Chesebrough-Pond's Inc.

33 BENEDICT PLACE, GREENWICH, CONN. 06830

Notice of Annual Meeting

To the Stockholders of

Chesebrough-Pond's Inc.

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of CHESEBROUGH-POND'S INC. will be held in the Grand Ballroom of the Plaza Hotel, Fifth Avenue and 59th Street, in the Borough of Manhattan, City and State of New York, on Wednesday, May 4, 1983, at 10:30 o'clock in the forenoon, Eastern Daylight Saving Time, for the following purposes:

1. To elect a Board of thirteen Directors for the ensuing year.
2. To consider and act upon a proposal to amend the Certificate of Incorporation to eliminate preemptive rights.
3. To ratify the selection by the Board of Directors of Arthur Young & Company as Certified Public Accountants to audit the financial statements of the Company for the year 1983.
4. To consider and act upon a proposal of certain stockholders to adopt cumulative voting for directors.
5. To consider and act upon a proposal of certain stockholders to set limitations upon retirement benefits.
6. To transact such other business as may properly come before the meeting.

The date fixed by the Board of Directors as the record date for the determination of stockholders entitled to vote at said meeting and any adjournment or adjournments thereof is the close of business on the 18th day of March, 1983.

Robert H. Mann

ROBERT H. MANN
Vice President, Secretary and General Counsel

Dated: March 25, 1983

Chesebrough-Pond's Inc.

33 BENEDICT PLACE, GREENWICH, CONN. 06830

Proxy Statement

ANNUAL MEETING OF STOCKHOLDERS OF CHESEBROUGH-POND'S INC.

This proxy statement is furnished in connection with the solicitation of proxies for use at the Annual Meeting of Stockholders of Chesebrough-Pond's Inc. to be held on May 4, 1983. The enclosed proxy is solicited on behalf of the Board of Directors of the Company. Any proxy may be revoked by the stockholder at any time before it is voted by submission of a proxy with a subsequent date or by attendance at the Annual Meeting and voting by ballot. The cost of solicitation of proxies will be borne by the Company. Solicitation may be made by mail, personal interviews, telephone and telegraph by regularly engaged officers and employees of the Company. The Company may pay persons holding stock in their names or those of their nominees for their expenses in sending proxies and proxy material to principals. It is expected that the proxy material will first be mailed to stockholders of the Company on March 25, 1983.

In order to be considered for inclusion in the Company's proxy statement for the 1984 Annual Meeting of Stockholders, proposals from stockholders must be received by the Company on or before December 31, 1983.

OUTSTANDING VOTING SECURITIES

Only stockholders at the close of business on March 18, 1983 will be entitled to vote at the Annual Meeting. At that date there were issued and outstanding 35,982,742 shares of common stock (after deducting an aggregate of 89,628 shares held in treasury). Each share of common stock is entitled to one vote on each matter submitted to a vote at the meeting.

ELECTION OF DIRECTORS

The persons named in the accompanying proxy intend to vote for the nominees for directors named to serve for one year or until their successors are elected. If any nominee is unable to serve, which management has no reason to expect, such persons intend to vote for the balance of those named and, if they deem it advisable, for a substitute nominee. Effective on the date of the Annual Meeting, the authorized number of directors will be thirteen.

Ralph E. Bailey

Mr. Bailey, 59, has been a Director since 1982. Member of the Audit Committee. Vice Chairman of the Board of E. I. du Pont de Nemours and Company (chemicals) since 1981 and Chairman and Chief Executive Officer of Conoco Inc. (energy), a Du Pont subsidiary. Director of E. I. du Pont de Nemours and Company, J. P. Morgan & Co. Inc., Morgan Guaranty Trust Company of New York and General Signal Corporation.

J. Edgar Bennett

Mr. Bennett, 66, has been a Director since 1970. He retired as a Group Vice President of the Company in 1982.

Charles J. Chapman, Jr.

Mr. Chapman, 44, is a Group Vice President. He joined the Company in 1967, was elected a Vice President in 1976 and a Group Vice President and Director in 1982. Member of the Operating Committee. Director of Welch Foods Inc.

Roger P. Craton

Mr. Craton, 50, is a Group Vice President and the Chief Financial Officer. He joined the Company in 1980, was elected a Group Vice President and Director in 1980. Member of the Operating Committee. Prior to joining the Company, he was Controller-North American Automotive Operations of Ford Motor Company.

James D. Farley

Mr. Farley, 56, has been a Director since 1978. Member of the Audit Committee. Executive Vice President since 1969 of Citibank, N.A. (commercial bank). Director of Moore Corporation, Ltd. and Private Export Funding Corp.

Walter E. Hanson

Mr. Hanson, 57, has been a Director since 1981. Member of the Audit Committee. Financial Consultant since 1980. He retired as Chairman of Peat Marwick International in 1980, following service as Chief Executive and Chairman of the Board of Directors of Peat, Marwick, Mitchell & Co. (certified public accountants) from 1965 to 1979. Director of AM International, Inc., Fidelity Group of Funds and CIGNA Corp.

Thomas A. Holmes

Mr. Holmes, 59, has been a Director since 1981. Member of the Audit Committee. Chairman of the Board and Chief Executive Officer of Ingersoll-Rand Company (machinery manufacturing). Director of Ingersoll-Rand Company, Newmont Mining Corporation and Norton Company.

Robert H. Mann

Mr. Mann, 47, is Vice President, Secretary and General Counsel. He joined the Company as General Counsel in 1970, was elected Vice President and Secretary in 1972 and a Director in 1974. Member of the Operating Committee.

Donald F. McCullough

Mr. McCullough, 57, has been a Director since 1977. Member of the Audit Committee. Chairman of the Board, Chief Executive Officer and President of Collins & Aikman Corporation (textiles) since 1961. Director of Collins & Aikman Corporation, Bankers Trust Company, Massachusetts Mutual Life Insurance Co. and Melville Corp.

Jane C. Pfeiffer

Mrs. Pfeiffer, 50, has been a Director since 1975. Member of the Audit Committee. Independent management consultant since 1980; Mrs. Pfeiffer was Chairman of National Broadcasting Company during 1978-80, following a period in which she had been an independent management consultant. From 1972 to 1976 she was with International Business Machines Corporation as Vice President for Communications and Government Relations. Director of Ashland Oil, Inc., International Paper Company and J. C. Penney Co.

Frank L. Stamberg

Mr. Stamberg, 60, is a Group Vice President. He joined the Company in 1952, was elected a Vice President in 1969, Group Vice President in 1975 and a Director in 1976. Member of the Operating Committee.

Ralph E. Ward

Mr. Ward, 62, is Chairman, President and Chief Executive Officer. He joined the Company in 1946, was elected a Vice President in 1962, a Director in 1965 and Executive Vice President in 1967. He has served as President and Chief Executive Officer since 1968, and as Chairman since 1976. Chairman of the Operating Committee. Director of The Chase Manhattan Corporation, The Chase Manhattan Bank, N.A. and Stauffer Chemical Company.

Donald G. Wiesen

Mr. Wiesen, 54, is Senior Group Vice President. He joined the Company in 1958, was elected Treasurer in 1970, Vice President and a Directer in 1971, Group Vice President in 1972 and Senior Group Vice President in 1982. Member of the Operating Committee.

The following information pertains to the common stock of the Company beneficially owned, directly or indirectly, by all directors and nominees for election as directors and by all directors and officers of the Company as a group as of March 1, 1983:

Name of Beneficial Owner	Number of Shares*
Ralph E. Bailey	100
J. Edgar Bennett	33,373
Charles J. Chapman, Jr.	4,700
Roger P. Craton	3,319
James D. Farley	300
Walter E. Hanson	1,500
Thomas A. Holmes	300
Robert H. Mann	13,935
Donald F. McCullough	500
Jane C. Pfeiffer	222
Frank L. Stamberg	23,058
Ralph E. Ward	23,241
Donald G. Wiesen	12,680
30 directors and officers as a group	335,840

* The holdings of nominees who are current or former employees exclude units credited to their accounts as participants in the Executive Incentive Profit-Sharing Plan and shares subject to possible forfeiture or deferred under the Company's Stock Plan. If the shares subject to possible forfeiture or deferred under the Stock Plan were included, such nominees would own the following totals: Mr. Bennett, 37,415 shares; Mr. Chapman, 10,954 shares; Mr. Craton, 9,521 shares; Mr. Mann, 19,323 shares; Mr. Stamberg, 29,878 shares; Mr. Ward, 33,958 shares; and Mr. Wiesen, 21,972 shares.

Each nominee and officer listed above has sole voting and investment power with respect to the shares shown by his or her name. Directors and officers as a group hold .9% of the Company's common stock. On March 1, 1982, all directors and officers as a group owned 185,914 shares.

The Company maintains standing committees of the Board of Directors, including the Audit Committee and the Compensation and Nominating Committee.

The Audit Committee annually recommends to the Board of Directors the appointment of independent public accountants of the Company and its subsidiaries, considers the scope of audits, considers the annual program for the internal auditing staff and receives and reviews the results of the audit by the independent public accountants and discusses the same with representatives of management.

The Compensation and Nominating Committee determines salaries to be paid to elected officers of the Company, directs the general administration of the Stock Plan and Executive Incentive Profit-Sharing Plan in accordance with their terms and conditions, including designating officers and employees to participate in such plans and the extent of their participation, and nominates candidates for election to the Board of Directors. It will consider nominees recommended by shareholders, who should submit full information with respect to any such nominees to Chairman, Compensation and Nominating Committee, c/o Chesebrough-Pond's Inc., 33 Benedict Place, Greenwich, Connecticut 06830.

The following directors currently serve as members of both the Audit Committee and the Compensation and Nominating Committee: Ralph E. Bailey, James D. Farley, Walter E. Hanson, Thomas A. Holmes, Donald F. McCullough and Jane C. Pfeiffer.

During 1982, there were 12 meetings of the Board of Directors, 3 meetings of the Audit Committee and 7 meetings of the Compensation and Nominating Committee. Jane C. Pfeiffer attended 68% of the aggregate of all meetings of the Board and committees of the Board on which she served.

Directors' fees are payable only to directors who are not officers or employees of the Company; they receive for services as directors a retainer of $20,000 per annum, plus $500 for attendance at certain committee meetings.

Remuneration

The following table shows, for the fiscal year ended December 31, 1982, the remuneration of each of the five highest paid executive officers or directors of the Company, of each officer who is a director, and of all officers and directors as a group:

Remuneration(1)

Name of Individual or Identity of Group	Capacities in Which Remuneration Received	Salary and Cash Distribution under Profit-Sharing Plan(2)	Stock Plan(3)
Ralph E. Ward	Director, Chairman, President and Chief Executive Officer	$ 476,000	$ 209,540
Donald G. Wiesen	Director, Senior Group Vice President	317,933	138,322
J. Edgar Bennett*	Director, Group Vice President	42,000	138,322
Charles J. Chapman, Jr.	Director, Group Vice President	204,400	95,628
Roger P. Craton**	Director, Group Vice President	235,867	37,558
Frank L. Stamberg	Director, Group Vice President	273,000	138,322
Robert H. Mann	Director, Vice President, Secretary and General Counsel	193,200	80,561
All officers and directors as a group (37 persons)		4,265,417(4)	1,757,405(5)

* Mr. Bennett retired as a Group Vice President of the Company on March 1, 1982.

** Mr. Craton commenced employment with the Company on August 1, 1980.

(1) Pension costs for the Company's Retirement Plan are computed on an aggregate actuarial basis without individual allocation. Remuneration covered under the Retirement Plan in 1982 included base wages, overtime, bonuses and sales incentives. Directors who are not officers or employees do not participate in the plan.

The following table shows estimated annual pension benefits payable to employees, including officers, upon normal retirement in 1983 at age 65 in various remuneration and years of credited service classifications, assuming the election of a life annuity retirement allowance. The amounts set forth in the table reflect arrangements to pay on an unfunded basis those amounts in excess of the limitations imposed on the Retirement Plan by the Employee Retirement Income Security Act of 1974.

Final 5-Year Average Annual Pay	Estimated Annual Benefit for Years of Credited Service Indicated			
	10	20	30	40
$100,000	$14,702	$ 29,405	$ 44,108	$ 58,810
150,000	22,202	44,405	66,608	88,810
200,000	29,702	59,405	89,108	118,810
250,000	37,202	74,405	111,608	148,810
300,000	44,702	89,405	134,108	178,810
350,000	52,202	104,405	156,608	208,810
400,000	59,702	119,405	179,108	238,810

The annual amount of pension payable at normal retirement date is equal to 1¼% of the part of final 5-year average pay covered by the average Social Security breakpoint plus 1½% of such pay in excess of the breakpoint, the sum multiplied by credited service.

The following table provides information as of January 1, 1983 permitting an approximation of the pension benefits payable to persons named therein:

Name of Individual	Years of Service Credited under Pension Plan	Historical Compensation Covered by Pension Plan
Ralph E. Ward	36.34	$379,006
Donald G. Wiesen	23.25	236,536
J. Edgar Bennett	10.17	169,290
Charles J. Chapman, Jr.	14.50	139,158
Roger P. Craton*	1.42	—
Frank L. Stamberg	29.67	205,640
Robert H. Mann	11.75	151,003

* Mr. Craton commenced employment with the Company on August 1, 1980.

(2) The Executive Incentive Profit-Sharing Plan, which was last approved by stockholders in May, 1966, became effective January 1, 1958. Under the current Plan a committee of at least three non-participating directors each year selects for participation and determines the allotments to those key employees who contribute in a notable degree to the success of the Company. The total amount allocable annually is 3% of the first $15,000,000 of the Company's net income (consolidated net income as set forth in the Company's Annual Report but before allocations to the Plan, federal or foreign income

taxes and significant non-recurring items) for the year plus 5% of net income in excess thereof. No allocation is made during any year unless net income for such calendar year as defined above shall be sufficient to pay all income taxes (other than taxes on excluded non-recurring items), pay the dividends declared by the Board of Directors to be payable during such year, permit an addition of 15% of such net income to earned surplus, and pay in full allocations to the Plan. No participant shall be entitled to an amount in excess of 50% of his annual basic salary in any one year. That portion of a participant's allotment to be currently distributed to him in cash is determined annually by the committee. The balance, if any, is credited to his deferral account and converted to units by dividing it by the average market price of a share of the Company's common stock during December of the year for which the allotment was made. In December, 1982, this average price was $44.13. In 1982 there were no deferrals by directors and officers as a group. The amount that would have been paid as cash dividends during a given year, if units already credited to a participant were shares of common stock, is also converted to units and credited to the participant's account in the same manner. The value of units credited in lieu of dividends for the account of directors and officers as a group was $61,765, which amount was expensed by the Company for financial reporting purposes in 1982. The total credit is converted to an equivalent number of shares of stock and such shares are distributed in installments upon retirement. Such conversion may also be made and such shares distributed upon termination of employment or death, either in installments or at one time. The Company reserves the right to distribute cash instead of shares in an amount equal to the then current market value of an equivalent number of shares. The deferred credits are forfeitable for acts detrimental to the welfare of the Company. During 1982, 220 persons participated in the Plan.

(3) The amounts shown represent the delivery date market value of shares delivered in 1982 to the parties indicated as the result of awards made under the Stock Plan in 1977-1981. The amounts shown represent the market value of the Company's stock on February 28, 1982, the date on which the shares were delivered. The awards under this plan are based on a fixed percentage of participants' salaries. The awards are granted in shares of the Company's stock with the specific number of shares awarded based on the average selling price of the Company's stock during the month of December. The market value of the total shares actually delivered in any given year depends on the market price of the stock on the day of delivery and may be higher or lower than the price of the shares

when they were awarded. The aggregate numbers of shares delivered in 1982 based on 1977-1981 awards are set forth below:

Name of Individual or Identity of Group	Number of Shares
Ralph E. Ward	6,773
Donald G. Wiesen	4,471
J. Edgar Bennett	4,471
Charles J. Chapman, Jr.	3,091
Roger P. Craton*	1,214
Frank L. Stamberg	4,471
Robert H. Mann	2,604(a)
All directors and officers as a group	56,805(b)

* Mr. Craton commenced employment with the Company on August 1, 1980.

(a) Excludes 337 shares whose delivery was deferred by Mr. Mann.

(b) Excludes 6,013 shares whose delivery was deferred by certain members of the group.

In accordance with its practice of making annual grants under the Stock Plan, awards have been made in 1983 by the Company to officers and employees, including those named in the above table.

With respect to awards under the Stock Plan, the Company will be entitled to a deduction at the then applicable tax rate in the taxable years in which delivery is made of awarded shares. The deduction would be an amount equivalent to the market value of such shares on the date of their delivery. However, if any award is made but with delivery deferred pursuant to certain provisions of the plan, the deduction would occur in the year of deferred delivery.

(4) Includes directors' fees payable to directors who are not officers or employees of the Company. Does not include salaries paid to individuals during any portion of the year in which they were not officers.

(5) Does not include the value of shares delivered to individuals at a time in the year when they were not officers.

AMENDMENT OF THE CERTIFICATE OF INCORPORATION TO ELIMINATE PREEMPTIVE RIGHTS

Under the present Certificate of Incorporation, if the Company wishes to sell new common stock, or securities convertible into common stock, for cash, it must first offer such securities proportionately to the current holders of its common stock, except for employee stock plans approved by stockholders and certain convertible debentures offered for sale outside of the United States. This "preemptive rights" procedure involves considerable delay and substantial expense, and limits the Company's ability to take advantage of the lowest-cost financing that may become available in the rapidly changing

financial markets. If underwriting is required, higher costs and fees to the Company may result from longer exposure to market risks.

Historically, preemptive rights originated when companies were small, had relatively few stockholders, and market liquidity was limited. Their purpose was to preserve the stockholder's proportionate interest. Today, however, there exists a broad base of Company ownership and a ready market for its stock. Stockholders wishing to maintain or increase their holdings can do so through market purchases, or through the Company's Dividend Reinvestment Plan without paying brokerage commissions.

In the last 15 years, the advantages of eliminating preemptive rights have been recognized by over 200 other companies listed on the New York Stock Exchange, and their stockholders have approved such action.

The Board of Directors believes the elimination of preemptive rights will be in the best interests of the Company for the reasons stated and recommends a vote in favor of this amendment.

This amendment would be accomplished by changing "(b) COMMON STOCK—4. Preemptive Rights" of the Company's Certificate of Incorporation to read as follows:

> "4. Preemptive Rights: The holders of shares of the Corporation shall have no preemptive or preferential right to subscribe for or purchase any shares of the Corporation or any rights or options to purchase shares of the Corporation or any shares or other securities convertible into or carrying rights or options to purchase shares of the Corporation."

The affirmative vote of the holders of a majority of the outstanding shares of Common Stock entitled to vote thereon will be required for approval of this proposal.

Certain Rights of Stockholders Objecting to Proposed Amendment to Certificate of Incorporation

Any stockholder who does not vote for the proposal to amend the Certificate of Incorporation will have the right to dissent and to receive payment for such stockholder's shares, subject to complying with the provisions of Section 623 of the New York Business Corporation Law. Section 623 provides that a stockholder intending to enforce this right shall file with the Company, before the stockholders' meeting, or at such meeting but before the vote, written objection to the proposal. Such written objection should be addressed to Corporate Secretary, Chesebrough-Pond's Inc., 33 Benedict Place, Greenwich, Connecticut 06830. The objection shall include a notice of such stockholder's election to dissent, such stockholder's name and residence address, the number of shares as to which such stockholder dissents and a demand for payment of the fair value of such stockholder's shares if the Certificate of Incorporation is amended as proposed. A vote against, or a direction in a proxy to vote against, the adoption of this proposal will not constitute the written objection required by Section 623 to be filed prior to the vote. Failure on the part of a stockholder to vote against the adoption of the amendment will not of itself constitute a waiver of such stockholder's right to demand payment.

If the amendment is authorized at the annual meeting, the Company will give notice of such authorization within 10 days thereafter to any stockholder who has filed such objection except any stockholder who voted for the amendment. A stockholder may not dissent as to less than all of the shares that such stockholder owns beneficially. A nominee or fiduciary may not dissent on behalf of any beneficial owner as to less than all of the shares of such owner held of record by such nominee or fiduciary. Upon the amendment of the Certificate of Incorporation the stockholder will cease to have any of the rights of a stockholder except the right to be paid the fair value of such stockholder's shares. A notice of election may be withdrawn without the Company's written consent at any time prior to such stockholder's acceptance in writing of an offer made by the Company to pay for the stockholder's shares, but in no case later than sixty days from the date of the amendment of the Certificate of Incorporation.

At the time of filing the notice of election to dissent, or within one month thereafter, the stockholder must submit the certificates representing such stockholder's shares to the Company, which will make a notation thereon regarding the dissent and return the certificates.

If an election to dissent is filed, the Company will offer the stockholder, within fifteen days after the period for filing such election or within fifteen days of the amendment of the Certificate of Incorporation, whichever is later, what it considers to be the fair value of such stockholder's shares. In the event of disagreement the Company will institute a court proceeding for a determination of fair value in the Supreme Court of New York, First Judicial District. The final order in the proceeding will include an allowance for interest. Each party to such proceeding shall bear its own costs and expenses, including the fees and expenses of its counsel and of any experts employed by it, except that a Court may assess costs and expenses of the Company against a dissenting stockholder, or costs and expenses of a dissenting stockholder against the Company, under certain circumstances.

For income tax purposes a dissenting stockholder obtaining payment for such stockholder's shares may recognize a capital gain or loss measured by the difference between such payment and such stockholder's tax basis.

The foregoing description of the procedures to be followed by dissenting stockholders is intended as an outline only and is not complete. The full text of Section 623 of the New York Business Corporation Law is attached hereto as the Appendix.

RATIFICATION OF SELECTION OF AUDITORS

The Board of Directors recommends that the stockholders ratify the selection of Arthur Young & Company as certified public accountants to audit the financial statements of the Company for the year ending December 31, 1983. Representatives of Arthur Young & Company will be present at the meeting with the opportunity to make a statement, if they desire, and will be available to respond to appropriate questions.

STOCKHOLDERS' PROPOSAL REGARDING CUMULATIVE VOTING

Lewis D. Gilbert and John J. Gilbert, both of 1165 Park Avenue, New York, N. Y. 10028, holding 100 shares each of the Company's Common Stock and representing additional interests of 275 shares have informed the Company that they intend to present the following proposal at the meeting:

RESOLVED: That the stockholders of Chesebrough-Pond's Inc., assembled in annual meeting in person and by proxy, hereby request the Board of Directors to take the steps necessary to provide for cumulative voting in the election of directors, which means each stockholder shall be entitled to as many votes as shall equal the number of shares he or she owns multiplied by the number of directors to be elected, and he or she may cast all of such votes for a single candidate, or any two or more of them as he or she may see fit.

Their statement in support of the proposal is as follows:

> Last year, 1,237 owners of 1,531,602 shares voted in favor of our similar resolution. The vote against included the unmarked proxies.
>
> The latest company to adopt cumulative voting for the first time is Holly Sugar.
>
> The importance of cumulative voting has been noted in the following words by the Securities and Exchange Commission in an Advisory Report on the proposed plan of reorganization of Yale Express:
>
> "Section 216(11) of Chapter X requires that the plan shall include equitable provisions with respect to the election of directors, and under section 216(12) the charter of the reorganized company must provide "for the fair and equitable distribution" of voting power among the security holders. We have interpreted these provisions as requiring cumulative voting in the election of directors, and the plan in this proceeding should be amended accordingly."

If you agree, please mark your proxy for this resolution; otherwise it is automatically cast against it, unless you have marked to abstain.

The affirmative vote of the holders of a majority of the outstanding shares of Common Stock entitled to vote thereon will be required for approval of this proposal.

The Board of Directors recommends a vote AGAINST this proposal.

This proposal, in the opinion of the Board of Directors, is not in the best interests of the Company and its stockholders. Members of the Company's Board of Directors have been selected over the years on the basis of their ability to bring sound business judgment and experience to bear on the wide range of problems and opportunities confronting the

Company. Each represents the stockholders as a whole. Under policies established by these directors, management has succeeded in furthering the sound growth of the Company. Where cumulative voting for directors is introduced, a possible result will be to elect to the Board individuals whose approach to questions will reflect the special interests of the groups which elected them. Virtually identical resolutions have been overwhelmingly rejected by the stockholders several times in recent years. No change of circumstances has occurred warranting a reversal of the stockholders' considered judgment on this question.

STOCKHOLDERS' PROPOSAL REGARDING RETIREMENT BENEFITS

Lewis D. Gilbert and John J. Gilbert, both of 1165 Park Avenue, New York, N. Y. 10028, holding 100 shares each of the Company's Common Stock and representing additional interests of 275 shares have informed the Company that they intend to present the following proposal at the meeting:

RESOLVED: That the stockholders of Chesebrough-Pond's Inc., assembled in annual meeting in person and by proxy, hereby request that there shall be a fixed dollar ceiling on amounts payable to any executive in excess of the limitations provided for under the Employee Retirement Income Security Act of 1974.

Their statement in support of the proposal is as follows:

> Last year 2,099 owners of 1,736,409 shares voted in favor of our similar resolution. The vote against included the unmarked proxies.
>
> As Dun's Review pointed out in a February 1978 article by John C. Perham: "Sometimes these generous benefits result primarily from longevity on the job; sometimes they result from a company policy of paying pensions that represent an unusually high percentage of working pay."
>
> The latest company to adopt a pension ceiling along the lines suggested in our proposal is Bethlehem Steel.
>
> In regard to tax deductions, retirement benefits above such limits may not be deducted for tax purposes until actually received by employees involved, as noted in the 1978 proxy statement of Eastman Kodak.

If you agree, please mark your proxy for this resolution; otherwise it is automatically cast against it, unless you have marked to abstain.

The affirmative vote of the holders of a majority of the outstanding shares of Common Stock entitled to vote thereon will be required for approval of this proposal.

The Board of Directors recommends a vote AGAINST this proposal.

The Company currently maintains for many of its employees a pension program which provides upon retirement a monthly benefit based principally upon number of years of service and average pay for the last five years of employment. However, certain employees with many years of service may, under the provisions of federal law, be prohibited from receiving under the Company's basic Retirement Plan the benefit to which they would normally be entitled. The Company, therefore, as permitted by the law, supplements its Retirement Plan on an unfunded basis to make up any difference.

The Board considers it entirely appropriate to provide to all employees with long service the same proportional benefit upon retirement as other employees would receive. It also believes it important to continue this arrangement in order to recruit and retain competent personnel on a competitive basis.

The proponents propose that any retirement benefit in excess of the limitation provided by law be a fixed amount. The Board believes it is in the best interests of the Company to maintain the current flexible system since it has functioned equitably in the past, whereas fixed dollar ceilings often prove themselves unworkable over time.

OTHER BUSINESS

Management knows of no business that will be presented for consideration at the Annual Meeting other than that stated in the Notice of Annual Meeting. However, if any other business shall properly come before the Annual Meeting, it is the intention of the persons named in the accompanying form of proxy to vote the proxy in accordance with their best judgment on such matters.

We hope you will attend the Annual Meeting, but in any event please sign the accompanying proxy and promptly return it to us in the enclosed envelope. It is important that each stockholder, whether owning few or many shares, participate in the voting by sending in the proxy.

A résumé of the proceedings of the Annual Meeting will be sent to all stockholders.

Dated: March 25, 1983

NEW YORK BUSINESS CORPORATION LAW

§ 623. Procedure to enforce shareholder's right to receive payment for shares

(a) A shareholder intending to enforce his right under a section of this chapter to receive payment for his shares if the proposed corporate action referred to therein is taken shall file with the corporation, before the meeting of shareholders at which the action is submitted to a vote, or at such meeting but before the vote, written objection to the action. The objection shall include a notice of his election to dissent, his name and residence address, the number and classes of shares as to which he dissents and a demand for payment of the fair value of his shares if the action is taken. Such objection is not required from any shareholder to whom the corporation did not give notice of such meeting in accordance with this chapter or where the proposed action is authorized by written consent of shareholders without a meeting.

(b) Within ten days after the shareholders' authorization date, which term as used in this section means the date on which the shareholders' vote authorizing such action was taken, or the date on which such consent without a meeting was obtained from the requisite shareholders, the corporation shall give written notice of such authorization or consent by registered mail to each shareholder who filed written objection or from whom written objection was not required, excepting any shareholder who voted for or consented in writing to the proposed action and who thereby is deemed to have elected not to enforce his right to receive payment for his shares.

(c) Within twenty days after the giving of notice to him, any shareholder from whom written objection was not required and who elects to dissent shall file with the corporation a written notice of such election, stating his name and residence address, the number and classes of shares as to which he dissents and a demand for payment of the fair value of his shares. Any shareholder who elects to dissent from a merger under section 905 (Merger of subsidiary corporation) or paragraph (c) of section 907 (Merger or consolidation of domestic and foreign corporations) shall file a written notice of such election to dissent within twenty days after the giving to him of a copy of the plan of merger or an outline of the material features thereof under section 905.

(d) A shareholder may not dissent as to less than all of the shares, as to which he has a right to dissent, held by him of record, that he owns beneficially. A nominee or fiduciary may not dissent on behalf of any beneficial owner as to less than all of the shares of such owner, as to which such nominee or fiduciary has a right to dissent, held of record by such nominee or fiduciary.

(e) Upon consummation of the corporate action, the shareholder shall cease to have any of the rights of a shareholder except the right to be paid the fair value of his shares and any other rights under this section. A notice of election may be withdrawn by the shareholder at any time prior to his acceptance in writing of an offer made by the

corporation, as provided in paragraph (g), but in no case later than sixty days from the date of consummation of the corporate action except that if the corporation fails to make a timely offer, as provided in paragraph (g), the time for withdrawing a notice of election shall be extended until sixty days from the date an offer is made. Upon expiration of such time, withdrawal of a notice of election shall require the written consent of the corporation. In order to be effective, withdrawal of a notice of election must be accompanied by the return to the corporation of any advance payment made to the shareholder as provided in paragraph (g). If a notice of election is withdrawn, or the corporate action is rescinded, or a court shall determine that the shareholder is not entitled to receive payment for his shares, or the shareholder shall otherwise lose his dissenter's rights, he shall not have the right to receive payment for his shares and he shall be reinstated to all his rights as a shareholder as of the consummation of the corporate action, including any intervening preemptive rights and the right to payment of any intervening dividend or other distribution or, if any such rights have expired or any such dividend or distribution other than in cash has been completed, in lieu thereof, at the election of the corporation, the fair value thereof in cash as determined by the board as of the time of such expiration or completion, but without prejudice otherwise to any corporate proceedings that may have been taken in the interim.

(f) At the time of filing the notice of election to dissent or within one month thereafter the shareholder of shares represented by certificates shall submit the certificates representing his shares to the corporation, or to its transfer agent, which shall forthwith note conspicuously thereon that a notice of election has been filed and shall return the certificates to the shareholder or other person who submitted them on his behalf. Any shareholder of shares represented by certificates who fails to submit his certificates for such notation as herein specified shall, at the option of the corporation exercised by written notice to him within forty-five days from the date of filing of such notice of election to dissent, lose his dissenter's rights unless a court, for good cause shown, shall otherwise direct. Upon transfer of a certificate bearing such notation, each new certificate issued therefor shall bear a similar notation together with the name of the original dissenting holder of the shares and a transferee shall acquire no rights in the corporation except those which the original dissenting shareholder had at the time of transfer.

(g) Within fifteen days after the expiration of the period within which shareholders may file their notices of election to dissent, or within fifteen days after the proposed corporate action is consummated, whichever is later (but in no case later than ninety days from the shareholders' authorization date), the corporation or, in the case of a merger or consolidation, the surviving or new corporation, shall make a written offer by registered mail to each shareholder who has filed such notice of election to pay for his shares at a specified price which the corporation considers to be their fair value. Such offer shall be accompanied by a statement setting forth the aggregate number of shares with respect to which notices of election to dissent have been received and the aggregate number of

holders of such shares. If the corporate action has been consummated, such offer shall also be accompanied by (1) advance payment to each such shareholder who has submitted the certificates representing his shares to the corporation, as provided in paragraph (f), of an amount equal to eighty percent of the amount of such offer, or (2) as to each shareholder who has not yet submitted his certificates a statement that advance payment to him of an amount equal to eighty percent of the amount of such offer will be made by the corporation promptly upon submission of his certificates. If the corporate action has not been consummated at the time of the making of the offer, such advance payment or statement as to advance payment shall be sent to each shareholder entitled thereto forthwith upon consummation of the corporate action. Every advance payment or statement as to advance payment shall include advice to the shareholder to the effect that acceptance of such payment does not constitute a waiver of any dissenters' rights. If the corporate action has not been consummated upon the expiration of the ninety day period after the shareholders' authorization date, the offer may be conditioned upon the consummation of such action. Such offer shall be made at the same price per share to all dissenting shareholders of the same class, or if divided into series, of the same series and shall be accompanied by a balance sheet of the corporation whose shares the dissenting shareholder holds as of the latest available date, which shall not be earlier than twelve months before the making of such offer, and a profit and loss statement or statements for not less than a twelve month period ended on the date of such balance sheet or, if the corporation was not in existence throughout such twelve month period, for the portion thereof during which it was in existence. Notwithstanding the foregoing, the corporation shall not be required to furnish a balance sheet or profit and loss statement or statements to any shareholder to whom such balance sheet or profit and loss statement or statements were previously furnished, nor if in connection with obtaining the shareholders' authorization for or consent to the proposed corporate action the shareholders were furnished with a proxy or information statement, which included financial statements, pursuant to Regulation 14A or Regulation 14C of the United States Securities and Exchange Commission. If within thirty days after the making of such offer, the corporation making the offer and any shareholder agree upon the price to be paid for his shares, payment therefor shall be made within sixty days after the making of such offer or the consummation of the proposed corporate action, whichever is later, upon the surrender of the certificates for any such shares represented by certificates.

(h) The following procedure shall apply if the corporation fails to make such offer within such period of fifteen days, or if it makes the offer and any dissenting shareholder or shareholders fail to agree with it within the period of thirty days thereafter upon the price to be paid for their shares:

(1) The corporation shall, within twenty days after the expiration of whichever is applicable of the two periods last mentioned, institute a special proceeding in the supreme court in the judicial district in which the office of the corporation is located

to determine the rights of dissenting shareholders and to fix the fair value of their shares. If, in the case of merger or consolidation, the surviving or new corporation is a foreign corporation without an office in this state, such proceeding shall be brought in the country where the office of the domestic corporation, whose shares are to be valued, was located.

(2) If the corporation fails to institute such proceeding within such period of twenty days, any dissenting shareholder may institute such proceeding for the same purpose not later than thirty days after the expiration of such twenty day period. If such proceeding is not instituted within such thirty day period, all dissenter's rights shall be lost unless the supreme court, for good cause shown, shall otherwise direct.

(3) All dissenting shareholders, excepting those who, as provided in paragraph (g), have agreed with the corporation upon the price to be paid for their shares, shall be made parties to such proceeding, which shall have the effect of an action quasi in rem against their shares. The corporation shall serve a copy of the petition in such proceeding upon each dissenting shareholder who is a resident of this state in the manner provided by law for the service of a summons, and upon each nonresident dissenting shareholder either by registered mail and publication, or in such other manner as is permitted by law. The jurisdiction of the court shall be plenary and exclusive.

(4) The court shall determine whether each dissenting shareholder, as to whom the corporation requests the court to make such determination, is entitled to receive payment for his shares. If the corporation does not request any such determination or if the court finds that any dissenting shareholder is so entitled, it shall proceed to fix the value of the shares, which, for the purposes of this section, shall be the fair value as of the close of business on the day prior to the shareholders' authorization date. In fixing the fair value of the shares, the court shall consider the nature of the transaction giving rise to the shareholder's right to receive payment for shares and its effects on the corporation and its shareholders, the concepts and methods then customary in the relevant securities and financial markets for determining fair value of shares of a corporation engaging in a similar transaction under comparable circumstances and all other relevant factors. The court shall determine the fair value of the shares without a jury and without referral to an appraiser or referee. Upon application by the corporation or by any shareholder who is a party to the proceeding, the court may, in its discretion, permit pretrial disclosure, including, but not limited to, disclosure of any expert's reports relating to the fair value of the shares whether or not intended for use at the trial in the proceeding and notwithstanding subdivision (d) of section 3101 of the civil practice law and rules.

(5) The final order in the proceeding shall be entered against the corporation in favor of each dissenting shareholder who is a party to the proceeding and is entitled thereto for the value of his shares so determined.

(6) The final order shall include an allowance for interest at such rate as the court finds to be equitable, from the date the corporate action was consummated to the date of payment. In determining the rate of interest, the court shall consider all relevant factors, including the rate of interest which the corporation would have had to pay to borrow money during the pendency of the proceeding. If the court finds that the refusal of any shareholder to accept the corporate offer of payment for his shares was arbitrary, vexatious or otherwise not in good faith, no interest shall be allowed to him.

(7) Each party to such proceeding shall bear its own costs and expenses, including the fees and expenses of its counsel and of any experts employed by it. Notwithstanding the foregoing, the court may, in its discretion, apportion and assess all or any part of the costs, expenses and fees incurred by the corporation against any or all of the dissenting shareholders who are parties to the proceeding, including any who have withdrawn their notices of election as provided in paragraph (e), if the court finds that their refusal to accept the corporate offer was arbitrary, vexatious or otherwise not in good faith. The court may, in its discretion, apportion and assess all or any part of the costs, expenses and fees incurred by any or all of the dissenting shareholders who are parties to the proceeding against the corporation if the court finds any of the following: (A) that the fair value of the shares as determined materially exceeds the amount which the corporation offered to pay; (B) that no offer or required advance payment was made by the corporation; (C) that the corporation failed to institute the special proceeding within the period specified therefor; or (D) that the action of the corporation in complying with its obligations as provided in this section was arbitrary, vexatious or otherwise not in good faith. In making any determination as provided in clause (A), the court may consider the dollar amount or the percentage, or both, by which the fair value of the shares as determined exceeds the corporate offer.

(8) Within sixty days after final determination of the proceeding, the corporation shall pay to each dissenting shareholder the amount found to be due him, upon surrender of the certificates for any such shares represented by certificates.

(i) Shares acquired by the corporation upon the payment of the agreed value therefor or of the amount due under the final order, as provided in this section, shall become treasury shares or be cancelled as provided in section 515 (Reacquired shares), except that, in the case of a merger or consolidation, they may be held and disposed of as the plan of merger or consolidation may otherwise provide.

(j) No payment shall be made to a dissenting shareholder under this section at a time when the corporation is insolvent or when such payment would make it insolvent. In such event, the dissenting shareholder shall, at his option:

(1) Withdraw his notice of election, which shall in such event be deemed withdrawn with the written consent of the corporation; or

(2) Retain his status as a claimant against the corporation and, if it is liquidated, be subordinated to the rights of creditors of the corporation, but have rights superior to the non-dissenting shareholders, and if it is not liquidated, retain his right to be paid for his shares, which right the corporation shall be obliged to satisfy when the restrictions of this paragraph do not apply.

(3) The dissenting shareholder shall exercise such option under subparagraph (1) or (2) by written notice filed with the corporation within thirty days after the corporation has given him written notice that payment for his shares cannot be made because of the restrictions of this paragraph. If the dissenting shareholder fails to exercise such option as provided, the corporation shall exercise the option by written notice given to him within twenty days after the expiration of such period of thirty days.

(k) The enforcement by a shareholder of his right to receive payment for his shares in the manner provided herein shall exclude the enforcement by such shareholder of any other right to which he might otherwise be entitled by virtue of share ownership, except as provided in paragraph (e), and except that this section shall not exclude the right of such shareholder to bring or maintain an appropriate action to obtain relief on the ground that such corporate action will be or is unlawful or fraudulent as to him.

(l) Except as otherwise expressly provided in this section, any notice to be given by a corporation to a shareholder under this section shall be given in the manner provided in section 605 (Notice of meetings of shareholders).

(m) This section shall not apply to foreign corporations except as provided in subparagraph (e) (2) of section 907 (Merger or consolidation of domestic and foreign corporations).

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