

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, continued

For the year ended December 31, 2018, Historical DuPont recorded a pre-tax charge of \$322 million, of which \$318 million was recognized in restructuring and asset related charges - net and \$4 million was recognized in sundry income (expense) - net in the company's Consolidated Statements of Operations. This charge consisted of severance and related benefit costs of \$219 million, contract termination costs of \$40 million and asset related charges of \$63 million. For the period September 1 through December 31, 2017, Historical DuPont recorded a pre-tax charge of \$187 million, recognized in restructuring and asset related charges - net in the company's Consolidated Statements of Operations. This charge consisted of severance and related benefit costs of \$153 million, contract termination costs of \$31 million and asset related charges of \$3 million. Actions associated with the Synergy Program, including employee separations, are expected to be substantially complete by the end of 2019. Additional details related to this plan can be found on page 25 of this report and Note 6 to the Consolidated Financial Statements.

Future cash payments related to this program are anticipated to be approximately \$255 million to \$305 million, primarily related to the payment of severance and related benefits and contract termination costs. It is possible that additional charges and future cash payments could occur in relation to the restructuring actions. The company anticipates including savings associated with these actions within DowDuPont's cost synergy commitment of \$3.6 billion associated with the Merger Transaction. Additional details related to this plan can be found in Note 6 to the Consolidated Financial Statements.

2017 Restructuring Program

During the first quarter 2017, Historical DuPont committed to take actions to improve plant productivity and better position its product lines for productivity and growth before and after the anticipated closing of the Merger Transaction (the "2017 restructuring program"). In connection with these actions, the company incurred pre-tax charges of \$313 million during the period from January 1 through August 31, 2017 recognized in restructuring and asset related charges - net in the company's Consolidated Statements of Operations. The charges primarily relate to the second quarter closure of the safety and construction product line at the Cooper River manufacturing site located near Charleston, South Carolina. The actions associated with this plan were substantially complete as of December 31, 2017. Additional details related to this plan can be found on page 25 of this report and Note 6 to the Consolidated Financial Statements.

FMC Transactions

On March 31, 2017, the company and FMC Corporation ("FMC") entered into a definitive agreement (the "FMC Transaction Agreement"). Under the FMC Transaction Agreement, and effective upon the closing of the transaction on November 1, 2017, FMC acquired the crop protection business and R&D assets that Historical DuPont was required to divest in order to obtain European Commission approval of the Merger Transaction, (the "Divested Ag Business") and Historical DuPont agreed to acquire certain assets relating to FMC's Health and Nutrition segment, excluding its Omega-3 products (the "H&N Business") (collectively, the "FMC Transactions"). The sale of the Divested Ag Business meets the criteria for discontinued operations and as such, earnings are included within (loss) income from discontinued operations after income taxes for all periods presented.

On November 1, 2017, the company completed the FMC Transactions through the disposition of the Divested Ag Business and the acquisition of the H&N Business. The fair value as determined by the company of the H&N Business was \$1,970 million. The FMC Transactions included a cash consideration payment to Historical DuPont of approximately \$1,200 million, which reflects the difference in value between the Divested Ag Business and the H&N Business, as well as favorable contracts with FMC of \$495 million. The carrying value of the Divested Ag Business approximated the fair value of the consideration received, thus no resulting gain or loss was recognized on the sale. Refer to Note 3 and 4 to the Consolidated Financial Statements for further information.

Separation of Performance Chemicals

On July 1, 2015, Historical DuPont completed the separation of its Performance Chemicals segment through the spin-off of all of the issued and outstanding stock of The Chemours Company. In connection with the separation, the company and Chemours entered into a Separation Agreement and a Tax Matters Agreement as well as certain ancillary agreements. In accordance with generally accepted accounting principles in the U.S. ("GAAP"), the results of operations of its former Performance Chemicals segment are presented as discontinued operations and, as such, are included within (loss) income from discontinued operations after income taxes in the Consolidated Statements of Operations for all periods presented. Additional details regarding the separation and other related agreements can be found in Note 4 to the Consolidated Financial Statements.