

## **Important U.S. Federal Income Tax Information for Shareholders Concerning the DowDuPont Inc. Stock Exchange**

October 13, 2017

Dear Shareholder,

On December 11, 2015, E. I. du Pont de Nemours and Company (“DuPont”), and The Dow Chemical Company (“Dow”), entered into an Agreement and Plan of Merger (“the Merger Agreement”) to effectuate an all-stock, merger of equals strategic combination of their respective businesses. Pursuant to the Merger Agreement, Dow and DuPont formed DowDuPont Inc. (f/k/a Diamond-Orion Holdco, Inc.) (“DowDuPont”). DowDuPont, in turn, formed two subsidiaries: (i) Diamond Merger Sub, Inc. (“Diamond Merger Sub”) and (ii) Orion Merger Sub, Inc. (“Orion Merger Sub”).

On August 31, 2017 (“Exchange Date”), (i) Diamond Merger Sub merged with and into Dow, with Dow surviving (the “Dow Merger”) and (ii) Orion Merger Sub merged with and into DuPont, with DuPont surviving (the “DuPont Merger” and, together with the Dow Merger, the “Mergers”). Pursuant to the Mergers, (i) each issued and outstanding share of Dow common stock was converted into the right to receive one (1) share of DowDuPont common stock (the exchange of Dow stock for DowDuPont stock is hereinafter referred to as the “Exchange”) and (ii) each issued and outstanding share of DuPont common stock was converted into the right to receive one point two eight two (1.2820) shares of DowDuPont common stock, with cash paid in lieu of fractional shares of DowDuPont common stock.

This letter explains certain U.S. federal income tax consequences of the Dow Merger.

**Tax Treatment of the Merger.** The Dow Merger is intended to qualify for non-recognition of gain or loss, either as a reorganization within the meaning of Section 368(a) of the Internal Revenue (the “Code”) or as an exchange qualifying under Section 351 of the Code.

**Tax Basis.** The aggregate tax basis of the DowDuPont common stock received in the Dow Merger by a Dow shareholder should be the same as the aggregate tax basis of the Dow common stock surrendered in exchange therefor under Section 358(a) of the Code. The basis in each share of DowDuPont common stock received in the Exchange should be equal to the basis of the share exchanged therefor under Treas. Reg. §1.358-2(a)(2).

As an example, assume a Dow shareholder owned 2 shares of Dow common stock, one of which was acquired on Date 1 with a tax basis of \$1.50, and one of which was acquired on Date 2 with a tax basis of \$3.00. Pursuant to the Dow Merger, such shareholder received one share of DowDuPont common stock for the share of Dow common stock acquired on Date 1, and one share of DowDuPont common stock for the share of Dow common stock acquired on Date 2. As a result, the Dow shareholder would have one share of DowDuPont common stock with a tax basis of \$1.50 that is treated as having been acquired on Date 1, and one share of DowDuPont common stock with a tax basis of \$3.00 that is treated as having been acquired on Date 2.

Shareholders should consult their own tax advisors regarding their specific tax treatment of the Dow Merger, including the applicability and effect of all U.S. federal, state and local, and foreign tax laws.

**U.S. Federal Income Tax Reporting Requirements.** Any shareholder of Dow that is a “significant transferor” (defined below) is required to attach a statement described in Treas. Reg. § 1.351-3(a) providing certain details of the Dow Merger to its U.S. federal income tax return for the period that

includes the date of the Dow Merger. Any shareholder of Dow that is a “significant holder” (defined below) is required to attach a statement described in Treas. Reg. § 1.368-3(b) providing certain details of the Dow Merger to its U.S. federal income tax return for the period that includes the date of the Dow Merger. If a shareholder constitutes both a “significant transferor” and a “significant holder”, it may be necessary to attach both statements to such return. For calendar year shareholders, the U.S. federal income tax return for the period that includes the date of the Dow Merger return would be the 2017 U.S. Federal income tax return.

You are a significant transferor if, immediately after the Dow Merger, you owned at least five percent (by vote or value) of the total outstanding stock of DowDuPont. If a significant transferor is a “controlled foreign corporation” (within the meaning of section 957 of the Code), each “United States shareholder” (within the meaning of section 951(b) of the Code) with respect thereto must include an information statement on or with its return. A sample statement is attached as Exhibit 1.

You are a significant holder if, immediately before the Dow Merger, you owned at least five percent (by vote or value) of the total outstanding stock of Dow. If a significant holder is a “controlled foreign corporation” (within the meaning of section 957 of the Code), each “United States shareholder” (within the meaning of section 951(b) of the Code) with respect thereto must include an information statement on or with its return. A sample statement is attached as Exhibit 2.

**THE INFORMATION SET FORTH ABOVE AND IN THE ATTACHED EXHIBITS IS FOR GENERAL INFORMATION PURPOSES ONLY AND DOES NOT PURPORT TO ADDRESS ALL ASPECTS OF FEDERAL TAXATION THAT MAY BE RELEVANT TO PARTICULAR SHAREHOLDERS. THIS INFORMATION DOES NOT CONSTITUTE TAX ADVICE AND MAY NOT BE APPLICABLE TO SHAREHOLDERS WHO ARE NOT CITIZENS OR RESIDENTS OF THE UNITED STATES, NOR DOES IT ADDRESS TAX CONSEQUENCES WHICH MAY VARY WITH YOUR INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, YOU ARE URGED TO CONSULT YOUR TAX ADVISORS TO DETERMINE THE APPLICATION OF THE INFORMATION SET FORTH ABOVE AND IN THE ATTACHED EXHIBITS TO YOUR INDIVIDUAL CIRCUMSTANCES AND THE PARTICULAR FEDERAL, FOREIGN, STATE AND LOCAL TAX CONSEQUENCES OF THE MERGER TO YOU.**

**Information Statement to the Internal Revenue Service**

Statement Pursuant to § 1.351-3(a) by [Insert Name and Taxpayer Identification Number], a Significant Transferor

For Tax Year Ended December 31, 2017

- (1) Name of Transferee Corporation – XXXXXXXXXXXX  
EIN of Transferee Corporation – XXXXXXXXXXXX
- (2) Date of transfer of assets: 08/31/2017
- (3) The aggregate fair market value and basis of property transferred by such significant transferor in the exchange, determined immediately before the transfer:

|                                                                                                                             | Fair market value | Basis |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------|-------|
| (i) Importation property transferred in a loss importation transaction, as defined in § 1.362-3(c)(2) and (3), respectively |                   |       |
| (ii) Loss duplication property as defined in § 1.362-4(g)(1)                                                                |                   |       |
| (iii) Property with respect to which any gain or loss was recognized on the transfer                                        |                   |       |
| (iv) Property not described above                                                                                           |                   |       |

- (4) No Private Letter Ruling was issued addressing the Section 351 exchange.

**Information Statement to the Internal Revenue Service**

Statement Pursuant to § 1.368-3(b) by [Insert Name and Taxpayer Identification Number], a Significant Holder

For Tax Year Ended December 31, 2017

(1) Parties to the Reorganization

a. Name of Corporation – XXXXXXXXXXXX  
EIN of Corporation – XXXXXXXXXXXX

b. Name of Corporation – XXXXXXXXXXXX  
EIN of Corporation – XXXXXXXXXXXX

(2) Date of reorganization: 08/31/2017

(3) The aggregate fair market value and basis of the stock of Dow transferred by such significant holder in the transaction, determined immediately before the exchange:

|                                                                                               | Fair market value | Basis |
|-----------------------------------------------------------------------------------------------|-------------------|-------|
| (i) Stock and securities with respect to which an election is made under section 362(e)(2)(C) |                   |       |
| (ii) Property not described above                                                             |                   |       |