Annual Funding Notice – Questions and Answers
DuPont Pension and Retirement Plan

FUNDED STATUS AND PENSION SECURITY

1. Q: Is my pension secure?

A: The DuPont Pension Plan assets are held in a trust at State Street Bank and Trust, with State Street as the trustee. This means that the trust assets are legally separated from the assets of State Street and DuPont. Management of the trust is regulated by the Employee Retirement Income Security Act (ERISA) and the Department of Labor (DOL). Plan officials, called fiduciaries, are required to act solely in the interest of plan participants and to use the assets of the trust for the exclusive purpose of providing benefits to plan participants and paying trust expenses. Trust assets are not subject to the claims of creditors of the trustee or DuPont even in the event of financial difficulties. ERISA specifies the rules that govern funding requirements with which we comply.

2. Q: Is the pension plan fully funded?

A: The Funding Target Attainment Percentage is provided on page 1 of the funding notice. As of January 1, 2017, the Plan was 85% funded. The company has made all contributions required to meet the funding requirements set by U. S. pension funding regulations.

3. Q: Why doesn't DuPont just increase contributions to the pension fund?

A: Federal pension funding laws regulate how much companies are required to contribute. The decision of when and how much to contribute requires balancing the short-term and long-term Company and Plan financial objectives and considering economic conditions. Contributions of $2.9 billion were made in 2017. The contributions are in excess of the minimum level required by law. No contributions are expected to be made in 2018.

4. Why didn't the $2.9 billion in total contributions in 2017 improve the funded percentage?

A. A significant portion of the $2.9 billion in contributions was considered discretionary, meaning they were above the minimum level required by law. These excess contributions create a "credit" and federal pension laws specify that the credit must be subtracted from the plan assets when calculating the Funding Target Attainment Percentage. If the credit was not subtracted, the funded percentage would be over 100%. See the "Plan Assets and Credit Balances" section on page 1 of the funding notice.

5. Q: Is DuPont able to fulfill its pension obligations to employees and retirees?

A: The DuPont pension plan has over a 100-year history of providing pension payments to retirees. The Plan remains able to meet its obligations.

6. Q: What happens to my pension if the Plan is terminated?

A: Participants should understand that the Plan is not terminating and is not in distress. In the unlikely event of termination, the Plan would be required to follow specific rules prescribed by federal laws. Pages 3 and 4 of the funding notice provide details on those rules.

DOW/DUPONT MERGER AND SUBSEQUENT SPINS

7. Q: How did the merger with Dow impact the Plan and its funded status?

A. Dow and DuPont did not merge pension plans and continue to operate and maintain separate plans. Therefore, the merger did not impact the Plan or its funded status. DuPont continues to administer the Plan and meet its obligations to existing pensioners and other plan participants. DuPont continues to meet the funding requirements set by U.S. pension funding regulations. The pension assets are held in a secured trust at State Street Bank. The trust is – and will remain – a separate legal entity from DuPont, and was not affected by the merger.

8. Q: What will happen to the Plan after the intended spins?

A. DuPont is working thoughtfully and diligently to review and consider all of the factors and elements that will need to take place as we transition benefit plans to the new companies. Importantly, the amounts of existing pensioners' benefits will not change, even if over time the name of the company that administers the benefit changes. Additionally, the accrued benefit for active employees will not be reduced. DuPont expects to communicate decisions on the allocation of the Plan's liabilities at least 3-6 months prior to spin. All participants will be accounted for in the transition to the new companies and the Plan will continue to be funded in accordance with all the legal requirements.

LUMP SUM WINDOW AND 2018 PENSION CHANGES

9. Q: How did the Voluntary Lump Sum Windows impact the funding status and expected contributions to the Plan?

A. The Voluntary Lump Sum Window payments of approximately $550 million and $140 million for 2016 and 2017, respectively did not materially impact the funded status or required contributions to the Plan.

10.Will the pension changes that take effect in 2018 which freeze future pay and service for active employees improve the funded status of the Plan?

A. The announced pension changes for active employees will not impact the pension funding obligations immediately. The Plan's funded status is expected to improve over time when measured at the same assumptions.

FUNDING NOTICE DATA

11. Q: Why is data in the funding notice table as of January 1, 2017 and not December 31, 2017?

A: The pension law requires that the data used to determine the Funding Target Attainment Percentage included in the funding notice table be as of the valuation date for the plan year, which is January 1. Therefore, the values in the funding notice table as well as the participant census information are as of January 1, 2017. The notice also calls for presentation of updated fair market value of assets and liabilities as of the end of the plan year. Information including the fair market value of assets and the liabilities as of December 31, 2017 is presented in the Year-End Assets and Liabilities section on page 2 of the notice.

12. Q: Why are the Plan's liabilities as of December 31, 2017 higher than the Plan's liabilities as of January 1, 2017?

A: As shown in the annual funding notice, as of January 1, 2017, the Plan liabilities were $16,322,567,820 (item 3 in the table on page 1). As of December 31, 2017, the Plan liabilities were $19,247,563,819 (in the Year-End Assets and Liabilities paragraph on page 2). Pension plan liabilities are sensitive to interest rates and the use of lower interest rates increases the plan liabilities. The liabilities at January 1, 2017 are calculated using interest rates that are based on adjusted 25- year average rates, reflecting higher rates in effect throughout that time period. For purposes of the Funding Notice, the December 31, 2017 liabilities must be valued using the market rates for the month of December, when rates were lower. This difference in interest rates is the primary reason for the difference in Plan liabilities.

13. Q: What is the Funding Standard Carryover Balance and why is it $0 for 2015, 2016 and 2017?

A: The Funding Standard Carryover Balance represents the portion of plan assets attributable to the accumulation of past voluntary contributions by DuPont in excess of the minimum level of funding required by law prior to 2008. The DOL requires that they be identified separately since this amount could be used by DuPont to offset future required contributions. As of January 1, 2015, the Plan used all of the Funding Standard Carryover Balance to satisfy 2014 funding requirements.

14. Q: What is the Prefunding Balance and why is it so large in 2017?

A: Under U.S. pension funding law, a plan sponsor may elect to create a Prefunding Balance when the plan sponsor makes contributions in excess of the minimum level of funding required by law for plan years in 2008 or later. In 2017, DuPont made contributions of $2.9 billion that were larger than required and elected to establish the Prefunding Balance for the excess amount. Similar to the Funding Standard Carryover Balance, this amount is identified in a separate line on page 1 of the funding notice as it can be used to meet future required contributions.

15. Q. Why doesn't the Prefunding Balance equal the $2.9 billion contributed in 2017?

A: The Prefunding Balance represents contributions above the minimum level required by law. A portion of the $2.9 contributed in 2017 was used to meet the minimum funding requirements for the 2016 and 2017 plan years. The remaining amount is treated as a Prefunding credit balance and can be used to meet the funding requirements for later Plan years.

16. Q: What is the difference between "Fair Market" value of assets and "Total Plan Assets"?

A: The "Fair Market" value of assets described on page 2 is the measure on a particular date of the value of plan assets that would be expected to be obtained in a sale of any individual asset between a willing buyer and seller. For most financial investments, it is the price quoted on the appropriate securities exchange. The "Total Plan Assets" on page 1 are "actuarial values" and allow for the smoothing of investment gains and losses over a period of time. Pension law allows plans to use smoothing methods to value the assets for funding purposes to reduce volatility in measuring the plan's expected ability to meet benefit commitments.

17. Q: The Funding Target Attainment Percentage on page 1 is not below 80%. Why was DuPont required to file corporate and plan financial information with the PBGC as noted on page 4?

A: For PBGC purposes, a plan sponsor must use a two-year average of interest rates rather than adjusted 25-year average of interest rates when measuring plan liabilities and the Funding Target Attainment Percentage. Per the supplement provided with the funding notice, the January 1, 2017 Funding Target Attainment Percentage is 71.62% when using the two-year average of interest rates. The two-year average of interest rates was lower than the 25-year average and because of this, the liabilities were higher. Therefore, DuPont was required to file corporate and plan financial information with the PBGC.

18. Why did the asset allocations in the chart on page 2 change significantly?

A: The $2.9 billion contribution to the Plan in 2017 reduced the expected long-term asset return needed to cover all future pension payments. This, in turn, created the opportunity to reduce the Fund's exposure to equity market risk and interest rate risk. As a result, the allocation to equities was reduced and the allocation to long-duration bonds was increased.

SUPPLEMENT TO THE FUNDING NOTICE

19. Q: The Supplement to the funding notice indicates that the pension plan had a Funding Shortfall and Minimum Required Contribution for each year in 2015, 2016, and 2017. Did DuPont make the required contributions to the pension plan?

A: Yes. DuPont contributed $230 million to the Plan in 2016 and $2.9 billion in 2017. These contributions satisfy the funding requirements for 2016 and 2017. The required contributions noted in the Supplement are determined on a Plan Year basis and may not correspond to the actual contributions made in the fiscal year. To satisfy the contribution requirements for 2015, DuPont used the Funding Standard Carryover Balance and Prefunding Balance that were created from past voluntary contributions by DuPont in excess of the minimum level of funding required by law. As described in the "Credit Balances" section on page 1 of the funding notice, credit balances "may be applied in future years toward the minimum level of contributions a plan sponsor is required by law to make to the plan in those years."