

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

1440 NEW YORK AVENUE, N.W.  
WASHINGTON, D.C. 20005-2111

TEL: (202) 371-7000

FAX: (202) 393-5760

www.skadden.com

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BRIAN.BREHENY@SKADDEN.COM

**Securities Exchange Act of 1934**  
**Form 10-K General Instruction I**  
**Form 10-Q General Instruction H**  
**Form 8-K, Instruction 5 to Item 5.07**

February 2, 2018

VIA E-MAIL

Mr. David Fredrickson, Chief Counsel and Associate Director  
Office of Chief Counsel  
Division of Corporation Finance  
U. S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-7010

Dear Mr. Fredrickson:

We are writing on behalf of our client E. I. du Pont de Nemours and Company, a Delaware corporation ("DuPont"), which on August 31, 2017, completed a merger transaction (the "Transaction") with The Dow Chemical Company, a Delaware corporation ("Dow"), subsequent to which, and as described in greater detail below, each of DuPont and Dow became subsidiaries of DowDuPont Inc. ("DowDuPont"), a newly created holding company incorporated in Delaware.

We respectfully request that the staff (the "Staff") of the U.S. Securities and Exchange Commission (the "Commission") confirm that it will not recommend that the Commission take enforcement action against DuPont if DuPont, in the manner described in this letter, files

abbreviated Forms 10-K and 10-Q pursuant to General Instruction I to Form 10-K and General Instruction H to Form 10-Q (collectively, the “General Instructions”) and relies on Instruction 5 to Item 5.07 of Form 8-K (“Instruction 5”) in not filing current reports with respect to the information called for by that item.

## **I. Background information**

### **A. DuPont**

DuPont has been bringing world-class science and engineering to the global marketplace in the form of innovative products, materials, and services since 1802. As of December 31, 2016, DuPont operated in about 90 countries worldwide and approximately 60 percent of consolidated net sales were made to customers outside the United States of America.

### **B. DowDuPont**

DowDuPont is a holding company comprised of Dow and DuPont with the intent to form strong, independent, publicly traded companies in agriculture, materials science and specialty products sectors that will lead their respective industries through productive, science-based innovation to meet the needs of customers and help solve global challenges.

## **II. Background information on the Transaction**

Effective August 31, 2017, DuPont and Dow completed the previously announced Transaction contemplated by the Agreement and Plan of Merger dated as of December 11, 2015, as amended on March 31, 2017, (the “Merger Agreement”), by and among DuPont, Dow, DowDuPont, Diamond Merger Sub, Inc. (“Diamond Merger Sub”) and Orion Merger Sub, Inc. (“Orion Merger Sub”). Pursuant to the Merger Agreement, (i) Diamond Merger Sub was merged with and into Dow, with Dow surviving the merger as a subsidiary of DowDuPont (the “Diamond Merger”) and (ii) Orion Merger Sub was merged with and into DuPont, with DuPont surviving the merger as a subsidiary of DowDuPont (the “Orion Merger” and together with the Diamond Merger, the “Mergers”). Following the consummation of the Mergers, each of Dow and DuPont became subsidiaries of DowDuPont, with DowDuPont owning all of the outstanding shares of common stock of each of Dow and DuPont.

Pursuant to the Transaction, holders of Dow common stock received one share of DowDuPont common stock for each share of Dow common stock held at the effective time, and holders of DuPont common stock received 1.2820 shares of DowDuPont common stock for each share of DuPont common stock held at the effective time. Holders of Dow Series A preferred stock outstanding immediately prior to the effective time received shares of DowDuPont Series A preferred stock. Holders of shares of DuPont preferred stock outstanding immediately prior to the effective time, however, continue to hold their shares of DuPont preferred stock. Each share of DuPont preferred stock designated as “Preferred Stock—\$4.50 Series”, which we refer to as “DuPont \$4.50 Series”, and the DuPont preferred stock designated as “Preferred Stock—\$3.50 Series”, which we refer to as “DuPont \$3.50 Series” (collectively, the “DuPont Preferred Stock”)

issued and outstanding immediately prior to the effective time of the Transaction remains issued and outstanding and was unaffected by the Transaction.

The issuance of shares of DowDuPont common stock in connection with the Transaction, as described above, was registered under the Securities Act of 1933, as amended, pursuant to a registration statement on Form S-4 (File No. 333-209869), filed by DowDuPont with the Commission and declared effective on June 9, 2016. DowDuPont filed a Current Report on Form 8-K with the Commission on September 1, 2017, acknowledging itself as the successor issuer to Dow and DuPont pursuant to Rule 12g-3(c) under the Exchange Act. Accordingly, the shares of DowDuPont common stock are deemed to be registered under Section 12(b) of the Exchange Act, and DowDuPont is subject to the reporting requirements of Section 13(a) of the Exchange Act, and the rules and regulations promulgated thereunder. The shares of DowDuPont common stock are now listed for trading on the New York Stock Exchange (the “NYSE”) under the ticker symbol “DWDP.”

As a result of the Transaction, DuPont requested that the NYSE file a Form 25 with the Commission to delist and deregister under Section 12(b) the shares of DuPont common stock. The Form 25 was filed on September 1, 2017, and became effective on September 11, 2017. The shares of DuPont common stock, all of which are now owned by DowDuPont, are no longer listed on the NYSE, and the common stock was deregistered under Section 12(b) on November 30, 2017.

The DuPont \$4.50 Series and DuPont \$3.50 Series each continue to be listed on the NYSE. Accordingly, each of the DuPont \$4.50 Series and DuPont \$3.50 Series remain registered under Section 12(b). DuPont has outstanding a number of classes of debt securities, all of which were issued under effective Securities Act registration statements. None of these classes of debt securities, which include notes, debentures, floating rate notes, and medium-term notes, was registered or required to be registered pursuant to Section 12. It is our opinion that the existence of these outstanding debt securities is not inconsistent with the relief granted in prior Staff no-action letters addressing the availability of abbreviated reporting pursuant to the General Instructions.<sup>1</sup>

### **III. Terms of the DuPont Preferred Stock**

The board of directors of DuPont is authorized to issue one or more series of preferred stock and to establish the terms of such series. As of November 15, 2017, there were 1,673,000 shares of DuPont \$4.50 Series and 700,000 shares of DuPont \$3.50 Series issued and outstanding. As of November 15, 2017, there were 784 holders of record of the DuPont \$4.50 Series and 312 holders of record of the DuPont \$3.50 Series. There are no other outstanding series of DuPont Preferred Stock. The terms of DuPont \$4.50 Series and DuPont \$3.50 Series, which are outlined below and contained in DuPont’s Fourth Amended and Restated Certificate of Incorporation (attached hereto as Appendix A), are substantially identical.

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<sup>1</sup> See *infra* notes 19 and 21.

Dividends. Shares of the DuPont \$4.50 Series bear cash dividends at the rate of \$4.50 per share per annum. Shares of the DuPont \$3.50 Series bear cash dividends at a rate of \$3.50 per share per annum. DuPont has historically paid dividends on the DuPont \$4.50 Series and the DuPont \$3.50 Series in equal quarterly payments.

Voting Rights. Shares of DuPont Preferred Stock have no voting rights, except as otherwise provided by law and except in the case of non-payment of dividends for prescribed periods. Specifically, in the event that DuPont fails to pay any dividend on the DuPont Preferred Stock when it regularly becomes due and such default continues for six months, holders of the outstanding DuPont Preferred Stock shall have the exclusive right, voting separately and as a class, to elect two directors or, if the total number of directors of DuPont is only three, then only one director, at each meeting of the stockholders of DuPont held for the purpose of electing directors. DuPont has not failed to pay any dividend on the DuPont Preferred Stock. As such, currently there is no default under the terms of the DuPont Preferred Stock. Further, there are no current matters that would trigger any limited voting rights otherwise provided by state law.

Redemption. DuPont may, at its election, redeem shares of the DuPont \$4.50 Series for \$120 per share and shares of the DuPont \$3.50 Series for \$102 per share, in each case plus any accumulated dividends.

Liquidation. The DuPont \$4.50 Series has a \$100 liquidation preference for involuntary liquidations or dissolutions, and a \$115 liquidation preference for voluntary liquidations or dissolutions, plus, in each case, any accumulated unpaid dividends. The DuPont \$3.50 Series has a \$100 liquidation preference for involuntary liquidations or dissolutions, and a \$107 liquidation preference for voluntary liquidations or dissolutions, plus, in each case, any accumulated unpaid dividends.

Conversion/Exchange. Neither the DuPont \$4.50 Series nor the DuPont \$3.50 Series are convertible into, or exchangeable for, any other security.

Exchange Act Reporting. Under the terms of the DuPont Preferred Stock, DuPont is not contractually obligated to provide holders of the DuPont Preferred Stock with full Exchange Act periodic and current reports.

#### **IV. Discussion**

General Instruction I to Form 10-K, General Instruction H to Form 10-Q and Instruction 5 to Item 5.07 of Form 8-K each permit certain wholly-owned subsidiaries to omit specified information from their periodic and current reports. The General Instructions were part of the Commission's goal to "reduce reporting burdens and paperwork by more precisely tailoring the

reporting requirements to the characteristics of particular registrants and to the needs of their investors.”<sup>2</sup>

A registrant is permitted to rely on the General Instructions provided:

- all of the registrant’s equity securities are owned, either directly or indirectly, by a single reporting company which has filed all the material required to be filed pursuant to the Exchange Act, and which is named in conjunction with the registrant’s description of its business;
- the registrant has not had a material default on its debt, rentals or long-term lease agreements for 36 months;
- the registrant states on the cover of the relevant form that it is relying on the General Instructions; and
- the registrant is not an asset-backed issuer as defined in Item 1101 of Regulation AB.

A registrant is permitted to rely on Instruction 5 so long as it meets the first two of these requirements.

For purposes of your response to this request, we can confirm that DuPont satisfies (or, in the case of the cover page disclosure, will satisfy) all of the requirements of the General Instructions except that not all of DuPont’s equity securities are owned by DowDuPont as is technically required by paragraph 1(a) to the General Instructions. In this regard, while all of the shares of DuPont common stock are owned by DowDuPont, the same is not true of the DuPont Preferred Stock. The shares of DuPont Preferred Stock are the only equity securities of DuPont not owned by DowDuPont.

It is our opinion that, notwithstanding that all of the DuPont Preferred Stock is not owned by DowDuPont, DuPont nonetheless should be able to file abbreviated Forms 10-K and 10-Q, in the manner described below, pursuant to the General Instructions, and should be able to rely on Instruction 5 to Item 5.07 of Form 8-K to omit the information called for by that item.

This discussion is organized in two parts. The first part discusses the information that the General Instructions and Instruction 5 permit a registrant to omit and why omission by DuPont is consistent with the protection of the holders of the DuPont Preferred Stock. The second part discusses relevant Commission statements as well as no-action relief the Staff has provided in the past and explains why granting relief to DuPont should be deemed consistent with each.

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<sup>2</sup> See *Relief for Certain Wholly-Owned Subsidiaries from Portions of Annual and Quarterly Reports Required under the Securities Exchange Act of 1934*, Release 34-16226, 1979 SEC LEXIS 622 (Sept. 27, 1979) (the “Adopting Release”). The Adopting Release conditionally adopted the proposed amendments, which were made permanent in Release 34-16327 (Nov. 15, 1979).

*A. Permitting DuPont to rely on the General Instructions and Instruction 5 is consistent with the protection of investors*

The above summary of the characteristics of the DuPont Preferred Stock demonstrates that, although technically equity securities, the shares of the DuPont Preferred Stock are, from an investor's perspective, substantially similar in virtually all material respects to traditional debt securities. Shares of the DuPont Preferred Stock are non-participating and entitled to a fixed cash dividend as well as a fixed amount upon liquidation or redemption. Moreover, the shares of DuPont Preferred Stock are non-voting (except as otherwise provided by law or in the event of non-payment of dividends for a prescribed period) and not convertible into, or exchangeable for, any other security.

Unlike investors that own participating, voting equity securities, we believe investors in DuPont Preferred Stock traditionally have based, and will continue to base, their investment decisions primarily on interest rate levels, the specific dividend rates (as applicable) of the DuPont \$4.50 Series and DuPont \$3.50 Series, DuPont's credit rating and financial condition, and general prevailing market conditions. In this regard, we note that over the past ten years the price movements of the DuPont \$4.50 Series, DuPont \$3.50 Series, DuPont common stock and United States Treasury 10-year constant maturity bonds indicate that the value of each series of DuPont Preferred Stock has a stronger correlation with movements in interest rates, than with movements in the share price of legacy DuPont common stock.<sup>3</sup> Accordingly, due to the substantial similarity of the DuPont Preferred Stock to a traditional debt security, the information omitted from annual and periodic reports pursuant to the General Instructions is simply not material to security holders of this type of security, just as it is not material to security holders of debt securities.

To this end, the following paragraphs discuss each area in which reduced disclosure is permitted under the General Instructions and Instruction 5, and the approach DowDuPont and DuPont propose to take.

*i. Selected financial data and management's discussion and analysis of financial condition and results of operations*

Form 10-K, General Instruction I, paragraph (2)(a), permits a registrant to omit Item 6, Selected Financial Data, and to provide a modified Item 7, Management Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"). Form 10-Q, General Instruction H, paragraph (2)(a), permits a registrant to provide a modified Item 2 of Part I, MD&A. Form 10-Q does not require presentation of selected financial data.

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<sup>3</sup> To illustrate this correlation, please refer to the chart "DuPont Preferred Stock Price Analysis" and accompanying explanation, provided supplementally.

The selected financial data in the Form 10-K presents summary financial information for the previous five full fiscal years, the three most recent of which are presented in significant detail in the required financial statements. While providing the older financial information generally would not be particularly burdensome to DuPont, we believe that the oldest two years of financial information would provide no meaningful information to holders of fixed-income, non-voting preferred securities like the DuPont Preferred Stock (particularly in the near-term as a result of DuPont's adoption of "push-down accounting" in connection with the Transaction).<sup>4</sup>

The modified Form 10-K MD&A requires a registrant to provide a narrative analysis of the results of operations explaining the reasons for material changes in the amount of revenue and expense items between the most recent fiscal year and the immediately preceding fiscal year. The analysis also must include an explanation of any material changes in accounting principles, practices or methods of application. A standard MD&A would require an additional year's worth of comparative analysis of the results of operations, as well as discussion of DuPont's liquidity, capital resources and off-balance sheet arrangements and tabular disclosure of contractual obligations.

The modified Form 10-Q MD&A requires a registrant to provide a narrative analysis of the results of operations explaining the reasons for material changes in the amount of revenue and expense items between the most recent interim period and the corresponding interim period in the preceding fiscal year. The analysis also must include an explanation of any material changes in accounting principles, practices or methods of application. A standard MD&A would require a comparable analysis of the results of operations, as well as discussion of the registrant's financial condition.

We acknowledge that in a limited number of prior letters the Staff conditioned its relief upon the registrant's undertaking to include in its Exchange Act reports an MD&A that complies in full with Regulation S-K, Item 303.<sup>5</sup> As a condition to the request for relief herein, DuPont undertakes to provide full MD&A that complies with Regulation S-K, Item 303, rather than the modified MD&A permitted by the General Instructions.

*ii. List of subsidiaries*

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<sup>4</sup> DuPont's consolidated financial statements for periods following the close of the Transaction are labeled "Successor" and reflect DowDuPont's basis in the fair values of the assets and liabilities of DuPont. All periods prior to the closing of the Transaction reflect the historical accounting basis in DuPont's assets and liabilities and are labeled "Predecessor." The interim consolidated financial statements and footnotes include a black line division between the columns titled "Predecessor" and "Successor" to signify that the amounts shown for the periods prior to and following the Transaction are not comparable. See DuPont Form 10-Q for the quarterly period ended September 30, 2017.

<sup>5</sup> See *NBCUniversal* (Apr. 30, 2013); *NBCUniversal* (Jun. 24, 2011); *Merrill Lynch Derivative Products, Inc.* (Aug. 6, 1993).

Form 10-K, General Instruction I, paragraph (2)(b) permits a registrant to omit the list of subsidiaries exhibit required by Item 601(b)(21) of Regulation S-K. Unlike for many of the other omitted items, the Adopting Release did not explain the rationale for dropping this requirement, although we note that a registrant is permitted to omit the information only if “the registrant includes the name of its parent in conjunction with the description of its business.”<sup>6</sup> DuPont represents that it will reference DowDuPont in the description of its business pursuant to Item 1, Business, and further notes that DowDuPont’s annual report on Form 10-K will contain the required list of subsidiaries, which will include DuPont as well as any DuPont subsidiaries not excludable under Item 601(b)(21)(ii) of Regulation S-K.

*iii. Directors, executive officers and corporate governance*

Following the Transaction, all members of the board of directors of DuPont (the “DuPont Board”) resigned and were replaced by Edward D. Breen, Chair and Chief Executive Officer of DuPont, and Nicholas C. Fanandakis, Executive Vice President and Chief Financial Officer of DuPont. There were no changes to the executive officers of DuPont, although Mr. Breen and Stacy L. Fox, DuPont’s Senior Vice President and General Counsel, entered into employment agreements on August 31, 2017 to serve as the Chief Executive Officer and General Counsel and Secretary of DowDuPont, respectively. Mr. Breen, who remains employed by DuPont as the Chief Executive Officer, was appointed a member of the board of directors of DowDuPont.<sup>7</sup>

We respectfully submit that the corporate governance provisions of Item 10 are not relevant under the instant circumstances. In this regard, although the DuPont Preferred Stock remain listed on the NYSE following the Transaction, DuPont no longer is required to maintain audit, compensation or nominating/corporate governance committees or a Code of Business Conduct and Ethics pursuant to applicable Commission rules or listing standards under the NYSE Listed Company Manual. More specifically, the “Preferred and Debt Listings” section of NYSE Section 303A states that “Section 303A does not generally apply to companies listing only preferred or debt securities on the Exchange.” Because NYSE Sections 303A.04(a), Nominating/Corporate Governance Committee; 303A.05(a), Compensation Committee;<sup>8</sup> and 303A.10, Code of Business Conduct and Ethics are not required in the “Preferred and Debt Listings” section of NYSE Section 303A.00, DuPont is not required to maintain nominating/corporate governance or compensation committees or Code of Business Conduct and Ethics. Furthermore, although NYSE Section 303A.06 requires that listed companies have an audit committee, Exchange Act Rule 10A-3(c)(2) excepts DuPont from such requirement following the Transaction:

At any time when an issuer has a class of common equity securities (or similar securities) that is listed on a national securities exchange or national securities association subject to

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<sup>6</sup> See *Adopting Release* at page 18.

<sup>7</sup> See DuPont Current Report on Form 8-K filed September 1, 2017.

<sup>8</sup> See also Exchange Act 10C-1(b)(5)(i).

the requirements of this section, the listing of classes of securities of a direct or indirect consolidated subsidiary or an at least 50% beneficially owned subsidiary of the issuer (except classes of equity securities, other than non-convertible, non-participating preferred securities, of such subsidiary) is not subject to the requirements of this section.

DuPont avails itself of the exception in Exchange Act Rule 10A-3(c)(2) because the shares of DowDuPont common stock are listed on NYSE and the DuPont Preferred Stock are non-convertible and non-participating. Consistent with the above-described exemptions and exceptions, following the Transaction, DuPont no longer maintains separate nominating/corporate governance, compensation and audit committees or a Code of Business Conduct and Ethics.<sup>9</sup> Accordingly, we submit that the corporate governance provisions of Item 10 are not relevant to holders of DuPont Preferred Stock.

We further submit that the additional Item 10 information that otherwise would be required if the General Instructions were not applicable, including, most prominently, director background/biographical information, is not material to holders of the DuPont Preferred Stock because the holders of DuPont Preferred Stock will not be voting on the election of directors.<sup>10</sup>

*iv. Executive compensation*

Although DuPont continues to have a board of directors, those two board members are elected by DowDuPont, as the sole owner of DuPont common stock, and not by the holders of DuPont Preferred Stock or DowDuPont common stock. While some executive officers of DuPont are executive officers of DowDuPont (e.g., Mr. Breen), not all executive officers of DuPont are executive officers of DowDuPont. For any executive officer of DuPont who is also an executive officer of DowDuPont, DowDuPont will take into account all compensation paid by DowDuPont and all of its subsidiaries—including DuPont—for purposes of its executive compensation disclosures under Regulation S-K Item 402 and any required related party transaction disclosure.

By contrast, pursuant to Item 402 (and as confirmed by Regulation S-K Compliance and Disclosure Interpretations (“C&DIs”) 217.08 and 217.09 (July 3, 2008)),<sup>11</sup> DuPont is required to disclose only compensation that is attributable to services for DuPont or its subsidiaries, and *not* the value of compensation attributable to services for DowDuPont. Such selective reporting of

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<sup>9</sup> DowDuPont has elected to establish and maintain, at the DowDuPont level, a DuPont Audit Subcommittee and DuPont Compensation Subcommittee, in each case composed of two current DowDuPont directors that previously were DuPont directors. See DowDuPont Current Report on Form 8-K filed September 1, 2017.

<sup>10</sup> Holders of the DuPont Preferred Stock also will have access to information concerning any DuPont directors and executive officers serving in management roles with DowDuPont from DowDuPont’s periodic reports, current reports and annual proxy statements.

<sup>11</sup> See Regulation S-K C&DIs 217.08 and 217.09 (July 3, 2008) (available at <https://www.sec.gov/divisions/corpfin/guidance/regs-kinterp.htm>).

compensation is likely to lead to confusion among those reading DuPont's Item 402 disclosure should DuPont be required to provide such disclosure and, more importantly, providing this disclosure will fail to fulfill a substantial purpose that the Item 402 disclosure rules are intended to serve because holders of DuPont Preferred Stock have no voting rights.

Indeed, it seems clear that the Item 402 requirements did not contemplate DuPont's circumstances. For instance, the Item 402(b) Compensation Disclosure and Analysis disclosure obligations (and complementary Item 407(e)(5) Compensation Committee Report obligations) are not relevant to a company such as DuPont, since it is not required to have (and does not have) a compensation committee.

Moreover, the limitations of the executive compensation disclosure rules apparent in DuPont's circumstances go beyond Item 402. Presumably in recognition of these limitations, the requirements of each of Item 5.02(e) of Form 8-K and Item 601(b)(10) of Regulation S-K by their terms do not apply to DuPont.

We respectfully submit that the interests of holders of DuPont Preferred Stock will be better served by effectively harmonizing the application of Form 8-K Item 5.02 and Regulation S-K Item 601(b)(10) to that of Item 402 by exempting DuPont from Item 402 disclosure that only will confuse, and serve no helpful purpose for, holders of DuPont Preferred Stock.

*v. Security ownership of certain beneficial owners and management and related stockholder matters*

DowDuPont owns all of the outstanding voting equity securities of DuPont. Accordingly, the information required by Item 403 of Regulation S-K under Item 12 of Form 10-K will not be relevant. Further, for reasons similar to those outlined above under "Executive Compensation," we believe the information required by Item 201(d) of Regulation S-K under Item 12 of Form 10-K is not material to holders of DuPont Preferred Stock.

*vi. Certain relationships and related transactions, and director independence*

With respect to related party transaction disclosure, DuPont's financial statements will disclose all material related party transactions. Furthermore, since DuPont is a DowDuPont subsidiary, DowDuPont's annual proxy statement will disclose any related party transactions between any DowDuPont named executive officer and DuPont. Accordingly, we respectfully submit that the additional information required by Item 13 is not material to holders of DuPont Preferred Stock. We note that without the requested relief, duplicative related party information would appear both in DuPont's Form 10-K as well as in DowDuPont's annual proxy statement. Requiring this information in DuPont's 10-K also could result in disclosure to appear first in DuPont's Form 10-K when DowDuPont's shareholders would expect to find the disclosure in DowDuPont's annual proxy statement.

Furthermore, we respectfully submit that director independence disclosure is not relevant to holders of non-voting DuPont Preferred Stock because DowDuPont, as the sole owner of DuPont common stock, controls the voting power for the election of DuPont's directors.<sup>12</sup>

*vii. Business and properties*

Form 10-K, General Instruction I, paragraph (2)(d) permits a registrant to provide a modified Item 1, Business, which includes "a brief description of the business done by the registrant and its subsidiaries during the most recent fiscal year which will, in the opinion of management, indicate the general nature and scope of the business..." Paragraph (2)(d) also permits a registrant to provide a modified Item 2, Properties, which includes "a brief description of the material properties of the registrant and its subsidiaries to the extent, in the opinion of management, necessary to an understanding of the business done by the registrant and its subsidiaries."

By granting the requested relief, the Staff would effectively allow DuPont to use substantially similar disclosure of its business and properties in its periodic reports as DowDuPont anticipates including information about DuPont in its own periodic reports. We believe this will help both DowDuPont and DuPont avoid the burden of having to update and conform separate descriptions of DuPont's business and properties. We further believe the modified level of disclosure provides all material information relevant to holders of DuPont Preferred Stock investment decisions and appropriately balances the reporting burdens on DuPont with any benefit to investors consistent with the Adopting Release.<sup>13</sup>

*viii. Submission of matters to a vote of security holders*

Although the General Instructions continue to refer to Item 4, Submission of Matters to a Vote of Securities Holders, this information is now generally required to be included in a Current Report on Form 8-K, Item 5.07. Instruction 5 provides an exemption to this reporting requirement under the same substantive circumstances in which the General Instructions are applicable. Further, although Item 5.07 refers to votes by "security holders", Section E.3 of the Proxy Disclosure Enhancements Release makes clear that the disclosure is required only for "shareholder votes".<sup>14</sup> This is consistent with the Commission comment in the Adopting Release that, "The omission of Item 7, Submission of Matters to a Vote of Security Holders, was

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<sup>12</sup> We note that DuPont also may take advantage of the controlled company exception in NYSE Section 303A and would otherwise be permitted to omit director independence disclosure required under Item 407(a) of Regulation S-K pursuant to Instruction 1 to Item 407(a).

<sup>13</sup> See also *FAST Act Modernization and Simplification of Regulation S-K*, Release 33-10425 (Oct. 11, 2017) (proposing more abbreviated, principles-based disclosure of properties).

<sup>14</sup> See *Proxy Disclosure Enhancements*, Release 33-9089 (Dec. 16, 2009).

generally supported by commentators on the ground that the Item is immaterial to debt holders generally.”<sup>15</sup>

We believe similar consideration should be afforded to DuPont given that the DuPont Preferred Stock is a fixed-income, non-voting security that is the functional equivalent of a debt security. We also note that DuPont likely will never be required to solicit proxies for an annual meeting because DowDuPont owns all of the outstanding common stock of DuPont (and the DuPont Preferred Stock has no voting rights except as required by law and the case of non-payment of dividends for prescribed periods). Accordingly, Item 5.07 will not be relevant to DuPont and, even where DuPont holds a formal meeting pursuant to Delaware General Corporation Law, information about the meeting results would not be relevant to holders of DuPont Preferred Stock.

***B. Permitting DuPont to rely on the General Instructions is consistent with prior Commission statements as well as Staff no-action relief***

At the time it adopted the amendments providing for abbreviated reporting under Forms 10-K and 10-Q, the Commission specifically highlighted the views of commenters that advocated expanding the definition of those wholly-owned subsidiaries eligible to use abbreviated reporting to include subsidiaries that have outstanding fixed-income, non-voting equity securities. In doing so, the Commission acknowledged the “appeal” of the commenters argument that “there is no real substantive difference between fixed-dividend preferred stock and a debt security” for purposes of abbreviated reporting.<sup>16</sup> Citing “inadequate study and comment” concerning the potential differences in the disclosure warranted for holders of fixed-income, non-voting preferred stock and holders of debt securities, however, the Commission declined “at this time to treat subsidiaries having holders of both or either types of securities in an identical manner.”<sup>17</sup> Instead, the Commission committed to “monitor the results of [the reduced reporting requirements] before making any determination as to the appropriate reduction in cases where outstanding fixed dividend, non-voting preferred stock may be involved.”<sup>18</sup>

Over the course of the last approximately thirty years, the Staff has granted numerous no-action letters that provide relief to otherwise wholly-owned subsidiaries of publicly reporting parent registrants to use abbreviated reporting notwithstanding that the subsidiary had certain outstanding fixed-income, non-voting preferred shares that were not owned by the parent registrant.<sup>19</sup> In these letters, the subsidiary registrants have highlighted the characteristics of the

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<sup>15</sup> See *Adopting Release* at pages 7-8.

<sup>16</sup> See *Adopting Release* at pages 4 and 5.

<sup>17</sup> See *Adopting Release* at page 5.

<sup>18</sup> See *Adopting Release* at page 5.

<sup>19</sup> See, e.g., *NBCUniversal* (Apr. 30, 2013); *General Electric Capital Corporation* (July 28, 1998); *American Standard Inc.* (Mar. 30, 1995); *Merrill Lynch Derivative Products, Inc.* (Aug. 6, 1993); *Greyhound Financial* (cont'd)

subject class of preferred shares – characteristics shared here by the DuPont Preferred Stock – to argue successfully that the preferred shares are more appropriately viewed as a debt security. Recognizing, as did the commenters above, that there is “no real substantive difference” between fixed-income, non-voting preferred shares and a debt security, the Staff consistently has concluded that “equity securities” for purposes of the General Instructions should not include a class of preferred securities evidencing these characteristics and that abbreviated reporting in these circumstances is consistent with the Commission’s objective of “reduc[ing] reporting burdens and paperwork by more precisely tailoring the reporting requirements to the characteristics of particular registrants and to the needs of their investors.”<sup>20</sup>

The Staff no-action letters cited above historically have granted relief only where the subsidiary registrant’s subject class of preferred securities was held of record by less than 500 persons and thus did not otherwise necessitate registration of that class pursuant to Section 12(g) of the Exchange Act.<sup>21</sup> This administrative limitation also currently is reflected in the Staff guidance contained in Exchange Act Forms C&DI 204.01 (Mar. 27, 2013).<sup>22</sup> Giving effect to the amendments to Section 12(g) under the Jumpstart Our Business Startups Act of 2012, which was enacted after the Staff issued C&DI 204.01, we believe the limitation, to the extent applicable, would deny relief where the subject class of preferred securities is held of record by 500 or more non-accredited investors or 2,000 or more persons overall. As noted above, the DuPont \$4.50 Series is held of record by approximately 784 persons. Because DuPont is unable to determine with certainty the number of record holders that are non-accredited investors, it is possible that the number of record holders of the DuPont \$4.50 Series would satisfy the current registration thresholds of Section 12(g). Moreover, each of the DuPont \$4.50 Series and DuPont \$3.50 Series are listed on the NYSE and thus registered under Section 12(b) of the Exchange Act.

As explained above, given its salient characteristics, it is our opinion that the DuPont Preferred Stock is the functional equivalent of a debt security for purposes of abbreviated reporting. Accordingly, it is our opinion that DuPont should be permitted to file abbreviated Forms 10-K and 10-Q. DuPont’s ability to file abbreviated Forms 10-K and 10-Q should not be

*(cont’d from previous page)*

*Corporation* (Nov. 16, 1992); *Columbus Southern Power Company* (Jan. 7, 1992); *Adams-Russell Co.* (Dec. 15, 1988); *Chrysler Financial Corporation* (Apr. 15, 1988); *Bell Telephone Company of Canada* (Mar. 26, 1986).

<sup>20</sup> See *Adopting Release* at page 1.

<sup>21</sup> See, e.g., *NBCUniversal* (Apr. 30, 2013); *General Electric Capital Corporation* (July 28, 1998); *American Standard Inc.* (Mar. 30, 1995); *Merrill Lynch Derivative Products, Inc.* (Aug. 6, 1993); *Greyhound Financial Corporation* (Nov. 16, 1992); *Columbus Southern Power Company* (Jan. 7, 1992); *Adams-Russell Co.* (Dec. 15, 1988); *Chrysler Financial Corporation* (Apr. 15, 1988); *Bell Telephone Company of Canada* (Mar. 26, 1986).

<sup>22</sup> See Exchange Act Forms C&DI 204.01 (Mar. 27, 2013) (available at <http://www.sec.gov/divisions/corpfin/guidance/exchangeactforms-interps.htm>), providing that an issuer is permitted to rely on the General Instructions for a class of non-voting preferred stock “provided the number of holders of the non-voting preferred remained below 500 and therefore did not necessitate registration of that class pursuant to Section 12(g) of the Exchange Act.”

adversely impacted by the NYSE listings and Section 12(b) registrations of the DuPont Preferred Stock. The General Instructions do not discriminate between debt securities that are listed and registered under Section 12(b) and those that are not registered under Section 12. In either case, an otherwise eligible subsidiary registrant may avail itself of the reduced reporting provisions of the General Instructions. We believe that the accommodation in the General Instructions reflects a determination that it is the character of the security and the disclosure needs of any investors that hold such security – as compared to the registration status of the security under Section 12 and, if applicable, listing on a national securities exchange – that more properly drives the availability of abbreviated reporting. We believe that this is instructive in the current case. As applied here, the NYSE listings and Section 12(b) registrations of the DuPont Preferred Stock should not bar DuPont from availing itself of the reduced disclosure format set forth under the General Instructions just as a subsidiary registrant is not barred in the case of Section 12(b) registered and listed debt. Rather, because the DuPont Preferred Stock is the functional equivalent of a debt security, abbreviated reporting is appropriate under these circumstances.

## V. Conclusion

For the reasons set forth in this letter, we are of the opinion that DuPont should be able to file abbreviated Forms 10-K and 10-Q, in the manner described in this letter, pursuant to the General Instructions, and to rely on Instruction 5 in not filing current reports on Form 8-K with respect to the information called for by that item.

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If you have any questions regarding this request, please call me at 202-371-7180 or Andrew J. Brady at 202-371-7513 at your convenience.

Very truly yours,



Brian V. Breheny

cc. Jeanmarie F. Desmond  
Vice President and Controller  
E.I. du Pont de Nemours and Company

Andrew J. Brady  
Skadden, Arps, Slate, Meagher & Flom LLP

Wayne Carnall  
PricewaterhouseCoopers LLP

John Kiely  
PricewaterhouseCoopers LLP

**Appendix A**

Fourth Amended and Restated Certificate of Incorporation of E.I. du Pont de Nemours and Company

EX-3.1 2 d438565dex31.htm EX-3.1

Exhibit 3.1

FOURTH AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF

E. I. DU PONT DE NEMOURS AND COMPANY

FIRST: The name of the corporation is E. I. du Pont de Nemours and Company (the "Corporation").

SECOND: The address of the registered office of the Corporation in the State of Delaware is: Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, County of New Castle. The name of its registered agent for service of process in the State of Delaware at such address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "DGCL"), as amended from time to time. The Corporation shall have all powers that may now or hereafter be lawful for a corporation to exercise under the DGCL.

FOURTH: The total authorized stock of the Corporation is as follows:

The total number of shares of all classes of stock which the Corporation shall have authority to issue shall be One Billion Eight Hundred Twenty-Three Million (1,823,000,000), of which Twenty-Three Million (23,000,000) shares shall be Preferred Stock without par value (the "Preferred Stock") and One Billion Eight Hundred Million (1,800,000,000) shares shall be Common Stock having a par value of Thirty Cents (\$0.30) each (the "Common Stock").

I. The Preferred Stock may be issued from time to time in one or more series, each of such series to have such designation, preferences and relative, optional or other rights, and qualifications, limitations or restrictions thereof, as are stated and expressed herein, or in a resolution or resolutions providing for the issue of such series adopted by the Board of Directors as hereinafter provided.

II.

- (a) The 1,688,850 shares of the Corporation's Preferred Stock issued and outstanding on April 25, 1947, shall constitute a series of Preferred Stock, designated as "Preferred Stock—\$4.50 Series" (hereinafter sometimes called the "\$4.50 Series Stock"). The Board of Directors may from time to time authorize the issuance of additional shares of Preferred Stock as \$4.50 Series Stock.

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- (b) The shares of \$4.50 Series Stock shall bear dividends at the rate of Four Dollars and Fifty Cents (\$4.50) per annum from and after April 25, 1947, provided, however, that any shares of said Series issued after April 25, 1947 shall bear dividends from and after such date or dates as the Board of Directors from time to time may determine.
  - (c) In the event of any liquidation or dissolution or winding-up of the Corporation, whether voluntary or involuntary, the Preferred Stock—\$4.50 Series shall entitle the holders thereof to be paid, in the event of any involuntary liquidation or dissolution or winding-up of the Corporation, One Hundred Dollars (\$100.00) per share with all unpaid accumulated dividends thereon to the date of such payment or, in the event of any voluntary liquidation or dissolution or winding-up of the Corporation, One Hundred Fifteen Dollars (\$115.00) per share with all unpaid accumulated dividends thereon to the date of such payment.
  - (d) The Preferred Stock—\$4.50 Series shall be subject to redemption on or before April 25, 1952 at One Hundred Twenty-Five Dollars (\$125.00) per share and accumulated dividends thereon to the date of redemption, and thereafter at One Hundred Twenty Dollars (\$120.00) per share and accumulated dividends thereon to the date of redemption, upon the terms and in the manner as hereinafter provided.

III. Authority is hereby expressly granted to the Board of Directors of the Corporation, subject to the provisions of this Article Fourth, to authorize the issue of one or more series of Preferred Stock in addition to the \$4.50 Series Stock and with respect to each such series to fix by resolution or resolutions providing for the issue of such series:

- (a) The number of shares to constitute such series and the distinctive designation thereof;
- (b) The dividend rate on the shares of such series and the date or dates from which dividends shall accumulate;
- (c) The amount per share over and above any accumulated dividends thereon which the shares of such series shall be entitled to receive upon redemption;
- (d) The amount per share over and above accumulated dividends which such series shall be entitled to receive (1) upon involuntary liquidation or dissolution or winding-up of the Corporation, which amount shall not exceed \$100.00 a share, and (2) upon voluntary liquidation or dissolution or winding-up of the Corporation; and

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- (e) The rights, if any, which the shares of such series may have for conversion into shares of any other class or classes or any other series of the same or any other class or classes of stock of the Corporation.

All shares of any one series of Preferred Stock shall be identical with each other in all respects, except that shares of any one series issued at different times may differ as to the dates from which the initial dividends thereon shall accumulate; and all series shall rank equally and be identical in all respects, except as permitted in the foregoing provisions of this Article Fourth, Section III.

IV. A new series of Preferred Stock without par value of the Corporation shall have the designation, the number of shares to be issued, the dividend rate, the redemption price and the amount payable upon liquidation or dissolution or winding-up of the Corporation with respect to such new series of Preferred Stock without par value as follows, such attributes to be in addition to the other provisions set forth in this Article Fourth, which are applicable to all shares of Preferred Stock without par value irrespective of any variations between the shares of Preferred Stock without par value of the different series.

- (a) The new series of Preferred Stock without par value of the Corporation is designated "Preferred Stock—\$3.50 Series";
- (b) Preferred Stock—\$3.50 Series is authorized to be issued in the amount of 700,000 shares;
- (c) The dividend rate on the Preferred Stock—\$3.50 Series shall be Three Dollars and Fifty Cents (\$3.50) per share per annum and no more, and dividends on the 700,000 shares of Preferred Stock—\$3.50 Series shall accumulate from and after April 25, 1947;
- (d) The amount per share over and above any accumulated dividends thereon which the shares of Preferred Stock—\$3.50 Series shall be entitled to receive upon redemption is as follows: if redeemed on or before April 25, 1952, \$107.00 a share; thereafter on or before April 25, 1955, \$106.00 a share; thereafter on or before April 25, 1958, \$105.00 a share; thereafter on or before April 25, 1961, \$104.00 a share; thereafter on or before April 25, 1964, \$103.00 a share, and thereafter, \$102.00 a share; and
- (e) The amount per share over and above accumulated dividends which the shares of Preferred Stock—\$3.50 Series shall be entitled to receive upon involuntary liquidation or dissolution or winding-up of the Corporation is \$100.00 a share, and upon voluntary liquidation or dissolution or winding-up of the Corporation is \$107.00 a share.

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V. The Preferred Stock shall entitle the holders thereof to receive, when and as declared from the surplus or net earnings of the Corporation, cumulative dividends, payable quarterly on such dates as the Board of Directors may determine, at the rates fixed herein or fixed by the Board of Directors for the respective series, as herein provided, and no more, which dividends shall be paid or set apart before any dividend shall be set apart or paid on the Common Stock. The dividend payment dates for all series of Preferred Stock shall be the same and no dividends shall be declared on any series in respect of any quarterly dividend payment unless there shall likewise be or have been declared on all shares of Preferred Stock of each other series at the time outstanding like proportionate dividends ratably in proportion to the respective annual dividend rates fixed therefor.

VI. In the event of any liquidation or dissolution or winding-up of the Corporation, whether voluntary or involuntary, the Preferred Stock shall entitle the holders thereof to be paid the amounts fixed herein or fixed by the Board of Directors for the respective series as herein provided, including all unpaid accumulated dividends thereon to the date of such payment, before any amount shall be paid to the holders of the Common Stock of the Corporation.

Such payments to the holders of the Preferred Stock shall be made without preference or priority of one series over any other series and shall be made before any amount shall be paid to the holders of the Common Stock. If the assets of the Corporation distributable upon any such liquidation or dissolution or winding-up of the Corporation shall be insufficient to permit the payments to the holders of the Preferred Stock of the full amounts above provided for, including an amount equivalent to all unpaid accumulated dividends as aforesaid, the said assets shall be allocated to the respective series of Preferred Stock in the ratios that such aggregate liquidation value of the issued shares of each series bears to the aggregate liquidation value of the issued shares of all series of Preferred Stock as fixed for the respective series of Preferred Stock in the Certificate of Incorporation or in the resolution or resolutions of the Board of Directors providing for the issuance of the respective series, and shall be distributed among the holders of the respective series of Preferred Stock according to their respective shares.

VII. The Preferred Stock of any series shall be subject to redemption at any time in whole or in part at the amount fixed herein, or fixed by the Board of Directors as herein provided, for the redemption of such series including an amount equivalent to all unpaid accumulated dividends thereon, upon not less than sixty (60) days' notice addressed to the respective holders of record of the stock to be redeemed at their addresses as the same shall appear on the stock transfer records of the Corporation in such manner as the Board of Directors shall determine.

VIII. The holders of the Preferred Stock shall have no voting power on any questions whatsoever except as otherwise provided by law, and except that in the event that the Corporation shall fail to pay any dividend on the Preferred Stock when it regularly

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becomes due and such default shall continue for the period of six (6) months, then until but not after such time as accumulated and unpaid dividends on all outstanding Preferred Stock of all series shall have been paid, the holders of the outstanding Preferred Stock shall have the exclusive right, voting separately and as a class, to elect two directors or, if the total number of directors of the Corporation be only three, then only one director, at each meeting of the stockholders of the Corporation held for the purpose of electing directors. At all meetings of stockholders held for the purpose of electing directors at which the holders of Preferred Stock shall have the exclusive right, voting separately and as a class, to elect any directors as aforesaid, the presence in person or by proxy of the holders of a majority of the outstanding shares of Preferred Stock shall be required to constitute a quorum of such class for the election of any directors by holders of Preferred Stock, as a class, provided, however, that the absence of a quorum of the holders of Preferred Stock shall not prevent the election at any such meeting or adjournment thereof of the remaining directors for whose election a class vote of the holders of Preferred Stock is not required, if the necessary quorum of the stockholders entitled to vote in the election of such remaining directors is present in person or by proxy in accordance with the bylaws of the Corporation; and provided further, that in the absence of a quorum of the holders of Preferred Stock, a majority of those holders of such Preferred Stock who are present in person or by proxy shall have power to adjourn the election of those directors to be elected by their class from time to time without notice other than announcement at the meeting until the requisite amount of holders of Preferred Stock shall be present in person or by proxy.

IX. Whenever, at any time, full accumulated dividends as aforesaid for all past dividend periods and for the current dividend period shall have been paid, or declared and set apart for payment, on the then outstanding Preferred Stock, the Board of Directors may declare dividends on the Common Stock of the Corporation.

X. Upon any liquidation or dissolution or winding-up of the Corporation, whether voluntary or involuntary, the assets and funds of the Corporation remaining, after the payments have been made to the holders of the Preferred Stock, as provided in this Article Fourth, Section VI, shall be divided and paid to the holders of the Common Stock according to their respective shares.

XI. From time to time the Preferred Stock or the Common Stock may be increased according to law.

XII. From time to time the Preferred Stock and the Common Stock may be issued in such amounts and proportions and for such consideration as may be fixed by the Board of Directors.

XIII. No stockholder of the Corporation, of whatever class or series, shall have any preemptive or preferential right of subscription to any shares of any series of the Preferred Stock of the Corporation, authorized hereunder or under any amendment hereof, or to any obligations convertible into said Preferred Stock of any series of the Corporation, issued or sold, nor any right of subscription to any thereof other than such, if any, as the

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Board of Directors of the Corporation in its discretion from time to time may determine, and the Board of Directors may issue said Preferred Stock of any series of the Corporation, or obligations convertible into said Preferred Stock of any series, without offering said Preferred Stock, or said obligations, either in whole or in part, to any stockholders of the Corporation.

No holder of any shares of the Preferred Stock of any series of the Corporation shall have any preemptive or preferential right of subscription to any shares of stock of any class of the Corporation, or to any obligations convertible into shares of stock of any class of the Corporation, issued or sold, nor any right of subscription to any thereof other than such, if any, as the Board of Directors of the Corporation in its discretion from time to time may determine.

FIFTH: In addition to the powers and authority herein before or by statute expressly conferred upon them, the Board of Directors of the Corporation is hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject to the provisions of the DGCL, this Certificate of Incorporation and the bylaws of the Corporation.

SIXTH: Election of directors need not be by written ballot unless the bylaws of the Corporation so provide.

SEVENTH: A director of the Corporation shall not be personally liable either to the Corporation or to any stockholder for monetary damages for breach of fiduciary duty as a director, except (I) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (II) for acts or omissions which are not in good faith or which involve intentional misconduct or knowing violation of the law, (III) for any matter in respect of which such director shall be liable under Section 174 of Title 8 of the DGCL or any amendment thereto or successor provision thereto or (IV) for any transaction from which the director shall have derived an improper personal benefit. Neither amendment nor repeal of this Article Seventh nor the adoption of any provision of the Certificate of Incorporation inconsistent with this Article Seventh shall eliminate or reduce the effect of this Article Seventh in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article Seventh, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the DGCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the bylaws of the Corporation.

NINTH: The Board of Directors reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

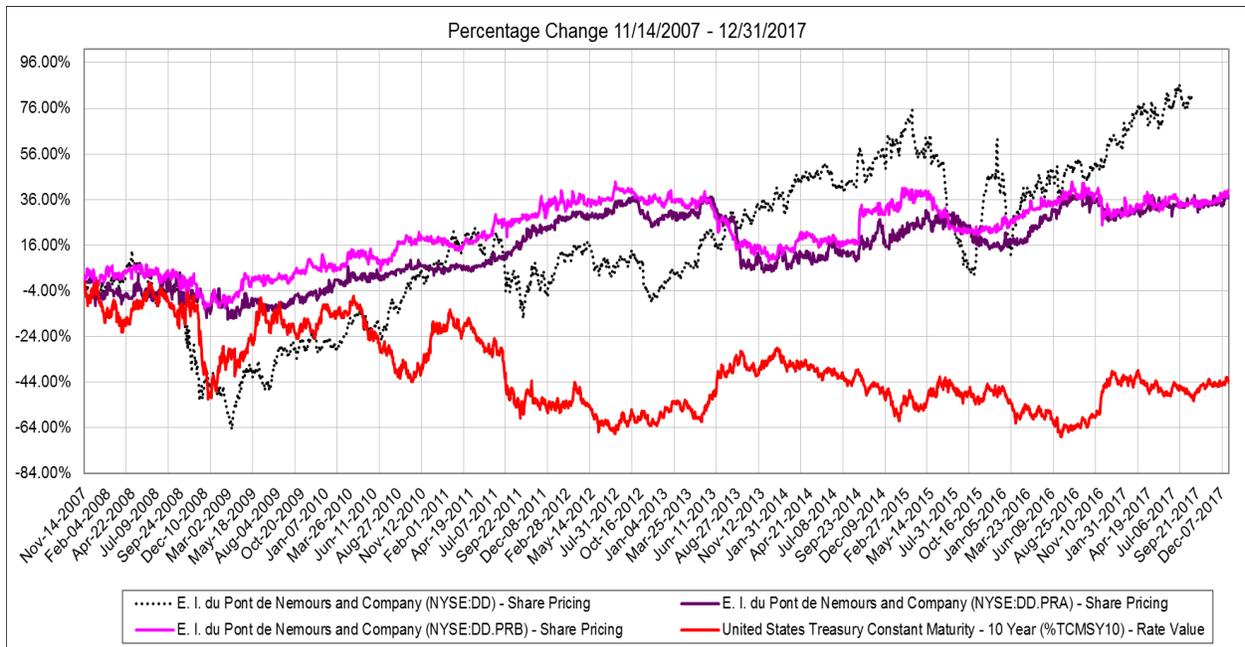
## DuPont Preferred Stock Price Analysis

We analyzed the historical movement in market prices of the shares of DuPont Preferred Stock relative to changes in shares of legacy DuPont common stock and 10-year United States (“US”) Treasury bonds.

We calculated the coefficient of correlation, or “R,” which measures the directional strength of a linear relationship between two variables. A measure of zero indicates no relationship. As a measure approaches 1, the more the variables move together in the same direction (positive relationship) or negative 1, the more the variables move in the opposite direction (negative relationship). As shown in the graph below, the price of the DuPont Preferred Stock has a strong negative correlation (>80%) to the 10-year US Treasury as the value of the DuPont Preferred Stock and the associated fixed dividend streams is largely impacted as interest rates change, increasing in value when interest rates drop, and decreasing in value when interest rates rise. This can be seen in the way the value of the DuPont Preferred Stock (purple and pink lines) strongly mirrors the 10-year US Treasury (risk free) rates.

We also analyzed the coefficient of determination, or “R-squared,” which explains how much (what percentage) of the variation in the value of one security can be explained by the variation in the value of different security. A value of zero has no explanatory value, while a value of 1 represents a perfect explanation (without error). As indicated below, almost 70% of the variation in the value of the DuPont Preferred Stock is explained by variation in the 10-year US Treasury (i.e., interest rates). Conversely, less than 50% of the variation in the value of DuPont Preferred Stock is explained by variation in the value of the legacy DuPont common stock and only 23% of the variation in the value of the legacy DuPont common stock is explained by variation in the 10-year US Treasury.

Given the relationship noted above of the DuPont Preferred Stock vs. the 10-year US Treasury, and the relative strength in contrast to the relationship of DuPont Preferred Stock vs. legacy DuPont common stock, and legacy DuPont common stock vs. the 10-year US Treasury, shares of DuPont Preferred Stock are more appropriately viewed as debt securities, and hence, holders of DuPont Preferred Stock would be more concerned with disclosures that are meaningful to debtholders than common stockholders. Like holders of DuPont debt securities, holders of DuPont Preferred Stock are focused on the company’s solvency and ability to continue to cover the fixed dividend or interest payments rather than assessing earnings growth potential and the intrinsic value of the company.



Coefficient of Correlation (R)				
	PFA	PFB	DD	10yT
PFA	1.00			
PFB	0.95	1.00		
DD	0.69	0.69	1.00	
10yT	(0.82)	(0.82)	(0.48)	1.00

Coefficient of Determination (R <sup>2</sup> )				
	PFA	PFB	DD	10yT
PFA	1.00			
PFB	0.90	1.00		
DD	0.48	0.47	1.00	
10yT	0.67	0.67	0.23	1.00