

ETHYL CORP  
Form DEFM14A  
April 22, 2004  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement pursuant to Section 14(a) of the Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only(as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

**ETHYL CORPORATION**

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(Name of Registrant as Specified in its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies: **Common stock, \$1.00 par value per share, of Ethyl Corporation**
- (2) Aggregate number of securities to which transaction applies: **18,500,000**
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): **\$19.23 (average of the high and low sales prices of shares of Ethyl Corporation common stock as reported on the New York Stock Exchange on March 2, 2004)**
- (4) Proposed maximum aggregate value of transaction: **\$355,755,000**
- (5) Total fee paid: **\$45,075**

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount previously paid: **\$45,075**
- (2) Form, Schedule or Registration Statement No.: **Registration Statement on Form S-4 (333-113325)**
- (3) Filing Party: **NewMarket Corporation**
- (4) Date Filed: **March 5, 2004**

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**Proxy Statement**

**Prospectus**

Dear Shareholder,

You are cordially invited to attend the annual meeting of shareholders of Ethyl Corporation to be held in the restored gun foundry building of the Tredegar Iron Works, 500 Tredegar Street, Richmond, Virginia, on Thursday, May 27, 2004, at 11:00 a.m., Eastern Daylight Time.

This year's meeting has added importance to you as a shareholder of Ethyl. The board of directors is recommending that you vote to adopt, among other things, a new holding company structure for the company. In order to accomplish this restructuring, the board of directors has adopted an agreement and plan of merger and a related plan of merger, collectively referred to as the merger agreement, by and among Ethyl, NewMarket Corporation, a wholly owned subsidiary of Ethyl ( "NewMarket"), and Ethyl Merger Sub, Inc., a wholly owned subsidiary of NewMarket ( "Merger Sub"). The merger agreement provides for the merger of Merger Sub with and into Ethyl with Ethyl as the surviving corporation following the merger. Upon the completion of the merger, each outstanding share of Ethyl common stock will automatically be converted into one share of NewMarket common stock. As a result of the merger, Ethyl will become a wholly owned subsidiary of NewMarket and the current shareholders of Ethyl will become the new shareholders of NewMarket in the same proportions.

We expect that NewMarket common stock will be listed on the New York Stock Exchange under the ticker symbol NEU.

At the annual meeting, you will also be asked to elect seven directors, approve the Ethyl Corporation 2004 Incentive Compensation and Stock Plan and ratify the appointment of PricewaterhouseCoopers LLP as independent public accountants for the fiscal year ending December 31, 2004. Whether or not you plan to attend the annual meeting, please take the time to vote by completing, signing, dating and returning the enclosed proxy card.

Information about the merger, which will establish the holding company structure, and the other matters to be voted on at the annual meeting is contained in the accompanying proxy statement/prospectus. **We urge you to read the entire proxy statement/prospectus and the documents to which this proxy statement/prospectus refers you.**

Sincerely,

Thomas E. Gottwald

President and Chief Executive Officer

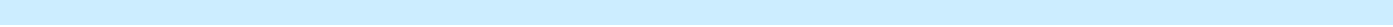
Ethyl Corporation

NewMarket Corporation

**Your vote is important.**

**Please complete, sign, date and return your proxy.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this proxy statement/prospectus or the NewMarket Corporation common stock to be issued in connection with the merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**



**This proxy statement/prospectus is dated April 22, 2004,  
and is first being mailed to shareholders on or about April 22, 2004.**

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This document is the proxy statement of Ethyl Corporation for its annual meeting of shareholders and the prospectus of NewMarket Corporation for the common stock to be issued in the merger, which will establish the holding company structure for Ethyl. This document gives you detailed information about the proposed merger. This proxy statement/prospectus incorporates by reference to other documents important business and financial information about Ethyl that is not included in this document. See **Where You Can Find More Information** beginning on page 44 for additional information about Ethyl on file with the Securities and Exchange Commission. To obtain timely delivery, Ethyl shareholders must request this information no later than May 20, 2004. You may obtain these documents without charge by writing or calling Ethyl at the following address and telephone number:

**Ethyl Corporation**

**330 South Fourth Street**

**Richmond, Virginia 23219**

**Telephone: (804) 788-5000**

**Attention: Corporate Secretary**

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**ETHYL CORPORATION**

**330 South Fourth Street**

**Richmond, Virginia 23219**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders of Ethyl Corporation will be held in the restored gun foundry building of the Tredegar Iron Works, 500 Tredegar Street, Richmond, Virginia, on Thursday, May 27, 2004, at 11:00 a.m., Eastern Daylight Time, for the following purposes, as more fully described in the accompanying proxy statement/prospectus:

1. To consider and vote on a proposal to approve an agreement and plan of merger, dated as of March 5, 2004, and the related plan of merger, by and among Ethyl Corporation, NewMarket Corporation and Ethyl Merger Sub, Inc.;
2. To elect a board of directors to serve for the ensuing year;
3. To approve the Ethyl Corporation 2004 Incentive Compensation and Stock Plan;
4. To ratify the appointment of PricewaterhouseCoopers LLP as independent public accountants for the fiscal year ending December 31, 2004; and
5. To transact such other business as may properly come before the meeting.

We urge you to read the accompanying proxy statement/prospectus carefully as it sets forth details of the proposed merger, which will establish the holding company structure for Ethyl.

The record date for the determination of shareholders entitled to notice of and to vote at the annual meeting is March 25, 2004. Accordingly, only shareholders of record as of that date will be entitled to notice of and to vote at the annual meeting or any adjournment or postponement thereof.

**Your vote is very important to us. Regardless of whether you expect to attend the meeting, please act promptly to vote your shares. You may vote your shares by completing, signing and dating the enclosed proxy card and returning it in the enclosed postage-paid envelope. If you are present at the meeting, you may vote in person even if you have previously submitted your proxy.**

By Order of the Board of Directors

M. RUDOLPH WEST, *Secretary*

April 22, 2004

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND HOLDING COMPANY FORMATION**

The following questions and answers are intended to address briefly some commonly asked questions regarding the merger, which will establish the holding company structure for Ethyl. These questions and answers do not address all questions that may be important to you, as an Ethyl shareholder. Please refer to the more detailed information contained elsewhere in this proxy statement/prospectus, the annexes to this proxy statement/prospectus and the documents referred to or incorporated by reference into this proxy statement/prospectus.

**Q. What is the proposed transaction?**

A. We are proposing to reorganize our corporate structure so that Ethyl will become a separate wholly owned subsidiary of a new parent holding company, with the current holders of Ethyl common stock becoming the holders of the common stock of Ethyl's new parent in the same proportions. Under the terms of the agreement and plan of merger and the related plan of merger by and among Ethyl, NewMarket, a wholly owned subsidiary of Ethyl, and Ethyl Merger Sub, a wholly owned subsidiary of NewMarket, Ethyl Merger Sub will merge with and into Ethyl with Ethyl being the surviving corporation and becoming a wholly owned subsidiary of NewMarket. We refer to this series of transactions in this proxy statement/prospectus as the merger.

**Q. If the merger is completed, what will happen to my shares of Ethyl common stock?**

A. Upon completion of the merger, each outstanding share of Ethyl common stock will automatically be converted into one share of NewMarket common stock, with the former Ethyl shareholders becoming the holders of all of the outstanding shares of NewMarket common stock in the same proportions. The holders of NewMarket common stock will have the same voting rights as the current holders of Ethyl common stock.

**Q. Why is the board of directors recommending the approval of the merger agreement?**

A. We currently engage in (1) the development, manufacture, blending, marketing, sale and distribution of fuel and lubricant additives and (2) the marketing, sale and distribution of tetraethyl lead. We operate our business through direct and indirect wholly owned subsidiaries of our company. Following the establishment of the holding company structure, we intend to realign our subsidiaries based on these lines of business. We believe that this realignment will permit the management of each of these lines of business to focus on its respective business and to adopt strategies and pursue opportunities appropriate to each of the respective lines of business, taking into account differences in their product lines, risk and return profiles, and growth potentials. Although we are not actively pursuing any acquisitions or joint ventures, we also believe that the holding company structure and realignment of our subsidiaries will facilitate the future expansion of our business by providing a more flexible structure for acquiring businesses or entering into joint ventures.

**Q. When is the holding company structure expected to be implemented?**

A. We hope to complete the merger and implement the holding company structure by July 1, 2004. The merger cannot be completed and the holding company structure cannot be implemented until a number of conditions are satisfied. The most important condition is the approval of the merger agreement by Ethyl shareholders at the annual meeting.

**Q. Who is entitled to vote at the annual meeting?**

A. Holders of record of Ethyl common stock as of the close of business on March 25, 2004, are entitled to vote at the annual meeting. Each Ethyl shareholder is entitled to one vote for each share of Ethyl common stock owned.



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**Q. What vote is required for Ethyl shareholders to approve the merger agreement?**

- A. The affirmative vote of the holders of more than two-thirds of all outstanding shares of Ethyl common stock is required to approve the merger agreement.

**Q. What do I need to do now?**

- A. After carefully reading and considering the information contained in this proxy statement/prospectus, please vote your shares of Ethyl common stock as soon as possible. Please complete, sign, date and return the enclosed proxy card as soon as possible, even if you plan to attend the annual meeting, to ensure that your shares are voted. Your proxy materials include detailed information on how to vote.

Please do not send in your stock certificates with your proxy card. If the merger is completed, your shares of Ethyl common stock will automatically be converted into the same number of shares of NewMarket common stock. Following the completion of the merger, you may, but you are not required to, surrender your Ethyl stock certificates to Computershare Investor Services, LLC, NewMarket's transfer agent, in exchange for NewMarket stock certificates. Until you exchange your Ethyl stock certificates, they will be treated for all purposes to represent the same number of shares of NewMarket common stock as though such exchange had taken place.

If you hold your shares of Ethyl common stock in book-entry form through the direct registration system in the account maintained by Computershare, your shares of Ethyl common stock will automatically be converted into an equal amount of shares of NewMarket common stock at the effective time of the merger.

**Q. If my shares are held for me in street name by my broker, will my broker vote these shares for me on the merger agreement?**

- A. Your broker will vote your shares on the merger agreement only if you provide instructions to your broker on how to vote. You should instruct your broker on how to vote your shares on the merger agreement, using the instructions provided by your broker.

**Q. Can I change my vote after I have mailed my proxy card?**

- A. Yes. You can change your vote at any time before your proxy is voted at the annual meeting. You may revoke your proxy by notifying us in writing at Ethyl Corporation, 330 South Fourth Street, Richmond, Virginia 23219, Attention: Corporate Secretary, or by submitting a new proxy, in either case, dated after the date of the proxy being revoked. In addition, you may revoke your proxy by attending the annual meeting and voting in person. However, simply attending the annual meeting without voting will not revoke your proxy. If you have instructed a broker to vote your shares, you must follow the instructions received from your broker to change your vote.

**Q. Do I need to attend the annual meeting in person?**

- A. No. It is not necessary for you to attend the annual meeting in order to vote your shares.

**Q. May I exercise appraisal or dissenters' rights in the merger?**

- A. Under Virginia law, Ethyl shareholders will not have appraisal or dissenters' rights in connection with the merger.

**Q. Where can I find more information about Ethyl?**

A. We file periodic reports and other information with the Securities and Exchange Commission. You may read and copy this information at the Securities and Exchange Commission's public reference rooms.

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Please call the Securities and Exchange Commission at 1-800-SEC-0330 for information about these rooms. This information is also available on the Internet website maintained by the Securities and Exchange Commission at <http://www.sec.gov>. For a more detailed description of the information available, please refer to *Where You Can Find More Information* on page 44 of this proxy statement/prospectus.

**Q. Who can help answer my questions?**

- A. If you have questions about the merger after reading this proxy statement/prospectus, please call our proxy solicitor, The Altman Group, Inc., toll-free at (800) 870-0122 (banks and brokerage firms call collect at (201) 460-1200).

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### **SUMMARY**

*This summary highlights material information from this proxy statement/prospectus related to the merger and the holding company formation. It does not contain all of the information that you should consider before voting on the proposal to approve the merger agreement. You should carefully read this entire proxy statement/prospectus and the other documents to which this proxy statement/prospectus refers you. In addition, the proxy statement/prospectus incorporates by reference important business and financial information about Ethyl into this proxy statement/prospectus. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions in *Where You Can Find More Information* beginning on page 44.*

### **The Companies**

*Ethyl Corporation.* Ethyl Corporation is a specialty chemicals company that provides highly formulated packages of lubricant and fuel additives. We develop, manufacture and blend fuel and lubricant additive products and sell these products worldwide. We are one of the largest producers of lubricant additives worldwide and offer the broadest line of fuel additives worldwide. We are one of the primary marketers of tetraethyl lead, or TEL, in North America and, through our marketing agreements with The Associated Ocel Company and its affiliates, we are the only marketer of TEL outside of North America. Lubricant and fuel additives are necessary products for the maintenance and operation of vehicles and machinery. From additive components to custom-formulated chemical blends, we provide customers with products and solutions that make fuels burn cleaner, engines run smoother and machines last longer.

Our principal executive offices are located at 330 South Fourth Street, Richmond, Virginia 23219 and our telephone number is (804) 788-5000.

Unless the context otherwise indicates, the terms Ethyl, we, our or our company mean Ethyl Corporation and its consolidated subsidiaries.

*NewMarket Corporation.* NewMarket Corporation, which we refer to in this proxy statement/prospectus as NewMarket, is currently a wholly owned subsidiary of Ethyl and was incorporated on March 3, 2004 in the Commonwealth of Virginia for the purpose of implementing the proposed holding company restructuring. NewMarket has not conducted any business activities since its formation and does not own any assets other than all of the outstanding capital stock of Merger Sub. NewMarket's principal executive offices are located at 330 South Fourth Street, Richmond, Virginia 23219 and its telephone number is (804) 788-5000.

*Ethyl Merger Sub, Inc.* Ethyl Merger Sub, Inc., which we refer to in this proxy statement/prospectus as Merger Sub, is currently a wholly owned subsidiary of NewMarket and was incorporated on March 3, 2004 in the Commonwealth of Virginia for the purpose of merging into Ethyl in the proposed holding company restructuring. Merger Sub has not conducted any business activities since its formation and does not own any assets. Merger Sub's principal executive offices are located at 330 South Fourth Street, Richmond, Virginia 23219 and its telephone number is (804) 788-5000.

### **The Merger and Holding Company Formation**

(see page 12)



The agreement and plan of merger and the related plan of merger by and among Ethyl, NewMarket and Merger Sub are attached as Annex A and Annex B, respectively, to this proxy statement/prospectus. These are the legal documents that govern the merger. We encourage you to read these documents carefully. In this proxy statement/prospectus, we refer to the agreement and plan of merger and the related plan of merger collectively as the merger agreement.

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The following charts show (1) our current corporate structure and (2) the proposed corporate holding company structure following the completion of the merger. Under the terms of the merger agreement, Merger Sub will be merged with and into Ethyl, with Ethyl being the surviving corporation and becoming a wholly owned subsidiary of NewMarket. At the effective time of the merger, each outstanding share of Ethyl common stock will automatically be converted into one share of NewMarket common stock. As a result, upon completion of the merger, the current shareholders of Ethyl will become the new shareholders of NewMarket in the same proportions.

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### **The Annual Meeting**

(see page 10)

The annual meeting of shareholders of Ethyl will be held in the restored gun foundry building of the Tredegar Iron Works, 500 Tredegar Street, Richmond, Virginia, on Thursday, May 27, 2004, at 11:00 a.m., Eastern Daylight Time. At the annual meeting, Ethyl shareholders will be asked, among other things, to consider and vote on a proposal to approve the merger agreement, which will establish the holding company structure for Ethyl.

You can vote at the annual meeting if you owned shares of Ethyl common stock on the record date, March 25, 2004.

Under Virginia law, approval of the merger agreement requires the affirmative vote of more than two-thirds of all outstanding shares of Ethyl common stock. **Abstentions, failures to vote and broker non-votes will have the same effect as a vote against the proposal to approve the merger agreement.**

For additional information regarding the procedure for delivering your proxy, see **The Annual Meeting Voting and Revocation of Proxies**. If you have additional questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card or voting instructions, please call our proxy solicitor, The Altman Group, Inc., toll-free at (800) 870-0122 (banks and brokerage firms call collect at (201) 460-1200), or contact Ethyl in writing at our principal executive offices at 330 South Fourth Street, Richmond, Virginia 23219, Attention: Corporate Secretary, or by telephone at (804) 788-5000.

### **Recommendation of Our Board of Directors**

(see page 13)

After careful consideration, our board of directors unanimously:

determined that the merger is in the best interests of Ethyl and its shareholders;

adopted the merger agreement; and

recommends that Ethyl's shareholders vote to approve the merger agreement.

**Our board of directors recommends that you vote FOR the proposal to approve the merger agreement at the annual meeting.**

### **Comparative Rights of Shareholders of Ethyl and NewMarket**

(see page 19)

As Virginia corporations, both Ethyl and NewMarket are governed by Virginia law. As a result of the merger, holders of Ethyl common stock, whose rights are currently governed by the restated articles of incorporation and the amended bylaws of Ethyl, will become shareholders of NewMarket, whose rights will be governed by the articles of incorporation and the bylaws of NewMarket. The articles of incorporation and bylaws of NewMarket differ from the restated articles of incorporation and amended bylaws of Ethyl in the following areas:

preemptive rights;

vote required for certain extraordinary transactions, such as the amendment of the NewMarket articles of incorporation, mergers, share exchanges, sales of all or substantially all of NewMarket's assets not in the ordinary course of business and the dissolution of NewMarket; and

conflict of interests transactions.

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### **Material U.S. Federal Income Tax Consequences**

(see page 15)

We have received a private letter ruling from the Internal Revenue Service, which is referred to in this proxy statement/prospectus as the IRS, that the proposed merger will constitute a tax-free exchange for federal income tax purposes and that holders of Ethyl common stock will not recognize gain or loss on the conversion of Ethyl common stock into NewMarket common stock.

### **Conditions to the Merger**

(see page 14)

The completion of the merger will depend on the following conditions:

the merger agreement has been approved by the affirmative vote of the holders of more than two-thirds of the outstanding shares of Ethyl common stock at the annual meeting;

all necessary orders, consents, authorizations, approvals or waivers from regulatory bodies, boards or agencies or other third parties have been received, remain in full force and effect, and do not include, in the sole judgment of the board of directors of Ethyl, unacceptable conditions;

no stop order issued by the Securities and Exchange Commission suspending the effectiveness of the registration statement relating to the shares of NewMarket common stock to be issued in the merger is in existence;

the shares of NewMarket common stock to be issued in connection with the merger have been listed, subject to official notice of issuance, by the New York Stock Exchange; and

no temporary restraining order, preliminary or permanent injunction or other order or decree issued by any court, administrative agency or commission or other governmental authority enjoining or otherwise preventing the completion of the merger is in effect.

### **Accounting Treatment**

(see page 15)

For accounting purposes, the holding company formation will be treated as a merger of entities under common control. The accounting treatment for such events is similar to the former pooling of interests method. Accordingly, the financial position and results of operations of Ethyl will be included in the consolidated statements of NewMarket on the same basis.

**Directors and Officers of NewMarket**

(see page 16)

The directors of Ethyl will become the directors of NewMarket at the effective time of the merger. If you elect the nominees for election to the Ethyl board of directors in Proposal 2, the board of directors of NewMarket will initially be as follows:

William W. Berry  
Phyllis L. Cothran  
Bruce G. Gottwald  
Thomas E. Gottwald

James E. Rogers  
Sidney Buford Scott  
Charles B. Walker

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By approving the merger agreement, you will be considered to have ratified the election of these people as directors of NewMarket. After the merger, the composition of the NewMarket board of directors may change.

The principal executive officers of Ethyl also serve as the principal executive officers of NewMarket and are expected to continue as principal executive officers of Ethyl and NewMarket after the completion of the merger.

## **Appraisal or Dissenters' Rights**

(see page 17)

Under Virginia law, Ethyl shareholders will not have appraisal or dissenters' rights in connection with the merger.

## **Markets and Market Prices**

Ethyl common stock is traded under the ticker symbol "EY" on the New York Stock Exchange and the Pacific Stock Exchange. On February 26, 2004, the last trading day before the public announcement of the proposed merger, the closing price per share of Ethyl common stock was \$20.56. On April 21, 2004, the most recent trading day for which prices were available before the printing of this proxy statement/prospectus, the closing price per share of Ethyl common stock was \$18.81.

NewMarket common stock is not currently traded on any stock exchange; however, NewMarket will apply to have its common stock listed on the New York Stock Exchange. We expect this listing to become effective at the effective time of the merger. NewMarket expects its common stock to trade under the ticker symbol "NEU".

## **Certain Financial Information**

We have not included pro forma financial comparative per share information concerning Ethyl that gives effect to the merger because, immediately after the completion of the merger, the consolidated financial statements of NewMarket will be the same as Ethyl's financial statements immediately before the merger, and the merger will result in the conversion of each share of Ethyl common stock into one share of NewMarket common stock. In addition, we have not provided financial statements of NewMarket because, before the merger, it will have no assets, liabilities or operations other than incident to its formation and the shares of Merger Sub.

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**FORWARD-LOOKING STATEMENTS**

The following discussion contains statements about future events and expectations, or forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We have based these forward-looking statements on our current expectations and projections about future results. When we use words in this document, such as anticipates, intends, plans, believes, estimates, expects, and similar expressions, we do so to identify forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make regarding our ability to complete the holding company restructuring, future results of operations of NewMarket, Ethyl and their subsidiaries, future prospects of growth in the petroleum additives market, the level of future declines in the market for TEL and other trends in the petroleum additives market, our ability to maintain or increase our market share and our future capital expenditure levels.

We believe our forward-looking statements are based on reasonable expectations and assumptions, within the bounds of what we know about our business and operations. However, we offer no assurance that actual results will not differ materially from our expectations due to uncertainties and factors that are difficult to predict and beyond our control.

These factors include, but are not limited to, timing of sales orders, gain or loss of significant customers, competition from other manufacturers, a significant rise in interest rates, resolution of environmental liabilities, or changes in the demand for our products. Other factors include significant changes in new product introduction, increases in product cost, the impact of fluctuations in foreign exchange rates on reported results of operations, changes in various markets, geopolitical risks in certain of the countries in which we conduct business, and the impact of consolidation of the petroleum additives industry. In addition, we also discuss certain risk factors in Item 7A, Quantitative and Qualitative Disclosures About Market Risk of our Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and incorporate the same into this proxy statement/prospectus by reference.

You should keep in mind that any forward-looking statement made by us in this discussion or elsewhere speaks only as of the date on which we make it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this discussion after the date hereof, except as may be required by law. In light of these risks and uncertainties, you should keep in mind that the events described in any forward-looking statement made in this discussion, or elsewhere, might not occur.



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**ANNUAL MEETING OF SHAREHOLDERS**

**Date, Time and Place of Annual Meeting**

The annual meeting of Ethyl shareholders is scheduled to be held as follows:

Date: Thursday, May 27, 2004

Time: 11:00 a.m., EDT

Place: Tredegar Iron Works

500 Tredegar Street

Richmond, Virginia

**Proposals to be Considered at the Annual Meeting**

At the annual meeting, you will be asked to consider and vote on the following proposals:

to approve the merger agreement, which will establish the holding company structure;

to elect seven directors;

to approve the Ethyl Corporation 2004 Incentive Compensation and Stock Plan, which we refer to in this proxy statement/prospectus as the 2004 Incentive Plan;

to ratify the appointment of PricewaterhouseCoopers LLP as independent public accountants for the fiscal year ending December 31, 2004; and

to transact such other business as may properly come before the annual meeting.

You may also be asked to vote upon a proposal to adjourn or postpone the annual meeting to permit further solicitations of additional votes to approve the merger agreement.

**Record Date**

Our board of directors has fixed the close of business on March 25, 2004 as the record date for the annual meeting and only holders of record of Ethyl common stock on the record date are entitled to vote at the annual meeting. On the record date, there were outstanding 16,831,509 shares of Ethyl common stock.

**Voting Rights and Quorum**

Each share of Ethyl common stock is entitled to one vote. The presence in person or representation by proxy of holders of a majority of the shares of Ethyl common stock issued and outstanding as of the close of business on March 25, 2004 will constitute a quorum at the annual meeting. If a share is represented for any purpose at the meeting, it is deemed to be present for the transaction of all business. Abstentions, withheld votes and shares held of record by a broker or its nominee that are voted on any matter are included in determining the number of votes present. Broker shares that are not voted on any matter at the meeting will not be included in determining whether a quorum is present. In the event that a quorum is not present at the annual meeting, it is expected that the annual meeting will be adjourned or postponed to solicit additional proxies.

**Vote Required**

The approval of the merger agreement requires the affirmative vote of the holders of more than two-thirds of all outstanding shares of Ethyl common stock. Abstentions and failures to vote will have the same effect as a vote against the proposal to approve the merger agreement.

The election of each nominee for director requires the affirmative vote of the holders of a plurality of the shares of Ethyl common stock voted in the election of directors. Withheld votes will have no effect in the election of nominees for directors.

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The approval of the 2004 Incentive Plan requires the affirmative vote of the holders of a majority of the shares of Ethyl common stock cast on the plan, provided that the total vote cast on the plan represents over 50% of the outstanding shares of Ethyl common stock. Abstentions will have the same effect as a vote against the proposal to approve the 2004 Incentive Plan.

The appointment of PricewaterhouseCoopers LLP will be ratified if the votes cast in favor of ratification exceed the number of votes cast against ratification. Abstentions will have no effect on the proposal to ratify the appointment of PricewaterhouseCoopers LLP.

If you hold your shares of Ethyl common stock in street name through a brokerage account, your broker may or may not vote your shares in its discretion depending on the proposals before the meeting in the absence of your voting instructions. Under the rules of the New York Stock Exchange, your broker may vote your shares in its discretion on routine matters. We believe that the election of directors and the ratification of the appointment of independent accountants are routine matters on which brokers will be permitted to vote on behalf of their clients if no voting instructions are furnished. Under the rules of the New York Stock Exchange, however, your broker may not be able to vote your shares on proposals that are not considered routine. When a proposal is not a routine matter and your broker has not received your voting instructions with respect to that proposal, your broker cannot vote your shares on that proposal. This is called a broker non-vote. We believe that the proposals relating to the approval of the merger agreement and the 2004 Incentive Plan are non-routine matters. As such, broker non-votes will have no effect on the proposal to approve the 2004 Incentive Plan, provided that the total vote cast on the plan represents over 50% of the outstanding shares of Ethyl common stock. **Broker non-votes will have the same effect as a vote against the proposal to approve the merger agreement.**

## **Voting by Directors and Executive Officers**

As of the record date, our directors and executive officers owned and were entitled to vote approximately 2,042,434 shares of Ethyl common stock, or approximately 12.13% shares of Ethyl common stock outstanding on that date. Currently, we expect that each of our directors and executive officers will vote, or cause to be voted, the shares of Ethyl common stock owned by him or her in favor of approval of the merger agreement.

## **Voting and Revocation of Proxies**

After carefully reading and considering the information contained in this proxy statement/prospectus, you should complete, date and sign your proxy card and mail it in the enclosed return envelope as soon as possible so that your shares are represented at the annual meeting. You can also vote in person at the meeting, but we encourage you to submit your proxy now in any event. Unless you specify to the contrary on your proxy card, all of your shares represented by valid proxies will be voted **FOR** the proposal to approve the merger agreement, **FOR** all director nominees, **FOR** the 2004 Incentive Plan, **FOR** the appointment of PricewaterhouseCoopers LLP as independent public accountants and in the discretion of the proxy holders on any other matters that properly come before the annual meeting and any adjournments or postponements of the annual meeting.

The persons you name as proxies may propose and vote for one or more adjournments or postponements of the annual meeting, including adjournments or postponements to permit further solicitations of proxies. No proxy voted against the proposal to approve the merger agreement will be voted in favor of any adjournment or postponement.

PLEASE DO NOT SEND IN YOUR STOCK CERTIFICATES WITH YOUR PROXY CARD. If the merger is completed, your shares of Ethyl common stock will automatically be converted into the same number of shares of NewMarket common stock.



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Until exercised at the annual meeting, you can revoke your proxy and change your vote in any of the following ways:

by delivering written notification to Ethyl at its principal executive offices at 330 South Fourth Street, Richmond, Virginia 23219, Attention: Corporate Secretary;

by delivering a proxy of a later date by mail in the manner described in this proxy statement;

by attending the annual meeting and voting in person (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person at the meeting); or

if you have instructed a broker or bank to vote your shares, by following the directions received from your broker or bank to change those instructions.

## **Solicitation of Proxies**

The accompanying proxy is being solicited by our board of directors, and we will pay for the entire cost of the solicitation. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries for forwarding the solicitation material to the beneficial owners of Ethyl common stock held of record by those persons, and we may reimburse them for reasonable transaction and clerical expenses. In addition to the use of the mail, proxies may be solicited personally or by telephone, facsimile or other means of communication by our officers and regular employees. These people will receive no additional compensation for these services, but will be reimbursed for any expenses incurred by them in connection with these services. We have engaged The Altman Group, Inc., a proxy solicitation firm, to assist in the solicitation of proxies. We will pay that firm \$5,000 for its services and reimburse its out-of-pocket expenses for such items as mailing, copying, phone calls, faxes and other related matters, and will indemnify The Altman Group, Inc. against any losses arising out of that firm's proxy soliciting services on our behalf.

### **PROPOSAL 1:**

#### **APPROVAL OF MERGER AGREEMENT;**

#### **FORMATION OF HOLDING COMPANY STRUCTURE**

## **General**

Our board of directors believes that it is in the best interests of Ethyl and its shareholders to reorganize Ethyl's corporate structure so that Ethyl will become a separate wholly owned subsidiary of a new parent holding company, with the current holders of Ethyl common stock becoming the holders of the common stock of Ethyl's new parent in the same proportions.

To accomplish this reorganization, we have incorporated two Virginia corporations, NewMarket Corporation and Ethyl Merger Sub, Inc. Each of these corporations has a nominal amount of stock outstanding and no present business or operations of its own. All of the currently outstanding shares of NewMarket common stock are owned by Ethyl and all of the currently outstanding shares of Merger Sub common stock

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are owned by NewMarket. Ethyl, NewMarket and Merger Sub have entered into the merger agreement, which will establish the holding company structure.

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### **Merger Agreement**

*The following summary of the material provisions of the agreement and plan of merger, a copy of which is attached as Annex A to this proxy statement/prospectus and incorporated by reference into this proxy statement/prospectus, and the related plan of merger, a copy of which is attached as Annex B to this proxy statement/prospectus and incorporated by reference into this proxy statement/prospectus, is subject to, and is qualified in its entirety by reference to, the complete text of the agreement and plan of merger and the related plan of merger. We urge you to read the full text of these documents carefully as they are the legal documents that govern the merger. In this proxy statement/prospectus, we refer to the agreement and plan of merger and the related plan of merger collectively as the merger agreement.*

The boards of directors of Ethyl, NewMarket and Merger Sub have unanimously adopted the merger agreement, which is subject to approval by Ethyl shareholders at the annual meeting. Under the terms of the merger agreement, at the effective time of the merger,

Merger Sub, a wholly owned subsidiary of NewMarket, will merge with and into Ethyl with Ethyl being the surviving corporation,

each outstanding share of Ethyl common stock (or fraction of a share) will automatically be converted into one share (or equivalent fraction of a share) of NewMarket common stock and

each share of NewMarket common stock held by Ethyl will be cancelled.

As a result, upon completion of the merger,

NewMarket will become a holding company that will have as its subsidiaries Ethyl and Ethyl's present subsidiaries,

NewMarket will own all of the outstanding shares of common stock of Ethyl and

all of the shares of NewMarket common stock outstanding immediately after the merger will be owned by the former holders of Ethyl common stock. Each Ethyl shareholder will receive full and fractional shares of NewMarket common stock equal to and in exchange for the number of full and fractional shares of Ethyl common stock held immediately before the effective time of the merger.

### **Reasons for the Holding Company Structure**

We currently engage in (1) the development, manufacture, blending, marketing, sale and distribution of fuel and lubricant additives and (2) the marketing, sale and distribution of TEL. We operate our business through direct and indirect wholly owned subsidiaries of our company. Following the establishment of the holding company structure, we intend to realign our subsidiaries based on these lines of business. We believe that this realignment will permit the management of each of these lines of business to focus on its respective business and to adopt strategies and pursue opportunities appropriate to each of the respective lines of business, taking into account differences in their product lines, risk and return profiles, and growth potentials. Although we are not actively pursuing any acquisitions or joint ventures, we also believe that the holding company structure and realignment of our subsidiaries will facilitate the future expansion of our business by providing a more flexible structure for acquiring businesses or entering into joint ventures.

**Recommendation of Our Board of Directors**

After careful consideration, our board of directors unanimously:

determined that the merger is in the best interests of Ethyl and its shareholders;

adopted the merger agreement; and

recommends that Ethyl shareholders vote to approve the merger agreement.



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**Our board of directors recommends that you vote FOR the proposal to approve the merger agreement at the annual meeting.**

### **Conditions to Effectiveness of the Merger**

Besides approval by Ethyl shareholders, the merger is subject to the satisfaction of the following conditions:

all necessary orders, consents, authorizations, approvals or waivers from regulatory bodies, boards or agencies or other third parties have been received, remain in full force and effect, and do not include, in the sole judgment of the board of directors of Ethyl, unacceptable conditions;

no stop order issued by the Securities and Exchange Commission suspending the effectiveness of the registration statement relating to the shares of NewMarket common stock to be issued in the merger is in existence;

the shares of NewMarket common stock to be issued in connection with the merger have been listed, subject to official notice of issuance, by the New York Stock Exchange; and

no temporary restraining order, preliminary or permanent injunction or other order or decree issued by any court, administrative agency or commission or other governmental authority enjoining or otherwise preventing the completion of the merger is in effect.

Following satisfaction or waiver of these conditions, the merger will become effective at the time specified in the articles of merger that will be filed with the State Corporation Commission of the Commonwealth of Virginia. We cannot predict when all conditions will be satisfied, but we intend that the merger will become effective by July 1, 2004.

### **No Exchange of Stock Certificates Needed**

If the merger is effected, it will not be necessary for holders of Ethyl common stock to exchange their existing stock certificates for certificates of NewMarket common stock. The certificates that represent shares of Ethyl common stock outstanding immediately before the effective time of the merger will automatically represent an equal number of shares of NewMarket common stock immediately after the effective time and will no longer represent Ethyl common stock. New certificates bearing the name of NewMarket will be issued after the merger, if and as certificates representing shares of Ethyl common stock outstanding immediately before the merger are presented to Computershare Investor Services, LLC, NewMarket's transfer agent, for exchange or transfer.

If you hold your shares of Ethyl common stock in book-entry form through the direct registration system in the account maintained by Computershare, your shares of Ethyl common stock will automatically be converted into an equal amount of NewMarket common stock at the effective time of the merger. Shareholders may at any time following the effective time of the merger surrender their certificates to Computershare and elect to have their shares of NewMarket common stock held in book-entry form through the account maintained by Computershare. Shareholders who choose this option will periodically receive account statements from Computershare after they have surrendered their certificates. Shares held in book-entry form have all of the traditional rights and privileges as shares held in certificate form. The direct registration system eliminates the risk and expense of replacing lost certificates and allows shareholders to sell their shares or have their shares delivered to their broker without having to retrieve paper certificates. Shareholders who choose this option may at any time convert

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their shares of NewMarket common stock held in book-entry form to a certificate representing these shares by contacting Computershare at 2 North LaSalle Street, P.O. Box 3504, Chicago, Illinois 60602, or by telephoning (800) 625-5191. Questions about the direct registration system should be directed to Computershare at (800) 625-5191.

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### **Amendment or Termination of the Merger Agreement**

The boards of directors of Ethyl, NewMarket and Merger Sub may amend any of the terms of the merger agreement at any time before or after its approval by the holders of Ethyl common stock and before the effective time, but no amendment of the merger agreement may materially and adversely affect the rights of Ethyl shareholders.

The Ethyl board of directors may terminate the merger agreement and abandon the merger at any time before or after approval by Ethyl shareholders if the board determines, in its sole judgment, that consummation of the merger would, for any reason, be inadvisable or not be in the best interests of Ethyl or its shareholders.

### **Stock Exchange Listing of NewMarket Common Stock**

NewMarket will apply to have its common stock listed on the New York Stock Exchange. We expect this listing to become effective at the effective time of the merger. NewMarket expects its common stock to trade under the ticker symbol `NEU` on the New York Stock Exchange. NewMarket does not intend to list its common stock on the Pacific Stock Exchange. Following the merger, Ethyl common stock will no longer trade on the New York Stock Exchange and the Pacific Stock Exchange and will be delisted and no longer registered under Section 12 of the Securities Exchange Act of 1934, which we refer to in this proxy statement/prospectus as the Exchange Act.

### **Material U.S. Federal Income Tax Consequences**

This section summarizes the material U.S. Federal income tax consequences of the merger to holders of Ethyl common stock. This summary is based on current law, which is subject to change at any time, possibly with retroactive effect. This summary is not a complete description of all tax consequences of the merger and, in particular, may not address U.S. Federal income tax consequences applicable to holders of Ethyl common stock subject to special treatment under U.S. Federal income tax law. In addition, this summary does not address the tax consequences of the merger under applicable state, local or foreign laws. **You should consult with your own tax advisor about the tax consequences of the merger in light of your particular circumstances, including the application of any state, local or foreign law.**

We have received a private letter ruling from the IRS to the effect that the merger will qualify as a transaction described in Section 351(a) of the Internal Revenue Code of 1986, which we refer to in this proxy statement/prospectus as the Internal Revenue Code, and consequently:

no gain or loss will be recognized by Ethyl or NewMarket upon consummation of the merger;

no gain or loss will be recognized by a holder of Ethyl common stock upon the exchange of Ethyl common stock for NewMarket common stock in the merger;

the basis of the shares of NewMarket common stock received by a holder of Ethyl common stock in the merger will equal the basis of the shares of Ethyl common stock surrendered in the merger; and

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the holding period of the shares of NewMarket common stock received by a holder of Ethyl common stock in the merger will include the period during which such holder held the shares of Ethyl common stock surrendered in the merger, if they are held as a capital asset at the effective time of the merger.

This private letter ruling is generally binding on the IRS, subject to the continuing accuracy of the factual representations and warranties contained in our letter to the IRS requesting the private letter ruling.

### **Accounting Treatment**

For accounting purposes, the holding company formation will be treated as a merger of entities under common control. The accounting treatment for such events is similar to the former pooling of interests method. Accordingly, the financial position and results of operations of Ethyl will be included in the consolidated statements of NewMarket on the same basis.

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### **Shares Held in the Ethyl Dividend Reinvestment Plan**

Shares of Ethyl common stock held in the Ethyl dividend reinvestment plan, including uncertificated whole and fractional shares, will automatically become a like number of shares of NewMarket common stock at the effective time of the merger. At the effective time, NewMarket will succeed to this plan as in effect immediately before the effective time, and shares of NewMarket common stock will be issued under this plan on and after the effective time.

### **Ethyl Employee and Director Stock-Based Plans**

The merger agreement provides that all employee and director plans that use Ethyl common stock will be amended to provide for NewMarket to assume responsibility for these plans upon completion of the merger. Shares of Ethyl common stock issuable or held under these plans will automatically become a like number of shares of NewMarket common stock.

At the effective time of the merger, all outstanding stock options under the Ethyl Corporation 1982 Incentive Stock Option Plan, as amended, which we refer to in this proxy statement/prospectus as the 1982 Option Plan, will be converted into options to purchase an equivalent number of shares of NewMarket common stock with the same exercise price and upon the same terms. NewMarket will file a post-effective amendment to Ethyl's registration statement for the 1982 Option Plan shortly after the effective time of the merger.

All shares of Ethyl common stock held in the Savings Plan for the Employees of Ethyl Corporation will be converted into shares of NewMarket common stock at the effective time of the merger. NewMarket will file a post-effective amendment to Ethyl's registration statement for this plan shortly after the effective time of the merger.

At the annual meeting, our board of directors is proposing that Ethyl shareholders approve the 2004 Incentive Plan, which will permit the award of options, stock appreciation rights, stock awards and incentive awards. If Ethyl shareholders approve the merger agreement and the 2004 Incentive Plan, which will become effective upon shareholder approval, the 2004 Incentive Plan will be amended to provide for NewMarket to assume responsibility for the 2004 Incentive Plan upon completion of the merger. Shares of Ethyl common stock issuable under the 2004 Incentive Plan will become a like number of shares of NewMarket common stock. See Proposal 3: Approval of 2004 Incentive Compensation and Stock Plan beginning on page 37.

### **Directors and Executive Officers of NewMarket**

The directors of Ethyl will become the directors of NewMarket at the effective time of the merger. If you elect the nominees for election to the Ethyl board of directors in Proposal 2, the board of directors of NewMarket will initially be as follows:

William W. Berry

James E. Rogers

Phyllis L. Cothran

Sidney Buford Scott

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Bruce G. Gottwald

Charles B. Walker

Thomas E. Gottwald

By approving the merger agreement, you will be considered to have ratified the election of these individuals as directors of NewMarket. After the merger, the composition of the NewMarket board of directors may change. NewMarket will have the same committees of the board of directors as Ethyl currently has, and those directors who serve on committees of the Ethyl board of directors will assume corresponding positions on the committees of the NewMarket board of directors in substitution for their current assignments.

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The principal executive officers of Ethyl also serve as the principal executive officers of NewMarket and are expected to continue as principal executive officers of Ethyl and NewMarket after the completion of the merger.

For further information concerning the persons who are directors and principal executive officers of NewMarket, see Proposal 2: Election of Directors in this proxy statement/prospectus and Directors and Executive Officers of the Registrant in Item 10 of Part III of Ethyl's Annual Report on Form 10-K for the year ended December 31, 2003, which is incorporated by reference into this proxy statement/prospectus.

## **Appraisal or Dissenters' Rights**

Under Virginia law, Ethyl shareholders will not have appraisal or dissenters' rights in connection with the merger.

## **DESCRIPTION OF NEWMARKET CAPITAL STOCK**

*The following summary of the capital stock of NewMarket is not complete and is subject to, and qualified in its entirety by reference to, applicable provisions of Virginia law and the articles of incorporation and bylaws of NewMarket. Copies of the NewMarket articles of incorporation and NewMarket bylaws are attached to this proxy statement/prospectus as Annex C and Annex D, respectively, and incorporated by reference into this proxy statement/prospectus.*

## **General**

NewMarket's authorized equity capitalization consists of 80,000,000 shares of NewMarket common stock, without par value, and 10,000,000 shares of NewMarket preferred stock, without par value. As of the date of this proxy statement/prospectus, there were 100 shares of NewMarket common stock issued and outstanding, all of which were owned by Ethyl, and no shares of NewMarket preferred stock were issued and outstanding. The shares of NewMarket common stock into which shares of Ethyl common stock will be converted upon the completion of the merger will be all of the shares of NewMarket common stock issued and outstanding after the merger. No shares of NewMarket preferred stock will be issued and outstanding.

## **Common Stock**

**Dividends.** Holders of NewMarket common stock are entitled to dividends as declared by the NewMarket board of directors from time to time after payment of, or provision for, full cumulative dividends on and any required redemptions of shares of NewMarket preferred stock then outstanding.

**Voting.** Holders of NewMarket common stock are entitled to one vote per share and may not cumulate votes for the election of directors.

**Other Rights.** In the event of the liquidation, dissolution or winding up of NewMarket, holders of NewMarket common stock are entitled to receive pro rata all the remaining assets of NewMarket available for distribution, after satisfaction of all of NewMarket's debts and liabilities and satisfaction of the prior preferential rights of the NewMarket preferred stock.

Holders of NewMarket common stock do not have preemptive or preferential rights to subscribe for NewMarket shares of any class, warrants, rights or options to purchase NewMarket shares of any class, or any securities or obligations convertible into or exchangeable for warrants, rights or options to purchase NewMarket shares of any class. Holders of NewMarket common stock have no liability for further calls or assessments.



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### **Preferred Stock**

The NewMarket board of directors is authorized, without further shareholder action, to designate and issue from time to time one or more series of preferred stock. The NewMarket board of directors may fix and determine the preferences, limitations and relative rights of each series of preferred stock issued. Because the board has the power to establish the preferences and rights of each series of preferred stock, it may afford the holders of any series of preferred stock preferences and rights, voting or otherwise, senior to the rights of holders of NewMarket common stock. It is not possible to state the actual effect of the issuance of any shares of preferred stock upon the rights of holders of NewMarket common stock until the NewMarket board determines the specific rights of the holders of preferred stock. However, the effects might include:

restricting dividends on NewMarket common stock;

diluting the voting power of NewMarket common stock;

impairing liquidation rights of NewMarket common stock; or

delaying or preventing a change in control of NewMarket without further action by shareholders of NewMarket.

### **Certain Anti-Takeover Provisions of Virginia law, the NewMarket Articles of Incorporation and NewMarket Bylaws**

Although it is not the intention of the NewMarket board of directors to discourage legitimate offers to enhance shareholder value, Virginia law, the NewMarket articles of incorporation and the NewMarket bylaws contain provisions that may have the effect of impeding the acquisition of control of NewMarket by means of a tender offer, a proxy contest, open market purchases or otherwise in a transaction not approved by the NewMarket board. You should also read *Comparison of Rights of Shareholders of Ethyl and NewMarket* beginning on page 19.

#### ***Virginia Law***

For a discussion of the provisions of Virginia law governing affiliated transactions and control share acquisitions, see *Comparison of Rights of Shareholders of Ethyl and NewMarket Anti-Takeover Statutes* on page 21.

#### ***Articles of Incorporation and Bylaw Provisions***

*Vacancies.* Vacancies on the NewMarket board of directors, including any vacancy created by an increase in the number of directors, may be filled only by the NewMarket board of directors, unless the vacancy is to be filled at an annual meeting of shareholders.

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*Shareholder Meetings.* Under the NewMarket bylaws, only the chairman of the board, the chief executive officer or a majority of the board may call a special meeting of shareholders.

*Advance Notice of Nominations and Shareholder Business.* The NewMarket bylaws establish advance notice procedures with respect to shareholder proposals and the nomination of persons for election as directors, other than nominations made by or at the direction of the board. These notice procedures are identical to the notice procedures contained in the Ethyl amended bylaws. See *Shareholder Proposals* beginning on page 42.

*Issuance of Preferred Stock.* The NewMarket articles of incorporation authorize the NewMarket board to establish one or more series of preferred stock and to determine, with respect to any series of preferred stock, the

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preferences, rights and other terms of such series. See Preferred Stock above. Under this authority, the NewMarket board could create and issue a series of preferred stock with rights, preferences or restrictions that have the effect of discriminating against an existing or prospective holder of NewMarket capital stock as a result of such holder beneficially owning or commencing a tender offer for a substantial amount of NewMarket common stock. One of the effects of authorized but unissued and unreserved shares of preferred stock may be to render more difficult for, or discourage an attempt by, a potential acquiror to obtain control of NewMarket by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of NewMarket's management. The issuance of shares of preferred stock may have the effect of delaying, deferring or preventing a change in control of NewMarket without any action by shareholders of NewMarket.

*Limitation of Liability and Indemnification Matters.* As permitted by Virginia law, the NewMarket articles of incorporation provide that, to the full extent that Virginia law permits the limitation or elimination of the liability of directors and officers, no director or officer shall be liable to NewMarket or its shareholders for monetary damages. Under Virginia law, the liability of directors or officers may not be limited or eliminated where the liability results from willful misconduct or a knowing violation of the criminal law or of any Federal or state securities laws.

The NewMarket articles of incorporation require NewMarket, to the full extent permitted by Virginia law, to indemnify any director or officer who was or is a party to a proceeding due to his or her status as a director or officer or who was or is serving at the request of NewMarket as a director, trustee, partner or officer of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. This indemnification covers all expenses reasonably incurred by a director or officer. Under Virginia law, either

the NewMarket board of directors, by a majority vote of a quorum of disinterested directors,

if there is not a quorum of disinterested directors, by a majority vote of a committee, consisting of two or more disinterested directors, duly designated by the board,

special legal counsel or

the shareholders

must determine that the director or officer seeking indemnification was not guilty of willful misconduct or a knowing violation of the criminal law or of any Federal or state securities laws.

Under the NewMarket articles of incorporation, in the event there has been a change in the composition of a majority of the board of directors after the date of the alleged act or omission with respect to which indemnification is claimed, any determination as to indemnification will be made by special legal counsel agreed upon by the board of directors and the director or officer seeking indemnification. If the board of directors and the director or officer seeking indemnification cannot agree upon a special legal counsel, the board of directors and the director or officer will each select a nominee and the nominees will select the special legal counsel. We have been informed that in the opinion of the Securities and Exchange Commission indemnification for liabilities under the Securities Act of 1933 is against public policy and is unenforceable.

## **Transfer Agent and Registrar**

Computershare Investor Services, LLC is the transfer agent and registrar for NewMarket common stock.

**COMPARISON OF RIGHTS OF SHAREHOLDERS OF ETHYL AND NEWMARKET**

As Virginia corporations, both Ethyl and NewMarket are governed by Virginia law. As a result of the merger, holders of Ethyl common stock, whose rights are currently governed by the Ethyl restated articles of incorporation and the Ethyl amended bylaws, will become shareholders of NewMarket, whose rights will be governed by the NewMarket articles of incorporation and the NewMarket bylaws.

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The following description summarizes the material differences between the Ethyl restated articles of incorporation and the NewMarket articles of incorporation and the Ethyl amended bylaws and the NewMarket bylaws. Unless noted below, the rights of holders of Ethyl common stock will not change upon the conversion of their shares of Ethyl common stock into shares of NewMarket common stock in the merger. The following summary is not complete and is subject to, and qualified in its entirety by reference to, applicable provisions of Virginia law, the Ethyl restated articles of incorporation, the Ethyl amended bylaws, the NewMarket articles of incorporation and the NewMarket bylaws. The Ethyl restated articles of incorporation and the Ethyl amended bylaws have been filed as exhibits to the materials filed by Ethyl with the Securities and Exchange Commission. See *Where You Can Find More Information* beginning on page 44. Copies of the NewMarket articles of incorporation and the NewMarket bylaws are attached to this proxy statement/prospectus as [Annex C](#) and [Annex D](#), respectively, and incorporated by reference into this proxy statement/prospectus.

## **Capitalization**

***Ethyl.*** Ethyl is authorized to issue 80,000,000 shares of common stock, \$1.00 par value per share. As of March 25, 2004, 16,831,509 shares of common stock were issued and outstanding.

Ethyl is authorized to issue 10,000,000 shares of preferred stock, with a par value, if any, to be determined with respect to each series of preferred stock. As of the date of this proxy statement/prospectus, no shares of preferred stock were issued and outstanding.

***NewMarket.*** NewMarket is authorized to issue 80,000,000 shares of common stock, without par value. As of the date of this proxy statement/prospectus, 100 shares of common stock were issued and outstanding.

NewMarket is authorized to issue 10,000,000 shares of preferred stock, without par value. As of the date of this proxy statement/prospectus, no shares of preferred stock were issued and outstanding.

## **Preemptive Rights**

***Ethyl.*** Holders of Ethyl common stock have preemptive or preferential rights to subscribe for shares of Ethyl common stock.

***NewMarket.*** Holders of NewMarket common stock do not have preemptive or preferential rights to subscribe for shares of NewMarket common stock.

## **Amendments of Articles of Incorporation, Mergers, Share Exchanges and Sales of Assets**

Under Virginia law, unless a corporation's articles of incorporation provide for a greater or lesser vote, certain actions such as the amendment of the articles of incorporation, mergers, share exchanges, sales of all or substantially all of a corporation's assets not in the ordinary course of

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business and the dissolution of the corporation, must be approved by each voting group entitled to vote on the transaction by more than two-thirds of all the votes entitled to be cast by that voting group. However, the vote specified in the articles of incorporation may not be reduced to less than a majority of all votes cast by the voting group at a meeting at which a quorum of the voting group exists.

***Ethyl.*** The Ethyl restated articles of incorporation do not contain any provisions regarding the amendment of the Ethyl articles of incorporation, mergers, share exchanges, sales of all or substantially all of Ethyl's assets not in the ordinary course of business or the dissolution of Ethyl. Therefore, these actions must be approved by each voting group entitled to vote on the transaction by more than two-thirds of all the votes entitled to be cast by that voting group.

***NewMarket.*** The NewMarket articles of incorporation provide that the amendment of the NewMarket articles of incorporation, mergers, share exchanges, sales of all or substantially all of NewMarket's assets not in

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the ordinary course of business and the dissolution of NewMarket must be approved by each voting group entitled to vote on the transaction by a majority of all the votes entitled to be cast by that voting group.

### **Anti-Takeover Statutes**

Virginia law contains provisions governing affiliated transactions. In general, these provisions prohibit a Virginia corporation from engaging in material acquisition transactions with any holder of more than 10% of any class of its outstanding voting shares (an interested shareholder) for a period of three years following the date that such person became an interested shareholder unless:

the board of directors of the corporation and the holders of two-thirds of the voting shares, other than the shares beneficially owned by the interested shareholder, approve the affiliated transaction, or

before the date the person became an interested shareholder, the board of directors approved the transaction that resulted in the shareholder becoming an interested shareholder.

Affiliated transactions subject to this approval requirement include mergers, share exchanges, material dispositions of corporate assets not in the ordinary course of business, any dissolution of the corporation proposed by or on behalf of an interested shareholder or any reclassification, including reverse stock splits, recapitalizations or mergers of the corporation with its subsidiaries, which increases the percentage of voting shares owned beneficially by an interested shareholder by more than 5%.

A Virginia corporation may include in its articles of incorporation initially filed with the State Corporation Commission of the Commonwealth of Virginia a provision opting out of the affiliated transactions statute. The shareholders of a Virginia corporation may also adopt an amendment to the corporation's articles of incorporation or bylaws opting out of the affiliated transactions statute.

**Ethyl.** Neither the Ethyl restated articles of incorporation nor the Ethyl amended bylaws contain any provisions opting out of the affiliated transactions statute.

**NewMarket.** The NewMarket articles of incorporation initially filed with the State Corporation Commission of the Commonwealth of Virginia include a provision opting out of the affiliated transactions statute.

Virginia law also contains provisions relating to control share acquisitions, which are transactions causing the voting strength of any person acquiring beneficial ownership of shares of a Virginia public corporation to meet or exceed certain threshold percentages (20%, 33 1/3% or 50%) of the total votes entitled to be cast for the election of directors. Shares acquired in a control share acquisition have no voting rights unless:

the voting rights are granted by a majority vote of all outstanding shares other than those held by the acquiring person or any officer or employee director of the corporation, or

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the articles of incorporation or bylaws of the corporation provide that these Virginia law provisions do not apply to acquisitions of its shares. The acquiring person may require that a special meeting of the shareholders be held to consider the grant of voting rights to the shares acquired in the control share acquisition.

A Virginia corporation may include in its articles of incorporation or bylaws a provision opting out of the control share acquisition statute.

*Ethyl.* The Ethyl amended bylaws contain a provision opting out of the control share acquisition statute.

*NewMarket.* The NewMarket articles of incorporation include a provision opting out of the control share acquisition statute.



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**PROPOSAL 2:**

**ELECTION OF DIRECTORS**

The nominating and corporate governance committee has recommended to our board of directors, and our board of directors has approved, the persons named below as nominees for election to our board of directors. Proxies will be voted for the election as directors for the ensuing year of the persons named below (or if for any reason unavailable, of such substitutes as our board of directors may designate). Each of the nominees presently serves as a director. Our board of directors has no reason to believe that any of the nominees will be unavailable to serve.

**William W. Berry**; age 71; director since 1983; consultant; Chairman of the Board of New England Independent Systems Operator (regional manager of electric bulk power generation and transmission systems) since June 1997.

**Phyllis L. Cothran**; age 57; director since 1995; retired, having previously served as President and Chief Operating Officer of Trigon Healthcare, Inc., formerly Blue Cross and Blue Shield of Virginia (health insurance company), from November 1990 to March 1997. Other directorship: Tredegar Corporation.

**Bruce C. Gottwald**; age 70; director since 1962; Chairman of the Board and Chairman of the Executive Committee since June 1, 2001, having previously served as Chief Executive Officer and Chairman of the Board of Ethyl from March 1, 1994 through May 31, 2001. Other directorship: CSX Corporation.

**Thomas E. Gottwald**; age 43; director since 1994; President and Chief Executive Officer of Ethyl since June 1, 2001, having previously served as President and Chief Operating Officer of Ethyl from March 1, 1994 through May 31, 2001.

**James E. Rogers**; age 58; director since 2003; President of SCI Investors Inc. (private equity investment firm). Other directorships: Owens & Minor, Inc., Cadmus Communications Corporation, Wellman, Inc. and Carastar Industries, Inc.

**Sidney Buford Scott**; age 71; director since 1959; Chairman of the Board of Scott & Stringfellow, Inc. (investment bankers and brokers).

**Charles B. Walker**; age 65; director since 1989; retired, having previously served as Vice Chairman of the Board of Albemarle Corporation (specialty chemicals company) from June 14, 2002 through January 31, 2003, Vice Chairman of the Board and Chief Financial Officer of Albemarle Corporation from 1994 through June 14, 2002, Vice Chairman of the Board of Ethyl from March 1, 1994 to January 31, 1998, and Chief Financial Officer and Treasurer of Ethyl from March 1, 1994 to October 1, 1997. Other directorship: Nations Funds Trusts/Nations Funds, Inc.

**Our board of directors recommends that you vote FOR all of the nominees listed above.**

**Board of Directors**

Our company is managed under the direction of our board of directors, which has adopted Corporate Governance Guidelines to set forth certain corporate governance practices. The Corporate Governance Guidelines are available on our Internet website at <http://www.ethyl.com> under Investor Information, Corporate Governance.

*Independence of Directors*

Upon the recommendation of our nominating and corporate governance committee, our board of directors has affirmatively determined that each of the following directors is independent under the general listing standards of the New York Stock Exchange, the exchange on which shares of Ethyl common stock are listed, and our Corporate Governance Guidelines: Messrs. Berry, Rogers, Walker and Scott and Ms. Cothran. Our board has

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adopted categorical standards, as part of our Corporate Governance Guidelines, to assist it in making determinations of independence. Each of the directors identified as independent in this proxy statement/prospectus meets these standards. A copy of these standards is attached to our Corporate Governance Guidelines, which are attached to this proxy statement/prospectus as [Annex E](#).

### ***Board Meetings***

Our board of directors meets on a regularly scheduled basis during the year to review significant developments affecting Ethyl and to act on matters requiring board approval, and may hold special meetings between scheduled meetings when appropriate. During 2003, our board held eight meetings. During 2003, each of the directors attended at least 75% of the aggregate of (1) the total number of meetings of all committees of our board on which the director then served and (2) the total number of meetings of our board of directors.

### ***Meetings of Non-Management Directors; Presiding Director***

Our Corporate Governance Guidelines require that the non-management members of our board of directors meet in executive session at each regularly scheduled board meeting. Our board of directors has determined that a presiding director should chair all meetings of non-management directors, as provided in our Corporate Governance Guidelines. The presiding director position will rotate among the chairs of each of the independent board committees in the following order: audit committee, bonus, salary and stock option committee, and nominating and corporate governance committee. During those meetings, the presiding director has the responsibilities to lead the meeting, set the agenda and determine the information to be provided to the other non-management directors at the meeting. Shareholders and other interested persons may contact any of the non-management directors through the method described in [Communications with Our Board](#) below. Our Corporate Governance Guidelines also require that the independent members of our board of directors meet in executive session at each regularly scheduled board meeting.

### ***Director Attendance at Annual Meeting***

Our policy is that directors attend the annual meeting of shareholders each year. All directors attended last year's annual meeting of shareholders.

### ***Communications with Our Board***

Our board of directors unanimously has approved a process for shareholders to send communications to the board and individual directors. Shareholders and other interested persons may communicate with the full board of directors, a specified committee of our board, the non-management directors or a specified individual member of our board in writing by mail c/o Ethyl Corporation, 330 South Fourth Street, Richmond, Virginia 23219, Attention: Chief Legal Officer. All communications will be forwarded to our board of directors, the specified committee of our board or the specified individual director, as appropriate. We screen all regular mail for security purposes.

### ***Committees of Our Board***

Our board of directors has established various committees to assist it with the performance of its responsibilities. These committees and their current members are described below.

*Executive Committee*

The executive committee currently consists of Messrs. Bruce C. Gottwald, Berry, Thomas E. Gottwald and Scott. During 2003, the executive committee did not meet, but took action by unanimous written consent on two occasions. The executive committee exercises all of the powers of our board of directors in the management of the ordinary business of our company when our board of directors is not in session.

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### ***Audit Committee***

Ms. Cothran (Chairperson) and Messrs. Berry and Scott currently serve on the audit committee, which operates under a written charter adopted by our board of directors, a copy of which is attached to this proxy statement/prospectus as [Annex E](#). During 2003, the audit committee met on six occasions. The audit committee reviews our internal audit and financial reporting functions and the scope and results of the audit performed by our independent accountants and matters relating thereto and reports thereon to our board of directors. The audit committee also approves the engagement of our independent accountants. Upon the recommendation of our nominating and corporate governance committee, our board of directors has determined that each of the members of the audit committee is independent, as that term is defined under the enhanced independence standards for audit committee members in the Exchange Act and the rules thereunder, as incorporated into the listing standards of the New York Stock Exchange, and in accordance with our audit committee charter. Our board of directors has also determined that each of Ms. Cothran and Messrs. Berry and Scott is an audit committee financial expert, as that term is defined in the rules promulgated by the Securities and Exchange Commission under the Sarbanes-Oxley Act of 2002. Our board has further determined that each of the members of the audit committee is financially literate and that each of the members of the audit committee has accounting or related financial management expertise, as such terms are interpreted by our board in its business judgment.

### ***Bonus, Salary and Stock Option Committee***

Messrs. Berry (Chairman), Rogers and Scott and Ms. Cothran currently serve on the bonus, salary and stock option committee, which operates under a written charter adopted by our board of directors, a copy of which is attached as [Annex G](#) to this proxy statement/prospectus. Our board of directors has determined that each of the members of the bonus, salary and stock option committee is independent under the general independence standards of the listing standards of the New York Stock Exchange and our Corporate Governance Guidelines. During 2003, the bonus, salary and stock option committee met on six occasions. This committee approves the compensation of management-level employees and, together with all of our independent directors, approves the compensation of our chief executive officer. It also approves all bonus awards, certain consultant agreements and initial salaries of new management-level personnel and granted awards under the 1982 Option Plan, which terminated on March 2, 2004, and will perform the same function under the 2004 Incentive Plan, subject to the approval of that plan by Ethyl shareholders.

### ***Nominating and Corporate Governance Committee***

The nominating and corporate governance committee currently consists of Messrs. Scott (Chairman), Berry and Rogers, and operates under a written charter adopted by the board of directors, a copy of which is attached as [Annex H](#) to this proxy statement/prospectus. Our board of directors has determined that each of the members of the nominating and corporate governance committee is independent under the general independence standards of the listing standards of the New York Stock Exchange and our Corporate Governance Guidelines. The nominating and corporate governance committee met once during 2003. This committee develops and recommends to our board of directors appropriate corporate governance guidelines and policies, monitors and evaluates the implementation of such guidelines and policies, identifies individuals qualified to act as directors and recommends director candidates to our board for nomination by our board.

*Nominating and Corporate Governance Committee Process for Identifying and Evaluating Director Candidates.* The nominating and corporate governance committee evaluates all director candidates in accordance with the director qualification standards described in our Corporate Governance Guidelines. The nominating and corporate governance committee evaluates any candidate's qualifications to serve as a member of our board based on the skills and experience of individual board members as well as the skills and experience of our board as a whole. In addition, the nominating and corporate governance committee will evaluate a candidate's independence, skills and experience in the context of our board's needs.



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*Director Candidate Recommendations and Nominations by Shareholders.* The nominating and corporate governance committee's charter provides that the nominating and corporate governance committee will consider director candidate recommendations by shareholders. Shareholders should submit any such recommendations for the nominating and corporate governance committee through the method described under *Communications with Our Board* above. In addition, in accordance with our amended bylaws, any shareholder entitled to vote for the election of directors may nominate persons for election to our board of directors so long as such shareholder complies with the procedures set forth in our amended bylaws and summarized in *Shareholder Proposals* beginning on page 42. There are no differences in the manner in which the committee evaluates director candidates based on whether the candidate is recommended by a shareholder. The nominating and corporate governance committee did not receive any director candidate recommendations from any shareholders in connection with the annual meeting.

### *Availability of Corporate Governance Guidelines, Code of Business Conduct and Ethics and Committee Charters*

Our Corporate Governance Guidelines, Code of Business Conduct and Ethics and the charters of the audit committee, bonus, salary and stock option committee, and nominating and corporate governance committee are attached as annexes to this proxy statement/prospectus. These documents are also available on our Internet website at <http://www.ethyl.com> under Investor Information, Corporate Governance and in print to any shareholder upon request by contacting our corporate secretary as described in *Where You Can Find More Information* beginning on page 44.

### **Compensation of Directors**

From January through May 2003, we paid each of our non-employee directors (a) \$1,000 for attendance at each board meeting and (b) \$600 for attendance at each meeting of a committee of the board of which he or she is a member. From June through December 2003, we paid each of our non-employee directors (a) \$1,500 for attendance at each board meeting and (b) \$1,500 for attendance at each committee meeting. In addition, during each of the first two quarters of 2003, we paid each of our non-employee directors a quarterly fee of \$5,000. During each of the second two quarters of 2003, we paid each of our non-employee directors a quarterly fee of \$6,250. We did not pay employee members of our board of directors separately for their service on our board or its committees.

Any director who was elected to our board on or before February 23, 1995 and who retires from our board after age 60 with at least five years service on our board will receive \$12,000 per year for life, payable in quarterly installments. The service requirement for this benefit may be waived under certain circumstances. Any director retiring under other circumstances will receive \$12,000 per year, payable in quarterly installments, commencing no earlier than age 60, for a period not to exceed his or her years of service on our board. The payment period limitation on this benefit may be waived in certain circumstances. Such retirement payments to former directors may be discontinued under certain circumstances.

Under the Ethyl Corporation Non-Employee Directors' Stock Acquisition Plan, which we refer to in this proxy statement/prospectus as the Non-Employee Directors' Stock Plan, each non-employee director is awarded on each July 1 that number of whole shares of Ethyl common stock that, when multiplied by the closing price of Ethyl common stock on the immediately preceding business day, as reported in *The Wall Street Journal*, equal as nearly as possible but do not exceed \$5,000. The shares of Ethyl common stock awarded under the Non-Employee Directors' Stock Plan are nonforfeitable and the recipient directors immediately and fully vest in Ethyl common stock issued under the Non-Employee Directors' Stock Plan. Subject only to such limitations on transfer as may be specified by applicable securities laws, directors may sell their shares under the Non-Employee Directors' Stock Plan at any time. The Non-Employee Directors' Stock Plan provides that no awards may be made after July 1, 2011.

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Non-employee directors may defer, in 10% increments, all or part of their retainer fee and meeting fees into either a deferred cash account or a deferred stock account, which we refer to in this proxy statement/prospectus



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as the Deferred Compensation Plan, or a percentage of the fees into each of the accounts, both of which are unfunded and maintained for recordkeeping purposes only. Distributions under the Deferred Compensation Plan, paid in a single sum or in up to 10 annual installments, cannot begin within two years of the beginning of the deferral year. The maximum aggregate number of shares of Ethyl common stock that may be awarded under the Deferred Compensation Plan is 100,000 shares.

## **Certain Relationships and Related Transactions**

Thomas E. Gottwald, Chief Executive Officer and director of our company, is a son of Bruce C. Gottwald, Chairman of the Board of Directors of our company. The members of the family of Bruce C. Gottwald may be deemed to be control persons of our company.

On February 1, 2002, Bruce C. Gottwald made a loan to our company in the amount of \$18,640,000 for a three-year term at an interest rate of 8.5%. The monthly payments were interest only during the term of the loan, with the principal amount coming due at maturity. We used the proceeds of the loan to pay down existing debt. The loan was non-recourse to our company and was secured by a first deed of trust on the three buildings at 330 South Fourth Street, Richmond, Virginia, that constitute our principal offices. An independent appraiser valued the three buildings at \$18,640,000. On April 30, 2003, we completed an offering of \$150 million of 8 7/8% senior notes due 2010 and entered into a bank credit facility consisting of a \$115 million bank term loan due 2009 and a \$50 million revolving credit facility. We used the proceeds from the senior notes and the bank term loan to repay our previous credit facility and the loan made by Bruce C. Gottwald.

In 2001, Old Town, LLC, which is owned by Bruce C. Gottwald and his brother Floyd D. Gottwald, Jr., each a beneficial owner of more than 5% of Ethyl common stock, purchased Old Town Farm, consisting of approximately 1,600 acres of real property and related personal property, from our company. We manage and maintain Old Town Farm in exchange for the right to use and make available for use by others the farm's facilities, primarily for customer meetings and other business related activities. We retain all revenue generated through the use of the farm. Old Town, LLC, pays all costs of capital improvements to Old Town Farm.

## **Beneficial Ownership Reporting Compliance**

Based solely on our review of the forms required by Section 16(a) of the Exchange Act that we have received, we believe that there has been compliance with all filing requirements applicable to our officers and directors and beneficial owners of greater than 10% of Ethyl common stock.

**Table of Contents****Stock Ownership****Principal Shareholders**

The following table lists any person (including any group as that term is used in Section 13(d)(3) of the Exchange Act) who, to our knowledge, was the beneficial owner as of January 31, 2004, of more than 5% of our outstanding voting shares.

<u>Title of Class</u>	<u>Name and Address of Beneficial Owners</u>	<u>Number of Shares</u>	<u>Percent of Class</u>
Common Stock	Floyd D. Gottwald, Jr.  330 South Fourth Street  Richmond, Virginia 23219	1,105,804(a)	6.58%
	Bruce C. Gottwald  330 South Fourth Street  Richmond, Virginia 23219	1,085,677(b)(c)	6.46%

- (a) As of January 31, 2004, Floyd D. Gottwald, Jr. had sole voting and investment power over all of the shares disclosed except 154,186 shares held in certain trust relationships as to which he disclaims beneficial ownership. This amount does not include an aggregate of 1,029,348 shares (6.13%) of Ethyl common stock beneficially owned by the adult sons of Floyd D. Gottwald, Jr. Floyd D. Gottwald, Jr. and his adult sons have no agreement with respect to the acquisition, retention, disposition or voting of Ethyl common stock. Information is based on the Schedule 13G filed with the Securities and Exchange Commission on February 13, 2004.
- (b) As of January 31, 2004, Bruce C. Gottwald had sole voting and investment power over all of the shares disclosed except 172,916 shares held by his wife and in certain trust relationships as to which he disclaims beneficial ownership. This amount does not include an aggregate of 949,581 shares (5.65%) of Ethyl common stock beneficially owned by the adult sons of Bruce C. Gottwald. Bruce C. Gottwald and his adult sons have no agreement with respect to the acquisition, retention, disposition or voting of Ethyl common stock.
- (c) This amount does not include any shares owned of record by Merrill Lynch Trust Company, as trustee under our savings plan for the benefit of our employees. Shares held under our savings plan are voted by the trustee in accordance with instructions solicited from employees participating in the plan. If a participating employee does not give the trustee voting instructions, his or her shares generally are voted by the trustee in accordance with our board's recommendations to the shareholders. Because members of the family of Bruce C. Gottwald are executive officers and directors of our company and are among our largest shareholders, they may be deemed to be control persons of our company and to have the capacity to control any such recommendation of our board of directors.

**Table of Contents****Directors and Executive Officers**

The following table sets forth as of January 31, 2004, the beneficial ownership of Ethyl common stock by all of our directors, our Chief Executive Officer and our four next most highly compensated executive officers, who are referred to in their proxy statement/prospectus as our named executive officers, and all of our directors and executive officers as a group. Unless otherwise indicated, each person listed below has sole voting and investment power over all shares beneficially owned by him or her.

Name of Beneficial Owner or Number of Persons in Group	Number of Shares with Sole Voting and Investment Power <sup>1</sup>	Number of Shares with Shared Voting and Investment Power	Total Number of Shares	Percent of Class <sup>2</sup>
William W. Berry	1,145	429 <sup>3</sup>	1,574	
Phyllis L. Cothran	2,307		2,307	
David A. Fiorenza	19,685		19,685	
Bruce C. Gottwald	912,761	172,916 <sup>4</sup>	1,085,677	6.46%
Thomas E. Gottwald	144,723	646,468 <sup>5</sup>	791,191	4.70%
Warren Huang	26,776		26,776	
Alexander McLean	23,480		23,480	
Newton A. Perry	24,306	1,025 <sup>6</sup>	25,331	
James E. Rogers	2,522		2,522	
Sidney Buford Scott	14,352		14,352	
Charles B. Walker	17,282		17,282	
Directors and executive officers as a group (14 persons)	1,220,097	820,878	2,040,975	12.07%

<sup>1</sup> The amounts in this column include shares of Ethyl common stock with respect to which certain persons had the right to acquire beneficial ownership within 60 days of January 31, 2004, pursuant to the exercise of options granted under the 1982 Stock Option Plan: David A. Fiorenza: 12,000 shares; Thomas E. Gottwald: 31,000 shares; Warren Huang: 16,500 shares; Alexander McLean: 14,500 shares; Newton A. Perry: 16,500 shares; Charles B. Walker: 4,000 shares; and the directors and executive officers as a group: 109,300 shares.

<sup>2</sup> Except as indicated, each person or group owns less than 1% of Ethyl common stock.

<sup>3</sup> Mr. Berry disclaims beneficial ownership of all 429 of such shares.

<sup>4</sup> Mr. Bruce C. Gottwald disclaims beneficial ownership of all 172,916 of such shares.

<sup>5</sup> Mr. Thomas E. Gottwald disclaims beneficial ownership of all 646,468 of such shares. This amount includes 637,220 shares of Ethyl common stock that Mr. Gottwald may be deemed to own beneficially. Such shares constitute Mr. Gottwald's interest as beneficiary of a trust of which he is a co-trustee.

<sup>6</sup> Mr. Perry disclaims beneficial ownership of all 1,025 of such shares.

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**Compensation of Executive Officers and Directors**

The following table presents information relating to total compensation of our named executive officers for the fiscal years en