018	1,225,731
NEWMARKET								
Thomas E. Gottwald, pres., CEO	510,000	350,000	0	0	0	56,317	25,500	941,817
David A. Fiorenza, v.p., tr. PFO	258,692	110,000	0	0	0	78,542	12,934	460,168
C.S. Warren Huang, pres./Afton Chemical Corp	322,775	250,000	0	0	0	86,762	216,138	875,675
Steven M. Edmonds, v.p., gen. coun.	250,275	110,000	0	0	0	29,395	12,514	402,184
Bruce R. Hazelgrove III, v.p./corp. resources	213,858	125,000	0	0	0	16,292	10,692	365,842
NL INDUSTRIES								
Harold C. Simmons, chair, CEO	3,047,000	0	26,985	11,904	0	0	0	3,062,081
Robert D. Graham, v.p., gen. coun.	584,200	0	0	0	0	0	0	584,200
Gregory M. Swalwell, v.p., CFO	508,000	0	0	0	0	0	0	508,000
Kelly D. Luttmner, v.p., text director	505,700	0	0	0	0	0	0	505,700
John A. St. Wrba, v.p., tr.	348,700	0	0	0	0	0	0	348,700
James W. Brown, former v.p., controller	536,600	0	0	0	0	0	0	536,600
OLIN								
Joseph D. Rupp, chair, pres., CEO	772,500	0	707,576	616,995	760,266	1,591,212	145,730	4,594,279
John E. Fischer, v.p., CFO	322,749	0	192,948	159,223	194,940	199,445	52,146	121,451
John L. McIntosh, v.p., pres./chlor alkali prod.	320,253	0	157,462	149,196	221,884	271,969	84,037	1,204,801
George H. Pain, v.p., gen. coun., sec.	339,999	0	173,782	144,904	1,949,400	263,922	2,480,002	1,365,549
Jeffrey J. Haferkamp, v.p., pres./Olin Brass	284,004	0	135,739	119,503	75,080	167,472	38,242	820,040
POLYONE								
Stephen D. Newlin, chair, pres., CEO	589,615	600,000	505,374	558,936	959,700	0	103,725	3,317,350
William F. Patient, former chair, pres., CEO	68,833	50,000	208,333	0	0	0	0	139,666
W. David Wilson, v.p. and CFO	354,058	50,000	75,561	158,724	242,707	0	81,711	962,761
Wendy C. Shiba, v.p., CLO, sec.	337,769	50,000	59,052	120,905	231,541	0	42,859	842,126
Kenneth M. Smith, s.v.p., chief hr and info. officer	313,481	50,000	52,914	112,084	214,891	0	59,109	802,479
Bernard P. Baert, v.p., gen man./colors & engineered mat., Eur., Asia	349,999	0	53,125	105,333	219,576	0	69,043	797,076
PPG INDUSTRIES								
Charles E. Bunch, chair, CEO	900,000	0	1,909,806	2,661,387	2,185,000	1,106,085	123,612	8,885,890
William H. Hernandez, s.v.p., finance	475,000	0	381,013	1,266,493	760,000	305,208	43,014	3,230,728
James C. Diggs, s.v.p., gen. coun.,I sec.	440,000	0	317,510	739,976	585,000	183,464	57,873	2,323,823
J. Rich Alexander, s.v.p./coatings	364,167	0	207,942	250,967	485,000	163,328	48,761	1,520,165
Kevin F. Sullivan, s.v.p./chem.	352,000	0	220,860	534,791	440,000	285,216	55,848	1,888,715
PRAXAIR								
Dennis H. Reilley, chair	1,137,500	0	97,160	6,468,088	3,000,000	4,588,000	210,500	15,501,248
Stephen F. Angel, pres., CEO	631,250	0	84,883	1,355,023	1,418,000	1,061,000	37,766	4,587,922
James S. Sawyer, e.v.p., CFO	481,250	0	0	1,108,814	734,000	643,000	16,847	2,983,911
Ricardo S. Malfitano, e.v.p.	498,333	0	0	935,940	795,000	311,000	15,819	2,556,092
James J. Fuchs, s.v.p.	395,083	0	0	684,463	540,000	682,000	27,889	2,329,435
QUAKER CHEMICAL								
Ronald J. Naples, chair, CEO	611,208	267,641	72,186	104,431	861,000	0	36,423	1,952,889
Neal E. Murphy, v.p., CFO, tr.	288,350	50,000	33,828	36,304	147,350	118,000	17,677	691,509
Michael F. Barry, senior v.p., man. dir./North America	282,500	38,907	70,411	13,513	158,400	112,000	36,605	712,336
Mark A. Harris, senior v.p./global strategy, marketing	261,045	38,053	70,411	13,513	146,586	17,303	43,423	590,334
Wilbert Platzter, v.p., man. dir./Europe	252,993	25,938	55,099	12,568	117,721	31,858	35,773	531,950

	CASH AND EQUIVALENT RENUMERATION IN DOLLAR							
	SALARY	BONUS	STOCK AWARDS	OPTION AWARDS	NON-EQ COMP ¹	CHANGE IN PEN ²	ALL OTHER	TOTAL
ROGERS								
Robert D. Wachob, pres., CEO	429,158	0	195,510	858,859	909,308	319,498	32,083	2,744,416
Dennis M. Loughran, v.p., CFO	233,000	0	34,985	72,542	312,000	23,040	166,881	842,448
Robert C. Daigle, v.p., CTO	223,341	0	44,688	68,147	271,939	48,413	15,166	671,694
John A. Richie, v.p./hr	198,317	0	40,499	199,171	211,384	142,067	14,408	805,846
Frank J. Gillern, v.p./advanced circuit materials	199,945	0	37,706	159,177	118,258	311,603	14,396	841,085
Paul B. Middleton, corp. cont., Interim CFO	184,116	20,000	29,327	50,722	139,601	14,301	14,083	452,150
ROHM & HAAS								
R.L. Gupta, chair, pres., CEO	1,005,000	0	3,884,275	2,309,641	1,437,150	0	103,090	8,739,156
J.M. Croisetiere, e.v.p., CFO	420,885	107,608	1,046,362	433,530	430,430	196,344	46,044	2,681,203
A.E. Barton, e.v.p.	420,885	0	1,008,911	445,940	430,430	108,377	35,708	2,450,251
P.R. Brondeau, e.v.p.	420,885	107,608	1,012,912	445,940	430,430	76,407	553,311	3,047,493
R.A. Lonergan, exec v.p., gen. coun., corp. sec.	380,600	0	619,663	469,816	326,555	138,494	27,397	1,962,525
SEALED AIR								
William V. Hickey, pres., CEO	496,667	0	889,208	0	500,000	0	106,622	1,992,497
David H. Kelsey, s.v.p., CFO	347,833	0	462,250	0	215,000	0	57,890	1,082,973
David B. Crosier, s.v.p.	327,500	0	469,747	0	200,000	0	76,938	1,074,185
Robert A. Pesci, s.v.p.	347,833	0	186,621	0	215,000	0	56,016	805,470
Jonathan B. Baker, v.p.	290,000	0	190,763	0	80,000	0	48,948	609,711
J. Stuart K. Prosser, ret. s.v.p.	356,843	0	334,120	0	149,012	475,376	61,985	1,377,336
SENSIENT TECHNOLOGIES								
Kenneth P. Manning, chair, CEO	813,500	0	2,509,147	0	1,382,950	887,000	878,590	6,471,187
Richard F. Hobbs, v.p., CFO	395,500	0	219,650	35,063	514,150	280,000	336,302	1,780,665
Ralph G. Picklers, pres./flavors and fragrances	341,000	0	166,164	28,050	409,200	383,000	256,194	1,583,608
John L. Hammond, v.p., sec., gen. coun.	269,000	0	150,097	101,324	349,700	187,000	219,729	1,276,850
Richard Carney, v.p., admin.	274,000	0	154,815	21,038	356,200	304,000	79,038	1,189,091
SHERWIN-WILLIAMS								
C.M. Connor, chair, CEO	1,113,742	0	2,657,568	1,311,425	1,816,000	0	454,283	7,353,018
J.G. Morikis, pres., COO	479,036	0	803,983	315,980	577,000	0	194,016	2,370,015
S.P. Hennessy, s.v.p., CFO	472,572	0	670,774	298,841	634,000	0	174,650	2,250,837
T.W. Seitz, s.v.p./strategic excellence initiatives	399,642	0	444,052	583,737	327,000	53,816	356,401	2,110,832
L.E. Stellato, v.p., gen. coun., sec.	384,514	0	308,137	343,534	363,000	0	132,007	1,531,192
SIGMA-ALDRICH								
Jai P. Nagarkatti, pres., CEO	600,000	0	129,259	514,301	416,874	80,269	191,590	1,932,293
Michael R. Hogan, CAO, CFO	430,000	0	51,704	313,127	222,955	12,201	41,820	1,071,807
David R. Harvey, chair	250,000	500,000	0	868,068	500,000	56,718	9,235	2,184,021
Franklin D. Wicks, pres., SAFC	330,000	0	51,704	313,127	177,375	54,713	41,586	968,505
David W. Julien, pres./res. spec.	320,000	0	51,704	313,127	165,920	32,124	42,592	925,467
STEPAN								
F. Quinn Stepan, Jr., pres, CEO	525,000	0	18,272	56,021	0	72,929	65,324	737,546
James E Hurlbutt, v.p./fin	210,000	0	7,309	9,804	12,453	50,842	25,628	316,035
F. Quinn Stepan, chair	500,000	0	0	0	0	0	38,921	538,921
John V. Venegoni, v.p., gen. man./surfactants	276,333	0	12,790	19,607	48,423	48,423	23,695	424,064
Robert J. Wood, v.p., gen. man/polymers	238,333	0	12,790	19,607	45,793	45,793	20,317	386,339
TERRA INDUSTRIES								
M. Bennett, pres., CEO	492,308	0	1,147,153	0	0	80,572	22,421	1,742,453
F. Meyer, s.v.p., CFO	332,615	0	432,857	0	0	34,424	26,733	826,630
J. Giesler, s.v.p./commercial operations	222,615	0	295,988	0	0	31,718	24,248	574,570
R. Sanders, v.p./manufacturing	197,692	0	233,094	0	0	20,077	23,540	474,403
P. Thompson, v.p./sales and marketing	216,769	0	243,673	0	0	67,169	25,940	553,551
M. Kalafut, v.p., gen. coun., sec.	170,654	0	148,844	0	0	17,382	676,637	1,013,517
TRONOX								
Thomas W. Adams,	656,000	0	170,674	828,214	58,480	0	0	1,713,368
Mary Mikkelsen,	332,000	0	36,239	59,767	24,652	0	0	452,658
Marty J. Rowland,	359,000	0	49,432	147,602	38,029	0	0	594,063
Roger G. Addison,	282,000	0	25,217	566,032	19,010	0	0	892,259
Gregory E. Thomas,	247,824	247,824	13,527	816,995	17,954	0	0	1,344,124
WELLMAN								
Thomas M. Duff, chair, CEO	720,000	0	343,500	0	0	0	97,587	1,161,087
Keith R. Phillips, v.p., CFO	336,050	0	185,490	0	0	0	60,976	582,516
Michael E. Dewsbury, v.p., pet resins division	310,000	0	185,490	0	0	0	63,648	559,138
Joseph C. Tucker, v.p., fiber and recycled products group	270,000	0	171,750	0	0	0	58,797	500,547
Mark J. Rudav, v.p., CAO	165,000	0	137,400	0	0	0	43,570	345,970

	CASH AND EQUIVALENT RENUMERATION IN DOLLAR							
	SALARY	BONUS	STOCK AWARDS	OPTION AWARDS	NON-EQ COMP ¹	CHANGE IN PEN ²	ALL OTHER	TOTAL
WESTLAKE CHEMICAL								
Albert Chao, pres., CEO	608,333	0	134,878	168,726	830,280	0	20,059	1,762,276
James Chao, chair	446,667	0	98,910	129,686	609,733	0	19,608	1,304,604
John D. Gibbons, former s.v.p., CFO	252,500	0	10,417	5,919	13,271	0	89,021	371,128
Wayne Morse, s.v.p./vinyls	292,500	0	34,949	50,308	233,698	108,035	7,813	727,303
David R. Hansen, s.v.p./admin.	271,667	0	27,958	65,673	200,106	0	18,705	584,109
Stephen Wallace, v.p., gen. coun., sec.	267,700	0	23,311	43,381	163,976	0	18,664	517,032
1) Non-equity incentive plan compensation. 2) Change in pension value and nonqualified deferred compensation earnings.								

	SALARY	BONUS
A. Schulman (FY ended 8/31/06)		
Terry L. Haines pres., CEO	\$625,355	\$334,260
Robert A. Stefanko former chair, CFO, e.v.p.	435,793	228,420
Paul F. DeSantis CFO, v.p., treas.	167,281	240,000
Barry A. Rhodes e.v.p., COO	224,542	120,000
Ronald G. Andres v.p./North America	179,719	55,000
Gary J. Elek v.p./corp. cont., sec.	173,745	46,000
Air Products (FY ended 9/30/06)		
John P. Jones III chair pres., ceo	1,115,000	2,220,000
Paul E. Huck v.p., CFO	485,000	567,000
Mark L. Bye group v.p./gases, equip	460,000	553,000
John E. McGlade group v.p./chemicals	460,000	580,000
Arthur T. Katsaros group v.p./develop and tech	435,000	476,000
Ashland (FY ended 9/30/05)		
James J. O'Brien chair CEO	983,258	115,900
J. Marvin Quin s.v.p., CFO	513,007	430,000
Gary A. Cappeline former s.v.p., pres. & COO/chemical	493,750	308,000
David L. Hausrath s.v.p., gen. coun., sec.	400,624	349,000
Frank L. Waters v.p., pres./Ashland Performance Materials	320,859	289,000
R. Kirk Randolph former pres./APAC	330,787	420,000
Cabot Corp (FY ended 9/30/06)		
Kennett F. Burnes, chair, pres., CEO	840,000	650,000
Brian A. Berube, v.p., gen. coun.	293,750	150,000
Dirk L. Blevi, e.v.p., gen. man.	367,359	150,000
William J. Brady, e.v.p., gen. man.	350,000	100,000
Jonathan P. Mason, e.v.p., CFO	251,731	280,000
Cabot Microelectronics (FY ended 9/30/06)		
William P. Noglows pres., CEO	515,000	367,400
William S. Johnson v.p., CFO	317,500	150,700
H. Carol Bernstein v.p., sec., gen. coun.	287,500	136,600
Clifford L. Spiro v.p., R&D	276,250	145,100
Adam F. Weisman v.p./bus. and ops	282,500	134,200
H.B. Fuller (FY ended 11/30/06)		
Albert P.L. Stroucken chair., pres., CEO	842,797	1,263,733
John A. Feenan s.v.p., CFO	368,127	267,934
Michele Volpi group pres., gen.l man./global adhesives	308,742	344,288
Edwin J. Snyder v.p., chief process improvement officer	263,938	190,055
Stephen J. Large group pres., gen. man./Full-Valu	314,651	132,131
Omnova (FY ended 11/30/06)		
Kevin M. McMullen chair., CEO, pres.	617,692	669,925
Michael E. Hicks s.v.p., CFO	283,115	244,676
Robert C. Coleman pres./decorative products	241,285	235,517
James J. Hohman v.p., pres./performance chemicals	276,354	184,728
James C. LeMay s.v.p./bus. dev., gen. coun.l	244,315	211,169
RPM (FY ended 5/31/06)		
Frank C. Sullivan pres., CEO	750,000	995,000
P. Kelly Tompkins s.v.p., gen. coun., sec.	325,000	4,300,000
Ronald A. Rice s.v.p./admin, asst. sec.	325,000	430,000
Paul G.P. Hoogenboom v.p./ops, CIO	270,000	355,000
Robert L. Matejka v.p., CFO, controller	270,000	355,000
Valspar (FY ended 10/27/06)		
William L. Mansfield pres.,CEO	826,923	2,737,067
Paul C. Reyelts e.v.p., CFO	528,231	1,137,017
Steven L. Erdahl e.v.p.	455,385	910,770
Rold Engh e.v.p., gen.l coun., sec.	418,231	836,462
Gary E. Henrickson s.v.p.	363,077	669,877

Source: Company reports.