To: Fellow Pension Plan Participants
From: Paul Kende
Subject: Update on Pension Security 11/21/16

I would like to provide you with an update on the key issues and concerns, associated with the security of our pensions, based on my review of SEC filings and impressions from my continuing informal discussions with DuPont management.

Our main pension security concern continues to be that in the corporate restructuring process, DuPont's current pension obligations need to be properly transferred to the SpinCos, AND that they inherit the financial resources and the capacity to fulfill those long-term obligations. This capacity is determined by their initial funding, and long-term investment performance and business success.

Please forward this to your own contacts, who may or may not be members of our NRLN/DuPont Retiree Chapter. They would be welcome to join – visit our webpage http://www.nrln.org/CHAPTERS/DUPONT/duponthome.html

Pension Plan Funding Status

With significant downsizing, changes in discount rates, and a $230M contribution in Sept/Oct 2016, Pension Fund funding level needs to be "re-measured", after the 4Q16 financial results are defined.

Lump Sum Buyout

The Lump Sum offer acceptance rate was 53% of the approximately 18,000 eligible Pension Plan Participants - about as expected. With the reduced number of Participants, PGBC premiums and administrative costs also diminish, and all of this helps stabilize pension liabilities.

I have requested that DuPont explain the interest rates and mortality factors used to calculate both the individual Lump Sum Offers, as well as the Pension Plan as a whole, and describe the impact of the Lump Sum Buyout on the funding level of the remaining Pension Plan.

Pension Fund Asset and Liability Allocation

DuPont continues to work with the banks on the capital structure of the 3 anticipated SpinCos, in which Pension Fund asset and liability allocations are significant components. But these allocations are joint Dow and DuPont decisions, which cannot be negotiated until the merger itself is approved and the two companies can begin to actually work together. After the mergers, there will be 18-24 months to work out these allocation and financial arrangements, before the business separations are expected to take place.

The merger documents indicate that Pension Plan Participants from businesses which have direct successors (e.g. Ag Products, Electronics, etc.) are planned be assigned to those SpinCos. However, Participants from corporate functions and divested or discontinued businesses, who are not clearly associated with one of the SpinCos, are not mentioned in the merger documents and SEC filings.

I have requested DuPont to confirm that all Plan Participants, and their share of the pension assets and liabilities, will be allocated to one of the SpinCos. While I am sure that this is DuPont's intention, the great majority of the participants fall into this group, and they would be significantly relieved by a clear, written DuPont statement, that they will be included in the allocation process.

DuPont Contribution Plan

The SEC filings on the merger/split show a back-end loaded, "contemplated" Pension Fund Contribution Plan of $347M in 2015, increasing each year to $812M in 2020. I have asked DuPont to explain:

1. The seeming inconsistency of the $230M contribution in 2016, with the indicated plan.
2. How the 6-year Pension Fund Contribution Plan, described in the SEC filings, will be binding on its successors, in view of a 2-year life expectancy, if the merger/split takes place as proposed.
3. How the 6-year Pension Fund Contribution Plan fits into the 15-year amortization plan, initiated by DuPont in 2011, under the Pension Relief Act of 2010, to eliminate the pension funding shortfall.
4. How DuPont's 15-year amortization plan would be passed on to its 3 SpinCo successors.

Non-Qualified Pension Trust

A Trust is in place for non-qualified pension payments (PRP), to be fully funded at the time of the merger. I do not know the discount rate that will be used to determine funding for the Trust.

Pension Benefit Guaranty Corporation Role

PBGC takes its role and responsibilities seriously and monitors Pension Plan restructuring. But since the allocation process and decisions cannot go very far until the merger is approved, there is not very much for PBGC to do at this point. They have requested financial status and forecast data on the Pension Plan and this has been provided by DuPont. The PGBC is not a regulatory agency but they are highly respected and have influence with both Pension Plan Employers/Sponsors and the Regulators.

Delaware Congressional Delegation Visit

Delaware's Congressional Delegation has visited with DuPont senior management on 11/14/16. Among other topics, they discussed retiree concerns about pension security as a significant issue (there may be about 20,000 DuPont Pension Plan Participant constituents in Delaware). DuPont management reaffirmed their intention to properly fund the Pension Plan.

Regulatory Approval of Proposed Merger/Split

In-spite of vigorous scrutiny, requiring more time than anticipated, management is expecting the proposed merger/split to be approved and is planning and operating on that basis.