

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
 1934**

**For the quarterly period ended March 31, 2021
OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
 1934**

Commission File Number 001-38710

Corteva, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or other Jurisdiction of Incorporation or Organization)

974 Centre Road, Wilmington, Delaware 19805

(Address of Principal Executive Offices) (Zip Code)

82-4979096

(I.R.S. Employer Identification No.)

(302) 485-3000

(Registrant's Telephone Number, including area code)

Commission File Number 1-815

E. I. du Pont de Nemours and Company

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or other Jurisdiction of Incorporation or Organization)

974 Centre Road, Wilmington, Delaware 19805

(Address of Principal Executive Offices) (Zip Code)

51-0014090

(I.R.S. Employer Identification No.)

(302) 485-3000

(Registrant's Telephone Number, including area code)

Securities registered pursuant to Section 12(b) of the Act for Corteva, Inc.:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	CTVA	New York Stock Exchange

Securities registered pursuant to Section 12(b) of the Act for E. I. du Pont de Nemours and Company:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
\$3.50 Series Preferred Stock	CTAPrA	New York Stock Exchange
\$4.50 Series Preferred Stock	CTAPrB	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Corteva, Inc. Yes No

E. I. du Pont de Nemours and Company Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.)

Corteva, Inc. Yes No
E. I. du Pont de Nemours and Company Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Corteva, Inc.	Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-Accelerated Filer	<input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>	Emerging growth company <input type="checkbox"/>
E. I. du Pont de Nemours and Company	Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer <input type="checkbox"/>	Non-Accelerated Filer	<input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>	Emerging growth company <input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Corteva, Inc.
E. I. du Pont de Nemours and Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Corteva, Inc. Yes No
E. I. du Pont de Nemours and Company Yes No

Corteva, Inc. had 737,101,000 shares of common stock, par value \$0.01 per share, outstanding at April 30, 2021.

E. I. du Pont de Nemours and Company had 200 shares of common stock, par value \$0.30 per share, outstanding at April 30, 2021, all of which are held by Corteva, Inc.

E. I. du Pont de Nemours and Company meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q (as modified by a grant of no-action relief dated February 12, 2018) and is therefore filing this form with reduced disclosure format.

CORTEVA, INC.
E. I. DU PONT DE NEMOURS AND COMPANY

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Explanatory Note

Corteva owns 100% of the outstanding common stock of EID (defined below), and EID owns, directly or indirectly, 100% of DAS (defined below). EID is a subsidiary of Corteva, Inc. and continues to be a reporting company, subject to the requirements of the Securities Exchange Act of 1934, as amended.

Unless otherwise indicated or the context otherwise requires, references in this Quarterly Report on Form 10-Q to:

- "Corteva" or "the company" refers to Corteva, Inc. and its consolidated subsidiaries (including EID);
 - "EID" refers to E. I. du Pont de Nemours and Company and its consolidated subsidiaries or E. I. du Pont de Nemours and Company excluding its consolidated subsidiaries, as the context may indicate;
- "DowDuPont" refers to DowDuPont Inc., and its subsidiaries prior to the Separation of Corteva (defined below);
 - "Historical Dow" refers to the Dow Chemical Company and its consolidated subsidiaries prior to the Internal Reorganization (defined below);
- "Historical DuPont" refers to EID prior to the Internal Reorganization (defined below);
 - "Internal Reorganizations" refers to the series of internal reorganization and realignment steps undertaken by Historical DuPont and Historical Dow to realign its business into three groups: agriculture, materials science and specialty products. These steps include:
 1. the April 1, 2019 transfer of the assets and liabilities aligned with EID's material science businesses including EID's ethylene and ethylene copolymers business, excluding its ethylene acrylic elastomers business, ("EID ECP") to DowDuPont, which were ultimately conveyed by DowDuPont to Dow;
 2. the May 1, 2019 distribution of EID legal entities containing the assets and liabilities of EID's specialty products business (the "EID Specialty Products Entities") to DowDuPont;
 3. the May 2, 2019 conveyance of Historical Dow's agriculture business ("Dow Ag Entities") to EID; and
 4. the May 31, 2019 contribution of EID to Corteva, Inc. Refer to the company's Annual Report on Form 10-K for the year ended December 31, 2020 for further information.
 - "Dow Distribution" refers to the separation of DowDuPont's materials science business into a separate and independent public company, effective as of 5:00 pm ET on April 1, 2019, by way of a distribution of Dow Inc. through a pro rata dividend in-kind of all of the then-issued and outstanding shares of Dow's common stock, par value \$0.01 per share, to holders of DowDuPont's common stock, as of the close of business on March 21, 2019;
- "Distributions" refers to the Dow Distribution and the Corteva Distribution;
 - "Merger" refers to the all-stock merger of equals strategic combination between Historical Dow and Historical DuPont;
 - "Merger Effectiveness Time" refers to August 31, 2017 at 11:59 pm ET;
- "Dow" refers to Dow Inc. after the Dow Distribution;
- "DuPont" refers to DuPont de Nemours, Inc. after the Separation of Corteva (on June 1, 2019, DowDuPont Inc. changed its registered name to DuPont de Nemours, Inc.);
- "DAS" refers to the agriculture business of Historical Dow AgroSciences; and
 - "Separation" or "Separation of Corteva" refers to June 1, 2019, when Corteva, Inc. became an independent, publicly traded company.

This Quarterly Report on Form 10-Q is a combined report being filed separately by Corteva, Inc. and EID. The information in this Quarterly Report on Form 10-Q is equally applicable to Corteva, Inc. and EID, except where otherwise indicated.

The separate EID financial statements and footnotes for areas that differ from Corteva, are included within this Quarterly Report on Form 10-Q and begin on page 61. Footnotes of EID that are identical to that of Corteva are cross-referenced accordingly.

PART I. FINANCIAL INFORMATION

Item 1. CONSOLIDATED FINANCIAL STATEMENTS

Corteva, Inc.

Consolidated Statements of Operations (Unaudited)

(In millions, except per share amounts)	Three Months Ended March 31,	
	2021	2020
Net sales	\$ 4,178	\$ 3,956
Cost of goods sold	2,420	2,269
Research and development expense	281	280
Selling, general and administrative expenses	733	757
Amortization of intangibles	183	163
Restructuring and asset related charges - net	100	70
Other income - net	337	1
Interest expense	7	10
Income from continuing operations before income taxes	791	408
Provision for income taxes on continuing operations	178	127
Income from continuing operations after income taxes	613	281
(Loss) income from discontinued operations after income taxes	(10)	1
Net income	603	282
Net income attributable to noncontrolling interests	3	10
Net income attributable to Corteva	\$ 600	\$ 272
Basic earnings per share of common stock:		
Basic earnings per share of common stock from continuing operations	\$ 0.82	\$ 0.36
Basic loss per share of common stock from discontinued operations	(0.01)	—
Basic earnings per share of common stock	\$ 0.81	\$ 0.36
Diluted earnings per share of common stock:		
Diluted earnings per share of common stock from continuing operations	\$ 0.81	\$ 0.36
Diluted loss per share of common stock from discontinued operations	(0.01)	—
Diluted earnings per share of common stock	\$ 0.80	\$ 0.36

See Notes to the interim Consolidated Financial Statements beginning on page 8.

Corteva, Inc.**Consolidated Statements of Comprehensive (Loss) Income (Unaudited)**

(In millions)	Three Months Ended March 31,	
	2021	2020
Net income	\$ 603	\$ 282
Other comprehensive income (loss) - net of tax:		
Cumulative translation adjustments	(403)	(672)
Adjustments to pension benefit plans	8	—
Adjustments to other benefit plans	(157)	3
Unrealized gain on investments	10	—
Derivative instruments	65	6
Total other comprehensive loss	(477)	(663)
Comprehensive income (loss)	126	(381)
Comprehensive income attributable to noncontrolling interests - net of tax	3	10
Comprehensive income (loss) attributable to Corteva	\$ 123	\$ (391)

See Notes to the interim Consolidated Financial Statements beginning on page 8.

Corteva, Inc.
Condensed Consolidated Balance Sheets (Unaudited)

(In millions, except share amounts)	March 31, 2021	December 31, 2020	March 31, 2020
Assets			
Current assets			
Cash and cash equivalents	\$ 2,404	\$ 3,526	\$ 1,963
Marketable securities	114	269	10
Accounts and notes receivable - net	6,792	4,926	6,775
Inventories	4,321	4,882	4,401
Other current assets	1,405	1,165	1,530
Total current assets	15,036	14,768	14,679
Investment in nonconsolidated affiliates	64	66	64
Property, plant and equipment - net of accumulated depreciation (March 31, 2021 - \$3,874; December 31, 2020 - \$3,857; March 31, 2020 - \$3,406)	4,299	4,396	4,358
Goodwill	10,146	10,269	10,027
Other intangible assets	10,584	10,747	11,241
Deferred income taxes	433	464	273
Other assets	1,987	1,939	2,336
Total Assets	\$ 42,549	\$ 42,649	\$ 42,978
Liabilities and Equity			
Current liabilities			
Short-term borrowings and finance lease obligations	\$ 1,250	\$ 3	\$ 1,996
Accounts payable	3,098	3,615	3,021
Income taxes payable	165	123	143
Deferred revenue	2,247	2,662	1,996
Accrued and other current liabilities	2,239	2,145	2,043
Total current liabilities	8,999	8,548	9,199
Long-Term Debt	1,102	1,102	614
Other Noncurrent Liabilities			
Deferred income tax liabilities	902	893	911
Pension and other post employment benefits - noncurrent	4,954	5,176	6,186
Other noncurrent obligations	1,814	1,867	1,989
Total noncurrent liabilities	8,772	9,038	9,700
Commitments and contingent liabilities			
Stockholders' equity			
Common stock, \$0.01 par value; 1,666,667,000 shares authorized; issued at March 31, 2021 - 738,321,000; December 31, 2020 - 743,458,000; and March 31, 2020 - 748,369,000	7	7	7
Additional paid-in capital	27,630	27,707	27,906
Retained earnings / (accumulated deficit)	268	—	(155)
Accumulated other comprehensive loss	(3,367)	(2,890)	(3,933)
Total Corteva stockholders' equity	24,538	24,824	23,825
Noncontrolling interests	240	239	254
Total equity	24,778	25,063	24,079
Total Liabilities and Equity	\$ 42,549	\$ 42,649	\$ 42,978

See Notes to the interim Consolidated Financial Statements beginning on page 8.

Corteva, Inc.
Consolidated Statements of Cash Flows (Unaudited)

(In millions)	Three Months Ended March 31,	
	2021	2020
Operating activities		
Net income	\$ 603	\$ 282
Adjustments to reconcile net income to cash used for operating activities:		
Depreciation and amortization	304	283
Provision for deferred income tax	47	26
Net periodic pension and OPEB benefit, net	(318)	(85)
Pension and OPEB contributions	(84)	(95)
Net loss on sales of property, businesses, consolidated companies and investments	—	46
Restructuring and asset related charges - net	100	70
Other net loss	54	138
Changes in assets and liabilities, net		
Accounts and notes receivable	(2,012)	(1,685)
Inventories	467	398
Accounts payable	(448)	(557)
Deferred revenue	(401)	(575)
Other assets and liabilities	(262)	(176)
Cash used for operating activities	(1,950)	(1,930)
Investing activities		
Capital expenditures	(137)	(128)
Proceeds from sales of property, businesses and consolidated companies - net of cash divested	20	11
Purchases of investments	(40)	(67)
Proceeds from sales and maturities of investments	194	58
Other investing activities - net	(1)	(4)
Cash provided by (used for) investing activities	36	(130)
Financing activities		
Net change in borrowings (less than 90 days)	828	1,619
Proceeds from debt	419	875
Payments on debt	—	(1)
Repurchase of common stock	(350)	(50)
Proceeds from exercise of stock options	38	14
Dividends paid to stockholders	(97)	(97)
Other financing activities	(17)	(16)
Cash provided by financing activities	821	2,344
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(50)	(117)
(Decrease)/increase in cash, cash equivalents and restricted cash	(1,143)	167
Cash, cash equivalents and restricted cash at beginning of period	3,873	2,173
Cash, cash equivalents and restricted cash at end of period¹	\$ 2,730	\$ 2,340

¹ See page 15 for reconciliation of cash and cash equivalents and restricted cash presented in interim Condensed Consolidated Balance Sheets to total cash, cash equivalents and restricted cash presented in the interim Consolidated Statements of Cash Flows.

See Notes to the interim Consolidated Financial Statements beginning on page 8.

Corteva, Inc.
Consolidated Statements of Equity (Unaudited)

(In millions, except per share amounts)	Common Stock	Additional Paid-in Capital "APIC"	(Accumulated deficit) Retained Earnings	Accumulated Other Comp (Loss) Income	Treasury Stock	Non-controlling Interests	Total Equity
2020							
Balance at January 1, 2020	\$ 7	\$ 27,997	\$ (425)	\$ (3,270)	\$ —	\$ 246	\$ 24,555
Net income			272			10	282
Other comprehensive loss				(663)			(663)
Common dividends (\$0.13 per share)		(97)					(97)
Issuance of Corteva stock		14					14
Share-based compensation		2					2
Repurchase of common stock		(50)					(50)
Other - net		40	(2)			(2)	36
Balance at March 31, 2020	\$ 7	\$ 27,906	\$ (155)	\$ (3,933)	\$ —	\$ 254	\$ 24,079

(In millions, except per share amounts)	Common Stock	Additional Paid-in Capital "APIC"	(Accumulated deficit) Retained Earnings	Accumulated Other Comp (Loss) Income	Treasury Stock	Non-controlling Interests	Total Equity
2021							
Balance at January 1, 2021	\$ 7	\$ 27,707	\$ —	\$ (2,890)	\$ —	\$ 239	\$ 25,063
Net income			600			3	603
Other comprehensive loss				(477)			(477)
Common dividends (\$0.13 per share)		(97)					(97)
Issuance of Corteva stock		38					38
Repurchase of common stock		(18)	(332)				(350)
Other - net						(2)	(2)
Balance at March 31, 2021	\$ 7	\$ 27,630	\$ 268	\$ (3,367)	\$ —	\$ 240	\$ 24,778

See Notes to the interim Consolidated Financial Statements beginning on page 8.

Corteva, Inc.

Notes to the Consolidated Financial Statements (Unaudited)

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Presentation**

The accompanying unaudited interim Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair statement of the results for interim periods have been included. Results for interim periods should not be considered indicative of results for a full year. These interim Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and Notes thereto contained in the company's Annual Report on Form 10-K for the year ended December 31, 2020, collectively referred to as the "2020 Annual Report." The interim Consolidated Financial Statements include the accounts of the company and all of its subsidiaries in which a controlling interest is maintained.

Certain reclassifications of prior year's data have been made to conform to current year's presentation.

During the first quarter 2020, the company recorded an increase of \$40 million to APIC relating to net assets recorded as transferred as part of the 2019 Internal Reorganizations that were retained.

Since 2018, Argentina has been considered a hyper-inflationary economy under U.S. GAAP and therefore the U.S. Dollar ("USD") is the functional currency for our related subsidiaries. We remeasure the net monetary assets utilizing the official Argentine Peso ("Peso") to USD exchange rate. The devaluation of the Peso relative to the USD over the last several years has resulted in the recognition of exchange losses (refer to Note 6 of these financial statements and Note 9 of the 2020 financial statements included in the Company's Annual Report on Form 10-K). As of March 31, 2021, a further 10% deterioration in the official Peso to USD exchange rate would reduce the USD value of our net monetary assets and negatively impact pre-tax earnings by approximately \$20 million.

NOTE 2 - RECENT ACCOUNTING GUIDANCE**Recently Adopted Accounting Guidance**

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which was part of the FASB's Simplification Initiative to identify, evaluate, and improve areas of U.S. GAAP for which cost and complexity can be reduced, while maintaining or improving the usefulness of the information provided to users of financial statements. This ASU amends ASC 740, Income Taxes, by removing certain exceptions to the general principles, and clarifying and amending current guidance. The new standard is effective for fiscal years, and periods within those fiscal years, beginning after December 15, 2020. The company adopted this guidance on January 1, 2021 and it did not have a material impact on the company's financial position, results of operation or cash flows.

NOTE 3 - DIVESTITURES AND OTHER TRANSACTIONS*Separation Agreements*

In connection with the Distributions, DuPont, Corteva, and Dow (together, the "Parties" and each a "Party") have entered into certain agreements to effect the Separation, provide for the allocation of DowDuPont's assets, employees, liabilities and obligations (including its investments, property and employee benefits and tax-related assets and liabilities) among the Parties, and provide a framework for Corteva's relationship with Dow and DuPont following the separations and Distributions (collectively, the "Separation Agreements"). For additional information see Note 13 - Commitments and Contingent Liabilities.

DuPont

Pursuant to the Separation Agreements, DuPont and Corteva indemnifies the other against certain litigation, environmental, tax, workers' compensation and other liabilities that arose prior to the Corteva Distribution. The term of this indemnification is generally indefinite and includes defense costs and expenses, as well as monetary and non-monetary settlements and judgments. In connection with the recognition of liabilities related to these matters, the company records an indemnification asset when recovery is deemed probable. At March 31, 2021, the indemnification assets are \$28 million within accounts and notes receivable - net and \$51 million within other assets in the interim Condensed Consolidated Balance Sheet. At March 31, 2021, the indemnification liabilities are \$77 million within other noncurrent obligations in the interim Condensed Consolidated Balance Sheet.

Dow

Pursuant to the Separation Agreements, Dow and Corteva indemnifies the other against certain litigation, environmental, tax and other liabilities that arose prior to the Corteva Distribution. The term of this indemnification is generally indefinite and

includes defense costs and expenses, as well as monetary and non-monetary settlements and judgments. In connection with the recognition of liabilities related to these matters, the company records an indemnification asset when recovery is deemed probable. At March 31, 2021, the indemnification liabilities are \$52 million within accrued and other current liabilities and \$14 million within other noncurrent obligations in the interim Condensed Consolidated Balance Sheet.

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 (the "Chemours Separation"). In connection with the Chemours Separation, Historical DuPont and The Chemours Company ("Chemours") entered into a Separation Agreement (as amended, the "Chemours Separation Agreement"), discussed below, a Tax Matters Agreement and certain ancillary agreements, including an employee matters agreement, agreements related to transition and site services, and intellectual property cross licensing arrangements. In addition, the companies entered into certain supply agreements.

Separation Agreement

The Chemours Separation Agreement sets forth, among other things, the agreements between the company and Chemours regarding the principal transactions necessary to effect the Chemours Separation and also sets forth ancillary agreements that govern certain aspects of the company's relationship with Chemours after the separation. Among other matters, the Chemours Separation Agreement and the ancillary agreements provide for the allocation between Historical DuPont and Chemours of assets, employees, liabilities and obligations (including investments, property and employee benefits and tax-related assets and liabilities) attributable to periods prior to, at and after the completion of the Chemours Separation.

Pursuant to the Chemours Separation Agreement, Chemours indemnifies the company against certain litigation, environmental, workers' compensation and other liabilities that arose prior to the distribution. The term of this indemnification is generally indefinite and includes defense costs and expenses, as well as monetary and non-monetary settlements and judgments. In 2017, EID and Chemours amended the Chemours Separation Agreement ("2017 Amendment") to provide for a limited sharing of potential future perfluorooctanoic acid ("PFOA") liabilities for a period of five years beginning July 6, 2017. In January 2021, Chemours, DuPont and Corteva entered into a binding memorandum of understanding ("MOU") amending the Chemours Separation Agreement, and thereby replacing the 2017 Amendment.

In connection with the recognition of liabilities related to these matters, the company records an indemnification asset when recovery is deemed probable. At March 31, 2021, the indemnification assets are \$63 million within accounts and notes receivable - net and \$259 million within other assets (along with the corresponding liabilities within accrued and other current liabilities and other noncurrent obligations in the interim Condensed Consolidated Balance Sheet.) Additionally, at March 31, 2021 indemnification liabilities related to the MOU, primarily associated with environmental remediation related to PFAS, were \$10 million within accrued and other current liabilities and \$44 million within other noncurrent obligations in the interim Condensed Consolidated Balance Sheet. During the three months ended March 31, 2021, the company recorded a charge of \$3 million to (loss) income from discontinued operations after income taxes, related to the MOU.

See Note 13 - Commitments and Contingent Liabilities, to the interim Consolidated Financial Statements, for further discussion of the amendment to the Chemours Separation Agreement, MOU, and environmental matters indemnified by Chemours.

NOTE 4 - REVENUE

Revenue Recognition

Products

Substantially all of Corteva's revenue is derived from product sales. Product sales consist of sales of Corteva's products to farmers, distributors, and manufacturers. Corteva considers purchase orders, which in some cases are governed by master supply agreements, to be a contract with a customer. Contracts with customers are considered to be short-term when the time between order confirmation and satisfaction of the performance obligations is equal to or less than one year. However, the company has some long-term contracts which can span multiple years.

Revenue from product sales is recognized when the customer obtains control of the company's product, which occurs at a point in time according to shipping terms. Payment terms are generally less than one year from invoicing. The company elected the practical expedient and does not adjust the promised amount of consideration for the effects of a significant financing component when the company expects it will be one year or less between when a customer obtains control of the company's product and when payment is due. The company has elected to recognize shipping and handling activities when control has transferred to the customer as an expense in cost of goods sold. Taxes collected from customers relating to product sales and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

remitted to governmental authorities are excluded from revenues. In addition, the company elected the practical expedient to expense any costs to obtain contracts as incurred, as the amortization period for these costs would have been one year or less.

The transaction price includes estimates of variable consideration, such as rights of return, rebates, and discounts, that are reductions in revenue. All estimates are based on the company's historical experience, anticipated performance, and the company's best judgment at the time the estimate is made. Estimates of variable consideration included in the transaction price utilize either the expected value method or most likely amount depending on the nature of the variable consideration. These estimates are reassessed each reporting period and are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur upon resolution of uncertainty associated with the variable consideration. The majority of contracts have a single performance obligation satisfied at a point in time and the transaction price is stated in the contract, usually as quantity times price per unit. For contracts with multiple performance obligations, the company allocates the transaction price to each performance obligation based on the relative standalone selling price. The standalone selling price is the observable price which depicts the price as if sold to a similar customer in similar circumstances.

Licenses of Intellectual Property

Corteva enters into licensing arrangements with customers under which it licenses its intellectual property. Revenue from the majority of intellectual property licenses is derived from sales-based royalties. Revenue for licensing agreements that contain sales-based royalties is recognized at the later of (i) when the subsequent sale occurs or (ii) when the performance obligation to which some or all of the royalty has been allocated is satisfied.

Remaining Performance Obligations

Remaining performance obligations represent the transaction price allocated to unsatisfied or partially unsatisfied performance obligations. The company applies the practical expedient to disclose the transaction price allocated to the remaining performance obligations for only those contracts with an original duration of one year or more. The transaction price allocated to remaining performance obligations with an original duration of more than one year related to material rights granted to customers for contract renewal options were \$113 million at March 31, 2021 (\$115 million and \$106 million at December 31, 2020 and March 31, 2020, respectively). The company expects revenue to be recognized for the remaining performance obligations over the next 1 year to 6 years.

Contract Balances

Contract liabilities primarily reflect deferred revenue from prepayments under contracts with customers where the company receives advance payments for products to be delivered in future periods. Corteva classifies deferred revenue as current or noncurrent based on the timing of when the company expects to recognize revenue. Contract assets primarily include amounts related to contractual rights to consideration for completed performance not yet invoiced. Accounts receivable are recorded when the right to consideration becomes unconditional.

Contract Balances	March 31, 2021	December 31, 2020	March 31, 2020
(In millions)			
Accounts and notes receivable - trade ¹	\$ 5,764	\$ 3,917	\$ 5,779
Contract assets - current ²	\$ 22	\$ 22	\$ 20
Contract assets - noncurrent ³	\$ 53	\$ 54	\$ 49
Deferred revenue - current	\$ 2,247	\$ 2,662	\$ 1,996
Deferred revenue - noncurrent ⁴	\$ 111	\$ 116	\$ 104

^{1.} Included in accounts and notes receivable - net in the interim Condensed Consolidated Balance Sheets.

^{2.} Included in other current assets in the interim Condensed Consolidated Balance Sheets.

^{3.} Included in other assets in the interim Condensed Consolidated Balance Sheets.

^{4.} Included in other noncurrent obligations in the interim Condensed Consolidated Balance Sheets.

Revenue recognized during the three months ended March 31, 2021 from amounts included in deferred revenue at the beginning of the period was \$924 million (\$822 million in the three months ended March 31, 2020).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
Disaggregation of Revenue

Corteva's operations are classified into two reportable segments: Seed and Crop Protection. The company disaggregates its revenue by major product line and geographic region, as the company believes it best depicts the nature, amount and timing of its revenue and cash flows. Net sales by major product line are included below:

(In millions)	Three Months Ended March 31,	
	2021	2020
Corn	\$ 1,888	\$ 1,864
Soybean	177	181
Other oilseeds	296	248
Other	131	162
Seed	2,492	2,455
Herbicides	986	823
Insecticides	385	378
Fungicides	261	229
Other	54	71
Crop Protection	1,686	1,501
Total	\$ 4,178	\$ 3,956

Sales are attributed to geographic regions based on customer location. Net sales by geographic region and segment are included below:

(In millions)	Three Months Ended March 31,	
	2021	2020
Seed		
North America ¹	\$ 1,210	\$ 1,290
EMEA ²	947	881
Latin America	274	216
Asia Pacific	61	68
Total	\$ 2,492	\$ 2,455

(In millions)	Three Months Ended March 31,	
	2021	2020
Crop Protection		
North America ¹	\$ 533	\$ 475
EMEA ²	655	586
Latin America	244	218
Asia Pacific	254	222
Total	\$ 1,686	\$ 1,501

1. Represents U.S. & Canada.

2. Europe, Middle East, and Africa ("EMEA").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
NOTE 5 - RESTRUCTURING AND ASSET RELATED CHARGES - NET
2021 Restructuring Actions

As discussed in the 2020 Annual Report, on February 1, 2021, Corteva approved restructuring actions designed to right-size and optimize its footprint and organizational structure according to the business needs in each region with the focus on driving continued cost improvement and productivity. As a result of these actions, the company expects to record total pre-tax restructuring charges of approximately \$130 million to \$170 million, comprised of approximately \$40 million to \$50 million of severance and related benefit costs, \$40 million to \$60 million of asset related charges, \$10 million to \$15 million of asset retirement obligations and \$40 million to \$45 million of costs related to contract terminations (contract terminations includes early lease terminations). Future cash payments related to this charge are anticipated to be approximately \$80 million to \$100 million, primarily related to the payment of severance and related benefits, asset retirement obligations, and costs related to contract terminations. The restructuring actions associated with this charge are expected to be substantially complete in 2021.

The charges related to the 2021 Restructuring Actions related to the segments, as well as corporate expenses, were as follows:

(In millions)	Three Months Ended March 31,	
	2021	
Seed	\$	14
Crop Protection		28
Corporate expenses		47
Total	\$	89

A reconciliation of the December 31, 2020 to the March 31, 2021 liability balances related to the 2021 Restructuring Actions is summarized below:

(In millions)	Severance and Related Benefit Costs	Asset Related ¹	Contract Termination ²	Total
Balance at December 31, 2020	—	—	—	\$ —
Charges to income from continuing operations for the three months ended March 31, 2021	39	13	37	89
Payments	(1)	—	(6)	(7)
Asset write-offs	—	(13)	—	(13)
Balance at March 31, 2021	\$ 38	\$ —	\$ 31	\$ 69

1. In addition, the Company has a liability recorded for asset retirement obligations of \$6 million as of March 31, 2021.
2. The liability for contract terminations includes lease obligations. The cash impact of these obligations will be substantially complete by 2022.

Execute to Win Productivity Program

During the first quarter of 2020, Corteva approved restructuring actions designed to improve productivity through optimizing certain operational and organizational structures primarily related to the Execute to Win Productivity Program. Through the first quarter of 2021, the company recorded net pre-tax restructuring charges of \$180 million inception-to-date under the Execute to Win Program, consisting of \$117 million of asset related charges and \$63 million of severance and related benefit costs. The company does not anticipate any additional material charges from the Execute to Win Program as actions associated with this charge were substantially complete by the end of 2020.

The Execute to Win Productivity Program charges related to the segments, as well as corporate expenses, were as follows:

(In millions)	Three Months Ended March 31,	
	2021	2020
Seed	\$ —	\$ 3
Crop Protection	4	18
Corporate expenses	—	42
Total	\$ 4	\$ 63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The below is a summary of charges incurred related to the Execute to Win Productivity Program for the three months ended March 31, 2021 and 2020:

(In millions)	Three Months Ended March 31,	
	2021	2020
Severance and related benefit costs	\$ —	\$ 42
Asset related charges	4	21
Total restructuring and asset related charges - net	\$ 4	\$ 63

A reconciliation of the December 31, 2020 to the March 31, 2021 liability balances related to the Execute to Win Productivity Program is summarized below:

(In millions)	Severance and Related Benefit Costs	Asset Related	Total
Balance at December 31, 2020	\$ 53	\$ 3	\$ 56
Charges to income from continuing operations for the three months ended March 31, 2021	—	4	4
Payments	(11)	(3)	(14)
Asset write-offs	—	(4)	(4)
Balance at March 31, 2021	\$ 42	\$ —	\$ 42

In addition to the above, the company has a liability recorded for asset retirement obligations of \$20 million as of March 31, 2021. The asset retirement obligations relate to the company's required demolition and removal for buildings and equipment at third party leased sites and will be recognized as asset related charges over the remaining useful lives of the related assets. The company's leases require these assets be removed from leased land within 12-24 months of operations being ceased. The company ceased substantially all operations in 2020 and the assets are expected to be removed within the contractual timeframe.

Other Asset Related Charges

During the three months ended March 31, 2021 and 2020, the company recognized \$7 million and \$10 million, respectively, in restructuring and asset related charges, net in the interim Consolidated Statement of Operations, from non-cash accelerated prepaid royalty amortization expense related to Roundup Ready 2 Yield® and Roundup Ready 2 Xtend® herbicide tolerance traits.

NOTE 6 - SUPPLEMENTARY INFORMATION

Other Income - Net	Three Months Ended March 31,	
	2021	2020
(In millions)		
Interest income	\$ 21	\$ 18
Equity in earnings / (losses) of affiliates - net	3	(1)
Net loss on sales of businesses and other assets ¹	—	(46)
Net exchange losses ²	(35)	(61)
Non-operating pension and other post employment benefit credit ³	325	91
Miscellaneous income - net ⁴	23	—
Other income - net	\$ 337	\$ 1

- The three months ended March 31, 2020 includes a loss of \$(53) million relating to the sale of the La Porte site, for which the company signed an agreement in 2020, and closed during the first quarter of 2021.
- Includes net pre-tax exchange losses of \$(23) million and \$(9) million associated with the devaluation of the Argentine peso for the three months ended March 31, 2021 and 2020, respectively.
- Includes non-service related components of net periodic benefit credits (costs) (interest cost, expected return on plan assets, amortization of unrecognized gain (loss), amortization of prior service benefit and settlement loss).
- Miscellaneous income - net, includes a gain from a remeasurement of an equity investment, losses on sale of available-for-sale securities, tax indemnification adjustments related to changes in indemnification balances as a result of the application of the terms of the Tax Matters Agreement between Corteva and Dow and/or DuPont, losses on sale of receivables, and other items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following table summarizes the impacts of the company's foreign currency hedging program on the company's results of operations. The company routinely uses foreign currency exchange contracts to offset its net exposures, by currency, related to the foreign currency-denominated monetary assets and liabilities. The objective of this program is to maintain an approximately balanced position in foreign currencies in order to minimize, on an after-tax basis, the effects of exchange rate changes on net monetary asset positions. The hedging program gains (losses) are largely taxable (tax deductible) in the U.S., whereas the offsetting exchange gains (losses) on the remeasurement of the net monetary asset positions are often not taxable (tax deductible) in their local jurisdictions. The net pre-tax exchange gains (losses) are recorded in other income - net and the related tax impact is recorded in provision for (benefit from) income taxes on continuing operations in the interim Consolidated Statement of Operations.

(In millions)	Three Months Ended March 31,	
	2021	2020
Subsidiary Monetary Position (Losses) Gains		
Pre-tax exchange losses	\$ (51)	\$ (226)
Local tax (expenses) / benefits	(1)	23
Net after-tax impact from subsidiary exchange losses	\$ (52)	\$ (203)
Hedging Program Gains		
Pre-tax exchange gains	\$ 16	\$ 165
Tax expenses	(4)	(40)
Net after-tax impact from hedging program exchange gains	\$ 12	\$ 125
Total Exchange Losses		
Pre-tax exchange losses	\$ (35)	\$ (61)
Tax expenses	(5)	(17)
Net after-tax exchange losses	\$ (40)	\$ (78)

Cash, cash equivalents and restricted cash

The following table provides a reconciliation of cash and cash equivalents and restricted cash (included in other current assets) presented in the interim Condensed Consolidated Balance Sheets to the total cash, cash equivalents and restricted cash presented in the interim Consolidated Statements of Cash Flows.

(In millions)	March 31, 2021	December 31, 2020	March 31, 2020
Cash and cash equivalents	\$ 2,404	\$ 3,526	\$ 1,963
Restricted cash	326	347	377
Total cash, cash equivalents and restricted cash	\$ 2,730	\$ 3,873	\$ 2,340

EID entered into a trust agreement in 2013 (as amended and restated in 2017), establishing and requiring EID to fund a trust (the "Trust") for cash obligations under certain non-qualified benefit and deferred compensation plans upon a change in control event as defined in the Trust agreement. Under the Trust agreement, the consummation of the Merger was a change in control event. Restricted cash at March 31, 2021, December 31, 2020, and March 31, 2020 is related to the Trust.

NOTE 7 - INCOME TAXES

For periods between the Merger Effectiveness Time and the Corteva Distribution, Corteva and its subsidiaries were included in DowDuPont's consolidated federal income tax group and consolidated tax return. Generally, the consolidated tax liability of the DowDuPont U.S. tax group for each year was apportioned among the members of the consolidated group based on each member's separate taxable income. Corteva, DuPont and Dow intend that to the extent Federal and/or State corporate income tax liabilities are reduced through the utilization of tax attributes of the other, settlement of any receivable and payable generated from the use of the other party's sub-group attributes will be in accordance with a tax matters agreement. See Note 3 - Divestitures and Other Transactions, for further information related to indemnifications between Corteva, Dow and DuPont.

Each year the company files hundreds of tax returns in the various national, state and local income taxing jurisdictions in which it operates. These tax returns are subject to examination and possible challenge by the tax authorities. Positions challenged by the tax authorities may be settled or appealed by the company. As a result, there is an uncertainty in income taxes recognized in the company's financial statements in accordance with accounting for income taxes and accounting for uncertainty in income taxes. The ultimate resolution of such uncertainties is not expected to have a material impact on the company's results of operations.

The company routinely uses foreign currency exchange contracts to offset its net exposures, by currency, related to the foreign currency-denominated monetary assets and liabilities. The objective of the program, which resides in the U.S., is to maintain an approximately balanced position in foreign currencies in order to minimize, on an after-tax basis, the effects of exchange rate changes on net monetary asset positions, which can drive material impacts on the company's effective tax rate. For further discussion of pre-tax and after-tax impacts of the company's foreign currency hedging program and net monetary asset programs, refer to Note 6 - Supplementary Information.

NOTE 8 - EARNINGS PER SHARE OF COMMON STOCK

The following tables provide earnings per share calculations for the periods indicated below:

Net Income for Earnings Per Share Calculations - Basic and Diluted (In millions)	Three Months Ended March 31,	
	2021	2020
Income from continuing operations after income taxes	\$ 613	\$ 281
Net income attributable to continuing operations noncontrolling interests	3	10
Income from continuing operations available to Corteva common stockholders	610	271
(Loss) income from discontinued operations available to Corteva common stockholders	(10)	1
Net income available to common stockholders	\$ 600	\$ 272

Earnings Per Share Calculations - Basic (Dollars per share)	Three Months Ended March 31,	
	2021	2020
Earnings per share of common stock from continuing operations	\$ 0.82	\$ 0.36
Loss per share of common stock from discontinued operations	(0.01)	—
Earnings per share of common stock	\$ 0.81	\$ 0.36

Earnings Per Share Calculations - Diluted (Dollars per share)	Three Months Ended March 31,	
	2021	2020
Earnings per share of common stock from continuing operations	\$ 0.81	\$ 0.36
Loss per share of common stock from discontinued operations	(0.01)	—
Earnings per share of common stock	\$ 0.80	\$ 0.36

Share Count Information (Shares in millions)	Three Months Ended March 31,	
	2021	2020
Weighted-average common shares - basic	743.4	749.9
Plus dilutive effect of equity compensation plans ¹	6.2	2.6
Weighted-average common shares - diluted	749.6	752.5
Potential shares of common stock excluded from EPS calculations ²	2.9	9.1

1. Diluted earnings per share considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential common shares would have an anti-dilutive effect.

2. These outstanding potential shares of common stock relating to stock options, restricted stock units and performance-based restricted stock units were excluded from the calculation of diluted earnings per share because the effect of including them would have been anti-dilutive.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
NOTE 9 - ACCOUNTS AND NOTES RECEIVABLE - NET

(In millions)	March 31, 2021	December 31, 2020	March 31, 2020
Accounts receivable – trade ¹	\$ 5,231	\$ 3,754	\$ 5,367
Notes receivable – trade ^{1,2}	533	163	412
Other ³	1,028	1,009	996
Total accounts and notes receivable - net	\$ 6,792	\$ 4,926	\$ 6,775

- Accounts receivable – trade and notes receivable - trade are net of allowances of \$203 million at March 31, 2021, \$208 million at December 31, 2020, and \$203 million at March 31, 2020. Allowances are equal to the estimated uncollectible amounts and are based on the expected credit losses and were developed using a loss-rate method.
- Notes receivable – trade primarily consists of receivables for deferred payment loan programs for the sale of seed products to customers. These loans have terms of one year or less and are primarily concentrated in North America. The company maintains a rigid pre-approval process for extending credit to customers in order to manage overall risk and exposure associated with credit losses. As of March 31, 2021, December 31, 2020, and March 31, 2020 there were no significant impairments related to current loan agreements.
- Other includes receivables in relation to indemnification assets, value added tax, general sales tax and other taxes. No individual group represents more than 10 percent of total receivables. In addition, Other includes amounts due from nonconsolidated affiliates of \$115 million, \$106 million, and \$140 million as of March 31, 2021, December 31, 2020, and March 31, 2020, respectively.

Accounts and notes receivable are carried at the expected amount to be collected, which approximates fair value. The company establishes the allowance for doubtful receivables using a loss-rate method where the loss rate is developed using past events, historical experience, current conditions and forecasts that affect the collectability of the financial assets.

The following table summarizes changes in the allowance for doubtful receivables for the three months ended March 31, 2021 and 2020:

(In millions)	
2020	
Balance at December 31, 2019	\$ 174
Net provision for credit losses	60
Write-offs charged against allowance	(1)
Recoveries collected	(30)
Balance at March 31, 2020	\$ 203
2021	
Balance at December 31, 2020	\$ 208
Net benefit for credit losses	(5)
Balance at March 31, 2021	\$ 203

The company enters into various factoring agreements with third-party financial institutions to sell its trade receivables under both recourse and non-recourse agreements in exchange for cash proceeds. These financing arrangements result in a transfer of the company's receivables and risks to the third-party. As these transfers qualify as true sales under the applicable accounting guidance, the receivables are derecognized from the interim Condensed Consolidated Balance Sheets upon transfer, and the company receives a payment for the receivables from the third-party within a mutually agreed upon time period. For arrangements involving an element of recourse, which is typically provided through a guarantee of accounts in the event of customer default, the guarantee obligation is measured using market data from similar transactions and reported as a current liability in the interim Condensed Consolidated Balance Sheets.

Trade receivables sold under these agreements were \$11 million and \$15 million for the three months ended March 31, 2021 and March 31, 2020, respectively. The trade receivables sold that remained outstanding under these agreements which include an element of recourse as of March 31, 2021, December 31, 2020, and March 31, 2020 were \$128 million, \$157 million, and \$43 million, respectively. The net proceeds received are included in cash provided by operating activities in the interim Consolidated Statements of Cash Flows. The difference between the carrying amount of the trade receivables sold and the sum of the cash received is recorded as a loss on sale of receivables in other income - net in the Consolidated Statements of Operations. Loss on sale of receivables for the three months ended March 31, 2021 and 2020 were not material. The guarantee obligations recorded as of March 31, 2021, December 31, 2020, and March 31, 2020 in the interim Condensed Consolidated Balance Sheets were not material. See Note 13 - Commitments and Contingent Liabilities for additional information on the company's guarantees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
NOTE 10 - INVENTORIES

(In millions)	March 31, 2021	December 31, 2020	March 31, 2020
Finished products	\$ 2,508	\$ 2,584	\$ 2,721
Semi-finished products	1,386	1,813	1,260
Raw materials and supplies	427	485	420
Total inventories	\$ 4,321	\$ 4,882	\$ 4,401

NOTE 11 - OTHER INTANGIBLE ASSETS

The gross carrying amounts and accumulated amortization of other intangible assets by major class are as follows:

(In millions)	March 31, 2021			December 31, 2020			March 31, 2020		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Intangible assets subject to amortization (Definite-lived):									
Germplasm	\$ 6,265	\$ (380)	\$ 5,885	\$ 6,265	\$ (317)	\$ 5,948	\$ 6,265	\$ (126)	\$ 6,139
Customer-related	1,956	(404)	1,552	1,984	(380)	1,604	1,956	(293)	1,663
Developed technology	1,485	(565)	920	1,451	(525)	926	1,463	(409)	1,054
Trademarks/trade names ¹	2,013	(112)	1,901	2,019	(99)	1,920	166	(88)	78
Favorable supply contracts	475	(326)	149	475	(302)	173	475	(231)	244
Other ²	405	(238)	167	405	(239)	166	400	(218)	182
Total other intangible assets with finite lives	12,599	(2,025)	10,574	12,599	(1,862)	10,737	10,725	(1,365)	9,360
Intangible assets not subject to amortization (Indefinite-lived):									
IPR&D	10	—	10	10	—	10	10	—	10
Trade name ¹							1,871	—	1,871
Total other intangible assets	10	—	10	10	—	10	1,881	—	1,881
Total	\$ 12,609	\$ (2,025)	\$ 10,584	\$ 12,609	\$ (1,862)	\$ 10,747	\$ 12,606	\$ (1,365)	\$ 11,241

¹ Beginning on October 1, 2020, the company changed its indefinite life assertion of its trade name asset to definite lived with a useful life of 25 years. This change is the result of the launch of Brevant™ seed in the retail channel in the U.S. Prior to changing the useful life of the trade name asset, the company tested the asset for the impairment under ASC 350- Intangibles, Goodwill and Other, concluding the asset was not impaired.

² Primarily consists of sales and farmer networks, marketing and manufacturing alliances and noncompetition agreements.

The aggregate pre-tax amortization expense from continuing operations for definite-lived intangible assets was \$183 million and \$163 million for the three months ended March 31, 2021 and 2020, respectively. The current estimated aggregate pre-tax amortization expense from continuing operations for the remainder of 2021 and each of the next five years is approximately \$537 million, \$700 million, \$620 million, \$606 million, \$569 million and \$555 million, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 12 - SHORT-TERM BORROWINGS, LONG-TERM DEBT AND AVAILABLE CREDIT FACILITIES

The following tables summarize Corteva's short-term borrowings and finance lease obligations:

Short-term borrowings and finance lease obligations			
(In millions)	March 31, 2021	December 31, 2020	March 31, 2020
Commercial paper	\$ 1,218	\$ —	\$ 1,918
Repurchase facility	30	—	30
Other loans - various currencies	—	1	45
Long-term debt payable within one year	1	1	1
Finance lease obligations payable within one year	1	1	2
Total short-term borrowings and finance lease obligations	\$ 1,250	\$ 3	\$ 1,996

The estimated fair value of the company's short-term borrowings, including interest rate financial instruments, was determined using Level 2 inputs within the fair value hierarchy. Based on quoted market prices for the same or similar issues, or on current rates offered to the company for debt of the same remaining maturities, the fair value of the company's short-term borrowings and finance lease obligations was approximately carrying value.

The fair value of the company's long-term borrowings, including debt due within one year, was \$1,121 million, \$1,168 million, and \$612 million as of March 31, 2021, December 31, 2020, and March 31, 2020, respectively, and was determined using quoted market prices for the same or similar issues, or current rates offered to the company for debt of the same remaining maturities (Level 2 inputs).

Repurchase Facility

In February 2021, the company entered into a new committed receivable repurchase facility of up to \$1 billion (the "2021 Repurchase Facility") which expires in December 2021. Under the 2021 Repurchase Facility, Corteva may sell a portfolio of available and eligible outstanding customer notes receivables to participating institutions and simultaneously agree to repurchase at a future date. The 2021 Repurchase Facility is considered a secured borrowing with the customer notes receivables inclusive of those that are sold and repurchased, equal to 105 percent of the outstanding amounts borrowed utilized as collateral. Borrowings under the 2021 Repurchase Facility have an interest rate of LIBOR+0.85 percent.

As of March 31, 2021, \$32 million of notes receivable, recorded in accounts and notes receivable - net, were pledged as collateral against outstanding borrowings under the 2021 Repurchase Facility of \$30 million, recorded in short-term borrowings and finance lease obligations on the interim Condensed Consolidated Balance Sheet.

Revolving Credit Facilities

In November 2018, EID entered into a \$3.0 billion 5-year revolving credit facility and a \$3.0 billion 3-year revolving credit facility (the "Revolving Credit Facilities"). The Revolving Credit Facilities became effective May 2019. Corteva, Inc. became a party at the time of the Corteva Distribution. The Revolving Credit Facilities may serve as a substitute to the company's commercial paper program, and can be used, from time to time, for general corporate purposes including, but not limited to, the funding of seasonal working capital needs. The Revolving Credit Facilities contain customary representations and warranties, affirmative and negative covenants and events of default that are typical for companies with similar credit ratings. Additionally, the Revolving Credit Facilities contain a financial covenant requiring that the ratio of total indebtedness to total capitalization for Corteva and its consolidated subsidiaries not exceed 0.60.

In March 2020, the company drew down \$500 million under the \$3.0 billion 3-year revolving credit facility as a result of the volatility and increased borrowing costs of commercial paper resulting from the unstable market conditions caused by the COVID-19 pandemic and repaid that borrowing in full in June 2020. There were no additional borrowings and the unused commitments under the 3-year revolving credit facility were \$3.0 billion as of March 31, 2021.

NOTE 13 - COMMITMENTS AND CONTINGENT LIABILITIES**Guarantees***Indemnifications*

In connection with acquisitions and divestitures as of March 31, 2021, the company has indemnified respective parties against certain liabilities that may arise in connection with these transactions and business activities prior to the completion of the transactions. The term of these indemnifications, which typically pertain to environmental, tax and product liabilities, is generally indefinite. In addition, the company indemnifies its duly elected or appointed directors and officers to the fullest extent permitted by Delaware law, against liabilities incurred as a result of their activities for the company, such as adverse judgments relating to litigation matters. If the indemnified party were to incur a liability or have a liability increase as a result of a successful claim, pursuant to the terms of the indemnification, the company would be required to reimburse the indemnified party. The maximum amount of potential future payments is generally unlimited. See pages 9 and 22 for additional information relating to the indemnification obligations under the Chemours Separation Agreement and the Corteva Separation Agreement.

Obligations for Customers and Other Third Parties

The company has directly guaranteed various debt obligations under agreements with third parties related to customers and other third parties. At March 31, 2021, December 31, 2020 and March 31, 2020, the company had directly guaranteed \$108 million, \$94 million, and \$90 million, respectively, of such obligations. These amounts represent the maximum potential amount of future (undiscounted) payments that the company could be required to make under the guarantees in the event of default by the guaranteed party. All of the maximum future payments at March 31, 2021 had terms less than one year. The maximum future payments include \$23 million at March 31, 2021 and \$17 million at December 31, 2020 and March 31, 2020, respectively, of guarantees related to the various factoring agreements that the company enters into with third-party financial institutions to sell its trade receivables. See Note 9 - Accounts and Notes Receivable, Net, for additional information.

The maximum future payments also include agreements with lenders to establish programs that provide financing for select customers. The terms of the guarantees are equivalent to the terms of the customer loans that are primarily made to finance customer invoices. The total amounts owed from customers to the lenders relating to these agreements was \$178 million, \$16 million and \$125 million at March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

The company assesses the payment/performance risk by assigning default rates based on the duration of the guarantees. These default rates are assigned based on the external credit rating of the counterparty or through internal credit analysis and historical default history for counterparties that do not have published credit ratings. For counterparties without an external rating or available credit history, a cumulative average default rate is used.

Litigation

The company is subject to various legal proceedings, including, but not limited to, product liability, intellectual property, antitrust, commercial, property damage, personal injury, environmental and regulatory matters arising out of the normal course of its current businesses or legacy EID businesses unrelated to Corteva's current businesses but allocated to Corteva as part of the separation of Corteva from DuPont. It is not possible to predict the outcome of these various proceedings, as considerable uncertainty exists. However, the ultimate liabilities could be material to results of operations and the cash flows in the period recognized.

Indemnifications under Separation Agreements

The company has entered into various agreements where the company is indemnified for certain liabilities. In connection with the recognition of liabilities related to these matters, the company records an indemnification asset when recovery is deemed probable. See Note 3 - Divestitures and Other Transactions, to the interim Consolidated Financial Statements for additional information related to indemnifications.

Chemours/Performance Chemicals

Refer to Note 3 - Divestitures and Other Transactions, to the interim Consolidated Financial Statements for additional discussion of the Chemours Separation Agreement.

In 2017, EID and Chemours amended the Chemours Separation Agreement to provide for a limited sharing of potential future liabilities related to alleged historical releases of perfluorooctanoic acids and its ammonium salts ("PFOA") for a five-year period that began on July 6, 2017. In addition, in 2017, Chemours and EID each paid \$335 million to settle multi-district litigation in the U.S. District Court for the Southern District of Ohio ("Ohio MDL"), thereby resolving claims of about 3,550 plaintiffs alleging injury from exposure to PFOA in drinking water as a result of the historical manufacture or use of PFOA at the Washington Works plant outside Parkersburg, West Virginia. This plant was previously owned and/or operated by the performance chemicals segment of EID and is now owned and/or operated by Chemours. The 2017 settlement did not resolve

claims of certain class members who did not have claims in the Ohio MDL or whose claims are based on diseases first diagnosed after February 11, 2017. About 96 claims alleging personal injury were filed in the Ohio MDL since the 2017 settlement and a number of additional pre-suit claims for personal injury were asserted.

On May 13, 2019, Chemours filed suit in the Delaware Court of Chancery against DuPont, EID, and Corteva, seeking, among other things, to limit its responsibility for the litigation and environmental liabilities allocated to and assumed by Chemours under the Chemours Separation Agreement (the "Delaware Litigation"). On March 30, 2020, the Court of Chancery granted a motion to dismiss. On December 15, 2020, the Delaware Supreme Court affirmed the judgment of the Court of Chancery. Meanwhile, a confidential arbitration process regarding the same and other claims had proceeded (the "Pending Arbitration").

For additional information regarding environmental indemnification, see discussion on page 25.

On January 22, 2021, Chemours, DuPont, Corteva and EID entered into a binding memorandum of understanding containing a settlement to resolve legal disputes originating from the Delaware Litigation and Pending Arbitration, and to establish a cost sharing arrangement and escrow account to be used to support and manage potential future legacy per- and polyfluoroalkyl substances ("PFAS") liabilities arising out of pre-July 1, 2015 conduct (the "MOU"). The MOU replaces the 2017 amendment to the Chemours Separation Agreement. According to the terms of the cost sharing arrangement within the MOU, Corteva and DuPont together, on one hand, and Chemours, on the other hand, agreed to a 50-50 split of certain qualified expenses related to PFAS liabilities incurred over a term not to exceed twenty years or \$4 billion of qualified spend and escrow account contributions (see below for discussion of escrow account) in the aggregate. DuPont's and Corteva's 50% share under the MOU will be limited to \$2 billion, including qualified expenses and escrow contributions. These expenses and escrow account contributions will be subject to the existing Letter Agreement, under which DuPont and Corteva will each bear 50% of the first \$300 million (up to \$150 million each), and thereafter DuPont bears 71% and Corteva bears the remaining 29%.

In order to support and manage any potential future PFAS liabilities, the parties have also agreed to establish an escrow account. The MOU provides that (1) no later than each of September 30, 2021 and September 30, 2022, Chemours shall deposit \$100 million into an escrow account and DuPont and Corteva shall together deposit \$100 million in the aggregate into an escrow account and (2) no later than September 30 of each subsequent year through and including 2028, Chemours shall deposit \$50 million into an escrow account and DuPont and Corteva shall together deposit \$50 million in the aggregate into an escrow account. Subject to the terms and conditions set forth in the MOU, each party may be permitted to defer funding in any year (excluding 2021). Over this period, Chemours will deposit a total of \$500 million in the account and DuPont and Corteva will deposit an additional \$500 million pursuant to the terms of the Letter Agreement. Additionally, if on December 31, 2028, the balance of the escrow account (including interest) is less than \$700 million, Chemours will make 50% of the deposits and DuPont and Corteva together will make 50% of the deposits necessary to restore the balance of the escrow account to \$700 million. Such payments will be made in a series of consecutive annual equal installments commencing on September 30, 2029 pursuant to the escrow account replenishment terms as set forth in the MOU.

After the term of this arrangement, Chemours' indemnification obligations under the original 2015 Chemours Separation Agreement, would continue unchanged, subject in each case to certain exceptions set out in the MOU. Under the MOU, Chemours waived specified claims regarding the construct of its 2015 spin-off transaction, and the parties will dismiss the pending arbitration regarding those claims (as discussed below). Additionally, the parties have agreed to resolve the Ohio MDL PFOA personal injury litigation (as discussed below). The parties are expected to cooperate in good faith to enter into additional agreements reflecting the terms set forth in the MOU.

Corteva Separation Agreement

On April 1, 2019, in connection with the Dow Distribution, Corteva, DuPont and Dow entered into the Corteva Separation Agreement, the Tax Matters Agreement, the Employee Matters Agreement, and certain other agreements (collectively, the "Corteva Separation Agreements"). The Corteva Separation Agreements allocate among Corteva, DuPont and Dow certain liabilities and obligations among the parties and provides for indemnification obligation among the parties. Under the Corteva Separation Agreements, DuPont will indemnify Corteva against certain litigation, environmental, workers' compensation and other liabilities that arose prior to the Corteva Distribution and (ii) Dow indemnifies Corteva against certain litigation and other liabilities that relate to the Historical Dow business, but were transferred over as part of the common control combination with DAS, and Corteva indemnifies DuPont and Dow for certain liabilities. The term of this indemnification is generally indefinite with exceptions, and includes defense costs and expenses, as well as monetary and non-monetary settlements and judgments. See Note 3 - Divestitures and Other Transactions, to the interim Consolidated Financial Statements for additional information relating to the Separation.

DuPont

Under the Corteva Separation Agreement, certain legacy EID liabilities from discontinued and/or divested operations and businesses of EID (including Performance Chemicals) (a “stray liability”) were allocated to Corteva or DuPont. For those stray liabilities allocated to Corteva (which may include a specified amount of liability associated with that liability), Corteva is responsible for liabilities in an amount up to that specified amount plus an additional \$200 million and, for those stray liabilities allocated to DuPont (which may include a specified amount of liability associated with that liability), DuPont is responsible for liabilities up to a specified amount plus an additional \$200 million. Once each company has met the \$200 million threshold, Corteva and DuPont will share future liabilities proportionally on the basis of 29% and 71%, respectively; provided, however, that for PFAS, DuPont will manage such liabilities with Corteva and DuPont sharing the costs on a 50% - 50% basis starting from \$1 and up to \$300 million (with such amount, up to \$150 million, to be credited to each company’s \$200 million threshold) and once the \$300 million threshold is met, then the companies will share proportionally on the basis of 29% and 71% respectively, subject to a \$1 million de minimis requirement.

Litigation related to legacy EID businesses unrelated to Corteva’s current businesses

PFAS, PFOA, PFOS and Other Related Liabilities

For purposes of this report, the term PFOA means collectively perfluorooctanoic acid and its salts, including the ammonium salt and does not distinguish between the two forms, and PFAS, which means per- and polyfluoroalkyl substances, including PFOA, PFOS (perfluorooctanesulfonic acid), GenX and other perfluorinated chemicals and compounds (“PFCs”).

EID is a party to various legal proceedings relating to the use of PFOA by its former Performance Chemicals segment for which potential liabilities would be subject to the cost sharing arrangement under the MOU as long as it remains effective. Management believes that it is reasonably possible that EID could incur liabilities related to PFOA in excess of amounts accrued. However, any such losses are not estimable at this time due to various reasons, including, among others, that the underlying matters are in their early stages and have significant factual issues to be resolved. The company has recorded a liability of \$21 million and an indemnification asset of \$16 million at March 31, 2021, related to testing drinking water in and around certain former EID sites and offering treatment or an alternative supply of drinking water if tests indicate the presence of PFOA in drinking water at or greater than the national health advisory level established from time to time by the EPA.

Leach Settlement and Ohio MDL Settlement

EID has residual liabilities under its 2004 settlement of a West Virginia state court class action, *Leach v. EID*, which alleged that PFOA from EID’s former Washington Works facility had contaminated area drinking water supplies and affected the health of area residents. The settlement class has about 80,000 members. In addition to relief that was provided to class members years ago, the settlement requires EID to continue providing PFOA water treatment to six area water districts and private well users and to fund, through an escrow account, up to \$235 million for a medical monitoring program for eligible class members. As of March 31, 2021, approximately \$2 million had been disbursed from the account since its establishment in 2012 and the remaining balance is approximately \$1 million.

The Leach settlement permits class members to pursue personal injury claims for six health conditions (and no others) that an expert panel appointed under the settlement reported in 2012 had a “probable link” (as defined in the settlement) with PFOA: pregnancy-induced hypertension, including preeclampsia; kidney cancer; testicular cancer; thyroid disease; ulcerative colitis; and diagnosed high cholesterol. After the panel reported its findings, approximately 3,550 personal injury lawsuits were filed in federal and state courts in Ohio and West Virginia and consolidated in multi-district litigation in the U.S. District Court for the Southern District of Ohio (“Ohio MDL”). The Ohio MDL was settled in early 2017 for \$670.7 million in cash, with Chemours and EID (without indemnification from Chemours) each paying half.

Post-MDL Settlement PFOA Personal Injury Claims

The 2017 Ohio MDL settlement did not resolve claims of plaintiffs who did not have claims in the Ohio MDL or whose claims are based on diseases first diagnosed after February 11, 2017. The first trial for these claims, a kidney cancer case, resulted in a hung jury, while the second, *Travis and Julie Abbot v. E.I du Pont de Nemours and Company* (the “Abbot Case”), a testicular cancer case, resulted in a jury verdict of \$40 million in compensatory damages and \$10 million for loss of consortium. Following entry of the judgment by the court, EID filed post-trial motions to reduce the verdict, and to appeal the verdict on the basis of procedural and substantive legal errors made by the trial court. The trial court recently granted EID’s motion to reduce the loss of consortium award to conform with state tort reform laws limiting these damages to \$250,000. The company is continuing its other appeals to reduce the jury verdict or eliminate its liability, in whole or part.

In January 2021, Chemours, DuPont and Corteva agreed to settle the remaining approximately 95 matters, as well as unfiled matters, remaining in the Ohio MDL, with the exception of the Abbot case, for \$83 million, with Chemours contributing \$29 million to the settlement, and DuPont and Corteva contributing \$27 million each. The company recorded a liability for its share

of the settlement, with a charge to (loss) income from discontinued operations after income taxes, during the year ended December 31, 2020, and paid \$16 million during the three months ended March 31, 2021. Following this settlement, the parties have agreed to petition the court for the dissolution of the MDL.

Other PFOA Matters

EID is a party to other PFOA lawsuits that do not involve claims for personal injury. Defense costs and any future liabilities that may arise out of these lawsuits are subject to the MOU and the cost sharing arrangement disclosed above. Under the MOU, fraudulent conveyance claims associated with these matters are not qualified expenses, unless Corteva, Inc. and EID would prevail on the merits of these claims.

New York. EID is a defendant in about 50 lawsuits, including a putative class action, brought by persons who live in and around Hoosick Falls, New York. These lawsuits assert claims for medical monitoring and property damage based on alleged PFOA releases from manufacturing facilities owned and operated by co-defendants in Hoosick Falls and allege that EID and 3M supplied some of the materials used at these facilities. EID is also one of more than ten defendants in a lawsuit brought by the Town of East Hampton, New York alleging PFOA and PFOS contamination of the town's well water. Additionally, EID, along with 3M, Chemours and Dyneon, have been named defendants in complaints filed by eight water districts in Nassau County, New York alleging that the drinking water they provide to customers is contaminated with PFAS and seeking reimbursement for clean-up costs. The water district complaints also include allegations of fraudulent transfer.

New Jersey. At March 31, 2021, two lawsuits were pending, one brought by a local water utility and the second a putative class action, against EID alleging that PFOA from EID's former Chambers Works facility contaminated drinking water sources. The putative class action was voluntarily dismissed without prejudice by the plaintiff.

In late March of 2019, the New Jersey State Attorney General filed four lawsuits against EID, Chemours, 3M and others alleging that operations at and discharges from former EID sites in New Jersey (Chambers Works, Pompton Lakes, Parlin and Repauno) damaged the State's natural resources. Two of these lawsuits (those involving the Chambers Works and Parlin sites) allege contamination from PFAS. The Ridgewood Water District in New Jersey filed suit in the first quarter 2019 against EID, 3M, Chemours, and Dyneon alleging losses related to the investigation, remediation and monitoring of polyfluorinated surfactants, including PFOA, in water supplies. DuPont and Corteva were subsequently added as defendants to these lawsuits.

Alabama / Others. EID is one of more than thirty defendants in a lawsuit by the Alabama water utility alleging contamination from PFCs, including PFOA, used by co-defendant carpet manufacturers to make their products more stain and grease resistant. In addition, the states of Alaska, Michigan, Mississippi, New Hampshire, South Dakota, and Vermont recently filed lawsuits against EID, Chemours, 3M and others, claiming, among other things, PFC (including PFOA) contamination of groundwater and drinking water. The complaints seek reimbursement for past and future costs to investigate and remediate the alleged contamination and compensation for the loss of value and use of the state's natural resources. Motions to dismiss the Michigan, Vermont and New Hampshire cases have been denied. Additionally, the State of Delaware has indicated it may file a similar natural resource claim related to alleged PFAS contamination and other contaminants.

Ohio. EID is a defendant in three lawsuits: an action by the State of Ohio based on alleged damage to natural resources, a putative nationwide class action brought on behalf of anyone who has detectable levels of PFAS in their blood serum, and an action by the City of Dayton claiming losses related to the investigation, remediation and monitoring of PFAS in water supplies.

Aqueous Firefighting Foams. Approximately 985 cases have been filed against 3M and other defendants, including EID and Chemours, and more recently also including Corteva and DuPont, alleging PFOS or PFOA contamination of soil and groundwater from the use of aqueous firefighting foams. Most of those cases claim some form of property damage and seek to recover the costs of responding to this contamination and damages for the loss of use and enjoyment of property and diminution in value. Most of these cases have been transferred to a multidistrict litigation proceeding in federal district court in South Carolina. Approximately 910 of these cases were filed on behalf of firefighters who allege personal injuries (primarily kidney and testicular cancer) as a result of aqueous firefighting foams. Most of these recent cases assert claims that the EID and Chemours separation constituted a fraudulent conveyance. A schedule of initial trials is expected to be established in the second quarter of 2021.

EID did not make firefighting foams, PFOS, or PFOS products. While EID made surfactants and intermediaries that some manufacturers used in making foams, which may have contained PFOA as an unintended byproduct or an impurity, EID's

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

products were not formulated with PFOA, nor was PFOA an ingredient of these products. EID has never made or sold PFOA as a commercial product.

Fayetteville Works Facility, North Carolina

Prior to the separation of Chemours, EID introduced GenX as a polymerization processing aid and a replacement for PFOA at the Fayetteville Works facility in Bladen County, North Carolina. The facility is now owned and operated by Chemours, which continues to manufacture and use GenX.

At March 31, 2021, several actions are pending in federal court against Chemours and EID relating to PFC discharges from the Fayetteville Works facility. One of these is a consolidated putative class action that asserts claims for medical monitoring and property damage on behalf of putative classes of property owners and residents in areas near or who draw drinking water from the Cape Fear River. Another action is a consolidated action brought by various North Carolina water authorities, including the Cape Fear Public Utility Authority and Brunswick County, that seek actual and punitive damages as well as injunctive relief. In another action over approximately 100 property owners near the Fayetteville Works facility filed a complaint against Chemours and EID in May 2020. The plaintiffs seek compensatory and punitive damages for their claims of private nuisance, trespass, and negligence allegedly caused by release of PFAS.

In addition to the federal court actions, there is an action on behalf of about 100 plaintiffs who own wells and property near the Fayetteville Works facility. The plaintiffs seek damages for nuisance allegedly caused by releases of certain PFCs from the site. The plaintiffs' claims for medical monitoring, punitive damages, public nuisance, trespass, unjust enrichment, failure to warn, and negligent manufacture were dismissed.

Generally, site-related expenses related GenX claims are subject to the cost sharing arrangements as defined in the MOU.

Environmental

Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on current law and existing technologies. At March 31, 2021, the company had accrued obligations of \$333 million for probable environmental remediation and restoration costs, including \$56 million for the remediation of Superfund sites. These obligations are included in accrued and other current liabilities and other noncurrent obligations in the interim Condensed Consolidated Balance Sheet. This is management's best estimate of the costs for remediation and restoration with respect to environmental matters for which the company has accrued liabilities, although it is reasonably possible that the ultimate cost with respect to these particular matters could range up to \$577 million above the amount accrued at March 31, 2021. Consequently, it is reasonably possible that environmental remediation and restoration costs in excess of amounts accrued could have a material impact on the company's results of operations, financial condition and cash flows. Inherent uncertainties exist in these estimates primarily due to unknown conditions, changing governmental regulations and legal standards regarding liability, and emerging remediation technologies for handling site remediation and restoration.

For a discussion of the allocation of environmental liabilities under the Chemours Separation Agreement and the Corteva Separation Agreement, see the previous discussion on page 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The above noted \$333 million accrued obligations includes the following:

(In millions)	As of March 31, 2021		
	Indemnification Asset	Accrual balance ^{3,4}	Potential exposure above amount accrued ³
Environmental Remediation Stray Liabilities			
Chemours related obligations - subject to indemnity ^{1,2}	\$ 152	\$ 152	\$ 280
Other discontinued or divested businesses obligations ¹	—	78	177
Environmental remediation liabilities primarily related to DuPont - subject to indemnity from DuPont ²	34	34	65
Environmental remediation liabilities not subject to indemnity	—	69	55
Total	\$ 186	\$ 333	\$ 577

^{1.} Represents liabilities that are subject to the \$200 million thresholds and sharing arrangements as discussed on page 22, under Corteva Separation Agreement.

^{2.} The company has recorded an indemnification asset related to these accruals, including \$30 million related to the Superfund sites.

^{3.} Accrual balance represents management's best estimate of the costs of remediation and restoration, although it is reasonably possible that the potential exposure, as indicated, could range above the amounts accrued, as there are inherent uncertainties in these estimates

^{4.} Accrual balance excludes indemnification liabilities of \$54 million to Chemours, related to the cost sharing arrangement under the MOU (see page 10).

NOTE 14 - STOCKHOLDERS' EQUITY
Share Buyback Plan

On June 26, 2019, Corteva, Inc. announced that the Board of Directors of Corteva, Inc. authorized a \$1 billion share repurchase program to purchase Corteva, Inc.'s common stock, par value \$0.01 per share, without an expiration date. The timing, price and volume of purchases will be based on market conditions, relevant securities laws and other factors.

During the three months ended March 31, 2021, the company purchased and retired 7,646,000 shares in the open market for a total cost of \$350 million. During the three months ended March 31, 2020, the company purchased and retired 1,865,000 shares in the open market for a total cost of \$50 million.

Shares repurchased pursuant to Corteva's share buyback plan are immediately retired upon purchase. Repurchased common stock is reflected as a reduction of stockholders' equity. The company's accounting policy related to its share repurchases is to reduce its common stock based on the par value of the shares and to reduce its retained earnings for the excess of the repurchase price over the par value. When Corteva has an accumulated deficit balance, the excess over the par value is applied to additional paid-in capital. When Corteva has retained earnings, the excess is charged entirely to retained earnings.

Noncontrolling Interest

Corteva, Inc. owns 100% of the outstanding common shares of EID. However, EID has preferred stock outstanding to third parties which is accounted for as a non-controlling interest in Corteva's interim Condensed Consolidated Balance Sheets. Each share of EID Preferred Stock - \$4.50 Series and EID Preferred Stock - \$3.50 Series issued and outstanding at the effective date of the Corteva Distribution remains issued and outstanding as to EID and was unaffected by the Corteva Distribution.

Below is a summary of the EID Preferred Stock at March 31, 2021, December 31, 2020, and March 31, 2020, which is classified as noncontrolling interests in Corteva's interim Condensed Consolidated Balance Sheets.

Shares in thousands	Number of Shares
Authorized	23,000
\$4.50 Series, callable at \$120	1,673
\$3.50 Series, callable at \$102	700

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
Other Comprehensive (Loss) Income

The changes and after-tax balances of components comprising accumulated other comprehensive loss are summarized below:

(In millions)	Cumulative Translation Adjustment ¹	Derivative Instruments	Pension Benefit Plans	Other Benefit Plans	Unrealized Gain (Loss) on Investments	Total
2020						
Balance January 1, 2020	\$ (1,944)	\$ 2	\$ (1,247)	\$ (81)	\$ —	\$ (3,270)
Other comprehensive (loss) income before reclassifications	(672)	1	(2)	3	—	(670)
Amounts reclassified from accumulated other comprehensive loss	—	5	2	—	—	7
Net other comprehensive (loss) income	(672)	6	—	3	—	(663)
Balance March 31, 2020	\$ (2,616)	\$ 8	\$ (1,247)	\$ (78)	\$ —	\$ (3,933)
2021						
Balance January 1, 2021	\$ (1,970)	\$ (67)	\$ (1,433)	\$ 590	\$ (10)	\$ (2,890)
Other comprehensive (loss) income before reclassifications	(403)	71	(4)	1	4	(331)
Amounts reclassified from accumulated other comprehensive loss	—	(6)	12	(158)	6	(146)
Net other comprehensive (loss) income	(403)	65	8	(157)	10	(477)
Balance March 31, 2021	\$ (2,373)	\$ (2)	\$ (1,425)	\$ 433	\$ —	\$ (3,367)

¹ The cumulative translation adjustment loss for the three months ended March 31, 2020 was primarily driven by the strengthening of the USD against the Brazilian Real ("BRL") and the South African Rand ("ZAR"). The cumulative translation adjustment loss for the three months ended March 31, 2021 was primarily driven by strengthening of the USD against the Swiss Franc ("CHF"), Brazilian Real ("BRL") and European Euro.

The tax benefit (expense) on the net activity related to each component of other comprehensive (loss) income was as follows:

(In millions)	Three Months Ended March 31,	
	2021	2020
Derivative instruments	\$ (18)	\$ 5
Pension benefit plans - net	(2)	(4)
Other benefit plans - net	49	—
Benefit from income taxes related to other comprehensive (loss) income items	\$ 29	\$ 1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

A summary of the reclassifications out of accumulated other comprehensive loss is provided as follows:

(In millions)	Three Months Ended March 31,	
	2021	2020
Derivative Instruments¹:	\$ (5)	\$ 7
Tax benefit ²	(1)	(2)
After-tax	\$ (6)	\$ 5
Amortization of pension benefit plans:		
Actuarial losses ^{3,4}	\$ 14	\$ 1
Settlement loss ^{3,4}	1	2
Total before tax	\$ 15	\$ 3
Tax benefit ²	(3)	(1)
After-tax	\$ 12	\$ 2
Amortization of other benefit plans:		
Prior service benefit ^{3,4}	\$ (230)	\$ —
Actuarial gains ^{3,4}	23	—
Total before tax	\$ (207)	\$ —
Tax benefit ²	49	—
After-tax	\$ (158)	\$ —
Unrealized Loss on Investments⁴	\$ 6	\$ —
Tax benefit ²	—	—
After-tax	\$ 6	\$ —
Total reclassifications for the period, after-tax	\$ (146)	\$ 7

¹. Reflected in cost of goods sold.

². Reflected in provision for (benefit from) income taxes from continuing operations.

³. These accumulated other comprehensive (loss) income components are included in the computation of net periodic benefit credit of the company's pension and other benefit plans. See Note 15 - Pension Plans and Other Post Employment Benefits, for additional information.

⁴. Reflected in other income - net.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 15 - PENSION PLANS AND OTHER POST EMPLOYMENT BENEFITS

The following sets forth the components of the company's net periodic benefit (credit) cost for defined benefit pension plans and other post employment benefits:

(In millions)	Three Months Ended March 31,	
	2021	2020
<i>Defined Benefit Pension Plans:</i>		
Service cost	\$ 7	\$ 5
Interest cost	91	141
Expected return on plan assets	(230)	(251)
Amortization of unrecognized loss	14	1
Settlement loss	1	2
Net periodic benefit credit	\$ (117)	\$ (102)
<i>Other Post Employment Benefits:</i>		
Service cost	\$ —	\$ 1
Interest cost	6	16
Amortization of unrecognized loss	23	—
Amortization of prior service benefit	(230)	—
Net periodic benefit (credit) cost	\$ (201)	\$ 17

NOTE 16 - FINANCIAL INSTRUMENTS

At March 31, 2021, the company had \$1,602 million (\$2,511 million and \$1,536 million at December 31, 2020 and March 31, 2020, respectively) of held-to-maturity securities (primarily time deposits and money market funds) classified as cash equivalents, as these securities had maturities of three months or less at the time of purchase; and \$49 million (\$43 million and \$10 million at December 31, 2020 and March 31, 2020, respectively) of held-to-maturity securities (primarily time deposits) classified as marketable securities as these securities had maturities of more than three months to less than one year at the time of purchase. The company's investments in held-to-maturity securities are held at amortized cost, which approximates fair value. Additionally, at March 31, 2021, the company had \$65 million (\$226 million at December 31, 2020) of available-for-sale securities. The above noted securities are included in cash and cash equivalents, marketable securities, and other current assets in the interim Condensed Consolidated Balance Sheets.

Derivative Instruments*Objectives and Strategies for Holding Derivative Instruments*

In the ordinary course of business, the company enters into contractual arrangements (derivatives) to reduce its exposure to foreign currency and commodity price risks. The company has established a variety of derivative programs to be utilized for financial risk management. These programs reflect varying levels of exposure coverage and time horizons based on an assessment of risk.

Derivative programs have procedures and controls and are approved by the Corporate Financial Risk Management Committee, consistent with the company's financial risk management policies and guidelines. Derivative instruments used are forwards, options, futures and swaps. The company has not designated any non-derivatives as hedging instruments.

The company's financial risk management procedures also address counterparty credit approval, limits and routine exposure monitoring and reporting. The counterparties to these contractual arrangements are major financial institutions and major commodity exchanges, and multinational grain exporters. The company is exposed to credit loss in the event of nonperformance by these counterparties. The company utilizes collateral support annex agreements with certain counterparties to limit its exposure to credit losses. The company anticipates performance by counterparties to these contracts and therefore no material loss is expected. Market and counterparty credit risks associated with these instruments are regularly reported to management.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The notional amounts of the company's derivative instruments were as follows:

Notional Amounts (In millions)	March 31, 2021	December 31, 2020	March 31, 2020
<i>Derivatives designated as hedging instruments:</i>			
Foreign currency contracts	\$ 1,030	\$ 1,164	\$ 751
Commodity contracts	\$ 239	\$ 383	\$ 418
<i>Derivatives not designated as hedging instruments:</i>			
Foreign currency contracts	\$ 715	\$ 647	\$ 644
Commodity contracts	\$ 154	\$ —	\$ 59

Foreign Currency Risk

The company's objective in managing exposure to foreign currency fluctuations is to reduce earnings and cash flow volatility associated with foreign currency rate changes and to mitigate the exposure of certain investments in foreign subsidiaries against changes in the Euro/USD exchange rate. Accordingly, the company enters into various contracts that change in value as foreign exchange rates change to protect the value of its existing foreign currency-denominated assets, liabilities, commitments, investments and cash flows.

The company uses foreign exchange contracts to offset its net exposures, by currency, related to the foreign currency denominated monetary assets and liabilities of its operations. The primary business objective of this hedging program is to maintain an approximately balanced position in foreign currencies so that exchange gains and losses resulting from exchange rate changes, after related tax effects, are minimized. The company also uses foreign currency exchange contracts to offset a portion of the company's exposure to certain forecasted transactions as well as the translation of foreign currency-denominated earnings. The company also uses commodity contracts to offset risks associated with foreign currency devaluation in certain countries.

Commodity Price Risk

Commodity price risk management programs serve to reduce exposure to price fluctuations on purchases of inventory such as corn and soybeans. The company enters into over-the-counter and exchange-traded derivative commodity instruments to hedge the commodity price risk associated with agricultural commodity exposures.

Derivatives Designated as Cash Flow Hedges

Commodity Contracts

The company enters into over-the-counter and exchange-traded derivative commodity instruments, including options, futures and swaps, to hedge the commodity price risk associated with agriculture commodity exposures.

While each risk management program has a different time maturity period, most programs currently do not extend beyond the next two years. Cash flow hedge results are reclassified into earnings during the same period in which the related exposure impacts earnings. Reclassifications are made sooner if it appears that a forecasted transaction is not probable of occurring.

The following table summarizes the after-tax effect of commodity contract cash flow hedges on accumulated other comprehensive loss:

(In millions)	Three Months Ended March 31,	
	2021	2020
Beginning balance	\$ (16)	\$ 2
Additions and revaluations of derivatives designated as cash flow hedges	30	(22)
Clearance of hedge results to earnings	(4)	5
Ending balance	\$ 10	\$ (15)

At March 31, 2021, an after-tax net loss of \$8 million is expected to be reclassified from accumulated other comprehensive loss into earnings over the next twelve months.

Foreign Currency Contracts

The company enters into forward contracts to hedge the foreign currency risk associated with forecasted transactions within certain foreign subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

While each risk management program has a different time maturity period, most programs currently do not extend beyond the next two years. Cash flow hedge results are reclassified into earnings during the same period in which the related exposure impacts earnings. Reclassifications are made sooner if it appears that a forecasted transaction is not probable of occurring.

The following table summarizes the after-tax effect of foreign currency cash flow hedges on accumulated other comprehensive loss:

(In millions)	Three Months Ended March 31,	
	2021	2020
Beginning balance	\$ (17)	\$ —
Additions and revaluations of derivatives designated as cash flow hedges	25	16
Clearance of hedge results to earnings	(2)	—
Ending balance	\$ 6	\$ 16

At March 31, 2021, an after-tax net gain of \$6 million is expected to be reclassified from accumulated other comprehensive loss into earnings over the next twelve months.

Derivatives Designated as Net Investment Hedges

Foreign Currency Contracts

The company has designated €450 million of forward contracts to exchange EUR as net investment hedges. The purpose of these forward contracts is to mitigate FX exposure related to a portion of the company's Euro net investments in certain foreign subsidiaries against changes in Euro/USD exchange rates. These hedges will expire and be settled in 2023, unless terminated early at the discretion of the company.

The company elected to apply the spot method in testing for effectiveness of the hedging relationship.

Derivatives not Designated in Hedging Relationships

Foreign Currency Contracts

The company uses foreign exchange contracts to reduce its net exposure, by currency, related to foreign currency-denominated monetary assets and liabilities of its operations so that exchange gains and losses resulting from exchange rate changes are minimized. The netting of such exposures precludes the use of hedge accounting; however, the required revaluation of the forward contracts and the associated foreign currency-denominated monetary assets and liabilities intends to achieve a minimal earnings impact, after taxes. The company also uses foreign currency exchange contracts to offset a portion of the company's exposure to the translation of certain foreign currency-denominated earnings so that gains and losses on the contracts offset changes in the USD value of the related foreign currency-denominated earnings over the relevant aggregate period.

Commodity Contracts

The company utilizes options, futures and swaps that are not designated as hedging instruments to reduce exposure to commodity price fluctuations on purchases of inventory such as corn and soybeans. The company uses forward agreements, with durations less than one year, to buy and sell USD priced commodities in order to reduce its exposure to currency devaluation for a portion of its local currency cash balances. Counterparties to the forward sales agreements are multinational grain exporters and subject to the company's financial risk management procedures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Fair Value of Derivative Instruments

Asset and liability derivatives subject to an enforceable master netting arrangement with the same counterparty are presented on a net basis in the interim Condensed Consolidated Balance Sheets. The presentation of the company's derivative assets and liabilities is as follows:

(In millions)	Balance Sheet Location	March 31, 2021		
		Gross	Counterparty and Cash Collateral Netting ¹	Net Amounts Included in the interim Condensed Consolidated Balance Sheet
Asset derivatives:				
Derivatives designated as hedging instruments:				
Foreign currency contracts	Other current assets	\$ 38	\$ —	\$ 38
Derivatives not designated as hedging instruments:				
Foreign currency contracts	Other current assets	52	(32)	20
Total asset derivatives		\$ 90	\$ (32)	\$ 58
Liability derivatives:				
Derivatives designated as hedging instruments:				
Foreign currency contracts	Accrued and other current liabilities	\$ 16	\$ —	\$ 16
Derivatives not designated as hedging instruments:				
Foreign currency contracts	Accrued and other current liabilities	46	(30)	16
Total liability derivatives		\$ 62	\$ (30)	\$ 32

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

(In millions)	Balance Sheet Location	December 31, 2020		
		Gross	Counterparty and Cash Collateral Netting ¹	Net Amounts Included in the Condensed Consolidated Balance Sheet
Asset derivatives:				
Derivatives designated as hedging instruments:				
Foreign currency contracts	Other current assets	\$ 15	\$ —	\$ 15
Derivatives not designated as hedging instruments:				
Foreign currency contracts	Other current assets	40	(40)	—
Total asset derivatives		\$ 55	\$ (40)	\$ 15
Liability derivatives:				
Derivatives designated as hedging instruments:				
Foreign currency contracts	Accrued and other current liabilities	\$ 38	\$ —	\$ 38
Derivatives not designated as hedging instruments:				
Foreign currency contracts	Accrued and other current liabilities	97	(40)	57
Total liability derivatives		\$ 135	\$ (40)	\$ 95

(In millions)	Balance Sheet Location	March 31, 2020		
		Gross	Counterparty and Cash Collateral Netting ¹	Net Amounts Included in the interim Condensed Consolidated Balance Sheet
Asset derivatives:				
Derivatives designated as hedging instruments:				
Foreign currency contracts	Other current assets	\$ 36	\$ —	\$ 36
Derivatives not designated as hedging instruments:				
Foreign currency contracts	Other current assets	230	(110)	120
Total asset derivatives		\$ 266	\$ (110)	\$ 156
Liability derivatives:				
Derivatives not designated as hedging instruments:				
Foreign currency contracts	Accrued and other current liabilities	\$ 108	\$ (103)	\$ 5
Total liability derivatives		\$ 108	\$ (103)	\$ 5

¹. Counterparty and cash collateral amounts represent the estimated net settlement amount when applying netting and set-off rights included in master netting arrangements between the company and its counterparties and the payable or receivable for cash collateral held or placed with the same counterparty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
Effect of Derivative Instruments

(In millions)	Amount of (Loss) Gain Recognized in OCI ¹ - Pre-Tax	
	Three Months Ended March 31,	
	2021	2020
Derivatives designated as hedging instruments:		
Net investment hedges:		
Foreign currency contracts	\$ 21	\$ 9
Cash flow hedges:		
Foreign currency contracts	31	19
Commodity contracts	36	(34)
Total derivatives designated as hedging instruments	\$ 88	\$ (6)

¹ OCI is defined as other comprehensive income (loss).

(In millions)	Amount of Gain (Loss) Recognized in Income - Pre-Tax ¹	
	Three Months Ended March 31,	
	2021	2020
Derivatives designated as hedging instruments:		
Cash flow hedges:		
Foreign currency contracts ²	\$ 1	\$ —
Commodity contracts ²	4	(7)
Total derivatives designated as hedging instruments	\$ 5	\$ (7)
Derivatives not designated as hedging instruments:		
Foreign currency contracts ³	\$ 16	\$ 165
Foreign currency contracts ²	2	—
Commodity contracts ²	(12)	9
Total derivatives not designated as hedging instruments	6	174
Total derivatives	\$ 11	\$ 167

¹ For cash flow hedges, this represents the portion of the gain (loss) reclassified from accumulated OCI into income during the period.

² Recorded in cost of goods sold.

³ Gain recognized in other income (expense) - net was partially offset by the related gain on the foreign currency-denominated monetary assets and liabilities of the company's operations. See Note 6 - Supplementary Information, for additional information.

Debt Securities

The company's investment in debt securities are classified as available-for-sale. At March 31, 2021, the fair value and amortized cost of the company's investments in debt securities with contractual maturities within one to five years was \$65 million.

The estimated fair value of the available-for-sale securities as of March 31, 2021 and December 31, 2020 was determined using Level 1 inputs within the fair value hierarchy. Level 1 measurements were based on quoted market prices in active markets for identical assets and liabilities. The available-for-sale securities as of March 31, 2021 and December 31, 2020 are held by certain foreign subsidiaries in which the USD is not the functional currency. The fluctuations in foreign exchange are recorded in accumulated other comprehensive loss within the interim Consolidated Statements of Equity. These fluctuations are subsequently reclassified from accumulated other comprehensive loss to earnings in the period in which the marketable securities are sold and the gains and losses on these securities offset a portion of the foreign exchange fluctuations in earnings for the company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following table provides the investing results from available-for-sale securities for the three months ended March 31, 2021:

Investing Results	Three Months Ended	
	March 31,	
(In millions)	2021	
Proceeds from sales of available-for-sale securities	\$	161
Gross realized losses		(6)
Total	\$	155

The following table provides the fair value and gross unrealized losses of the company's investments in debt securities at March 31, 2021, aggregated by investment category:

March 31, 2021	12 months or more	
(In millions)	Fair value	Gross unrealized losses
U.S. Treasuries	\$ 65	\$ —

NOTE 17 - FAIR VALUE MEASUREMENTS

The following tables summarize the basis used to measure certain assets and liabilities at fair value on a recurring basis:

March 31, 2021	<i>Significant Other Observable Inputs</i>	
(In millions)	<i>Level 1</i>	<i>Level 2</i>
Assets at fair value:		
Marketable securities	\$ —	\$ 49
Debt securities:		
U.S. treasuries ¹	65	—
Derivatives relating to:²		
Foreign currency	—	90
Total assets at fair value	\$ 65	\$ 139
Liabilities at fair value:		
Derivatives relating to:²		
Foreign currency	—	62
Total liabilities at fair value	\$ —	\$ 62

December 31, 2020	<i>Significant Other Observable Inputs</i>	
(In millions)	<i>Level 1</i>	<i>Level 2</i>
Assets at fair value:		
Marketable securities	\$ —	\$ 43
Debt securities:		
U.S. treasuries ¹	226	—
Derivatives relating to:²		
Foreign currency	—	55
Total assets at fair value	\$ 226	\$ 98
Liabilities at fair value:		
Derivatives relating to:²		
Foreign currency	—	135
Total liabilities at fair value	\$ —	\$ 135

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2020 (In millions)	<i>Significant Other Observable Inputs (Level 2)</i>
Assets at fair value:	
Marketable securities	\$ 10
Derivatives relating to: ²	
Foreign currency	266
Total assets at fair value	\$ 276
Liabilities at fair value:	
Derivatives relating to: ²	
Foreign currency	108
Total liabilities at fair value	\$ 108

1. The company's investments in debt securities, which are available-for-sale, are included in "marketable securities" in the interim Condensed Consolidated Balance Sheets.

2. See Note 16 - Financial Instruments for the classification of derivatives in the interim Condensed Consolidated Balance Sheets.

NOTE 18 - SEGMENT INFORMATION

Corteva's reportable segments reflects the manner in which its chief operating decision maker ("CODM") allocates resources and assesses performance, which is at the operating segment level (seed and crop protection). For purposes of allocating resources to the segments and assessing segment performance, segment operating EBITDA is the primary measure used by Corteva's CODM. The company defines segment operating EBITDA as earnings (i.e., income (loss) from continuing operations before income taxes) before interest, depreciation, amortization, corporate expenses, non-operating (benefits) costs - net, foreign exchange gains (losses), and net unrealized gain or loss from mark-to-market activity for certain foreign currency derivative instruments that do not qualify for hedge accounting, excluding the impact of significant items. Effective January 1, 2021, on a prospective basis, the company excludes from segment operating EBITDA net unrealized gain or loss from mark-to-market activity for certain foreign currency derivative instruments that do not qualify for hedge accounting. Non-operating (benefits) costs - net consists of non-operating pension and other post-employment benefit (OPEB) costs, tax indemnification adjustments and environmental remediation and legal costs associated with legacy EID businesses and sites. Tax indemnification adjustments relate to changes in indemnification balances, as a result of the application of the terms of the Tax Matters Agreement, between Corteva and Dow and/or DuPont that are recorded by the company as pre-tax income or expense.

As of and for the Three Months Ended March 31, (In millions)	Seed	Crop Protection	Total
2021			
Net sales	\$ 2,492	\$ 1,686	\$ 4,178
Segment operating EBITDA	\$ 617	\$ 321	\$ 938
Segment assets ¹	\$ 24,799	\$ 13,349	\$ 38,148
2020			
Net sales	\$ 2,455	\$ 1,501	\$ 3,956
Segment operating EBITDA	\$ 581	\$ 238	\$ 819
Segment assets ¹	\$ 25,857	\$ 13,251	\$ 39,108

1. Segment assets at December 31, 2020 were \$23,751 million and \$13,099 million for Seed and Crop Protection, respectively.

Reconciliation to interim Consolidated Financial Statements

Income from continuing operations after income taxes to segment operating EBITDA	Three Months Ended March 31,	
	2021	2020
(In millions)		
Income from continuing operations after income taxes	\$ 613	\$ 281
Provision for income taxes on continuing operations	178	127
Income from continuing operations before income taxes	791	408
Depreciation and amortization	304	283
Interest income	(21)	(18)
Interest expense	7	10
Exchange losses - net	35	61
Non-operating benefits - net	(311)	(73)
Mark-to-market gains on certain foreign currency contracts not designated as hedges ¹	(1)	
Significant items	100	123
Corporate expenses	34	25
Segment operating EBITDA	\$ 938	\$ 819

- Effective January 1, 2021, on a prospective basis, the company excludes net unrealized gain or loss from mark-to-market activity for certain foreign currency derivative instruments that do not qualify for hedge accounting. There was no activity in the three months ended March 31, 2020. Refer to page 48 for further discussion of the company's Non-GAAP financial measures.

Segment assets to total assets (in millions)	March 31, 2021	December 31, 2020	March 31, 2020
Total segment assets	\$ 38,148	\$ 36,850	\$ 39,108
Corporate assets	4,401	5,799	3,870
Total assets	\$ 42,549	\$ 42,649	\$ 42,978

Significant Pre-tax (Charges) Benefits Not Included in Segment Operating EBITDA

The three months ended March 31, 2021 and 2020, respectively, included the following significant pre-tax (charges) benefits which are excluded from segment operating EBITDA:

(In millions)	Seed	Crop Protection	Corporate	Total
For the Three Months Ended March 31, 2021				
Restructuring and Asset Related Charges - Net ¹	\$ (21)	\$ (32)	\$ (47)	\$ (100)
Total	\$ (21)	\$ (32)	\$ (47)	\$ (100)

(In millions)	Seed	Crop Protection	Corporate	Total
For the Three Months Ended March 31, 2020				
Restructuring and Asset Related Charges - Net ¹	\$ (10)	\$ (18)	\$ (42)	\$ (70)
Loss on Divestiture ²	—	(53)	—	(53)
Total	\$ (10)	\$ (71)	\$ (42)	\$ (123)

- Includes Board approved restructuring plans and asset related charges as well as accelerated prepaid amortization expense. See Note 5 - Restructuring and Asset Related Charges - Net, to the interim Consolidated Financial Statements for additional information.
- Includes a loss recorded in other income - net related to the sale of the La Porte site.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Statements About Forward-Looking Statements

This report contains certain estimates and forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended, which are intended to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and may be identified by their use of words like "plans," "expects," "will," "anticipates," "believes," "intends," "projects," "estimates," "outlook," or other words of similar meaning. All statements that address expectations or projections about the future, including statements about Corteva's strategy for growth, product development, regulatory approval, market position, liquidity, anticipated benefits of recent acquisitions, timing of anticipated benefits from restructuring actions, outcome of contingencies, such as litigation and environmental matters, expenditures, and financial results, as well as its expectations related to its separation of Corteva from DowDuPont and the agreements related thereto, are forward-looking statements.

Forward-looking statements and other estimates are based on certain assumptions and expectations of future events which may not be accurate or realized. Forward-looking statements and other estimates also involve risks and uncertainties, many of which are beyond Corteva's control. While the list of factors presented below is considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Consequences of material differences in results as compared with those anticipated in the forward-looking statements could include, among other things, business disruption, operational problems, financial loss, legal liability to third parties and similar risks, any of which could have a material adverse effect on Corteva's business, results of operations and financial condition. Some of the important factors that could cause Corteva's actual results to differ materially from those projected in any such forward-looking statements include: (i) failure to obtain or maintain the necessary regulatory approvals for some of Corteva's products; (ii) failure to successfully develop and commercialize Corteva's pipeline; (iii) effect of the degree of public understanding and acceptance or perceived public acceptance of Corteva's biotechnology and other agricultural products; (iv) effect of changes in agricultural and related policies of governments and international organizations; (v) effect of competition and consolidation in Corteva's industry; (vi) effect of competition from manufacturers of generic products; (vii) costs of complying with evolving regulatory requirements and the effect of actual or alleged violations of environmental laws or permit requirements; (viii) effect of climate change and unpredictable seasonal and weather factors; (ix) risks related to oil and commodity markets; (x) competitor's establishment of an intermediary platform for distribution of Corteva's products; (xi) impact of Corteva's dependence on third parties with respect to certain of its raw materials or licenses and commercialization; (xii) effect of industrial espionage and other disruptions to Corteva's supply chain, information technology or network systems; (xiii) effect of volatility in Corteva's input costs; (xiv) failure to realize the anticipated benefits of the internal reorganizations taken by DowDuPont in connection with the spin-off of Corteva and other cost savings initiatives; (xv) failure to raise capital through the capital markets or short-term borrowings on terms acceptable to Corteva; (xvi) failure of Corteva's customers to pay their debts to Corteva, including customer financing programs; (xvii) increases in pension and other post-employment benefit plan funding obligations; (xviii) risks related to the indemnification obligations of legacy EID liabilities in connection with the separation of Corteva; (xix) effect of compliance with laws and requirements and adverse judgments on litigation; (xx) risks related to Corteva's global operations; (xxi) failure to effectively manage acquisitions, divestitures, alliances and other portfolio actions; (xxii) risks related to COVID-19; (xxiii) risks related to activist stockholders; (xxiv) Corteva's intellectual property rights or defend against intellectual property claims asserted by others; (xxv) effect of counterfeit products; (xxvi) Corteva's dependence on intellectual property cross-license agreements; and (xxvii) other risks related to the separation from DowDuPont.

Additionally, there may be other risks and uncertainties that Corteva is unable to currently identify or that Corteva does not currently expect to have a material impact on its business. Where, in any forward-looking statement or other estimate, an expectation or belief as to future results or events is expressed, such expectation or belief is based on the current plans and expectations of Corteva's management and expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. Corteva disclaims and does not undertake any obligation to update or revise any forward-looking statement, except as required by applicable law. A detailed discussion of some of the significant risks and uncertainties which may cause results and events to differ materially from such forward-looking statements or other estimates is included in the "Risk Factors" section of Corteva's Annual Report on Form 10-K, as modified by subsequent Quarterly Reports on Forms 10-Q and Current Reports on Form 8-K.

Recent Developments

COVID-19 Pandemic

On March 11, 2020, the World Health Organization (“WHO”) declared the novel coronavirus disease (“COVID-19”) a pandemic. The global health crisis caused by COVID-19 and the related government actions and stay at home orders have negatively impacted economic activity and increased political instability across the globe. Since the crisis began Corteva has engaged its global Integrated Health Services Pandemic & Infectious Disease Team to take actions and implement guidelines and protocols in response to the COVID-19 pandemic described in its 2020 Annual Report, Part II, Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations, COVID-19 Pandemic.

When COVID-19 is demonstrably contained, the company anticipates a rebound in economic activity, depending on the rate, pace, and effectiveness of the containment efforts deployed by various national, state, and local governments, vaccination rates, and the ability of COVID-19 variants to overcome containment efforts, available vaccines, and medical treatments. Corteva will continue to actively monitor the situation and may take further actions altering its business operations that it determines are in the best interests of its stakeholders, or as required by federal, state, or local authorities. It is not clear what the potential effects any such alterations or modifications may have on the company’s business, including the effects on its customers, employees, and prospects, or on its financial results for 2021 and beyond. With the ongoing volatility in global markets, the company will continue to monitor various factors that could impact earnings and cash flows of the business, including, but not limited to the inflation of, or unavailability of raw material inputs and transportation and logistics services, currency fluctuations, expectations of future planted area (as influenced by consumer demand, ethanol markets and government policies and regulations), trade and purchasing of commodities globally and relative commodity prices.

2021 Restructuring Actions

On February 1, 2021, Corteva approved restructuring actions designed to right-size and optimize footprint and organizational structure according to the business needs in each region with the focus on driving continued cost improvement and productivity. As a result of these actions, the company expects to record total pre-tax restructuring charges of approximately \$130 million to \$170 million, comprised of approximately \$40 million to \$50 million of severance and related benefit costs, \$40 million to \$60 million of asset related charges, \$10 million to \$15 million of asset retirement obligations and \$40 million to \$45 million of costs related to contract terminations (contract terminations includes early lease terminations). Future cash payments related to this charge are anticipated to be approximately \$80 million to \$100 million, primarily related to the payment of severance and related benefits, asset retirement obligations, and costs related to contract terminations. The restructuring actions associated with this charge are expected to be substantially complete in 2021.

During the three months ended March 31, 2021, the company recorded pre-tax charges of \$89 million, recognized in restructuring and asset related charges - net in the company’s interim Consolidated Statement of Operations, primarily related to the payment of severance and related benefits and contract termination charges.

The 2021 Restructuring Actions are expected to contribute to the company’s ongoing cost and productivity improvement efforts through achieving an estimated \$70 million of savings on a run rate basis by 2023. See Note 5 - Restructuring and Asset Related Charges - Net, to the interim Consolidated Financial Statements for additional information.

Share Buyback Plan

On June 26, 2019, Corteva, Inc. announced that its Board of Directors authorized a \$1 billion share repurchase program to purchase Corteva, Inc.’s common stock, par value \$0.01 per share, without an expiration date. The company expects to complete the share repurchase program in 2021. The timing, price and volume of purchases will be based on market conditions, relevant securities laws and other factors. During the three months ended March 31, 2021, the company purchased and retired 7,646,000 shares in the open market for a total cost of \$350 million. During the three months ended March 31, 2020, the company purchased and retired 1,865,000 shares in the open market for a total cost of \$50 million.

Overview

The following is a summary of results from continuing operations for the three months ended March 31, 2021:

- The company reported net sales of \$4,178 million, up 6 percent versus the same quarter last year, reflecting a 3 percent increase in volume and a 3 percent increase in price. Volume and price gains were driven by continued penetration of new products, coupled with favorable overall market fundamentals.
- Cost of goods sold ("COGS") totaled \$2,420 million in the first quarter of 2021, up from \$2,269 million in the first quarter of 2020, primarily driven by increased volumes and higher input costs, partially offset by ongoing cost and productivity actions.
- Restructuring and asset related charges - net were \$100 million in the first quarter of 2021, an increase from \$70 million in the first quarter of 2020. The charges in the first quarter of 2021 primarily relate to severance and related benefit costs, asset related charges, and contract termination charges associated with 2021 Restructuring Actions.
- Income from continuing operations after income taxes was \$613 million, as compared to \$281 million in the same quarter last year.
- Operating EBITDA was \$904 million for the three months ended March 31, 2021, up from \$794 million for the three months ended March 31, 2020, primarily driven by strong price execution and volume gains, which collectively more than offset cost headwinds. The company experienced market-driven cost headwinds in the quarter, including cost increases in freight and logistics, as well as raw materials. These headwinds were partially offset by the company's ongoing execution on its productivity programs. Refer to page 48 for further discussion of the company's Non-GAAP financial measures.

In addition to the financial highlights above, the following events occurred during or subsequent to the three months ended March 31, 2021:

- The company returned approximately \$450 million to shareholders during the three months ended March 31, 2021 under its previously announced share repurchase program and through common stock dividends.

Selected Financial Data

In millions, except per share amounts	Three Months Ended March 31,	
	2021	2020
Net sales	\$ 4,178	\$ 3,956
Cost of goods sold	\$ 2,420	\$ 2,269
Percent of net sales	58 %	57 %
Research and development expense	\$ 281	\$ 280
Percent of net sales	7 %	7 %
Selling, general and administrative expenses	\$ 733	\$ 757
Percent of net sales	18 %	19 %
Effective tax rate on continuing operations	22.5 %	31.1 %
Income from continuing operations after income taxes	\$ 613	\$ 281
Income from continuing operations available to Corteva common stockholders	\$ 610	\$ 271
Basic earnings per share of common stock from continuing operations	\$ 0.82	\$ 0.36
Diluted earnings per share of common stock from continuing operations	\$ 0.81	\$ 0.36

Results of Operations

Net Sales

Net sales were \$4,178 million and \$3,956 million for the three months ended March 31, 2021 and 2020, respectively. Volume and local price both increased 3 percent versus the prior-year period, primarily driven by the ongoing penetration of new products coupled with favorable overall market fundamentals. Gains were reported in most regions, led by double-digit growth in Latin America.

	Three Months Ended March 31,			
	2021		2020	
	Net Sales (\$ Millions)	%	Net Sales (\$ Millions)	%
Worldwide	\$ 4,178	100 %	\$ 3,956	100 %
North America ¹	1,743	42 %	1,765	45 %
EMEA ²	1,602	38 %	1,467	37 %
Latin America	518	12 %	434	11 %
Asia Pacific	315	8 %	290	7 %

\$ In millions	Q1 2021 vs. Q1 2020		Percent Change Due To:			
	Net Sales Change \$	%	Local Price & Product Mix	Volume	Currency	Portfolio / Other
North America ¹	\$ (22)	(1)%	1 %	(3)%	1 %	— %
EMEA ²	135	9 %	3 %	3 %	3 %	— %
Latin America	84	19 %	14 %	24 %	(19)%	— %
Asia Pacific	25	9 %	3 %	6 %	4 %	(4)%
Total	\$ 222	6 %	3 %	3 %	— %	— %

1. Represents U.S. & Canada.
2. Europe, Middle East, and Africa ("EMEA").

Cost of Goods Sold

COGS was \$2,420 million (58 percent of net sales) and \$2,269 million (57 percent of net sales) for the three months ended March 31, 2021 and 2020, respectively. The increase was primarily driven by higher input costs in both crop protection and seed. Also, the company experienced higher seed freight costs due to lower service capacity combined with an increase in volumes, all partially offset by ongoing cost and productivity actions.

Research and Development Expense

R&D expense was \$281 million (7 percent of net sales) and \$280 million (7 percent of net sales) for the three months ended March 31, 2021 and 2020, respectively. R&D expense was essentially flat, as compared to prior year, as increases in spending to support new product launches were offset by ongoing cost and productivity actions.

Selling, General and Administrative Expenses

SG&A expenses were \$733 million (18 percent of net sales) and \$757 million (19 percent of net sales) for the three months ended March 31, 2021 and 2020, respectively. The decrease was primarily driven by lower bad debt expense due to a reduction in the reserve percentage used based on improvements in the loss history, lower travel expense due to COVID-19 related restrictions put into place late in the first quarter of 2020, and favorable currency, partially offset by higher commission expense due to an increase in sales.

Amortization of Intangibles

Intangible asset amortization was \$183 million and \$163 million for the three months ended March 31, 2021 and 2020, respectively. The increase was primarily driven by amortization of the trade name asset that was changed from indefinite lived intangible asset to definite lived in the fourth quarter of 2020. See Note 11 - Other Intangible Assets, to the interim Consolidated Financial Statements for additional information.

Restructuring and Asset Related Charges - Net

Restructuring and asset related charges - net were \$100 million and \$70 million for the three months ended March 31, 2021 and 2020, respectively. The charges in the first quarter of 2021 primarily relate to severance and related benefit costs, contract termination charges, and asset related charges associated with 2021 Restructuring Actions. The charges in the first quarter of 2020 primarily relate to severance and related benefit costs and asset related charges under the Execute to Win Productivity Program.

In addition, during the three months ended March 31, 2021 and 2020, the company recognized \$7 million and \$10 million, respectively, in restructuring and asset related charges, net in the interim Consolidated Statement of Operations, from non-cash accelerated prepaid royalty amortization expense related to Roundup Ready 2 Yield® and Roundup Ready 2 Xtend® herbicide tolerance traits.

See Note 5 - Restructuring and Asset Related Charges, Net, to the interim Consolidated Financial Statements for additional information.

Other Income - Net

Other income - net was \$337 million and \$1 million for the three months ended March 31, 2021 and 2020, respectively. The increase was primarily due to an increase in non-operating pension and other post employment benefit credit, driven by the December 2020 OPEB plan amendments as discussed in the 2020 Annual Report. In addition, Other income - net for the quarter ended March 31, 2020 includes a \$(53) million loss on the sale of the La Porte site. See Note 6 - Supplementary Information, to the interim Consolidated Financial Statements for additional information.

Pre-tax net exchange losses were \$35 million and \$61 million for the three months ended March 31, 2021 and 2020, respectively. The company routinely uses forward exchange contracts to offset its net exposures, by currency denominated monetary assets and liabilities of its operations. The objective of this program is to maintain an approximately balanced position in foreign currencies in order to minimize, on an after-tax basis, the effects of exchange rate changes. The net pre-tax exchange gains and losses are recorded in other income - net and the related tax impact is recorded in provision for (benefit from) income taxes on continuing operations in the interim Consolidated Statement of Operations.

Interest Expense

Interest expense was \$7 million and \$10 million for the three months ended March 31, 2021 and 2020, respectively. The change was primarily driven by lower average commercial paper balances and lower interest rates, partially offset by higher average long-term borrowings.

Provision for Income Taxes on Continuing Operations

The company's provision for income taxes on continuing operations was \$178 million for the three months ended March 31, 2021 on pre-tax income from continuing operations of \$791 million, resulting in an effective tax rate of 22.5 percent. The effective tax rate was unfavorably impacted by the tax impact of certain net exchange losses recognized on the re-measurement of the net monetary asset positions which were not tax-deductible in their local jurisdictions, as well as geographic mix of earnings. Those unfavorable impacts were partially offset by \$(7) million of net tax benefits associated with changes in accruals for certain prior year tax positions in various jurisdictions, as well as tax benefits related to the issuance of stock-based compensation. The company's provision for income taxes on continuing operations was \$127 million for the three months ended March 31, 2020 on pre-tax income from continuing operations of \$408 million, resulting in an effective tax rate of 31.1 percent. The effective tax rate was unfavorably impacted by the tax impact of certain net exchange losses recognized on the re-measurement of the net monetary asset positions which were not tax-deductible in their local jurisdictions, as well as tax charges related to the issuance of stock-based compensation.

EID Analysis of Operations

As discussed in Note 1 - Basis of Presentation, to the EID Consolidated Financial Statements, EID is a subsidiary of Corteva, Inc. and continues to be a reporting company, subject to the requirements of the Exchange Act. The below relates to EID only and is presented to provide an Analysis of Operations, only for the differences between EID and Corteva, Inc.

Interest Expense

EID's interest expense was \$22 million and \$42 million for the three months ended March 31, 2021 and 2020, respectively. The change was primarily driven by the items noted on page 43, under the header "Interest Expense," and by lower interest expense incurred on the related party loan between EID and Corteva, Inc. See Note 2 - Related Party Transactions, to the EID Consolidated Financial Statements for further information.

Provision for Income Taxes on Continuing Operations

EID's provision for income taxes on continuing operations was \$174 million for three months ended March 31, 2021 on pre-tax income from continuing operations of \$776 million, resulting in an effective tax rate of 22.4 percent. EID's provision for income taxes on continuing operations was \$119 million for the three months ended March 31, 2020 on pre-tax income from continuing operations of \$376 million, resulting in an effective tax rate of 31.6 percent.

EID's effective tax rates for the three months ended March 31, 2021 and 2020 were driven by the items noted on page 43, under the header "Provision for Income Taxes on Continuing Operations" and a tax benefit related to the interest expense incurred on the related party loan between EID and Corteva, Inc. See Note 2 - Related Party Transactions, to the EID Consolidated Financial Statements for further information.

Corporate Outlook

The company is increasing its net sales outlook for 2021, and expects an approximate 3 – 4 percent increase in net sales. Additionally, the company is reaffirming its previous 2021 Corporate Outlook on Operating EBITDA and Operating Earnings Per Share, refer to the 2020 Annual Report, and expects an increase of approximately 15 - 20 percent and 23 - 30 percent, respectively.

Corteva is not able to reconcile its forward-looking non-GAAP financial measures to its most comparable U.S. GAAP financial measures, as it is unable to predict with reasonable certainty items outside of the company's control, such as Significant Items, without unreasonable effort (refer to page 49 for Significant Items recorded in the three months ended March 31, 2021 and 2020). During 2021, the company expects to record \$130 million to \$170 million for the 2021 Restructuring Actions and approximately \$130 million for non-cash accelerated prepaid royalty amortization expense as restructuring and asset related charges. See Note 5 - Restructuring and Asset Related Charges - Net, to the interim Consolidated Financial Statements for additional information on the company's 2021 Restructuring Actions and accelerated prepaid royalty amortization.

Recent Accounting Pronouncements

See Note 2 - Recent Accounting Guidance, to the interim Consolidated Financial Statements for a description of recent accounting pronouncements.

Segment Reviews

The company operates in two reportable segments: Seed and Crop Protection.

Seed

The company's seed segment is a global leader in developing and supplying advanced germplasm and traits that produce optimum yield for farms around the world. The segment is a leader in many of the company's key seed markets, including North America corn and soybeans, Europe corn and sunflower, as well as Brazil, India, South Africa and Argentina corn. The segment offers trait technologies that improve resistance to weather, disease, insects and herbicides used to control weeds, and trait technologies that enhance food and nutritional characteristics. In addition, the segment provides digital solutions that assist farmer decision-making with a view to optimize product selection and, ultimately, help maximize yield and profitability.

Crop Protection

The crop protection segment serves the global agricultural input industry with products that protect against weeds, insects and other pests, and disease, and that improve overall crop health both above and below ground via nitrogen management and seed-applied technologies. The segment offers crop protection solutions that provide farmers the tools they need to improve productivity and profitability, and help keep fields free of weeds, insects and diseases. The segment is a leader in global herbicides, insecticides, nitrogen stabilizers and pasture and range management herbicides.

Summarized below are comments on individual segment net sales and segment operating EBITDA for the three months ended March 31, 2021 compared with the same period in 2020. The company defines segment operating EBITDA as earnings (i.e., income from continuing operations before income taxes) before interest, depreciation, amortization, corporate expenses, non-operating costs-net, foreign exchange gains (losses), and net unrealized gain or loss from mark-to-market activity for certain foreign currency derivative instruments that do not qualify for hedge accounting, excluding the impact of significant items. Non-operating costs-net consists of non-operating pension and other post-employment benefit (OPEB) credits, tax indemnification adjustments and environmental remediation and legal costs associated with legacy EID businesses and sites. Tax indemnification adjustments relate to changes in indemnification balances, as a result of the application of the terms of the Tax Matters Agreement, between Corteva and Dow and/or DuPont that are recorded by the company as pre-tax income or expense. Beginning January 1, 2021, the company excludes net unrealized gains or losses from mark-to-market activity for certain foreign currency derivative instruments that do not qualify for hedge accounting. See Note 18 - Segment Information, to the interim Consolidated Financial Statements for details related to significant pre-tax benefits (charges) excluded from segment operating EBITDA. All references to prices are based on local price unless otherwise specified.

A reconciliation of segment operating EBITDA to income from continuing operations after income taxes for the three months ended March 31, 2021 and 2020 is included in Note 18 - Segment Information, to the interim Consolidated Financial Statements.

Seed	Three Months Ended March 31,	
	2021	2020
In millions		
Net sales	\$ 2,492	\$ 2,455
Segment operating EBITDA	\$ 617	\$ 581

Seed	Q1 2021 vs. Q1 2020		Percent Change Due To:			
	Net Sales Change		Local Price & Product Mix	Volume	Currency	Portfolio / Other
\$ In millions	\$	%				
North America	\$ (80)	(6)%	(1)%	(6)%	1 %	— %
EMEA	66	7 %	3 %	2 %	2 %	— %
Latin America	58	27 %	9 %	39 %	(21)%	— %
Asia Pacific	(7)	(10)%	5 %	(12)%	(3)%	— %
Total	\$ 37	2 %	2 %	1 %	(1)%	— %

Seed	Q1 2021 vs. Q1 2020		Percent Change Due To:			
	Net Sales Change		Local Price & Product Mix	Volume	Currency	Portfolio / Other
\$ In millions	\$	%				
Corn	\$ 24	1 %	2 %	— %	(1)%	— %
Soybeans	(4)	(2)%	(4)%	— %	2 %	— %
Other oilseeds	48	19 %	4 %	18 %	(3)%	— %
Other	(31)	(19)%	(5)%	(12)%	(2)%	— %
Total	\$ 37	2 %	2 %	1 %	(1)%	— %

Seed

Seed net sales were \$2,492 million in the first quarter of 2021, up 2 percent from \$2,455 million in the first quarter of 2020. Gains were driven by a 2 percent increase in local price and a 1 percent increase in volume, partially offset by a 1 percent impact from currency.

Pricing gains were driven by strong adoption of new Seed technology, including price execution in EMEA and Latin America, with corn price up 2% globally. Volume growth was driven by record corn and sunflower volume in EMEA due to a shift in customer demand on local supply concerns and an early start to the spring, coupled with strong Safrinha sales in Brazil and early demand in other parts of Latin America. Gains were partially offset by impact of seasonal timing of deliveries in North America. Unfavorable currency impacts, led by the Brazilian Real, were partially offset by favorable impacts from the Euro.

Segment operating EBITDA was \$617 million in the first quarter of 2021, up 6 percent from \$581 million in the first quarter of 2020. Price execution, lower SG&A driven by an improvement in bad debt, a gain on the remeasurement of an equity investment and ongoing cost and productivity actions more than offset higher input costs from unfavorable yields on European corn, higher freight costs and the unfavorable impact of currency. Segment operating EBITDA margin improved by more than 100 basis points versus the prior-year period.

Crop Protection	Three Months Ended March 31,	
	2021	2020
In millions		
Net sales	\$ 1,686	\$ 1,501
Segment Operating EBITDA	\$ 321	\$ 238

Crop Protection	Q1 2021 vs. Q1 2020		Percent Change Due To:			
	Net Sales Change		Local Price & Product Mix	Volume	Currency	Portfolio / Other
\$ In millions	\$	%				
North America	\$ 58	12 %	6 %	5 %	1 %	— %
EMEA	69	12 %	3 %	4 %	5 %	— %
Latin America	26	12 %	18 %	10 %	(16)%	— %
Asia Pacific	32	14 %	2 %	12 %	5 %	(5)%
Total	\$ 185	12 %	6 %	6 %	1 %	(1)%

Crop Protection	Q1 2021 vs. Q1 2020		Percent Change Due To:			
	Net Sales Change		Local Price & Product Mix	Volume	Currency	Portfolio / Other
\$ In millions	\$	%				
Herbicides	\$ 163	20 %	5 %	12 %	3 %	— %
Insecticides	7	2 %	8 %	(4)%	(2)%	— %
Fungicides	32	14 %	5 %	14 %	(1)%	(4)%
Other	(17)	(24)%	(1)%	(19)%	(4)%	— %
Total	\$ 185	12 %	6 %	6 %	1 %	(1)%

Crop Protection

Crop protection net sales were \$1,686 million in the first quarter of 2021, up 12 percent from \$1,501 million in the first quarter of 2020. Gains were driven by 6 percent increases in volume and price, respectively, and a 1 percent favorable impact from currency, partially offset by a 1 percent impact from portfolio.

Volume gains were driven by strong demand for new products globally, including Arylex™, Enlist™, and Rinskor™ herbicides and Isoclast™ and Pyraxalt™ insecticides. These volume gains were partially offset by an approximate \$70 million impact from the company's decision to phase out select low-margin, generic products. Local price rose due to increases in Latin America, coupled with favorable product mix globally and strategic price increases in North America. Favorable currency impacts primarily from the Euro more than offset unfavorable impacts from the Brazilian Real. The portfolio impact was driven by prior-year divestitures in Asia Pacific.

Segment operating EBITDA was \$321 million in the first quarter of 2021, up 35 percent from \$238 million in the first quarter of 2020. Price and volume gains and ongoing cost and productivity actions more than offset higher input costs, including raw materials costs. Segment operating EBITDA margin improved by more than 300 basis points versus prior-year.

While the company has experienced some supply chain challenges and higher costs during the quarter ended March 31, 2021, as a result of freight and logistic service capacities remaining contracted and not yet having returned to pre-pandemic levels and weather-related events in the Gulf Coast, its supply chain strategies have to-date largely enabled availability of product and deliveries to customers.

Non-GAAP Financial Measures

The company presents certain financial measures that do not conform to U.S. GAAP and are considered non-GAAP measures. These measures include Operating EBITDA and operating earnings per share. Management uses these measures internally for planning and forecasting, including allocating resources and evaluating incentive compensation. Management believes that these non-GAAP measures best reflect the ongoing performance of the company during the periods presented and provide more relevant and meaningful information to investors as they provide insight with respect to ongoing operating results of the company and a more useful comparison of year over year results. These non-GAAP measures supplement the company's U.S. GAAP disclosures and should not be viewed as an alternative to U.S. GAAP measures of performance. Furthermore, such non-GAAP measures may not be consistent with similar measures provided or used by other companies. Reconciliations for these non-GAAP measures to U.S. GAAP are provided below.

Operating EBITDA is defined as earnings (i.e., income from continuing operations before income taxes) before interest, depreciation, amortization, non-operating (benefits) costs - net, foreign exchange gains (losses), and net unrealized gain or loss from mark-to-market activity for certain foreign currency derivative instruments that do not qualify for hedge accounting, excluding the impact of significant items. Non-operating (benefits) costs - net consists of non-operating pension and OPEB credits, tax indemnification adjustments and environmental remediation and legal costs associated with legacy businesses and sites of Historical DuPont. Tax indemnification adjustments relate to changes in indemnification balances, as a result of the application of the terms of the Tax Matters Agreement, between Corveva and Dow and/or DuPont that are recorded by the company as pre-tax income or expense. Operating earnings per share is defined as "Earnings per common share from continuing operations - diluted" excluding the after-tax impact of significant items, the after-tax impact of non-operating (benefits) costs - net, the after-tax impact of amortization expense associated with intangible assets existing as of the Separation from DowDuPont, and the after-tax impact of net unrealized gain or loss from mark-to-market activity for certain foreign currency derivative instruments that do not qualify for hedge accounting. Although amortization of the company's intangible assets is excluded from these non-GAAP measures, management believes it is important for investors to understand that such intangible assets contribute to revenue generation. Amortization of intangible assets that relate to past acquisitions will recur in future periods until such intangible assets have been fully amortized. Any future acquisitions may result in amortization of additional intangible assets. Net unrealized gain or loss from mark-to-market activity for certain foreign currency derivative instruments that do not qualify for hedge accounting represents the non-cash net gain (loss) from changes in fair value of certain undesignated foreign currency derivative contracts. Upon settlement, which is within the same calendar year of execution of the contract, the realized gain (loss) from the changes in fair value of the non-qualified foreign currency derivative contracts will be reported in the relevant non-GAAP financial measures, allowing quarterly results to reflect the economic effects of the foreign currency derivative contracts without the resulting unrealized mark to fair value volatility.

Reconciliation of Income from Continuing Operations after Income Taxes to Operating EBITDA

(In millions)	Three Months Ended March 31,	
	2021	2020
Income from continuing operations after income taxes (GAAP)	\$ 613	\$ 281
Provision for income taxes on continuing operations	178	127
Income from continuing operations before income taxes (GAAP)	791	408
Depreciation and amortization	304	283
Interest income	(21)	(18)
Interest expense	7	10
Exchange losses - net	35	61
Non-operating benefits - net	(311)	(73)
Mark-to-market gains on certain foreign currency contracts not designated as hedges ¹	(1)	
Significant items charge	100	123
Operating EBITDA (Non-GAAP)	\$ 904	\$ 794

1. Effective January 1, 2021, on a prospective basis, the company excludes net unrealized gain or loss from mark-to-market activity for certain foreign currency derivative instruments that do not qualify for hedge accounting. There was no activity in the three months ended March 31, 2020.

Significant Items

(In millions)	Three Months Ended March 31,	
	2021	2020
Restructuring and asset related charges - net	\$ (100)	\$ (70)
Loss on divestiture	—	(53)
Total pretax significant items charge	(100)	(123)
Total tax benefit impact of significant items ¹	23	23
Tax only significant item benefit ²	—	(19)
Total significant items charge, after tax	\$ (77)	\$ (119)

1. Unless specifically addressed above, the income tax effect on significant items was calculated based upon the enacted tax laws and statutory income tax rates applicable in the tax jurisdiction(s) of the underlying non-GAAP adjustment.
2. The three months ended March 31, 2020 includes an after tax charge related to the impact of a state tax valuation allowance in the U.S. based on a change in judgment about the realizability of a deferred tax asset.

Reconciliation of Income from Continuing Operations Attributable to Corteva and Earnings Per Share of Common Stock from Continuing Operations - Diluted to Operating Earnings and Operating Earnings Per Share

(In millions)	Three Months Ended March 31,	
	2021	2020
Income from continuing operations attributable to Corteva (GAAP)	\$ 610	\$ 271
Less: Non-operating benefits - net, after tax	237	57
Less: Amortization of intangibles (existing as of Separation), after tax	(143)	(114)
Less: Mark-to-market gains on certain foreign currency contracts not designated as hedges, after tax ¹	1	—
Less: Significant items charge, after tax	(77)	(119)
Operating Earnings (Non-GAAP)	\$ 592	\$ 447

	Three Months Ended March 31,	
	2021	2020
Earnings per share of common stock from continuing operations - diluted (GAAP)	\$ 0.81	\$ 0.36
Less: Non-operating benefits - net, after tax	0.31	0.08
Less: Amortization of intangibles (existing as of Separation), after tax	(0.19)	(0.15)
Less: Mark-to-market gains on certain foreign currency contracts not designated as hedges, after tax ¹	—	—
Less: Significant items charge, after tax	(0.10)	(0.16)
Operating Earnings Per Share (Non-GAAP)	\$ 0.79	\$ 0.59
Diluted Shares Outstanding (in millions)	749.6	752.5

1. Effective January 1, 2021, on a prospective basis, the company excludes net unrealized gain or loss from mark-to-market activity for certain foreign currency derivative instruments that do not qualify for hedge accounting. There was no activity in the three months ended March 31, 2020.

Liquidity and Capital Resources

Information related to the company's liquidity and capital resources can be found in the company's 2020 Annual Report, Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, Liquidity & Capital Resources. The discussion below provides the updates to this information for the three months ended March 31, 2021.

<i>(In millions)</i>	March 31, 2021	December 31, 2020	March 31, 2020
Cash, cash equivalents and marketable securities	\$ 2,518	\$ 3,795	\$ 1,973
Total debt	\$ 2,352	\$ 1,105	\$ 2,610

The company's cash, cash equivalents and marketable securities at March 31, 2021, December 31, 2020, and March 31, 2020 were \$2,518 million, \$3,795 million and \$1,973 million, respectively. Total debt at March 31, 2021, December 31, 2020, and March 31, 2020 was \$2,352 million, \$1,105 million, and \$2,610 million, respectively. The increase in debt balances from December 31, 2020 was primarily due to funding the company's seasonal working capital needs. See further information in Note 12 - Short-Term Borrowings, Long-Term Debt and Available Credit Facilities, to the interim Consolidated Financial Statements.

The company believes its ability to generate cash from operations and access to capital markets and commercial paper markets will be adequate to meet anticipated cash requirements to fund its operations, including seasonal working capital, capital spending and pension obligations. Corteva's strong financial position, liquidity and credit ratings will provide access as needed to capital markets and commercial paper markets to fund seasonal working capital needs. The company's liquidity needs can be met through a variety of sources, including cash provided by operating activities, commercial paper, syndicated credit lines, bilateral credit lines, long-term debt markets, bank financing and committed receivable repurchase facilities. Corteva considers the borrowing costs and lending terms when selecting the source to fund its operations and working capital needs. During the three months ended March 31, 2021, the company has experienced increased costs for steel and other materials used in various capital expenditures and capacity expansion projects, and expects this trend to continue. This has been due, in part to, rising demand from the economic recovery from the lifting of COVID-19 pandemic restrictions and government stimulus in some regions, while the supply for certain materials have not returned to pre-pandemic levels.

The company had access to approximately \$6.4 billion at March 31, 2021 and December 31, 2020, respectively and \$5.8 billion at March 31, 2020, in committed and uncommitted unused credit lines. In addition to the unused credit facilities, the company has a \$1 billion 2021 Repurchase Facility (as defined below). These facilities provide support to meet the company's short-term liquidity needs and for general corporate purposes which may include funding of discretionary and nondiscretionary contributions to certain benefit plans, severance payments, repayment and refinancing of debt, working capital, capital expenditures, repurchases and redemptions of securities, and funding Corteva's costs and expenses.

In March 2020, the company drew down \$500 million under the three year revolving credit facility to finance its short term liquidity needs as a result of the volatility and increased borrowing costs of commercial paper resulting from the unstable market conditions caused by the COVID-19 pandemic, and repaid that borrowing in full in June 2020. The Revolving Credit Facilities contain customary representations and warranties, affirmative and negative covenants and events of default that are typical for companies with similar credit ratings. The Revolving Credit Facilities also contain a financial covenant requiring that the ratio of total indebtedness to total capitalization for Corteva and its consolidated subsidiaries not exceed 0.60. At March 31, 2021 the company was in compliance with these covenants.

The company's indenture covenants include customary limitations on liens, sale and leaseback transactions, and mergers and consolidations affecting manufacturing plants, mineral producing properties or research facilities located in the U.S. and the consolidated subsidiaries owning such plants, properties and facilities subject to certain limitations. The outstanding long-term debt also contains customary default provisions.

The company has meaningful seasonal working capital needs based in part on providing financing to its customers. Working capital is funded through multiple methods including cash, commercial paper, the 2021 Repurchase Facility, the Revolving Credit Facilities, and factoring.

In February 2021, in line with seasonal working capital requirements, the company entered into a committed receivable repurchase agreement of up to \$1.0 billion (the "2021 Repurchase Facility") which expires in December 2021. Under the 2021 Repurchase Facility, Corteva may sell a portfolio of available and eligible outstanding customer notes receivables to participating institutions and simultaneously agree to repurchase at a future date. See further discussion of this facility in Note 12 - Short-Term Borrowings, Long-Term Debt and Available Credit Facilities, to the interim Consolidated Financial Statements.

The company has factoring agreements with third-party financial institutions to sell its trade receivables under both recourse and non-recourse agreements in exchange for cash proceeds in an effort to reduce its receivables risk. For arrangements that include an element of recourse, the company provides a guarantee of the trade receivables in the event of customer default. Refer to Note 9 - Accounts and Notes Receivable, Net, to the interim Consolidated Financial Statements for more information.

The company also organizes agreements with third-party financial institutions who directly provide financing for select customers of the company's seed and crop protection products in each region. Terms of the third-party loans are less than a year and programs are renewed on an annual basis. In some cases, the company guarantees a portion of the extension of such credit to such customers. Refer to Note 13 - Commitments and Contingent Liabilities, to the interim Consolidated Financial Statements for more information on the company's guarantees.

The company's cash, cash equivalents and marketable securities at March 31, 2021, December 31, 2020, and March 31, 2020 are \$2.5 billion, \$3.8 billion, and \$2.0 billion respectively, of which \$2.4 billion at March 31, 2021, \$3.1 billion at December 31, 2020, and \$1.5 billion at March 31, 2020 was held by subsidiaries in foreign countries, including United States territories. The 2017 Tax Cuts and Jobs Act ("The Act") required companies to pay a one-time transition tax on the untaxed earnings of foreign subsidiaries. Upon actual repatriation, such earnings could be subject to withholding taxes, foreign and/or U.S. state income taxes, and taxes resulting from the impact of foreign currency movements. The Act also introduced a 100 percent dividends received deduction regarding earnings of foreign subsidiaries. The cash held by foreign subsidiaries is generally used to finance the subsidiaries' operational activities and future foreign investments. At March 31, 2021, management believed that sufficient liquidity is available in the U.S. with global operating cash flows, borrowing capacity from existing committed credit facilities, and access to capital markets and commercial paper markets.

Summary of Cash Flows

Cash used for operating activities was \$1,950 million for the three months ended March 31, 2021 compared to \$1,930 million for the three months ended March 31, 2020. The change in cash used for operating activities was driven by an increase in working capital requirements.

Cash provided by (used for) investing activities was \$36 million for the three months ended March 31, 2021 compared to \$(130) million for the three months ended March 31, 2020. The change was primarily due to higher net proceeds from investments in available-for-sale securities, partly offset by higher capital expenditures.

Cash provided by financing activities was \$0.8 billion for the three months ended March 31, 2021 compared to \$2.3 billion for the three months ended March 31, 2020. The change was primarily due to lower borrowings partially offset by higher repurchases of Corteva common stock.

In January 2021, the Company's Board of Directors authorized a common stock dividend of \$0.13 per share, payable on March 15, 2021, to the shareholders of record on March 1, 2021.

On June 26, 2019, the company's Board of Directors authorized a \$1 billion share repurchase program to purchase Corteva, Inc.'s common stock, par value \$0.01 per share, without an expiration date. The company repurchased \$650 million under its share buyback plan since the Corteva Distribution and expects to repurchase the remaining \$350 million in 2021. The timing, price and volume of purchases will be based on market conditions, relevant securities laws and other factors.

During the three months ended March 31, 2021, the company purchased and retired 7,646,000 shares in the open market for a total cost of \$350 million. During the three months ended March 31, 2020, the company purchased and retired 1,865,000 shares for a total cost of \$50 million. See Note 14 - Stockholders' Equity, to the interim Consolidated Financial Statements for additional information related to the share buyback plan.

EID Liquidity Discussion

As discussed in Note 1 - Basis of Presentation, to the EID Consolidated Financial Statements, EID is a subsidiary of Corteva, Inc. and continues to be a reporting company, subject to the requirements of the Exchange Act. The below relates to EID only and is presented to provide a Liquidity discussion for the differences between EID and Corteva, Inc.

Cash used for operating activities

EID's cash used for operating activities was \$1.9 billion for the three months ended March 31, 2021 and 2020, respectively. The change was primarily driven by the items above under the header, "Summary of Cash Flow".

Cash provided by financing activities

EID's cash provided by financing activities was \$0.8 billion for the three months ended March 31, 2021 compared to \$2.3 billion for the three months ended March 31, 2020. The change was primarily driven by lower borrowings and higher payments on related party debt.

See Note 2 - Related Party Transactions, to the EID Consolidated Financial Statements for further information on the related party loan between EID and Corteva, Inc.

Guarantees and Off-Balance Sheet Arrangements

For detailed information related to Guarantees, Indemnifications, and Obligations for Equity Affiliates and Others, see the company's 2020 Annual Report, Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, Off-Balance Sheet Arrangements and Note 13 - Commitments and Contingent Liabilities, to the interim Consolidated Financial Statements.

Contractual Obligations

Information related to the company's contractual obligations at December 31, 2020 can be found on page 73 of the company's 2020 Annual Report. There have been no material changes to the company's contractual obligations outside the ordinary course of business from those reported in the company's 2020 Annual Report.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See Note 16 - Financial Instruments, to the interim Consolidated Financial Statements. See also Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk, of the company's 2020 Annual Report, for information on the company's utilization of financial instruments and an analysis of the sensitivity of these instruments.

Item 4. CONTROLS AND PROCEDURES

Corteva, Inc.

a) Evaluation of Disclosure Controls and Procedures

The company maintains a system of disclosure controls and procedures to give reasonable assurance that information required to be disclosed in the company's reports filed or submitted under the Securities Exchange Act of 1934 ("Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. These controls and procedures also give reasonable assurance that information required to be disclosed in such reports is accumulated and communicated to management to allow timely decisions regarding required disclosures.

As of March 31, 2021, the company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), together with management, conducted an evaluation of the effectiveness of the company's disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based on that evaluation, the CEO and CFO concluded that these disclosure controls and procedures are effective.

b) Changes in Internal Control over Financial Reporting

There have been no changes in the company's internal control over financial reporting that occurred during the quarter ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting.

E. I. du Pont de Nemours and Company

a) Evaluation of Disclosure Controls and Procedures

EID maintains a system of disclosure controls and procedures to give reasonable assurance that information required to be disclosed in their reports filed or submitted under the Securities Exchange Act of 1934 ("Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. These controls and procedures also give reasonable assurance that information required to be disclosed in such reports is accumulated and communicated to management to allow timely decisions regarding required disclosures.

As of March 31, 2021, EID's CEO and CFO, together with management, conducted an evaluation of the effectiveness of EID's disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based on that evaluation, the CEO and CFO concluded that these disclosure controls and procedures are effective.

b) Changes in Internal Control over Financial Reporting

There have been no changes in EID's internal control over financial reporting that occurred during the quarter ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, EID's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The company is subject to various legal proceedings, including, but not limited to, product liability, intellectual property, antitrust, commercial, property damage, personal injury, environmental and regulatory matters arising out of the normal course of its current businesses or legacy EID businesses unrelated to Corteva's current businesses but allocated to Corteva as part of the Separation of Corteva from DuPont. Information regarding certain of these matters is set forth below and in Note 13 - Commitments and Contingent Liabilities, to the interim Consolidated Financial Statements. Even when the Company believes liabilities are not expected to be material or the probability of loss or of an adverse unappealable final judgment is remote, the Company may consider settlement of these matters, and may enter into settlement agreements, if it believes settlement is in the best interest of the Company, including avoidance of future distraction and litigation defense cost, and its shareholders.

Litigation related to Corteva's current businesses

Canadian Competition Bureau Formal Inquiry

On January 30, 2020, the Canadian Competition Bureau (the "Bureau") filed a court order for the company to produce records and information as part of a formal inquiry under civil sections of Canada's competition laws. The inquiry is in response to allegations by the Farmers Business Network ("FBN") that Corteva and other seeds and crop protection manufacturers and wholesalers unilaterally or in coordination refused, restricted and/or impaired supply of products to FBN in western Canada. This inquiry follows an informal request for information from the Bureau pursuant to which the company voluntarily provided documents and engaged in discussions with the Bureau outlining how its conduct was and continues to be compliant with Canadian competition laws. Corteva continues to cooperate with the Bureau's inquiries, but believes the likelihood of material liability is remote.

Federal Trade Commission Investigation

On May 26, 2020, Corteva received a subpoena from the Federal Trade Commission ("FTC") directing it to submit documents pertaining to its crop protection products generally, as well as business plans, rebate programs, offers, pricing and marketing materials specifically related to its acetochlor, oxamyl and rimsulfuron and other related products in order to determine whether Corteva engaged in unfair methods of competition through anticompetitive conduct. Corteva has cooperated with the FTC's subpoena, and continues to believe the likelihood of material liability is remote.

Litigation related to legacy EID businesses unrelated to Corteva's current businesses

As discussed below and in Note 13 - Commitments and Contingent Liabilities, to the interim Consolidated Financial Statements, certain of the environmental proceedings and litigation allocated to Corteva as part of the Separation from DuPont relate to the legacy EID businesses, including their use of PFOA, which, for purposes of this report, means collectively perfluorooctanoic acid and its salts, including the ammonium salt and does not distinguish between the two forms, and PFAS, which means per- and polyfluoroalkyl substances, including PFOA, PFOS (perfluorooctanesulfonic acid), GenX and other perfluorinated chemicals and compounds ("PFCs"). Management believes that it is reasonably possible that EID could incur liabilities related to PFOA in excess of amounts accrued. However, any such losses are not estimable at this time due to various reasons, including, among others, that the underlying matters are in their early stages and have significant factual issues to be resolved.

On May 13, 2019, Chemours filed suit in the Delaware Court of Chancery against DuPont, EID, and Corteva, seeking, among other things, to limit its responsibility for the litigation and environmental liabilities allocated to and assumed by Chemours under the Chemours Separation Agreement (the "Delaware Litigation"). On March 30, 2020, the Court of Chancery granted a motion to dismiss. On December 15, 2020, the Delaware Supreme Court affirmed the judgment of the Court of Chancery. Meanwhile, a confidential arbitration process regarding the same and other claims has proceeded (the "Pending Arbitration"). On January 22, 2021, Chemours, DuPont, Corteva and EID entered into a binding memorandum of understanding containing a settlement to resolve legal disputes originating from the Delaware Litigation and Pending Arbitration, and to establish a cost sharing arrangement and escrow account to be used to support and manage potential future legacy per- and polyfluoroalkyl substances ("PFAS") liabilities arising out of pre-July 1, 2015 conduct (the "MOU"). See Note 13 - Commitments and Contingent Liabilities, to the interim Consolidated Financial Statements for further discussion.

Environmental Proceedings

The company believes it is remote that the following matters will have a material impact on its financial position, liquidity or results of operations. The matters below involve the potential for \$1 million or more in monetary fines and are included per Item 103(3)(c)(iii) of Regulation S-K of the Securities Exchange Act of 1934, as amended.

Related to Corteva's current businesses

La Porte Plant, La Porte, Texas - Crop Protection - Release Incident Investigations

On November 15, 2014, there was a release of methyl mercaptan at EID's La Porte, Texas, facility. The release occurred at the site's crop protection unit resulting in four employee fatalities inside the unit. The Chemical Safety Board ("CSB") issued its final report on June 18, 2019, which included recommendations related to the emergency response program at La Porte. Corteva responded to the CSB on September 30, 2019 outlining the actions it has taken to date to address the recommendations for the site and providing its plan to address the CSB's remaining recommendations. After the conclusion of the CSB investigation, criminal U.S. Environmental Protection Agency ("EPA") and the Department of Justice ("DOJ") investigations related to the incident continued. On January 8, 2021, EID and the facility's former unit operations leader were indicted by the DOJ on two felony and one misdemeanor charges of violations of the Clean Air Act related to the release. The maximum statutory penalties per charge are \$500,000, or twice the gross gain or loss derived from the incident, as well as up to three years of probation and related ongoing reporting obligations. Corteva cooperated fully with the government's investigation and will vigorously defend against these charges. The trial is currently scheduled for March 2022.

Related to legacy EID businesses unrelated to Corteva's current businesses

Sabine Plant, Orange, Texas - EPA Multimedia Inspection

In June 2012, EID began discussions with the EPA and the DOJ related to a multimedia inspection that the EPA conducted at the Sabine facility in March 2009 and December 2015. The discussions involve the management of materials in the facility's wastewater treatment system, hazardous waste management, flare and air emissions, including leak detection and repair. These discussions continue. Under the Separation Agreement, Corteva and DuPont will share any future liabilities proportionally on the basis of 29% and 71%, respectively.

Divested Neoprene Facility, La Place, Louisiana - EPA Compliance Inspection

In 2016, the EPA conducted a focused compliance investigation at the Denka Performance Elastomer LLC ("Denka") neoprene manufacturing facility in La Place, Louisiana. EID sold the neoprene business, including this manufacturing facility, to Denka in the fourth quarter of 2015. In the spring of 2017, the EPA, the DOJ, the Louisiana Department of Environmental Quality, EID and Denka began discussions relating to the inspection conclusions and allegations of noncompliance arising under the Clean Air Act, including leak detection and repair. These discussions, which include potential settlement options, continue. Under the Separation Agreement, DuPont is defending and indemnifying the company in this matter.

New Jersey Directive PFAS

On March 25, 2019, the New Jersey Department of Environmental Protection ("NJDEP") issued a Statewide PFAS Directive to several companies, including Chemours, DuPont, and EID. The Directive seeks information relating to the use and environmental release of PFAS and PFAS-replacement chemicals at and from two former EID sites in New Jersey, Chambers Works and Parlin, and a funding source for costs related to the NJDEP's investigation of PFAS issues and PFAS testing and remediation.

New Jersey Directive Pompton Lakes

On March 27, 2019, the NJDEP issued to Chemours and EID a Natural Resource Damages Directive relating to chemical contamination (non-PFAS) at and around EID's former Pompton Lakes facility in New Jersey. The Directive alleges that this contamination has harmed the natural resources of New Jersey. It seeks \$125,000 as reimbursement for the cost of preparing a natural resource damages assessment, which the State will use to determine the extent of such damage and the amount it expects to seek to restore the affected natural resources to their pre-damage state.

Natural Resource Damage Cases

Since May 2017, several municipal water districts and state attorneys general have filed lawsuits against EID, Corteva, Chemours, 3M, and others, claiming contamination of public water systems by PFCs, including but not limited to PFOA. These actions with the municipalities and states seeking economic impact damages for alleged harm to natural resources, punitive damages, present and future costs to cleanup PFOA contamination and the abatement of alleged nuisance with filtration systems. Further information with respect to these proceedings is set forth under "Other PFOA Matters" in Note 13 - Commitments and Contingent Liabilities, to the interim Consolidated Financial Statements.

Item 1A. RISK FACTORS

There have been no material changes in the company's risk factors discussed in Part I, Item 1A, Risk Factors, in the company's most recently filed annual report on Form 10-K.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**Issuer Purchases of Equity Securities**

The following table summarizes information with respect to the company's purchase of its common stock during the three months ended March 31, 2021:

Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of the Company's Publicly Announced Share Buyback Program¹	Approximate Value of Shares that May Yet Be Purchased Under the Programs⁽¹⁾ (Dollars in millions)
February 2021	2,530,263	\$ 44.78	2,530,263	\$ 587
March 2021	5,116,171	46.27	5,116,171	350
Total	7,646,434	\$ 45.77	7,646,434	\$ 350

¹ On June 26, 2019, Corteva, Inc. announced that its Board of Directors authorized a \$1 billion share repurchase program to purchase Corteva, Inc.'s common stock, par value \$0.01 per share, without an expiration date. The timing, price and volume of purchases will be based on market conditions, relevant securities laws and other factors.

Item 5. OTHER INFORMATION

None.

Item 6. EXHIBITS

Exhibit Number	Description
2.1	Separation and Distribution Agreement by and among DuPont Inc., Dow Inc. and Corteva, Inc. (incorporated by reference to Exhibit No. 2.1 to Amendment 3 to Corteva's Registration Statement on Form 10 (Commission file number 001-38710), filed on April 16, 2019).
3.1	Amended and Restated Certificate of Incorporation of Corteva, Inc. (incorporated by reference to Exhibit No. 3.1 to Corteva's Current Report on Form 8-K (Commission file number 001-38710), filed on June 3, 2019.
3.2	Amended and Restated Bylaws of Corteva, Inc. (incorporated by reference to Exhibit No. 3.1 to Corteva's Current Report on Form 8-K (Commission file number 001-38710), filed on October 10, 2019.
3.3	Amended and Restated Certificate of Incorporation of E.I. du Pont de Nemours and Company (incorporated by reference to Exhibit 3.1 to E.I. du Pont de Nemours and Company's Current Report on Form 8-K (Commission file number 1-815) dated September 1, 2017).
3.4	Amended and Restated Bylaws of E.I. du Pont de Nemours and Company (incorporated by reference to Exhibit 3.2 to E.I. du Pont de Nemours and Company's Current Report on Form 8-K (Commission file number 1-815) dated September 1, 2017).
4	Corteva agrees to provide the Commission, on request, copies of instruments defining the rights of holders of long-term debt of Corteva and its subsidiaries.
10.1	Master Repurchase Agreement by and among Coöperatieve Rabobank, U.A. (New York Branch), MUFG Bank, Ltd. (New York Branch), Standard Chartered Bank (New York Branch), HSBC Bank USA, N.A., and PHI Financial Services, Inc. dated as of February 9, 2021.
10.2	Master Framework Agreement by and among Coöperatieve Rabobank, U.A. (New York Branch), MUFG Bank, Ltd. (New York Branch), Standard Chartered Bank (New York Branch), HSBC Bank USA, N.A., and PHI Financial Services, Inc. dated as of February 9, 2021.
10.3	Memorandum of Understanding, dated January 22, 2021, by and among The Chemours Company, Corteva, Inc., E. I. du Pont de Nemours and Company and DuPont de Nemours, Inc. (incorporated by reference from the Form 8-K (Commission file number 001-38710) filed January 22, 2021)
10.4	Agreement dated March 18, 2021, among Corteva, Inc., Starboard Value LP and certain of its affiliates (incorporated by reference from the Form 8-K (Commission file number 001-38710) filed March 19, 2021).
31.1	Rule 13a-14(a)/15d-14(a) Certification of the company's and EID's Principal Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of the company's and EID's Principal Financial Officer.
32.1	Section 1350 Certification of the company's and EID's Principal Executive Officer. The information contained in this Exhibit shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the registrant under the Securities Act of 1933, as amended.
32.2	Section 1350 Certification of the company's and EID's Principal Financial Officer. The information contained in this Exhibit shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the registrant under the Securities Act of 1933, as amended.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File – The Cover Page XBRL tags are embedded within the Inline XBRL document (included in Exhibit 101.INS)

SIGNATURE

Corteva, Inc.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CORTEVA, INC.
(Registrant)

Date: _____ May 5, 2021 _____

By: _____ /s/ Brian Titus _____

Brian Titus
Vice President, Controller
(Principal Accounting Officer)

E. I. du Pont de Nemours and Company

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

E. I. du Pont de Nemours and Company
(Registrant)

Date: _____ May 5, 2021 _____

By: _____ /s/ Brian Titus _____

Brian Titus
Vice President, Controller
(Principal Accounting Officer)

CONSOLIDATED FINANCIAL STATEMENTS OF E. I. DU PONT DE NEMOURS AND COMPANY**E. I. du Pont de Nemours and Company
Consolidated Statements of Operations (Unaudited)**

	Three Months Ended March 31,	
	2021	2020
(In millions, except per share amounts)		
Net sales	\$ 4,178	\$ 3,956
Cost of goods sold	2,420	2,269
Research and development expense	281	280
Selling, general and administrative expenses	733	757
Amortization of intangibles	183	163
Restructuring and asset related charges - net	100	70
Other income - net	337	1
Interest expense	22	42
Income from continuing operations before income taxes	776	376
Provision for income taxes on continuing operations	174	119
Income from continuing operations after income taxes	602	257
(Loss) income from discontinued operations after income taxes	(10)	1
Net income	592	258
Net income attributable to noncontrolling interests	1	8
Net income attributable to E. I. du Pont de Nemours and Company	\$ 591	\$ 250

See Notes to the Consolidated Financial Statements beginning on page 66.

E. I. du Pont de Nemours and Company
Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

(In millions)	Three Months Ended March 31,	
	2021	2020
Net income	\$ 592	\$ 258
Other comprehensive loss - net of tax:		
Cumulative translation adjustments	(403)	(672)
Adjustments to pension benefit plans	8	—
Adjustments to other benefit plans	(157)	3
Unrealized gain on investments	10	—
Derivative instruments	65	6
Total other comprehensive loss	(477)	(663)
Comprehensive income (loss)	115	(405)
Comprehensive income attributable to noncontrolling interests - net of tax	1	8
Comprehensive income (loss) attributable to E. I. du Pont de Nemours and Company	\$ 114	\$ (413)

See Notes to the Consolidated Financial Statements beginning on page 66.

E. I. du Pont de Nemours and Company
Condensed Consolidated Balance Sheets (Unaudited)

(In millions, except share amounts)	March 31, 2021	December 31, 2020	March 31, 2020
Assets			
Current assets			
Cash and cash equivalents	\$ 2,404	\$ 3,526	\$ 1,963
Marketable securities	114	269	10
Accounts and notes receivable - net	6,792	4,926	6,775
Inventories	4,321	4,882	4,401
Other current assets	1,405	1,165	1,530
Total current assets	15,036	14,768	14,679
Investment in nonconsolidated affiliates	64	66	64
Property, plant and equipment - net of accumulated depreciation (March 31, 2021 - \$3,874; December 31, 2020 - \$3,857; March 31, 2020 - \$3,406)	4,299	4,396	4,358
Goodwill	10,146	10,269	10,027
Other intangible assets	10,584	10,747	11,241
Deferred income taxes	433	464	273
Other assets	1,987	1,939	2,336
Total Assets	\$ 42,549	\$ 42,649	\$ 42,978
Liabilities and Equity			
Current liabilities			
Short-term borrowings and finance lease obligations	\$ 1,250	\$ 3	\$ 1,996
Accounts payable	3,098	3,615	3,021
Income taxes payable	165	123	143
Deferred revenue	2,247	2,662	1,996
Accrued and other current liabilities	2,257	2,148	2,083
Total current liabilities	9,017	8,551	9,239
Long-Term Debt	1,102	1,102	614
Long-Term Debt - Related Party	3,012	3,459	3,872
Other Noncurrent Liabilities			
Deferred income tax liabilities	902	893	911
Pension and other post employment benefits - noncurrent	4,954	5,176	6,186
Other noncurrent obligations	1,814	1,867	1,989
Total noncurrent liabilities	11,784	12,497	13,572
Commitments and contingent liabilities			
Stockholders' equity			
Preferred stock, without par value – cumulative; 23,000,000 shares authorized; issued at March 31, 2021, December 31, 2020, and March 31, 2020:			
\$4.50 Series – 1,673,000 shares (callable at \$120)	169	169	169
\$3.50 Series – 700,000 shares (callable at \$102)	70	70	70
Common stock, \$0.30 par value; 1,800,000,000 shares authorized; 200 issued at March 31, 2021, December 31, 2020, and March 31, 2020	—	—	—
Additional paid-in capital	24,083	24,049	24,004
Retained earnings / (accumulated deficit)	792	203	(158)
Accumulated other comprehensive loss	(3,367)	(2,890)	(3,933)
Total E. I. du Pont de Nemours and Company stockholders' equity	21,747	21,601	20,152
Noncontrolling interests	1	—	15
Total equity	21,748	21,601	20,167
Total Liabilities and Equity	\$ 42,549	\$ 42,649	\$ 42,978

See Notes to the Consolidated Financial Statements beginning on page 66.

E. I. du Pont de Nemours and Company
Consolidated Statements of Cash Flows (Unaudited)

(In millions)	Three Months Ended March 31,	
	2021	2020
Operating activities		
Net income	\$ 592	\$ 258
Adjustments to reconcile net income to cash used for operating activities:		
Depreciation and amortization	304	283
Provision for deferred income tax	47	26
Net periodic pension and OPEB benefit, net	(318)	(85)
Pension and OPEB contributions	(84)	(95)
Net loss on sales of property, businesses, consolidated companies, and investments	—	46
Restructuring and asset related charges - net	100	70
Other net loss	54	138
Changes in assets and liabilities, net		
Accounts and notes receivable	(2,012)	(1,685)
Inventories	467	398
Accounts payable	(448)	(557)
Deferred revenue	(401)	(575)
Other assets and liabilities	(247)	(144)
Cash used for operating activities	(1,946)	(1,922)
Investing activities		
Capital expenditures	(137)	(128)
Proceeds from sales of property, businesses, and consolidated companies - net of cash divested	20	11
Purchases of investments	(40)	(67)
Proceeds from sales and maturities of investments	194	58
Other investing activities - net	(1)	(4)
Cash provided by (used for) investing activities	36	(130)
Financing activities		
Net change in borrowings (less than 90 days)	828	1,619
Payments on related party debt	(447)	(148)
Proceeds from debt	419	875
Payments on debt	—	(1)
Proceeds from exercise of stock options	38	14
Other financing activities	(21)	(23)
Cash provided by financing activities	817	2,336
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(50)	(117)
(Decrease) / increase in cash, cash equivalents and restricted cash	(1,143)	167
Cash, cash equivalents and restricted cash at beginning of period	3,873	2,173
Cash, cash equivalents and restricted cash at end of period	\$ 2,730	\$ 2,340

See Notes to the Consolidated Financial Statements beginning on page 66.

E. I. du Pont de Nemours and Company
Consolidated Statements of Equity (Unaudited)

(In millions)	Preferred Stock	Common Stock	Add. Paid-in Capital "APIC"	Retained Earnings (Accumulated deficit)	Accum. Other Comp Loss	Treasury Stock	Non-controlling Interests	Total Equity
2020								
Balance at January 1, 2020	\$ 239	\$ —	\$ 23,958	\$ (406)	\$ (3,270)	\$ —	\$ 7	\$ 20,528
Net income				250			8	258
Other comprehensive loss					(663)			(663)
Preferred dividends (\$4.50 Series - \$1.125 per share, \$3.50 Series - \$0.875 per share)			(2)					(2)
Issuance of Corteva stock			14					14
Share-based compensation			2					2
Other - net			32	(2)				30
Balance at March 31, 2020	\$ 239	\$ —	\$ 24,004	\$ (158)	\$ (3,933)	\$ —	\$ 15	\$ 20,167

(In millions)	Preferred Stock	Common Stock	Add. Paid-in Capital "APIC"	Retained Earnings (Accumulated deficit)	Accum. Other Comp Loss	Treasury Stock	Non-controlling Interests	Total Equity
2021								
Balance at January 1, 2021	\$ 239	\$ —	\$ 24,049	\$ 203	\$ (2,890)	\$ —	\$ —	\$ 21,601
Net income				591			1	592
Other comprehensive loss					(477)			(477)
Preferred dividends (\$4.50 Series - \$1.125 per share, \$3.50 Series - \$0.875 per share)			(2)					(2)
Issuance of Corteva stock			38					38
Other - net			(4)					(4)
Balance at March 31, 2021	\$ 239	\$ —	\$ 24,083	\$ 792	\$ (3,367)	\$ —	\$ 1	\$ 21,748

See Notes to the Consolidated Financial Statements beginning on page 66.

E. I. du Pont de Nemours and Company
Notes to the Consolidated Financial Statements (Unaudited)

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NOTE 1 - BASIS OF PRESENTATION

As a result of the Business Realignment and the Internal Reorganization, Corteva, Inc. owns 100% of the outstanding common stock of EID. EID is a subsidiary of Corteva, Inc. and continues to be a reporting company, subject to the requirements of the Exchange Act. The primary differences between Corteva, Inc. and EID are outlined below:

- **Preferred Stock** - EID has preferred stock outstanding to third parties which is accounted for as a non-controlling interest at the Corteva, Inc. level. Each share of EID Preferred Stock - \$4.50 Series and EID Preferred Stock - \$3.50 Series issued and outstanding at the effective date of the Corteva Distribution remains issued and outstanding as to EID and was unaffected by the Corteva Distribution.
- **Related Party Loan** - EID engaged in a series of debt redemptions during the second quarter of 2019 that were partially funded through an intercompany loan from Corteva, Inc. This was eliminated in consolidation at the Corteva, Inc. level but remains on EID's financial statements at the standalone level (including the associated interest).
- **Capital Structure** - At March 31, 2021, Corteva, Inc.'s capital structure consists of 738,321,000 issued shares of common stock, par value \$0.01 per share.

The accompanying footnotes relate to EID only, and not to Corteva, Inc., and are presented to show differences between EID and Corteva, Inc.

For the footnotes listed below, refer to the following Corteva, Inc. footnotes:

- Note 1 - Summary of Significant Accounting Policies - refer to page 9 of the Corteva, Inc. interim Consolidated Financial Statements
- Note 2 - Recent Accounting Guidance - refer to page 9 of the Corteva, Inc. interim Consolidated Financial Statements
- Note 3 - Divestitures and Other Transactions - refer to page 9 of the Corteva, Inc. interim Consolidated Financial Statements
- Note 4 - Revenue - refer to page 10 of the Corteva, Inc. interim Consolidated Financial Statements
- Note 5 - Restructuring and Asset Related Charges - Net - refer to page 13 of the Corteva, Inc. interim Consolidated Financial Statements
- Note 6 - Supplementary Information - refer to page 14 of the Corteva, Inc. interim Consolidated Financial Statements
- Note 7 - Income Taxes - refer to page 16 of the Corteva, Inc. interim Consolidated Financial Statements
- Note 8 - Earnings Per Share of Common Stock - Not applicable for EID
- Note 9 - Accounts and Notes Receivable - Net - refer to page 18 of the Corteva, Inc. interim Consolidated Financial Statements
- Note 10 - Inventories - refer to page 19 of the Corteva, Inc. interim Consolidated Financial Statements
- Note 11 - Other Intangible Assets - refer to page 19 of the Corteva, Inc. interim Consolidated Financial Statements
- Note 12 - Short-Term Borrowings, Long-Term Debt and Available Credit Facilities - refer to page 20 of the Corteva, Inc. interim Consolidated Financial Statements. In addition, EID has a related party loan payable to Corteva, Inc.; refer to EID Note 2 - Related Party Transactions, below
- Note 13 - Commitments and Contingent Liabilities - refer to page 21 of the Corteva, Inc. interim Consolidated Financial Statements
- Note 14 - Stockholders' Equity - refer to page 26 of the Corteva, Inc. interim Consolidated Financial Statements
- Note 15 - Pension Plans and Other Post Employment Benefits - refer to page 29 of the Corteva, Inc. interim Consolidated Financial Statements
- Note 16 - Financial Instruments - refer to page 29 of the Corteva, Inc. interim Consolidated Financial Statements
- Note 17 - Fair Value Measurements - refer to page 35 of the Corteva, Inc. interim Consolidated Financial Statements
- Note 18 - Segment Information - Differences exist between Corteva, Inc. and EID; refer to EID Note 3 - Segment Information, below

NOTE 2 - RELATED PARTY TRANSACTIONS
Transactions with Corteva

In the second quarter of 2019, EID entered into a related party revolving loan from Corteva, Inc., with a maturity date in 2024. As of March 31, 2021, December 31, 2020, and March 31, 2020, the outstanding related party loan balance was \$3,012 million, \$3,459 million, and \$3,872 million respectively (which approximates fair value), with interest rates of 1.62% at March 31, 2021 and December 31, 2020, respectively, and 3.27% at March 31, 2020, and is reflected as long-term debt - related party in EID's interim Condensed Consolidated Balance Sheets. Additionally, EID has incurred tax deductible interest expense of \$15 million and \$32 million for the three months ended March 31, 2021 and 2020, respectively, associated with the related party loan from Corteva, Inc.

As of March 31, 2021, EID had payables to Corteva, Inc., of \$55 million and \$91 million included in accrued and other current liabilities and other noncurrent obligations, respectively, \$92 million at December 31, 2020 included in both accrued and other current liabilities and other noncurrent obligations, respectively, and \$166 million and \$82 million at March 31, 2020, included in accrued and other current liabilities and other noncurrent obligations, respectively, in the interim Condensed Consolidated Balance Sheets related to Corteva's indemnification liabilities to Dow and DuPont per the Separation Agreements (refer to page 9 of the Corteva, Inc. interim Consolidated Financial Statements for further details of the Separation Agreements).

NOTE 3 - SEGMENT INFORMATION

There are no differences in reporting structure or segments between Corteva, Inc. and EID. In addition, there are no differences between Corteva, Inc. and EID segment net sales, segment operating EBITDA, segment assets, or significant items by segment; refer to page 36 of the Corteva, Inc. interim Consolidated Financial Statements for background information on the segments as well as further details regarding segment metrics. The tables below reconcile income from continuing operations after income taxes to segment operating EBITDA, as differences exist between Corteva, Inc. and EID.

Reconciliation to interim Consolidated Financial Statements

Income from continuing operations after income taxes to segment operating EBITDA	Three Months Ended March 31,	
	2021	2020
(In millions)		
Income from continuing operations after income taxes	\$ 602	\$ 257
Provision for income taxes on continuing operations	174	119
Income from continuing operations before income taxes	776	376
Depreciation and amortization	304	283
Interest income	(21)	(18)
Interest expense	22	42
Exchange losses - net	35	61
Non-operating benefits - net	(311)	(73)
Mark-to-market gains on certain foreign currency contracts not designated as hedges ¹	(1)	
Significant items	100	123
Corporate expenses	34	25
Segment operating EBITDA	\$ 938	\$ 819

- Effective January 1, 2021, on a prospective basis, the company excludes net unrealized gain or loss from mark-to-market activity for certain foreign currency derivative instruments that do not qualify for hedge accounting. There was no activity in the three months ended March 31, 2020.

Master Repurchase Agreement

September 1996 Version

Dated as of February 9, 2021

Between: Coöperatieve Rabobank, U.A., New York Branch, MUFG Bank, Ltd., New York Branch, Standard Chartered Bank, acting through its New York branch, HSBC Bank USA, N.A.

and PHI Financial Services, Inc.

1. Applicability

From time to time the parties hereto may enter into transactions in which one party (“Seller”) agrees to transfer to the other (“Buyer”) securities or other assets (“Securities”) against the transfer of funds by Buyer, with a simultaneous agreement by Buyer to transfer to Seller such Securities at a date certain or on demand, against the transfer of funds by Seller. Each such transaction shall be referred to herein as a “Transaction” and, unless otherwise agreed in writing, shall be governed by this Agreement, including any supplemental terms or conditions contained in Annex I hereto and in any other annexes identified herein or therein as applicable hereunder.

2. Definitions

(a) “Act of Insolvency”, with respect to any party, (i) the commencement by such party as debtor of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, moratorium, dissolution, delinquency or similar law, or such party seeking the appointment or election of a receiver, conservator, trustee, custodian or similar official for such party or any substantial part of its property, or the convening of any meeting of creditors for purposes of commencing any such case or proceeding or seeking such an appointment or election, (ii) the commencement of any such case or proceeding against such party, or another seeking such an appointment or election, or the filing against a party of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970, which (A) is consented to or not timely contested by such party, (B) results in the entry of an order for relief, such an appointment or election, the issuance of such a protective decree or the entry of an order having a similar effect, or (C) is not dismissed within 15 days, (iii) the making by such party of a general assignment for the benefit of creditors, or (iv) the admission in writing by such party of such party’s inability to pay such party’s debts as they become due;

- (b) “Additional Purchased Securities”, Securities provided by Seller to Buyer pursuant to Paragraph 4(a) hereof;
- (c) “Buyer’s Margin Amount”, with respect to any Transaction as of any date, the amount obtained by application of the Buyer’s Margin Percentage to the Repurchase Price for such Transaction as of such date;
- (d) “Buyer’s Margin Percentage”, with respect to any Transaction as of any date, a percentage (which may be equal to the Seller’s Margin Percentage) agreed to by Buyer and Seller or, in the absence of any such agreement, the percentage obtained by dividing the Market Value of the Purchased Securities on the Purchase Date by the Purchase Price on the Purchase Date for such Transaction;
- (e) “Confirmation”, the meaning specified in Paragraph 3(b) hereof;
- (f) “Income”, with respect to any Security at any time, any principal thereof and all interest, dividends or other distributions thereon;
- (g) “Margin Deficit”, the meaning specified in Paragraph 4(a) hereof;
- (h) “Margin Excess”, the meaning specified in Paragraph 4(b) hereof;
- (i) “Margin Notice Deadline”, the time agreed to by the parties in the relevant Confirmation, Annex I hereto or otherwise as the deadline for giving notice requiring same-day satisfaction of margin maintenance obligations as provided in Paragraph 4 hereof (or, in the absence of any such agreement, the deadline for such purposes established in accordance with market practice);
- (j) “Market Value”, with respect to any Securities as of any date, the price for such Securities on such date obtained from a generally recognized source agreed to by the parties or the most recent closing bid quotation from such a source, plus accrued Income to the extent not included therein (other than any Income credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof) as of such date (unless contrary to market practice for such Securities);
- (k) “Price Differential”, with respect to any Transaction as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction to the Purchase Price for such Transaction on a 360 day per year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) the date of determination (reduced by any amount of such Price Differential previously paid by Seller to Buyer with respect to such Transaction);
- (l) “Pricing Rate”, the per annum percentage rate for determination of the Price Differential;

- (m) “Prime Rate”, the prime rate of U.S. commercial banks as published in The Wall Street Journal (or, if more than one such rate is published, the average of such rates);
- (n) “Purchase Date”, the date on which Purchased Securities are to be transferred by Seller to Buyer;
- (o) “Purchase Price”, (i) on the Purchase Date, the price at which Purchased Securities are transferred by Seller to Buyer, and (ii) thereafter, except where Buyer and Seller agree otherwise, such price increased by the amount of any cash transferred by Buyer to Seller pursuant to Paragraph 4(b) hereof and decreased by the amount of any cash transferred by Seller to Buyer pursuant to Paragraph 4(a) hereof or applied to reduce Seller’s obligations under clause (ii) of Paragraph 5 hereof;
- (p) “Purchased Securities”, the Securities transferred by Seller to Buyer in a Transaction here- under, and any Securities substituted therefor in accordance with Paragraph 9 hereof. The term “Purchased Securities” with respect to any Transaction at any time also shall include Additional Purchased Securities delivered pursuant to Paragraph 4(a) hereof and shall exclude Securities returned pursuant to Paragraph 4(b) hereof;
- (q) “Repurchase Date”, the date on which Seller is to repurchase the Purchased Securities from Buyer, including any date determined by application of the provisions of Paragraph 3(c) or 11 hereof;
- (r) “Repurchase Price”, the price at which Purchased Securities are to be transferred from Buyer to Seller upon termination of a Transaction, which will be determined in each case (including Transactions terminable upon demand) as the sum of the Purchase Price and the Price Differential as of the date of such determination;
- (s) “Seller’s Margin Amount”, with respect to any Transaction as of any date, the amount obtained by application of the Seller’s Margin Percentage to the Repurchase Price for such Transaction as of such date;
- (t) “Seller’s Margin Percentage”, with respect to any Transaction as of any date, a percentage (which may be equal to the Buyer’s Margin Percentage) agreed to by Buyer and Seller or, in the absence of any such agreement, the percentage obtained by dividing the Market Value of the Purchased Securities on the Purchase Date by the Purchase Price on the Purchase Date for such Transaction.

3. Initiation; Confirmation; Termination

- (a) An agreement to enter into a Transaction may be made orally or in writing at the initiation of either Buyer or Seller. On the Purchase Date for the Transaction, the Purchased Securities shall be transferred to Buyer or its agent against the transfer of the Purchase Price to an account of Seller.

- (b) Upon agreeing to enter into a Transaction hereunder, Buyer or Seller (or both), as shall be agreed, shall promptly deliver to the other party a written confirmation of each Transaction (a "Confirmation"). The Confirmation shall describe the Purchased Securities (including CUSIP number, if any), identify Buyer and Seller and set forth (i) the Purchase Date, (ii) the Purchase Price, (iii) the Repurchase Date, unless the Transaction is to be terminable on demand, (iv) the Pricing Rate or Repurchase Price applicable to the Transaction, and (v) any additional terms or conditions of the Transaction not inconsistent with this Agreement. The Confirmation, together with this Agreement, shall constitute conclusive evidence of the terms agreed between Buyer and Seller with respect to the Transaction to which the Confirmation relates, unless with respect to the Confirmation specific objection is made promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, this Agreement shall prevail.
- (c) In the case of Transactions terminable upon demand, such demand shall be made by Buyer or Seller, no later than such time as is customary in accordance with market practice, by telephone or otherwise on or prior to the business day on which such termination will be effective. On the date specified in such demand, or on the date fixed for termination in the case of Transactions having a fixed term, termination of the Transaction will be effected by transfer to Seller or its agent of the Purchased Securities and any Income in respect thereof received by Buyer (and not previously credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof) against the transfer of the Repurchase Price to an account of Buyer.

4. Margin Maintenance

- (a) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Buyer is less than the aggregate Buyer's Margin Amount for all such Transactions (a "Margin Deficit"), then Buyer may by notice to Seller require Seller in such Transactions, at Seller's option, to transfer to Buyer cash or additional Securities reasonably acceptable to Buyer ("Additional Purchased Securities"), so that the cash and aggregate Market Value of the Purchased Securities, including any such Additional Purchased Securities, will thereupon equal or exceed such aggregate Buyer's Margin Amount (decreased by the amount of any Margin Deficit as of such date arising from any Transactions in which such Buyer is acting as Seller).
- (b) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Seller exceeds the aggregate Seller's Margin Amount for all such Transactions at such time (a "Margin Excess"), then Seller may by notice to Buyer require Buyer in such Transactions, at Buyer's option, to transfer cash or Purchased Securities to Seller, so that the aggregate Market Value of the Purchased Securities, after deduction of any such cash or any Purchased Securities so transferred, will thereupon not exceed such aggregate Seller's Margin Amount (increased

by the amount of any Margin Excess as of such date arising from any Transactions in which such Seller is acting as Buyer).

- (c) If any notice is given by Buyer or Seller under subparagraph (a) or (b) of this Paragraph at or before the Margin Notice Deadline on any business day, the party receiving such notice shall transfer cash or Additional Purchased Securities as provided in such subparagraph no later than the close of business in the relevant market on such day. If any such notice is given after the Margin Notice Deadline, the party receiving such notice shall transfer such cash or Securities no later than the close of business in the relevant market on the next business day following such notice.
- (d) Any cash transferred pursuant to this Paragraph shall be attributed to such Transactions as shall be agreed upon by Buyer and Seller.
- (e) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer or Seller (or both) under subparagraphs (a) and (b) of this Paragraph may be exercised only where a Margin Deficit or Margin Excess, as the case may be, exceeds a specified dollar amount or a specified percentage of the Repurchase Prices for such Transactions (which amount or percentage shall be agreed to by Buyer and Seller prior to entering into any such Transactions).
- (f) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer and Seller under subparagraphs (a) and (b) of this Paragraph to require the elimination of a Margin Deficit or a Margin Excess, as the case may be, may be exercised whenever such a Margin Deficit or Margin Excess exists with respect to any single Transaction hereunder (calculated without regard to any other Transaction outstanding under this Agreement).

5. Income Payments

Seller shall be entitled to receive an amount equal to all Income paid or distributed on or in respect of the Securities that is not otherwise received by Seller, to the full extent it would be so entitled if the Securities had not been sold to Buyer. Buyer shall, as the parties may agree with respect to any Transaction (or, in the absence of any such agreement, as Buyer shall reasonably determine in its discretion), on the date such Income is paid or distributed either (i) transfer to or credit to the account of Seller such Income with respect to any Purchased Securities subject to such Transaction or (ii) with respect to Income paid in cash, apply the Income payment or payments to reduce the amount, if any, to be transferred to Buyer by Seller upon termination of such Transaction. Buyer shall not be obligated to take any action pursuant to the preceding sentence (A) to the extent that such action would result in the creation of a Margin Deficit, unless prior thereto or simultaneously therewith Seller transfers to Buyer cash or Additional Purchased Securities sufficient to eliminate such Margin Deficit, or (B) if an Event of Default with respect to Seller has occurred and is then continuing at the time such Income is paid or distributed.

6. Security Interest

Although the parties intend that all Transactions hereunder be sales and purchases and not loans, in the event any such Transactions are deemed to be loans, Seller shall be deemed to have pledged to Buyer as security for the performance by Seller of its obligations under each such Transaction, and shall be deemed to have granted to Buyer a security interest in, all of the Purchased Securities with respect to all Transactions hereunder and all Income thereon and other proceeds thereof.

7. Payment and Transfer

Unless otherwise mutually agreed, all transfers of funds hereunder shall be in immediately available funds. All Securities transferred by one party hereto to the other party (i) shall be in suitable form for transfer or shall be accompanied by duly executed instruments of transfer or assignment in blank and such other documentation as the party receiving possession may reasonably request, (ii) shall be transferred on the book-entry system of a Federal Reserve Bank, or (iii) shall be transferred by any other method mutually acceptable to Seller and Buyer.

8. Segregation of Purchased Securities

To the extent required by applicable law, all Purchased Securities in the possession of Seller shall be segregated from other securities in its possession and shall be identified as subject to this Agreement. Segregation may be accomplished by appropriate identification on the books and records of the holder, including a financial or securities intermediary or a clearing corporation. All of Seller's interest in the Purchased Securities shall pass to Buyer on the Purchase Date and, unless otherwise agreed by Buyer and Seller, nothing in this Agreement shall preclude Buyer from engaging in repurchase transactions with the Purchased Securities or otherwise selling, transferring, pledging or hypothecating the Purchased Securities, but no such transaction shall relieve Buyer of its obligations to transfer Purchased Securities to Seller pursuant to Paragraph 3, 4 or 11 hereof, or of Buyer's obligation to credit or pay Income to, or apply Income to the obligations of, Seller pursuant to Paragraph 5 hereof.

Required Disclosure for Transactions in Which the Seller Retains Custody of the Purchased Securities

Seller is not permitted to substitute other securities for those subject to this Agreement and therefore must keep Buyer's securities segregated at all times, unless in this Agreement Buyer grants Seller the right to substitute other securities. If Buyer grants the right to substitute, this means that Buyer's securities will likely be commingled with Seller's own securities during the trading day. Buyer is advised that, during any trading day that Buyer's securities are commingled with Seller's securities, they [will]* [may]** be subject to liens granted by Seller to [its clearing bank]* [third parties]** and may be used by Seller for deliveries on other securities transactions. Whenever the securities are commingled, Seller's ability to resegment substitute securities for Buyer will be subject to Seller's ability to satisfy [the clearing]* [any]** lien or to obtain substitute securities.

* Language to be used under 17 C.F.R. §403.4(e) if Seller is a government securities broker or dealer other than a financial institution.

** Language to be used under 17 C.F.R. §403.5(d) if Seller is a financial institution.

9. Substitution

- (a) Seller may, subject to agreement with and acceptance by Buyer, substitute other Securities for any Purchased Securities. Such substitution shall be made by transfer to Buyer of such other Securities and transfer to Seller of such Purchased Securities. After substitution, the substituted Securities shall be deemed to be Purchased Securities.
- (b) In Transactions in which Seller retains custody of Purchased Securities, the parties expressly agree that Buyer shall be deemed, for purposes of subparagraph (a) of this Paragraph, to have agreed to and accepted in this Agreement substitution by Seller of other Securities for Purchased Securities; provided, however, that such other Securities shall have a Market Value at least equal to the Market Value of the Purchased Securities for which they are substituted.

10. Representations

Each of Buyer and Seller represents and warrants to the other that (i) it is duly authorized to execute and deliver this Agreement, to enter into Transactions contemplated hereunder and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance, (ii) it will engage in such Transactions as principal (or, if agreed in writing, in the form of an annex hereto or otherwise, in advance of any Transaction by the other party hereto, as agent for a disclosed principal), (iii) the person signing this Agreement on its behalf is duly authorized to do so on its behalf (or on behalf of any such disclosed principal), (iv) it has obtained all authorizations of any governmental body

required in connection with this Agreement and the Transactions hereunder and such authorizations are in full force and effect and (v) the execution, delivery and performance of this Agreement and the Transactions hereunder will not violate any law, ordinance, charter, by-law or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected. On the Purchase Date for any Transaction Buyer and Seller shall each be deemed to repeat all the foregoing representations made by it.

11. Events of Default

In the event that (i) Seller fails to transfer or Buyer fails to purchase Purchased Securities upon the applicable Purchase Date, (ii) Seller fails to repurchase or Buyer fails to transfer Purchased Securities upon the applicable Repurchase Date, (iii) Seller or Buyer fails to comply with Paragraph 4 hereof, (iv) Buyer fails, after one business day's notice, to comply with Paragraph 5 hereof, (v) an Act of Insolvency occurs with respect to Seller or Buyer, (vi) any representation made by Seller or Buyer shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, or (vii) Seller or Buyer shall admit to the other its inability to, or its intention not to, perform any of its obligations hereunder (each an "Event of Default"):

- (a) The nondefaulting party may, at its option (which option shall be deemed to have been exercised immediately upon the occurrence of an Act of Insolvency), declare an Event of Default to have occurred hereunder and, upon the exercise or deemed exercise of such option, the Repurchase Date for each Transaction hereunder shall, if it has not already occurred, be deemed immediately to occur (except that, in the event that the Purchase Date for any Transaction has not yet occurred as of the date of such exercise or deemed exercise, such Transaction shall be deemed immediately canceled). The nondefaulting party shall (except upon the occurrence of an Act of Insolvency) give notice to the defaulting party of the exercise of such option as promptly as practicable.
- (b) In all Transactions in which the defaulting party is acting as Seller, if the nondefaulting party exercises or is deemed to have exercised the option referred to in subparagraph (a) of this Paragraph, (i) the defaulting party's obligations in such Transactions to repurchase all Purchased Securities, at the Repurchase Price therefor on the Repurchase Date determined in accordance with subparagraph (a) of this Paragraph, shall thereupon become immediately due and payable, (ii) all Income paid after such exercise or deemed exercise shall be retained by the nondefaulting party and applied to the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder, and (iii) the defaulting party shall immediately deliver to the nondefaulting party any Purchased Securities subject to such Transactions then in the defaulting party's possession or control.
- (c) In all Transactions in which the defaulting party is acting as Buyer, upon tender by the nondefaulting party of payment of the aggregate Repurchase Prices for all such Transactions, all right, title and interest in and entitlement to all Purchased Securities

subject to such Transactions shall be deemed transferred to the nondefaulting party, and the defaulting party shall deliver all such Purchased Securities to the nondefaulting party.

- (d) If the nondefaulting party exercises or is deemed to have exercised the option referred to in subparagraph (a) of this Paragraph, the nondefaulting party, without prior notice to the defaulting party, may:
- (i) as to Transactions in which the defaulting party is acting as Seller, (A) immediately sell, in a recognized market (or otherwise in a commercially reasonable manner) at such price or prices as the nondefaulting party may reasonably deem satisfactory, any or all Purchased Securities subject to such Transactions and apply the proceeds thereof to the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder or (B) in its sole discretion elect, in lieu of selling all or a portion of such Purchased Securities, to give the defaulting party credit for such Purchased Securities in an amount equal to the price therefor on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source, against the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder; and
 - (ii) as to Transactions in which the defaulting party is acting as Buyer, (A) immediately purchase, in a recognized market (or otherwise in a commercially reasonable manner) at such price or prices as the nondefaulting party may reasonably deem satisfactory, securities (“Replacement Securities”) of the same class and amount as any Purchased Securities that are not delivered by the defaulting party to the nondefaulting party as required hereunder or (B) in its sole discretion elect, in lieu of purchasing Replacement Securities, to be deemed to have purchased Replacement Securities at the price therefor on such date, obtained from a generally recognized source or the most recent closing offer quotation from such a source.

Unless otherwise provided in Annex I, the parties acknowledge and agree that (1) the Securities subject to any Transaction hereunder are instruments traded in a recognized market, (2) in the absence of a generally recognized source for prices or bid or offer quotations for any Security, the nondefaulting party may establish the source therefor in its sole discretion and (3) all prices, bids and offers shall be determined together with accrued Income (except to the extent contrary to market practice with respect to the relevant Securities).

- (e) As to Transactions in which the defaulting party is acting as Buyer, the defaulting party shall be liable to the nondefaulting party for any excess of the price paid (or deemed paid) by the nondefaulting party for Replacement Securities over the Repurchase Price for the Purchased Securities replaced thereby and for any amounts payable by the defaulting party under Paragraph 5 hereof or otherwise hereunder.
- (f) For purposes of this Paragraph 11, the Repurchase Price for each Transaction hereunder in respect of which the defaulting party is acting as Buyer shall not increase above the

amount of such Repurchase Price for such Transaction determined as of the date of the exercise or deemed exercise by the nondefaulting party of the option referred to in sub- paragraph (a) of this Paragraph.

- (g) The defaulting party shall be liable to the nondefaulting party for (i) the amount of all reasonable legal or other expenses incurred by the nondefaulting party in connection with or as a result of an Event of Default, (ii) damages in an amount equal to the cost (including all fees, expenses and commissions) of entering into replacement transactions and entering into or terminating hedge transactions in connection with or as a result of an Event of Default, and (iii) any other loss, damage, cost or expense directly arising or resulting from the occurrence of an Event of Default in respect of a Transaction.
- (h) To the extent permitted by applicable law, the defaulting party shall be liable to the non- defaulting party for interest on any amounts owing by the defaulting party hereunder, from the date the defaulting party becomes liable for such amounts hereunder until such amounts are (i) paid in full by the defaulting party or (ii) satisfied in full by the exercise of the nondefaulting party's rights hereunder. Interest on any sum payable by the defaulting party to the nondefaulting party under this Paragraph 11(h) shall be at a rate equal to the greater of the Pricing Rate for the relevant Transaction or the Prime Rate.
- (i) The nondefaulting party shall have, in addition to its rights hereunder, any rights other- wise available to it under any other agreement or applicable law.

12. Single Agreement

Buyer and Seller acknowledge that, and have entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, each of Buyer and Seller agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder, (ii) that each of them shall be entitled to set off claims and apply property held by them in respect of any Transaction against obligations owing to them in respect of any other Transactions hereunder and (iii) that payments, deliveries and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Transactions hereunder, and the obligations to make any such payments, deliveries and other transfers may be applied against each other and netted.

13. Notices and Other Communications

Any and all notices, statements, demands or other communications hereunder may be given by a party to the other by mail, facsimile, telegraph, messenger or otherwise to the address specified in Annex II hereto, or so sent to such party at any other place specified in a notice of

change of address hereafter received by the other. All notices, demands and requests hereunder may be made orally, to be confirmed promptly in writing, or by other communication as specified in the preceding sentence.

14. Entire Agreement; Severability

This Agreement shall supersede any existing agreements between the parties containing general terms and conditions for repurchase transactions. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

15. Non-assignability; Termination

(a) The rights and obligations of the parties under this Agreement and under any Transaction shall not be assigned by either party without the prior written consent of the other party, and any such assignment without the prior written consent of the other party shall be null and void. Subject to the foregoing, this Agreement and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. This Agreement may be terminated by either party upon giving written notice to the other, except that this Agreement shall, notwithstanding such notice, remain applicable to any Transactions then outstanding.

(b) Subparagraph (a) of this Paragraph 15 shall not preclude a party from assigning, charging or otherwise dealing with all or any part of its interest in any sum payable to it under Paragraph 11 hereof.

16. Governing Law

This Agreement shall be governed by the laws of the State of New York without giving effect to the conflict of law principles thereof.

17. No Waivers, Etc.

No express or implied waiver of any Event of Default by either party shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by any party shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provision of this Agreement and no consent by any party to a departure herefrom shall be effective unless and until such shall be in writing and duly executed by both of the parties hereto. Without limitation on any of the foregoing, the failure to give a notice pursuant to Paragraph 4(a) or 4(b) hereof will not constitute a waiver of any right to do so at a later date.

18. Use of Employee Plan Assets

- (a) If assets of an employee benefit plan subject to any provision of the Employee Retirement Income Security Act of 1974 (“ERISA”) are intended to be used by either party hereto (the “Plan Party”) in a Transaction, the Plan Party shall so notify the other party prior to the Transaction. The Plan Party shall represent in writing to the other party that the Transaction does not constitute a prohibited transaction under ERISA or is otherwise exempt therefrom, and the other party may proceed in reliance thereon but shall not be required so to proceed.
- (b) Subject to the last sentence of subparagraph (a) of this Paragraph, any such Transaction shall proceed only if Seller furnishes or has furnished to Buyer its most recent available audited statement of its financial condition and its most recent subsequent unaudited statement of its financial condition.
- (c) By entering into a Transaction pursuant to this Paragraph, Seller shall be deemed (i) to represent to Buyer that since the date of Seller’s latest such financial statements, there has been no material adverse change in Seller’s financial condition which Seller has not disclosed to Buyer, and (ii) to agree to provide Buyer with future audited and unaudited statements of its financial condition as they are issued, so long as it is a Seller in any outstanding Transaction involving a Plan Party.

19. Intent

- (a) The parties recognize that each Transaction is a “repurchase agreement” as that term is defined in Section 101 of Title 11 of the United States Code, as amended (except insofar as the type of Securities subject to such Transaction or the term of such Transaction would render such definition inapplicable), and a “securities contract” as that term is defined in Section 741 of Title 11 of the United States Code, as amended (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).
- (b) It is understood that either party’s right to liquidate Securities delivered to it in connection with Transactions hereunder or to exercise any other remedies pursuant to Paragraph 11 hereof is a contractual right to liquidate such Transaction as described in Sections 555 and 559 of Title 11 of the United States Code, as amended.
- (c) The parties agree and acknowledge that if a party hereto is an “insured depository institution,” as such term is defined in the Federal Deposit Insurance Act, as amended (“FDIA”), then each Transaction hereunder is a “qualified financial contract,” as that term is defined in FDIA and any rules, orders or policy statements thereunder (except insofar as the type of assets subject to such Transaction would render such definition inapplicable).
- (d) It is understood that this Agreement constitutes a “netting contract” as defined in and subject to Title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 (“FDICIA”) and each payment entitlement and payment obligation under any Transaction hereunder shall constitute a “covered contractual payment entitlement” or “covered

contractual payment obligation”, respectively, as defined in and subject to FDI- CIA (except insofar as one or both of the parties is not a “financial institution” as that term is defined in FDICIA).

20. Disclosure Relating to Certain Federal Protections

The parties acknowledge that they have been advised that:

- (a) in the case of Transactions in which one of the parties is a broker or dealer registered with the Securities and Exchange Commission (“SEC”) under Section 15 of the Securities Exchange Act of 1934 (“1934 Act”), the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 (“SIPA”) do not protect the other party with respect to any Transaction hereunder;
- (b) in the case of Transactions in which one of the parties is a government securities broker or a government securities dealer registered with the SEC under Section 15C of the 1934 Act, SIPA will not provide protection to the other party with respect to any Transaction hereunder; and
- (c) in the case of Transactions in which one of the parties is a financial institution, funds held by the financial institution pursuant to a Transaction hereunder are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, as applicable.

[Signature Pages Follow]

Cooperatieve Rabobank, U.A., New York Branch

By: /s/ Vikram Malkani
Name: Vikram Malkani
Title: Managing Director

By: /s/ David Epstein
Name: David Epstein
Title: Vice President

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MUFG Bank, Ltd., New York Branch

By: /s/ Philippe Pepin
Name: Philippe Pepin
Title: Director

[SIGNATURE PAGES CONTINUE ON FOLLOWING PAGE]

Standard Chartered Bank, acting through its New York branch

By: /s/ Anita Gray
Name: Anita Gray
Title: Executive Director

[SIGNATURE PAGES CONTINUE ON FOLLOWING PAGE]

HSBC Bank USA, N.A.

By: /s/ Adam Hendley
Name: Adam Hendley
Title: Managing Director

[SIGNATURE PAGES CONTINUE ON FOLLOWING PAGE]

PHI Financial Services, Inc.

By: /s/ Timothy A. Johnson
Name: Timothy A. Johnson
Title: Treasurer and Director

MASTER FRAMEWORK AGREEMENT

This MASTER FRAMEWORK AGREEMENT (this “*Framework Agreement*”), is made and entered into as of February 9, 2021 (the “*Effective Date*”), by and among:

Coöperatieve Rabobank, U.A., New York Branch, a Dutch coöperatieve acting through its New York Branch (“*Rabobank*”), MUFG Bank, Ltd., New York Branch, a Japanese banking corporation acting through its New York Branch (“*MUFG*”), Standard Chartered Bank, a bank organized and existing under the laws of England and Wales, acting through its New York branch, (“*Standard Chartered*”) and HSBC Bank USA, N.A., a national banking association organized under the laws of the United States (“*HSBC*”), as purchasers (collectively, the “*Buyers*”);

Rabobank and MUFG, as joint lead arrangers (each, in such capacity, a “*Joint Lead Arranger*”);

Rabobank, as Buyers’ agent (in such capacity, “*Agent*”); and

PHI Financial Services, Inc., an Iowa corporation (“*Seller*”).

Each of Agent, Buyers and Seller may also be referred to herein individually as a “*Party*”, and collectively as the “*Parties*”.

RECITALS

WHEREAS, Buyers have agreed to provide Seller with a facility under which Buyers and Seller will enter into certain sale and repurchase agreements with respect to Eligible Farmer Loans owned by Seller.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Interpretation.

1.1 Definitions. All capitalized terms used in this Framework Agreement (including its recitals and Schedules) shall, unless defined herein, have the respective meanings set forth in Schedule 1 hereto.

1.2 Construction.

(a) The headings and sub-headings in this Framework Agreement shall not affect its interpretation. References in this Framework Agreement to Sections and

Schedules shall, unless the context otherwise requires, be references to Sections of, and Schedules to, this Framework Agreement.

(b) Words denoting the singular number only shall include the plural number also and vice versa; words denoting one gender only shall include the other genders and words denoting persons shall include firms and corporations and vice versa.

(c) References to a Person are also to its permitted successors or assigns.

(d) References in this Framework Agreement to any agreement or other document shall be deemed also to refer to such agreement or document as amended or varied or novated from time to time.

(e) References to an amendment include a supplement, novation, restatement or re-enactment and amend and amended (or any of their derivative forms) will be construed accordingly.

(f) Reference to a time of day is a reference to New York City time.

(g) “Include”, “includes” and “including” shall be deemed to be followed by the words “without limitation.”

(h) “Hereof”, “hereto”, “herein” and “hereunder” and words of similar import when used in this Framework Agreement refer to this Framework Agreement as a whole and not to any particular provision of this Framework Agreement.

(i) References to a “writing” or “written” include any text transmitted or made available on paper or through electronic means.

(j) References to “\$”, U.S. Dollars or otherwise to dollar amounts refer to the lawful currency of the United States.

(k) References to a law include any amendment or modification to such law and any rules and regulations issued thereunder, whether such amendment or modification is made, or issuance of such rules and regulations occurs, before or after the Effective Date.

2. Transaction Agreements.

2.1 Agreements to be Executed at the Closing. Concurrently with this Framework Agreement, the Parties intend to execute the following additional agreements (together with this Framework Agreement and each subsequent Confirmation entered into during the Facility Term subsequent to the Closing, the “***Transaction Agreements***”) to which they are party:

(a) the Master Repurchase Agreement among Seller and the Buyers;

- (b) the Fee Letter among Seller and Buyers;
- (c) the Side Letter between Seller and Agent; and
- (d) the Guaranty.

2.2 Definitions. When used in any Transaction Agreement, capitalized terms not otherwise defined therein will, to the extent defined herein, have the meanings set forth in this Framework Agreement (including Schedule 1).

3. Closing; Closing Deliveries.

3.1 Closing. Subject to the terms and conditions of this Framework Agreement, the transactions contemplated in this Framework Agreement to occur concurrently with the execution hereof (other than the entry into any Confirmations) will take place at a closing (the "Closing") to be held on the Effective Date at a mutually agreeable location or by the exchange of electronic documentation.

3.2 Seller Closing Deliverables. At the Closing or prior to the Closing, Seller will deliver, or cause to be delivered, to each Buyer:

- (a) an executed counterpart to each of the Transaction Agreements (other than any Confirmations) to which it is a party;
- (b) executed counterparts of each of the Guarantors to the Guaranty;
- (c) a certificate of the Secretary or an Assistant Secretary of Seller, dated the Effective Date, certifying as to (i) the incumbency of the officers of Seller executing the Transaction Agreements, (ii) attached copies of Seller's articles of incorporation and bylaws; and (iii) copies of all corporate approvals and consents of Seller that are required by it in connection with entering into, and the exercise of its rights and the performance of its obligations under, the Transaction Agreements;
- (d) a certificate of the Secretary or an Assistant Secretary of each Guarantor, dated the Effective Date, certifying as to (i) the incumbency of the officer(s) of each Guarantor executing the Guaranty, (ii) attached copies of each Guarantor's certificate of incorporation and bylaws; and (iii) copies of all corporate approvals and consents of each Guarantor that are required by it in connection with entering into, and the exercise of its rights and the performance of its obligations under, the Guaranty;
- (e) a customary legal opinion or opinions with respect to Seller opining on existence, due authorization and execution, absence of conflicts with Organizational Documents, binding nature of obligations, absence of violations of Law and no consents under Law, and creation and perfection of security interests;

(f) a customary legal opinion or opinions with respect to each Guarantor opining on existence, due authorization and execution, absence of conflicts with Organizational Documents, binding nature of obligations, absence of violations of Law and no consents under Law;

(g) a duly completed Certification of Beneficial Owners(s) with respect to Seller;

(h) results of a UCC lien search with respect to Seller for the State of Iowa as of a date not more than seven (7) days prior to the Closing; and

(i) fully prepared UCC-1 financing statements reflecting the Security Interests granted by Seller under the Master Repurchase Agreement.

3.3 Buyer Closing Deliverables. At the Closing or prior to the Closing, each Buyer will deliver to Seller and each other Buyer an executed counterpart to each of the Transaction Agreements (other than any Confirmations) to which it is a party.

3.4 Agent Closing Deliverables. At the Closing or prior to the Closing, Agent shall provide to Seller, an executed copy of IRS Form W-8IMY, indicating on Part VI that Agent is a U.S. branch of a foreign bank described in United States Department of Treasury Regulations section 1.1441-1(b)(2)(iv)(A) agreeing to be treated as a U.S. person for purposes of withholding on payments under the Transaction Agreements.

4. Transactions.

4.1 Requests for Transactions.

(a) *Transaction Notices*. Seller may, from time to time during the Facility Term, deliver a written notice, substantially in the form attached hereto as Exhibit A and including a fully-completed proposed Portfolio Schedule (a "**Transaction Notice**") to Agent requesting that Buyers enter into a Transaction on a Monthly Date (or, if Seller elects to terminate a Transaction pursuant to Paragraph 3(c)(ii) of Annex I to the Master Repurchase Agreement, on the effective date of such termination). Such notice shall be delivered to Agent not less than four (4) Business Days prior to the proposed Purchase Date for such proposed Transaction (or such later date as may be consented to by Agent, which consent may be conditioned on the consent of the Buyers). Subject to the terms and conditions set forth herein and in the other Transaction Agreements, each Buyer agrees severally, and not jointly, to enter into such Transactions with Seller up to its respective Individual Commitment Amount as of the applicable Purchase Date.

(b) *Confirmation Process*. Within one (1) Business Day of its receipt of a Transaction Notice, Agent shall deliver a fully completed draft Confirmation with respect to the proposed Transaction, attaching the related proposed Portfolio Schedule provided

by Seller pursuant to Section 4.1(a). In the event Seller and Agent disagree with respect to any portion of the draft Confirmation or the proposed Portfolio Schedule or in the event Agent determines in good faith that any applicable Transaction Conditions are not, or will not be, satisfied as of the relevant Purchase Date, Seller or Agent (as applicable) shall promptly notify the other of the same, and Seller and Agent shall cooperate expeditiously and in good faith to resolve any such matters (to the extent the same are capable of being resolved). If the applicable Transaction Conditions are (or will be) satisfied as of the applicable Purchase Date, then Agent shall, on behalf of the Buyers and subject to the provisions of Section 4.5, enter into the proposed Transaction with Seller on the terms set forth in the draft Confirmation (as may be modified as agreed between Seller and Agent in accordance with the preceding sentence) by executing and delivering to Seller, on behalf of each such Buyer, a Confirmation evidencing such Transaction in accordance with the Master Repurchase Agreement.

(c) *Failed Closings.* If, on any proposed Purchase Date, the entry into a proposed Transaction on such date would otherwise fail to occur due to:

- (i) any failure of Seller and Agent to agree on the Confirmation or the Portfolio Schedule for such proposed Transaction in accordance with the foregoing Section 4.1(b) on or before such proposed Purchase Date;
- (ii) any failure as of such proposed Purchase Date of any applicable Transaction Condition to be satisfied with respect to such proposed Transaction;
- (iii) any unforeseen circumstance or event, such as a disruption in wire transfers, power or other mechanical or technological failures or interruptions, computer viruses, communications disruptions, work stoppages, natural disasters, fire, war, terrorism, riots, rebellions, or any circumstance beyond the control of the Parties; or
- (iv) any other reason (other than the failure of a Deemed Roll-Over Condition to be satisfied);

then, notwithstanding any provision to the contrary in any Transaction Agreement,

(x) if the proposed Purchase Date is not a Monthly Date and any Current Transaction was specified for early termination on such proposed Purchase Date pursuant to Paragraph 3(c)(ii) of Annex I to the Master Repurchase Agreement, then notwithstanding such specification, such Current Transaction shall continue without termination on such proposed Purchase Date and no new Transaction shall be entered into on such proposed Purchase Date, and

(y) if the proposed Purchase Date is a Monthly Date, then so long as the Deemed Roll-Over Conditions are satisfied as of such Monthly Date, and

notwithstanding the failure of any Additional Funding Condition or Roll-Over Condition (which condition, in each case, is not also a Deemed Roll-Over Condition) to be satisfied as of such Monthly Date, Seller and Buyers shall be deemed to have entered into a new Roll-Over Transaction (a “**Deemed Roll-Over Transaction**”) on such Monthly Date in accordance with Section 4.1(d) below.

(d) *Deemed Roll-Over Transactions.* In the event the Parties are deemed to have entered into a Deemed Roll-Over Transaction on any Monthly Date pursuant to the foregoing Section 4.1(c), such Deemed Roll-Over Transaction shall be deemed to be entered into on the same terms as those set forth in the final form of Confirmation (including the Portfolio Schedule thereto) governing the Transaction expiring on such Monthly Date, subject to the following modifications:

(A) the Purchase Date shall be the applicable Monthly Date on which such Deemed Roll-Over Transaction is deemed to have been entered into, and the applicable Pricing Rate shall be updated accordingly;

(B) the Repurchase Date shall be the earlier of the Facility Expiration Date or the next applicable Monthly Date following the Purchase Date;

(C) the Portfolio Schedule applicable to the Deemed Roll-Over Transaction shall be: (i) in the event Seller has delivered to Agent a Portfolio Schedule by such Purchase Date designated for use in connection with entry into a Transaction on such Purchase Date and which satisfies clauses (vi) through (ix) of Section 4.3(a), such delivered Portfolio Schedule; and (ii) otherwise, the Portfolio Schedule for the prior Transaction expiring on such Monthly Date (the Portfolio Schedule described in this clause (ii), a “**Roll-Over Portfolio Schedule**”);

(D) if the Purchase Price set forth in the Confirmation for the expiring Transaction exceeds the Aggregate Commitment Amount applicable to such Deemed Roll-Over Transaction, the Purchase Price for such Deemed Roll-Over Transaction shall be reduced so as to be equal to such applicable Aggregate Commitment Amount, and Seller shall pay to Agent for the account of the Buyers any Funded Repurchase Price required to be paid by it as a result of such reduction; and

(E) in addition to any Funded Repurchase Price required to be paid by Seller on such Monthly Date in accordance with the terms hereof, Seller may, at its election, pay to Agent for the account of the Buyers an additional amount by wire transfer of immediately available funds to the account of Agent specified in Schedule 2 by or before 5:00 p.m. on such Monthly Date, which additional payment shall (i) reduce the Purchase Price for such Deemed Roll-Over Transaction and (ii) be treated as the payment of additional Funded Repurchase Price for all purposes hereunder and under the other Transaction Agreements; *provided*, that the Price Differential through the first two (2) Business Days of the Transaction Period for such Deemed Roll-Over Transaction shall be calculated as though the corresponding reduction of Purchase Price did not occur.

Promptly after entry into any Deemed Roll-Over Transaction, Seller and Agent shall cooperate expeditiously and in good faith to prepare, execute and deliver a Confirmation and Portfolio Schedule which, if treated as having been delivered in a timely manner in connection with a proposed Roll-Over Transaction to be entered into on the Purchase Date for such Deemed Roll-Over Transaction, would satisfy the applicable Roll-Over Conditions (excluding the condition described in Section 4.3(a)(iii), which need not be satisfied for purposes of this paragraph) as of such Purchase Date, to evidence and definitively document such Deemed Roll-Over Transaction, with the terms of such Confirmation, and if applicable, updated Portfolio Schedule, amending, restating and superseding any deemed terms specified in the preceding sentence as of the applicable Purchase Date, notwithstanding such later execution and delivery of such definitive documentation.

4.2 Funding of Transaction Purchase Prices.

(a) *Funding Notices.* In the event Agent receives a Transaction Notice for a proposed Transaction in accordance with Section 4.1(a), Agent shall deliver to each other Buyer a written notice concerning such Transaction (a “**Funding Notice**”) not later than 10:00 a.m. on the date that is two (2) Business Days prior to the date of the proposed Transaction. Such notice shall (i) set forth the Purchase Date for the proposed Transaction, the amount of any Funded Purchase Price anticipated to be paid or Funded Repurchase Price anticipated to be received in connection with such Transaction, any Funding Amount payable by or Distribution Amount anticipated to be distributed to each Buyer in connection with the Transaction, any adjustments and related calculations made pursuant to Section 4.5 and the anticipated Aggregate Buyer Balance after giving effect to such Transaction, and (ii) be accompanied by a copy of the substantially final form of Confirmation to be entered into in connection with such Transaction.

(b) *Funding of Purchase Prices.* Following receipt of any Funding Notice concerning a proposed Transaction, each Buyer shall fund its respective Funding Amount (if any) for such proposed Transaction by wire transfer of immediately available funds to the account of Agent specified in Schedule 2 no later than 11:00 a.m. on the Purchase Date for such Transaction (or such later time as Agent may determine with the consent of Seller (such consent not to be unreasonably withheld so long as the Funded Purchase Price is received for value on such Purchase Date)). Agent shall, subject to satisfaction of the Additional Funding Conditions, use such funds to pay the Funded Purchase Price for the Transaction on behalf of each of the Buyers in accordance with terms of the Master Repurchase Agreement and applicable Confirmation, upon which Seller will sell and assign, and Buyers will purchase, the Transaction Portfolio for such Transaction, with each Buyer receiving a fractional undivided interest in such Transaction Portfolio in accordance with its respective Undivided Funding Percentage as of the time of such purchase (after giving effect to the funding of such Funding Amounts and payment of such Funded Purchase Price). The closing of such Transaction and payment of such Funded Purchase Price shall occur at 12:00 noon on the Purchase Date (or such later time

on such Purchase Date as Agent may determine with the consent of Seller (such consent not to be unreasonably withheld for so long as the Funded Purchase Price is received for value on such Purchase Date)).

(c) *Advance Payment of Funded Purchase Price.* Notwithstanding the provisions of Section 4.2(b) above, Agent may, at its sole discretion, on any Purchase Date for a Transaction in respect of which it anticipates receiving Funding Amounts from Buyers, transfer in advance any Funded Purchase Price anticipated to be payable in respect of such Transaction to Seller on such Purchase Date prior to Agent's actual receipt of such Funding Amounts; provided, that if Agent does not receive all such Funding Amounts from Buyers by or before 5:00 p.m. on such Purchase Date, then subject to and in accordance with Section 4.5(a)(iii), Seller and each applicable Defaulting Buyer severally agree to pay to Agent forthwith on demand the amount of Funded Purchase Price transferred in advance corresponding to the Funding Amounts not received, with interest thereon at a rate reasonably determined by Agent in accordance with banking industry rules on interbank compensation.

(d) *Return of Excess Funding Amounts.* In the event any Buyer has funded its respective Funding Amount on any proposed Purchase Date for an Additional Funding Transaction in accordance with Section 4.2(b), and either (i) Seller and Buyers fail to enter into such Additional Funding Transaction on such proposed Purchase Date or (ii) Seller and Buyers enter into an Additional Funding Transaction on such Purchase Date with respect to which less than all of the amount funded by such Buyer is actually applied to the payment of Funded Purchase Price on such Purchase Date, then Agent shall, promptly following either such event, refund to such Buyer the unused portion of such funded amount.

4.3 Transaction Conditions.

(a) The obligation of Buyers to enter into any Additional Funding Transaction shall be subject to satisfaction of the following conditions (in each case, as of the Purchase Date) (together, the "***Additional Funding Conditions***"):

(i) with respect to the initial Transaction, each of the items required to be delivered by Seller at or prior to the Closing pursuant to Section 3.2 shall have been delivered in accordance with the terms hereof;

(ii) all amounts then due and owing by Seller under Section 9.2, the Fee Letter and the Side Letter shall have been paid in full;

(iii) the Transaction Notice, including the proposed Portfolio Schedule required to be attached thereto, shall have been delivered to Agent in accordance with Section 4.1;

(iv) Seller shall have delivered to Agent a duly executed counterpart to the applicable Confirmation;

(v) each of the representations and warranties of Seller and each Guarantor (as applicable) set forth in the Transaction Agreements (excluding any representations or warranties set forth in the Asset Representations, Warranties and Covenants) shall be true and correct in all material respects;

(vi) the aggregate Market Value of the Transaction Portfolio for such Transaction (as set forth in the Portfolio Schedule to the Confirmation provided by Seller) shall be equal to or greater than 105% of the Purchase Price for such Transaction;

(vii) all of the loans included in the Transaction Portfolio for such Transaction (as set forth in the Portfolio Schedule to the Confirmation provided by Seller) shall be Eligible Farmer Loans;

(viii) the Weighted Average CBR Score with respect to the Transaction Portfolio for such Transaction shall be equal to or greater than 675;

(ix) no less than seventy percent (70%) of the Eligible Farmer Loans comprising the Transaction Portfolio for such Transaction (based on their respective Book Values) shall have been made to Debtors that are natural persons;

(x) the Purchase Date for such Transaction shall be at least ten (10) days prior to the Farmer Loan Maturity Date;

(xi) the payment of the proposed Purchase Price would not cause (x) the Aggregate Buyer Balance (after giving effect to such payment) to exceed the Aggregate Commitment Amount applicable to such Transaction or (y) any Buyer's Individual Buyer Balance (after giving effect to such payment) to exceed such Buyer's applicable Individual Commitment Amount with respect to such Transaction;

(xii) no Potential Event of Default or Event of Default shall have occurred and be continuing which has not been waived; and

(xiii) no "Event of Default" shall have occurred and be continuing under the Corteva Revolver which has not been waived.

(b) The obligation of Buyers to enter into any Roll-Over Transaction (other than a Deemed Roll-Over Transaction) shall be subject to satisfaction of the following conditions (in each case, as of the Purchase Date) (together, the "**Roll-Over Conditions**"):

(i) each of the conditions set forth in clauses (iii), (iv), and (vi) through (xi) of Section 4.3(a) shall have been satisfied; and

(ii) no Event of Default shall have occurred and be continuing which has not been waived.

(c) The deemed entry by Buyers into any Deemed Roll-Over Transaction shall be subject to satisfaction of the following conditions (in each case, as of the Purchase Date) (together, the “**Deemed Roll-Over Conditions**”):

(i) the aggregate Market Value of the Transaction Portfolio for such Deemed Roll-Over Transaction (as set forth in the applicable Portfolio Schedule for such Deemed Roll-Over Transaction determined in accordance with Section 4.1(d)(C)) shall be equal to or greater than (x) 100% of the Purchase Price for such Transaction, if the applicable Portfolio Schedule for such Deemed Roll-Over Transaction is a Roll-Over Portfolio Schedule, or (y) 105% of the Purchase Price for such Transaction, in all other cases;

(ii) each of the conditions set forth in clauses (vii) through (xi) of Section 4.3(a), as applied mutatis mutandis to the applicable terms of such Deemed Roll-Over Transaction and to the Transaction Portfolio set forth on the Portfolio Schedule for such Deemed Roll-Over Transaction, shall have been satisfied;

(iii) if the prior Transaction expiring on such Purchase Date is Deemed Roll-Over Transaction, Seller shall have executed and delivered definitive documentation evidencing such prior Deemed Roll-Over Transaction in accordance with the last sentence of Section 4.1(d) on or before the Business Day immediately preceding such Purchase Date; and

(iv) no Event of Default shall have occurred and be continuing which has not been waived.

4.4 Funding of Transaction Repurchase Prices.

(a) *Seller’s Payment of Funded Repurchase Price.* On each Repurchase Date for a Transaction on which Funded Repurchase Price (other than Funded Repurchase Price on account of accrued but unpaid Price Differential) is payable by Seller pursuant to the Transaction Agreements (including, for the avoidance of doubt, on the Facility Expiration Date and each Commitment Reduction Date), Seller shall fund the Funded Repurchase Price for such Transaction by wire transfer of immediately available funds to the account of Agent specified in Schedule 2, no later than 5:00 p.m. on such Repurchase Date (or such later time as Seller may determine with the consent of Agent (such consent not to be unreasonably withheld so long as such Funded Repurchase Price is received for value on such Repurchase Date)).

(b) *Distribution of Amounts Received by Agent.* On any Business Day when Agent receives any Funded Repurchase Price or Margin Payment from Seller for any Transaction, Agent shall distribute to each Buyer such Buyer's Distribution Amount in respect of such Funded Repurchase Price or Margin Payment by wire transfer of immediately available funds to the account of such Buyer set forth on Schedule 2 hereto or separately provided in writing to Agent (i) on the same Business Day if such Funded Repurchase Price or Margin Payment is received from Seller prior to 2:00 p.m. on such Business Day or (ii) otherwise, on the next succeeding Business Day.

(c) *Advances of Funded Repurchase Price.* Notwithstanding the foregoing Section 4.4(b), Agent may, at its discretion, on any Repurchase Date when it anticipates receiving any Funded Repurchase Price from Seller, transfer in advance to each Buyer its anticipated Distribution Amount in respect of such anticipated Funded Repurchase Price on such Repurchase Date prior to Agent's actual receipt of such Funded Repurchase Price; provided, that if Agent does not receive such Funded Repurchase Price from Seller by 5:00 p.m. on such Repurchase Date, each Buyer shall be required to promptly refund to Agent any such anticipated Distribution Amounts transferred in advance.

4.5 Defaulting Buyers.

(a) *Adjustment for Reduced Funding.* Notwithstanding anything in this Article IV to the contrary, in the event that, on any Purchase Date on which Agent has entered into, or is obligated to enter into, an Additional Funding Transaction with respect to which any Funded Purchase Price is to be paid in accordance with Section 4.2(b), one or more Buyers (any such Buyer, a "**Defaulting Buyer**") fails to fund its respective Funding Amount on such Purchase Date when and as required by Section 4.2(b), then Agent shall promptly give notice of such failure to Seller and each other Buyer. Upon Agent's giving of such notice:

(i) the Confirmation for such Additional Funding Transaction shall be amended (or, if already executed and delivered by Seller prior to Agent's giving of such notice, shall be deemed to have been amended) so as to reduce the Purchase Price for such Additional Funding Transaction by the applicable Funding Amounts such Defaulting Buyers have failed to fund;

(ii) when and as required pursuant to Section 4.2(b), and subject to the satisfaction of the Additional Funding Conditions otherwise applicable to such Additional Funding Transaction, Agent shall pay to Seller, on behalf of the Buyers (other than the Defaulting Buyer), any remaining unpaid Funded Purchase Price payable in respect of such Additional Funding Transaction (after giving effect to the reduction in Purchase Price pursuant to the foregoing Section 4.5(a)(i));

(iii) to the extent Agent has advanced any amounts to Seller pursuant to Section 4.2(c) on such Purchase Date in excess of the Funded Purchase Price payable in respect of such Additional Funding Transaction (after giving effect to the reduction in Purchase Price pursuant to

the foregoing Section 4.5(a)(i)), Seller shall refund any such excess when and as required pursuant to Section 4.2(c);

(iv) following such Purchase Date, Seller shall be entitled to exercise its rights under Paragraph 4(b) of Annex I to the Master Repurchase Agreement to address the excess Market Value of the Transaction Portfolio which may result from the failure of such Defaulting Buyer to fund.

(b) *Replacement of Buyers.* Seller may, at its sole expense and effort, upon notice to any Defaulting Buyer and Agent, require such Defaulting Buyer to assign, without recourse, all of its rights and obligations under the Transaction Agreements (including its Individual Buyer Balance, Individual Commitment Amount and any undivided fractional interest it may own with respect to any Transaction Portfolio) to one or more existing Buyers or new Buyers that is willing to assume such obligations; *provided* that (i) Seller shall have received the prior written consent of Agent with respect to any new Buyer, which consent shall not unreasonably be withheld, (ii) such Defaulting Buyer shall have received payment of an amount equal to its Individual Buyer Balance and accrued and unpaid Price Differential, fees and all other amounts payable to it under the Transaction Agreements (which may be paid by the applicable assignee and/or by Seller) and (iii) such assignment does not conflict with applicable Law. No Buyer shall be required to make any such assignment if prior thereto, such Buyer shall have ceased to be a Defaulting Buyer in accordance with Section 4.5(c). Each Party agrees that an assignment required pursuant to this Section 4.5(b) may be effected pursuant to assignment documentation executed by Seller, Agent and the assignee and that the Defaulting Buyer required to make such assignment need not be a party thereto. In connection with any such assignment, each assignee of the Defaulting Buyer agrees to purchase (at par) Individual Buyer Balances of other non-Defaulting Buyers (together with corresponding portions of such other non-Defaulting Buyers' undivided fractional interests in any Transaction Portfolio) as Agent may determine necessary to cause each non-Defaulting Buyer's Undivided Funding Percentage in connection with the applicable Current Transaction to equal its Undivided Commitment Percentage with respect to such Current Transaction (in each case, after giving effect to such assignment and with such adjustments as Agent may deem appropriate to take into account any Buyers that remain Defaulting Buyers).

(c) *Reinstatement of Defaulting Buyers.* In the event that Agent and Seller agree that a Defaulting Buyer has adequately remedied all matters that caused such Buyer to be a Defaulting Buyer, then such Buyer shall cease to be a Defaulting Buyer for all purposes hereof. In connection with any such reinstatement of a Defaulting Buyer, such Defaulting Buyer agrees to purchase (at par) Individual Buyer Balances of other non-Defaulting Buyers as Agent may determine necessary to cause each non-Defaulting Buyer's Undivided Funding Percentage in connection with the applicable Current Transaction to equal its Undivided Commitment Percentage with respect to such Current Transaction (in each case, after giving effect to such reinstatement and with such

adjustments as Agent may deem appropriate to take into account any Buyers that remain Defaulting Buyers).

(d) *Replacement of Agent.* In the event that Agent or any Affiliate thereof is a Defaulting Buyer, Required Buyers may, to the extent permitted by applicable law, by notice in writing to Seller and Agent, remove Agent in its capacity as such, and subject to Seller's approval (not to be unreasonably withheld), appoint a successor. Upon the acceptance of its appointment as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the removed Agent and the removed Agent shall be discharged from its duties and obligations hereunder and under the other Transaction Agreements. The fees payable by Seller to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between Seller and such successor. Removed Agent agrees to execute such additional documents and perform such further acts as may be reasonably required or desirable to carry out or perform the foregoing provisions of this Section; provided that, to the extent removed Agent fails to promptly execute such additional documents and or to perform such further acts, successor Agent may, on behalf of removed Agent, execute such additional documents or perform such further acts.

(e) *Calculations.* All calculations with respect to adjustments in the Undivided Commitment Percentages and Undivided Funding Percentages of, Funding Amounts owed by, or Distribution Amounts payable to, any Buyers resulting from any Buyer becoming a Defaulting Buyer or any actions taken by Agent pursuant to this Section 4.5 shall be made by Agent and communicated to Buyers in appropriate Funding Notices or other written notices (in all cases, with copies to Seller).

5. Representations and Warranties; Certain Covenants.

5.1 Representations and Warranties of Seller. Seller represents to Agent and each Buyer that:

(a) *Organization and Authority.* Seller is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Iowa. Seller has full corporate power and authority to enter into the Transaction Agreements to which it is a party, to carry out its obligations thereunder, and to consummate the transactions contemplated thereby. The execution and delivery by Seller of the Transaction Agreements to which it is a party and the performance by Seller of its obligations thereunder have been duly authorized by all requisite corporate action on the part of Seller. The Transaction Agreements to which Seller is a party have been duly executed and delivered by Seller, and (assuming due authorization, execution, and delivery by each other Party) the Transaction Agreements to which Seller is a party constitute a legal, valid, and binding obligation of Seller enforceable against Seller in accordance with their terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

(b) *No Conflicts; Consents.* The execution, delivery and performance by Seller of each of the Transaction Agreements and the consummation of the transactions contemplated by the Transaction Agreements do not and will not: (A) conflict with or result in a violation or breach of, or default under, any provision of the Organizational Documents of Seller; (B) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Seller except as would not reasonably be expected to have a Material Adverse Effect; or (C) require the consent, notice or other action by any Person pursuant to, or result in a default or event of default under, any Contract to which Seller is a party, except: (1) as expressly set forth in the applicable Transaction Agreement, (2) as shall have been obtained by Seller as of the Effective Date or (3) as would not reasonably be expected to have a Material Adverse Effect. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Seller in connection with the execution and delivery of the Transaction Agreements and the consummation of the transactions contemplated by the Transaction Agreements except as shall have been obtained by Seller or except as would not reasonably be expected to have a Material Adverse Effect.

(c) *Legal Proceedings.* There are no Actions pending or, to Seller's knowledge, threatened against or by Seller or any Affiliate of Seller that challenge or seek to prevent, enjoin, or otherwise delay the transactions contemplated by the Transaction Agreements.

(d) *Compliance with Laws.* Seller is in compliance with all applicable Laws in connection with the performance of obligations or exercise of rights under the Transaction Agreements, except where the failure to be so would not reasonably be expected to have a Material Adverse Effect.

(e) *No Defaults.* No Event of Default under this Framework Agreement has occurred and is continuing that has not been waived. Except as disclosed to Agent, no Potential Event of Default under this Framework Agreement has occurred and is continuing that has not been waived.

(f) *Certification of Beneficial Owner.* The information included in the Certification of Beneficial Owner(s) is true and correct in all respects as of the date of delivery thereof.

5.2 Asset Representations and Warranties. Seller represents or covenants, as applicable, to Agent and each Buyer with respect to each Eligible Farmer Loan included in the Transaction Portfolio for any outstanding Transaction that:

(a) *Accuracy of Information.* The information regarding such Eligible Farmer Loan set forth on the Portfolio Schedule to the Confirmation for such Transaction (as corrected in accordance with Section 4.1(d), in the case of any Deemed Roll-Over

Transaction) is true and correct in all material respects as of the Purchase Date for such Transaction.

(b) *Form of Loan Agreement.* The Loan Agreement for such Eligible Farmer Loan is substantially in the form of one of the Deferred Payment Loan Agreements attached to Schedule 3 hereto or any other form of Loan Agreement provided to and deemed satisfactory by Agent.

(c) *Enforceability.* Such Eligible Farmer Loan and related Loan Agreement has been duly authorized, executed and delivered by all parties thereto, and constitutes a legal, valid, and binding obligation of each such party enforceable against such party in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

(d) *No Conflicts; Consents.* The execution, delivery and performance by Seller and each applicable Debtor under such Eligible Farmer Loan of the Loan Agreement and the consummation of the transactions contemplated thereby do not and will not conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Seller except as would not reasonably be expected to have a Material Adverse Effect, and no consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Seller or any Affiliate of Seller in connection with the execution and delivery of the Loan Agreement and the consummation of the transactions contemplated thereby except as shall have been obtained by Seller or such Affiliate as of the date of such Loan Agreement or except as would not reasonably be expected to have a Material Adverse Effect.

(e) *No Modifications.* Except in accordance with its ordinary servicing practices (so long as the related modification, alteration or amendment would not (i) cause such loan to cease to be an Eligible Farmer Loan, (ii) breach any of the other Asset Representations, Warranties and Covenants, (iii) reduce the amount payable under the Eligible Farmer Loan (other than as a result of a prepayment), (iv) extend the stated maturity date of such Eligible Farmer Loan or (v) reasonably be expected to have a Material Adverse Effect) or as consented to by Agent, Seller is not a party to any Contract or other legally binding arrangement with any Debtor in relation to such Eligible Farmer Loan that modifies, alters or amends any of the terms in the related Loan Agreement.

(f) *Compliance with Laws.*

(i) Seller and its Affiliates are in compliance with all applicable Laws with respect to the making of such Eligible Farmer Loan (including all applicable "know your customer" Laws), except where the failure to be so would not reasonably be expected to have a Material Adverse Effect.

(ii) Seller has implemented and maintain policies and procedures reasonably designed to promote compliance by Seller, its Subsidiaries and its Subsidiaries' respective directors, officers, employees and, to the knowledge of Seller and to the extent commercially reasonable, agents with Anti-Corruption Laws and applicable Sanctions, and Seller, its Subsidiaries and their and its Subsidiaries' respective directors, officers and employees and, to the knowledge of Seller, their agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (x) Seller, any of its Subsidiaries or, to the knowledge of Seller, any of its and its Subsidiaries' respective directors, officers or employees, or (y) to the knowledge of Seller, any agent of Seller or any of its Subsidiaries that will act in any capacity in connection with or benefit from the facility established hereby, is a Sanctioned Person. The use of proceeds of any Transaction will not violate Anti-Corruption Laws or applicable Sanctions, in each case, in any material respect.

(g) *Legal Proceedings.* There is no Action pending or, to the knowledge of Seller, threatened against Seller relating to such Eligible Farmer Loan or which seeks the issuance of an order restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by the Loan Agreement, except as would not reasonably be expected to have a Material Adverse Effect.

(h) *Segregation of Eligible Farmer Loans.* All Eligible Farmer Loans included in the Portfolio Schedule for the Current Transaction that are in the possession of Seller shall be segregated from other securities in its possession and shall be identified as subject to the Transaction Agreements. Segregation may be accomplished by appropriate identification on the books and records of Seller.

5.3 Certain Covenants. Seller covenants with Agent and each Buyer as follows:

(a) *Taxes.* Subject to the provisions of Section 6.8 and the provision by each Buyer of any relevant IRS forms and related documentation confirming its exemption from withholding Taxes, Seller will pay all relevant Taxes and make all relevant returns in respect of Taxes in relation to any Purchased Securities and Seller shall indemnify and hold each Buyer harmless from and against any such Taxes. Without limiting the generality of the foregoing, Seller shall remit all Direct Taxes to the applicable Governmental Authority relating to the Purchased Securities as and when due and Seller shall indemnify and hold each Buyer harmless from and against any such Taxes.

(b) *Performance of Loan Agreements.* Seller shall perform and comply with each Loan Agreement governing an Eligible Farmer Loan included in the Transaction Portfolio for the Current Transaction in such a way as would not (or would not reasonably be expected to) materially affect the entitlement and/or ability to receive and/or to recover and/or enforce and/or collect payment of the full amount of such Eligible

Farmer Loan, and the exercise by Agent of its rights under this Framework Agreement and the other Transaction Agreements shall not relieve Seller of such obligations.

(c) *Indemnification.* Seller will indemnify and keep indemnified Agent, each Buyer, their Affiliates, and their respective officers, directors, employees and agents and their successors and assigns (each, an “Indemnified Party”) against any cost, claim, loss, expense, liability or damages (including reasonable legal costs and out-of-pocket expenses) arising out of or involving a claim or demand made by any Person (other than by Seller, any of its Affiliates or any Indemnified Party) against such Indemnified Party (each a “Claim”) and incurred or suffered by it in connection with:

(i) any representation or warranty made by Seller under or in connection with any Transaction Agreement (including with respect to any Portfolio Schedule delivered by Seller pursuant hereto) that shall have been false or incorrect when made or deemed made (without regard to any knowledge, materiality or Material Adverse Effect qualifiers contained therein);

(ii) the failure by Seller, to comply with any applicable Law with respect to any Eligible Farmer Loan included in any Transaction Portfolio, or the nonconformity of any such Eligible Farmer Loan included therein or any related Contract with any such applicable Law, rule or regulation or any failure of Seller to keep or perform any of its obligations, express or implied, with respect to any Contract;

(iii) any failure of Seller to perform its duties, covenants or other obligations in accordance with the provisions of any Transaction Agreement;

(iv) any products liability, personal injury or damage, suit or other similar claim arising out of or in connection with merchandise, insurance or services that are the subject of any Eligible Farmer Loan in which any Indemnified Party becomes involved as a result of any of the Transactions contemplated hereby;

(v) any investigation, litigation or proceeding related to or arising from any Transaction Agreement, the Transactions contemplated hereby, Seller’s use of the proceeds of such Transactions, the ownership of the Eligible Farmer Loans originated by Seller or any other investigation, litigation or proceeding relating to Seller in which any Indemnified Party becomes involved as a result of any of the Transactions contemplated hereby;

(vi) any action or omission by Seller which reduces or impairs the rights of any Buyer with respect to any Eligible Farmer Loan or the value of any such Eligible Farmer Loan; and

(vii) any civil penalty or fine assessed by the Office of Foreign Assets Control of the U.S. Department of the Treasury or any other Governmental Authority administering any Sanctions Law or Anti-Corruption Law against, and all reasonable costs and expenses (including counsel fees and disbursements) incurred in connection with defense thereof by any Buyer as a result of any action of Seller;

provided, that notwithstanding the foregoing, in no event shall Seller be liable hereunder to any Indemnified Party or any other Person for (A) any special, indirect, consequential or punitive damages, even if Seller has been advised of the likelihood of such loss or damage and regardless of the form of action or (B) Claims to the extent arising from any Indemnified Party's breach, bad faith, gross negligence or willful misconduct.

(d) *Approvals and Filings.* Except as would not (or would not reasonably be expected to) materially affect the entitlement and/or ability to receive and/or to recover and/or enforce and/or collect payment of the full amount in the Eligible Farmer Loans, Seller shall maintain such Permits and make such filings, registrations and submissions as are necessary or advisable for the performance of its obligations under the Loan Agreements relating to the Eligible Farmer Loans.

(e) *Books and Records.* Seller shall keep all its books, records and documents evidencing or relating to the Eligible Farmer Loans in accordance with its practice and procedures from time to time. Seller shall, but only upon Agent's reasonable request in advance of the same, during normal business hours at reasonably accessible offices in the continental United States designated by Seller, and subject to Seller's normal security and confidentiality procedures, permit Agent or any of its agents or representatives to examine and make copies of and abstracts from the records, books of account and documents (including computer tapes and disks) of Seller, visit the properties of Seller for the purpose of examining or obtaining access to such records, books of account and documents, and discuss the affairs, finances and accounts of Seller relating to the Eligible Farmer Loans with any of its officers, and Seller shall be obligated to reimburse Agent for the costs and expenses of one such examination during the Facility Term.

(f) *No Sales, Liens.* Seller (i) shall not sell, assign or grant any Security Interest on or otherwise encumber any Eligible Farmer Loan subject to a Transaction or any Loan Agreement under which such Eligible Farmer Loan arises except as expressly contemplated by the Transaction Agreements, (ii) shall not permit any Security Interest to exist on or with respect to, any such Eligible Farmer Loan or Loan Agreement except as expressly contemplated by the Transaction Agreements, and (iii) will defend the right, title and interest of the Buyers in, to and under any of the foregoing.

(g) *No Waivers, Amendments.* Except to the extent arising in the ordinary course of business and except as required by Section 5.3(h), Seller shall not (x) cancel, terminate, amend, modify or waive any term or condition of any Loan Agreement for an Eligible Farmer Loan subject to a Transaction (including reducing the amount of such Eligible Farmer Loan) or (y) take any other action that, in each case, may materially affect any entitlement and/or ability to receive and/or recover and/or enforce and/or collect payment in full of the full amount of the Eligible Farmer Loan, or otherwise prejudice any Buyer's interest in any Eligible Farmer Loan in any material respect.

(h) *Ordinary Course.* Seller shall follow its credit and collection procedures with respect to the Eligible Farmer Loans in accordance with its ordinary course of

dealing as in effect from time to time without regard to the Transactions contemplated hereby, and shall use the same standards it would follow with respect to Eligible Farmer Loans which are owned by Seller.

(i) *Notice of Certain Events.* Seller shall provide Agent with prompt notice upon becoming aware of (x) any Event of Default or Potential Event of Default or (y) any Change of Control with respect to Seller or any Guarantor.

(j) *Changes in Credit and Collection Procedures.* Seller shall provide Agent with prompt notice, and in all instances at least sixty (60) days prior to the effectiveness of any material change in or material amendment to the credit and collection procedures (other than any such change or amendment required by applicable Law, in which case Seller shall provide notice to Agent of such change or amendment as promptly as practicable), a copy of the credit and collection procedures then in effect and a notice indicating such proposed change or amendment.

(k) *Information Required by Governmental Authorities.* Subject to applicable Laws prohibiting or limiting such disclosure or provision of such information, documents, records or reports, Seller shall provide each Buyer promptly, from time to time upon request, such information, documents, records or reports relating to the Eligible Farmer Loans or Seller as such Buyer (or its assigns) may be required by a Governmental Authority to obtain; provided, that each such Buyer shall use commercially reasonable efforts to maintain the confidentiality of such information, documents, records or reports to the extent consistent with applicable Law, Seller's normal privacy and confidentiality procedures, the terms of the Data Transfer Agreement and any confidentiality provisions or restrictions contained therein.

(l) *Accounting.* Seller shall comply with all required accounting and Tax disclosures related to the Transactions in accordance with GAAP and applicable Law, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(m) *Changes Concerning Seller.* Seller will not undergo a Change of Control or change its (i) jurisdiction of organization, (ii) name, (iii) identity or structure (within the meaning of Article 9 of the UCC), unless it shall have notified Agent of the same and delivered to Agent all financing statement amendments and other documents necessary to maintain the perfection of the Security Interests granted by Seller under the Transaction Agreements in connection with such change, relocation or Change of Control.

(n) *Compliance.* Seller will maintain in effect and enforce policies and procedures reasonably designed to promote compliance by Seller, its Subsidiaries and their and their Subsidiaries' respective directors, officers, employees and, to the knowledge of Seller and to the extent commercially reasonable, agents with Anti-Corruption Laws and applicable Sanctions. Seller will not request that Buyers enter into any Transaction, and Seller shall not use, and shall not permit its Subsidiaries and their or

their Subsidiaries' respective directors, officers, employees and, to the knowledge of Seller and to the extent commercially reasonable, agents to use, the proceeds of any Transaction (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country or (iii) in any manner that would result in the violation in any material respect of any Sanctions applicable to any party hereto.

(o) *Margin Compliance During Final Two Months.* On each Recalculation Date, Seller shall recalculate the aggregate Market Value of the Transaction Portfolio for the Current Transaction as of the close of business on the Business Day that is (x) three (3) Business Days before such Recalculation Date in the case of Recalculation Dates occurring prior to the Farmer Loan Maturity Date or (y) one (1) Business Day before such Recalculation Date in the case of Recalculation Dates occurring after the Farmer Loan Maturity Date, and based on such recalculations, shall notify Agent in writing (i) no later than the second Business Day following such Recalculation Date if the aggregate Market Value of such Transaction Portfolio decreases to an extent sufficient to result in a Margin Deficit exceeding fifty percent (50%) of the applicable threshold specified in Paragraph 4(e) of Annex I to the Master Repurchase Agreement and (ii) promptly if the aggregate Market Value of such Transaction Portfolio decreases to an extent sufficient to result in a Margin Deficit exceeding the applicable threshold specified in Paragraph 4(e) of Annex I to the Master Repurchase Agreement.

(p) *Servicing Information.* In the event that Agent reasonably determines, with notice to Seller, that the likelihood of an Event of Default occurring has increased by an amount that it deems material, Seller shall within ten (10) Business Days following receipt of such notice, provide Agent with an updated Portfolio Schedule for the Current Transaction, which updated Portfolio Schedule shall include, for each Debtor with respect to each Eligible Farmer Loan listed on the Portfolio Schedule, the name, address, phone number, email address of, and principal contact at, each such Debtor and each Portfolio Schedule delivered hereunder thereafter shall contain such additional information; provided, that, for the avoidance of doubt, any removal by Seller of Eligible Farmer Loans from the applicable Transaction Portfolio prior to or in connection with the delivery of such updated Portfolio Schedule and other documents must comply with the applicable requirements of this Framework Agreement and the Master Repurchase Agreement. If an Event of Default shall have occurred and be continuing, Seller, upon a written request from Agent, provide to Agent (i) within ten (10) Business Days following receipt of such request with a list of all invoices provided to the Debtors under the Eligible Farmer Loans comprising the Transaction Portfolio, (ii) within four weeks following receipt of such request, copies of all Loan Agreements with and invoices pertaining to, such Debtors and corresponding Eligible Farmer Loans, which delivery shall be effected at an approximate rate of 25% of such Loan Agreements and invoices per week, it being understood that delivery at a faster rate in earlier weeks may result in a smaller percentage being delivered in later weeks and (iii) as promptly as practicable

following receipt of such request, any other documents which may be necessary or appropriate to enforce Seller's rights in connection with such Eligible Farmer Loans.

(q) *Certification of Beneficial Owner.* Promptly, following any change in the information included in the Certification of Beneficial Owner(s) that would result in a change to the exemption from the definition of "legal entity customer" (if any) specified as being applicable to Seller in such certification, or if no such exemption is applicable, a change in the list of beneficial owners or control party (if any) required to be identified in such certification, or a change in the address of any such beneficial owners or control party, Seller shall execute and deliver to Agent an updated Certification of Beneficial Owner(s).

6. **Agent.**

6.1 Appointment and Authority.

(a) Each of the Buyers hereby irrevocably appoints Rabobank to act on its behalf as Agent hereunder and under the other Transaction Agreements and authorizes Agent to take such actions on its behalf and to exercise such powers as are delegated to Agent by the terms hereof or thereof (including the power to execute and deliver Confirmations on behalf of such Buyer in accordance with Sections 4.1 and 4.5 of this Framework Agreement and the Master Repurchase Agreement), together with such actions and powers as are reasonably incidental thereto. The provisions of this Article VI (other than the proviso to the first sentence of Section 6.5) are solely for the benefit of Agent, and neither Seller nor any Guarantor shall have rights as a third party beneficiary of any of such provisions.

(b) Each of the Buyers hereby irrevocably appoints and authorizes Agent to act as the agent of such Buyer for purposes of acquiring, holding and enforcing any and all Security Interests on Purchased Securities granted by Seller under the Transaction Agreements, including the filing in Agent's name of any financing statements on behalf of Buyers, together with such powers and discretion as are reasonably incidental thereto. Each Buyer hereby authorizes Agent to exercise any rights and remedies on its behalf hereunder or under the other Transaction Agreements in respect of such Security Interests.

(c) Agent hereby agrees that it will promptly deliver to each Buyer copies of each Confirmation and Portfolio Schedule and any notices or written information received by Agent from Seller or any Guarantor in connection with any Transaction Agreement (other than the Side Letter).

6.2 Rights as a Buyer. The Person serving as Agent hereunder shall have the same rights and powers in its capacity as a Buyer as any other Buyer and may exercise the same as though it were not Agent and the term "Buyer" or "Buyers" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any

kind of business with Seller, any Guarantor or any of their Affiliates as if such Person were not Agent hereunder and without any duty to account therefor to the Buyers.

6.3 Exculpatory Provisions. The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Transaction Agreements. Without limiting the generality of the foregoing, Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether an Event of Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers; and

(iii) shall not, except as expressly set forth herein or in the other Transaction Agreements, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Seller, any Guarantor or any of their Affiliates that is communicated to or obtained by the Person serving as Agent or any of its Affiliates in any capacity.

Agent shall not be liable for any action taken or not taken by it in the absence of its own gross negligence or willful misconduct. Agent shall be deemed not to have knowledge of any Event of Default unless and until notice describing such Event of Default as such is given to Agent by Seller, a Guarantor or a Buyer.

Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Framework Agreement or any other Transaction Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Framework Agreement, any other Transaction Agreement or any other agreement, instrument or document, (v) the value or the sufficiency of any Purchased Securities or (vi) the satisfaction of any condition set forth in Article III, Section 4.3 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to Agent.

6.4 Reliance by Agent. Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. Agent may consult with legal counsel, independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

6.5 Delegation of Duties. Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Transaction Agreement by or through any one or more sub-agents appointed by Agent; *provided*, that with respect to any sub-agents taking actions with respect to, or receiving information in respect of, Eligible Farmer Loans that are not wholly-owned Subsidiaries of Agent and could reasonably be considered a competitor of Seller, but only insofar as no Event of Default has occurred and is continuing, Agent shall have first obtained the prior written consent of Seller. Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of Agent and any such sub-agent.

6.6 Non-Reliance on Agent and Other Buyers. Each Buyer acknowledges that it has, independently and without reliance upon Agent or any other Buyer or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Framework Agreement and the other Transaction Agreements. Each Buyer also acknowledges that it will, independently and without reliance upon Agent or any other Buyer or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Framework Agreement, any other Transaction Agreement or any related agreement or any document furnished hereunder or thereunder.

6.7 Agent May File Proofs of Claim. In case of the pendency of any proceeding under any bankruptcy or insolvency Law or any other judicial proceeding relative to Seller or any Guarantor, Agent shall be entitled and empowered, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of any amounts that are owing by Seller or any Guarantor under any Transaction Agreement and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Buyers and Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Buyers, Agent and their respective agents and counsel and all other amounts due to the Buyers and Agent under any Transaction Agreement) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, curator, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Buyer to make such payments to Agent and, in the event that Agent shall consent to the making of such payments directly to the Buyers, to pay to Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Agents and their respective agents and counsel, and any other amounts due to Agent hereunder or under any Transaction Agreement.

Nothing contained herein shall be deemed to authorize Agent to authorize or consent to or accept or adopt on behalf of any Buyer any plan of reorganization, arrangement, adjustment or composition affecting the obligations of Seller or any Guarantor under any Transaction Agreement or the rights of any Buyer or to authorize Agent to vote in respect of the claim of any Buyer in any such proceeding.

6.8 Withholding Tax. To the extent required by any applicable Law, Agent may withhold from any payment to any Buyer an amount equal to any applicable withholding Tax; *provided*, that Agent shall ensure that the withholding does not exceed the minimum amount legally required and Agent shall pay the amount withheld to the relevant Governmental Authority in accordance with applicable law. If the IRS or any other authority of the United States or other jurisdiction asserts a claim that Agent did not properly withhold Tax from any amount paid to or for the account of any Buyer for any reason (including because the appropriate form was not delivered or was not properly executed, or because such Buyer failed to notify Agent of a change in circumstances that rendered the exemption from, or reduction of, withholding Tax ineffective), such Buyer shall indemnify and hold harmless Agent (to the extent that Agent has not already been reimbursed by Seller or any Guarantor and without limiting or expanding the obligation of Seller or any Guarantor to do so) for all amounts paid, directly or indirectly, by Agent as Tax or otherwise, including any penalties, additions to Tax or interest thereon, together with all expenses incurred, including legal expenses and any out-of-pocket expenses, whether or not such Tax was correctly or legally imposed or asserted by the relevant Governmental Authority; provided, that Buyer shall not be required to indemnify Agent for penalties, addition to Tax or interest thereon, or any expenses incurred, to the extent the failure to withhold results from Agent's gross negligence or willful misconduct. A certificate as to the amount of such payment or liability delivered to any Buyer by Agent shall be conclusive absent manifest error. Each Buyer hereby authorizes Agent to set off and apply any and all amounts at any time owing to such Buyer under this Framework Agreement or any other Transaction Agreement against any amount due to Agent under this Article VI. The agreements in this Article VI shall survive any assignment of rights by, or the replacement of, a Buyer, the expiration of the Facility Term and the repayment, satisfaction or discharge of all obligations under this Framework Agreement and the other Transaction Agreements. Unless required by applicable Laws, at no time shall Agent have any obligation to file for or otherwise pursue on behalf of a Buyer any refund of Taxes withheld or deducted from funds paid for the account of such Buyer.

7. Payment To Agent; Several Obligations And Certain Calculations.

7.1 Payments to Agent. Notwithstanding anything to the contrary contained herein, all amounts payable to any Buyer in connection with any Transaction shall be paid to Agent, and Agent shall distribute such payments to the Buyers in accordance with Section 4.4. As between Seller and the Buyers, any payment of such amounts to Agent shall be treated as payments to the Buyers and neither Seller nor any Guarantor shall have any liability for the failure of Agent to comply with the preceding sentence.

7.2 Several Obligations. The obligations of the Buyers hereunder are several, and no Buyer shall have any obligation or liability for the failure of any other Buyer to perform its obligations hereunder.

7.3 Certain Calculations. Agent shall calculate the Undivided Commitment Percentages, Undivided Funding Percentages, Funded Purchase Prices, Funding Amounts, Distribution Amounts, Aggregate Commitment Amount, Aggregate Buyer Balance, Individual Commitment Amounts, Individual Buyer Balances, Breakage Amounts, the amounts of any fees payable under the Fee Letter or the Side Letter and all other amounts to be calculated under the Transaction Agreements, as well as any adjustments thereto, which calculations shall be conclusive absent manifest error. Upon the reasonable request of Seller, any Buyer or any Guarantor for any such calculations, Agent shall promptly provide such calculations to such Person.

8. Confidentiality

8.1 Duty to Preserve Confidentiality. Except as otherwise provided herein, each Receiving Party agrees, for a period of two (2) years following the termination or expiration of this Framework Agreement, to hold in confidence all Confidential Information furnished by the Disclosing Party, to not disclose any Confidential Information to any third party, and to use Confidential Information solely for purposes of the transactions contemplated by this Framework Agreement and the other Transaction Agreements; *provided*, that such Confidential Information may be disclosed to Representatives of such Receiving Party as reasonably necessary in connection with the transactions contemplated by this Framework Agreement and the other Transaction Agreements, so long as such Representatives are similarly bound by an obligation of confidentiality (including by means of applicable policies of the Receiving Party).

8.2 Permitted Disclosure. Notwithstanding the foregoing Section, a Receiving Party shall be permitted to disclose Confidential Information of a Disclosing Party if the Receiving Party is required by applicable Law or other legal process or requested by any Governmental Authority asserting jurisdiction over the Receiving Party or its Affiliates, or as necessary or appropriate to enforce its rights under the Transaction Agreements. Such Receiving Party agrees that in the event of any such disclosure (other than as a result of an examination by a Governmental Authority or other regulatory authority), it will notify the Disclosing Party as soon as practicable, unless such notification shall be prohibited by applicable Law. Such Receiving Party shall disclose only that portion of the Confidential Information that, in the reasonable judgment of such Receiving Party and its Representatives, is legally required (or, in the case of request by a Governmental Authority or other regulatory authority, that portion ordinarily disclosed in accordance with the Receiving Party's usual practice with respect to such requests) and shall disclose the Confidential Information in a manner reasonably designed to preserve its confidential nature.

8.3 Return of Confidential Information. Unless otherwise specified in writing, all Confidential Information shall remain the property of the Disclosing Party. Upon request of the Disclosing Party, the Receiving Party agrees to return or destroy all Confidential Information

received from the Disclosing Party; *provided*, that (i) the Receiving Party and its Representatives may retain Confidential Information to the extent required by any applicable Law, by any supervisory or regulatory body or by its internal record retention policy, and (ii) the Receiving Party and its Representatives shall in no event be required to erase, destroy or return any information from computer systems or hard drives, tapes, memory or other electronic forms of information retention processes, materials or equipment. All Confidential Information so retained shall remain subject to the confidentiality obligations set forth herein.

8.4 Data Transfer Agreement. In addition to the confidentiality provisions set forth in Section 8.1, but subject to the provisions of Sections 8.2 and 8.3 concerning permitted disclosures and retention, each Buyer agrees to be bound by the provisions of the Data Transfer Agreement that are applicable to the “Company” thereunder as though such Buyer were a signatory to such Data Transfer Agreement as the “Company” thereunder.

9. Miscellaneous

Except as otherwise expressly set forth in a Transaction Agreement, the following will apply to all Transaction Agreements:

9.1 Copies of Records; Further Assurances. Each Party will promptly provide, upon the other Party’s written request, copies of the other Party’s records in a Party’s or any of its Subsidiaries’ possession or control. Each Party will promptly execute, or cause its Subsidiaries to promptly execute, such other documents and instruments, and provide such other assurances, as reasonably necessary to carry out the purpose and intent of the Transaction Agreements.

9.2 Expenses. Upon and as a condition to the Closing, Seller shall reimburse Rabobank for all reasonable and sufficiently detailed documented out-of-pocket expenses (including fees, charges and disbursements of counsel) up to an aggregate of \$125,000 incurred by Rabobank in connection with the negotiation, preparation, execution and delivery of the Transaction Agreements and any related documentation and the consummation of the transactions contemplated thereby. Except as otherwise set forth in the preceding sentence or in any Transaction Agreement, all costs and expenses, including fees and disbursements of counsel, financial advisors, and accountants, incurred in connection with any Transaction Agreement will be paid by the Party incurring those costs and expenses.

9.3 Entire Agreement. This Framework Agreement, together with the other Transaction Agreements, constitutes the entire agreement between the Parties and supersedes all prior oral and written negotiations, communications, discussions, and correspondence pertaining to the subject matter of the Transaction Agreements.

9.4 Order of Precedence. If there is a conflict between this Framework Agreement and any other Transaction Agreement, this Framework Agreement will control unless the conflicting provision of the other Transaction Agreement specifically references the provision of this Framework Agreement to be superseded.

9.5 Amendments and Waivers. The Transaction Agreements may only be amended or modified (including any waiver of or exception to any obligation or covenant under a Transaction Agreement) by an instrument in writing signed by the Seller and the Required Buyers and acknowledged by the Agent, or by the Seller and the Agent with the consent of the Required Buyers; provided, that no such amendment, waiver, exception or other modification shall:

(a) increase the Individual Commitment Amount of any Buyer applicable to any monthly period without the written consent of such Buyer;

(b) reduce any fees or other amounts payable hereunder or under any other Transaction Agreement, without the written consent of each such Buyer directly and adversely affected thereby;

(c) change any provision of this Section or the percentage in the definition of "Required Buyers" or any other provision hereof specifying the number or percentage of Buyers required to amend, waive or otherwise modify any rights or duties hereunder or make any determination or grant any consent hereunder, without the written consent of each Buyer;

(d) reduce or forgive any Repurchase Price, extend any Commitment Reduction Date, the Scheduled Facility Expiration Date, any Repurchase Date or the Facility Expiration Date, adjust any Undivided Commitment Percentages or Undivided Funding Percentages, or reduce any Distribution Amount, in each case, without the written consent of each Buyer;

(e) amend, modify or waive any provision of Article IV in a manner that would alter the pro rata sharing of payments required thereunder, without the written consent of each Buyer; and

(f) release (i) all or a material portion of the Security Interests created pursuant to the Transaction Agreements, (ii) Seller from all or a material portion of its obligations under the Transaction Agreements or (iii) any Guarantor from its obligations under the Guaranty, in each case, without the written consent of each Buyer;

provided, further, that no such amendment, waiver or consent shall amend, modify or otherwise affect the rights or duties hereunder or under any other Transaction Agreement of the Agent, unless in writing executed by the Agent, in addition to the Seller and the Buyers required above. For the avoidance of doubt, Agent is not authorized to sign any waiver or amendment on behalf of any Buyer without the consent of such Buyer.

Notwithstanding anything herein to the contrary, no Defaulting Buyer shall have any right to approve or disapprove any amendment, waiver or consent hereunder and any amendment, waiver or consent that by its terms requires the consent of all the Buyers or each affected Buyer may be effected with the consent of the applicable Buyers other than Defaulting Buyers, except that (x)

the Individual Commitment Amount or a Defaulting Buyer may not be increased or extended without the consent of such Defaulting Buyer and (y) any amendment, waiver or consent requiring the consent of all Buyers or each affected Buyer shall require the consent of such Defaulting Buyer.

9.6 Binding Effect. The Transaction Agreements will be binding upon and inure to the benefit of the Parties and their respective heirs, legal representatives, successors, and permitted assigns.

9.7 Assignment. Except as provided in this Framework Agreement or any other Transaction Agreement, neither this Framework Agreement nor any other Transaction Agreement, respectively, may be assigned or otherwise transferred, nor may any right or obligation hereunder or under another Transaction Agreement be assigned or transferred by any Party without the consent of the other Parties. Any permitted assignee shall assume all obligations of its assignor under this Framework Agreement; *provided*, that in the event of any assignment by a Defaulting Buyer required pursuant to Section 4.5(b), any indemnity obligations owed to or by such Defaulting Buyer under the Transaction Agreements shall survive such assignment. This Framework Agreement is binding upon the permitted successors and assigns of the Parties. Any attempted assignment not in accordance with this Section 9.7 shall be void.

9.8 Notices. All notices, requests, demands, and other communications required or permitted to be given under any of the Transaction Agreements by any Party must be in writing delivered to the applicable Party at the following address:

If to Rabobank or Agent:

Coöperatieve Rabobank, U.A., New York Branch
245 Park Avenue
New York, New York 10167
Attention: Vikram Malkani
E-Mail: Vikram.Malkani@rabobank.com

With copy to:

Coöperatieve Rabobank, U.A., New York Branch
245 Park Avenue
New York, New York 10167
Attention: Chris Kortlandt
E-Mail: Chris.Kortlandt@rabobank.com

If to MUFG:

MUFG Bank, Ltd.
1251 Avenue of the Americas
New York, New York 10020-1104

Attention: Robert Wenzel
E-Mail: RWenzel@us.mufg.jp

With copy to:

The Bank of Tokyo-Mitsubishi UFJ, Ltd.
1251 Avenue of the Americas
New York, NY 10020-1104
Attention: Thomas Giuntini
E-Mail: TGiuntini@us.mufg.jp

If to Standard Chartered:

Standard Chartered Bank
2700 Post Oak Boulevard
21st Floor
Houston, TX 77056
Attention: Anita Gray
Email: Anita.Gray@sc.com

With copy to:

Standard Chartered Bank
1095 Avenue of the Americas
New York, New York 10003
Attention: Filipe Mossmann
Email: Filipe.Mossmann@sc.com

If to HSBC:

HSBC Securities (USA) Inc.
452 Fifth Avenue New York, New York 10018
Attention : David Mendell
Email : david.a.mendell@us.hsbc.com

If to Seller:

PHI Financial Services, Inc.
7100 NW 62nd Avenue
P.O. Box 1050
Johnston, Iowa 50131
Attention: Secretary
E-Mail: mike.wineland@pioneer.com

With a copy to:

E. I. du Pont de Nemours and Company
974 Centre Road
Chestnut Run Plaza 730/5218
Wilmington, Delaware 19805
Attention: Treasury Consultant and Corporate Secretary
E-Mails: james.p.donaghey@dupont.com
erik.t.hoover@dupont.com

or to such other address as any Party may designate by written notice to the other Party. Each notice, request, demand, or other communication will be deemed given and effective, as follows: (i) if sent by hand delivery, upon delivery; (ii) if sent by first-class U.S. Mail, postage prepaid, upon the earlier to occur of receipt or three (3) days after deposit in the U.S. Mail; (iii) if sent by a recognized prepaid overnight courier service, one (1) Business Day after the date it is given to such service; (iv) if sent by facsimile, upon receipt of confirmation of successful transmission by the facsimile machine; and (v) if sent by email, upon acknowledgement of receipt by the recipient.

9.9 GOVERNING LAW. THIS FRAMEWORK AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAW PROVISIONS THEREOF OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

9.10 Jurisdiction. Each Party hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to any Transaction Agreement, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York located in the Borough of Manhattan in the City of New York, the courts of the United States of America for the Southern District of New York and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the applicable party at its respective address set forth in Section 9.8 or at such other address which has been designated in accordance therewith; and

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by Law or shall limit the right to sue in any other jurisdiction.

9.11 WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO ANY OF THE TRANSACTION AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED BY THE TRANSACTION AGREEMENTS, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY PARTY AGAINST ANOTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH PARTY HEREBY AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION WILL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE PREVIOUS SENTENCE, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM, OR OTHER PROCEEDING THAT SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF ANY PORTION OF ANY TRANSACTION AGREEMENTS. THIS WAIVER WILL APPLY TO ANY SUBSEQUENT AMENDMENT, RENEWAL, SUPPLEMENT, OR MODIFICATION TO ANY OF THE TRANSACTION AGREEMENTS.

9.12 Severability. If any provision of a Transaction Agreement is held by a court of competent jurisdiction to be invalid, unenforceable, or void, that provision will be enforced to the fullest extent permitted by applicable Law, and the remainder of the applicable Transaction Agreement will remain in full force and effect. If the time period or scope of any provision is declared by a court of competent jurisdiction to exceed the maximum time period or scope that that court deems enforceable, then that court will reduce the time period or scope to the maximum time period or scope permitted by Law.

9.13 Survival. The provisions of Section 5.3(c), Article VI, Article VII, Article VIII and this Article IX shall survive any termination or expiration of this Framework Agreement and any of the other Transaction Agreements.

9.14 Counterparts. The Transaction Agreements and any document related to the Transaction Agreements may be executed by the Parties on any number of separate counterparts, by facsimile or email, and all of those counterparts taken together will be deemed to constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signatures are physically attached to the same document. A facsimile, portable document format (“.pdf”) or other electronic format signature page will constitute an original for the purposes of this Section 9.14 (including with respect to each of the Transaction Agreements and related documents).

9.15 Joint Lead Arrangers. The Joint Lead Arrangers shall not have any duties or responsibilities hereunder or under any of the other Transaction Agreements in their capacities as such.

9.16 Acknowledgment and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Transaction Agreement or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Transaction Agreement, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Framework Agreement or any other Transaction Agreement; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Master Framework Agreement as of the date first written above.

Buyer and Agent:

Coöperatieve Rabobank, U.A., New York Branch

By: /s/ Vikram Malkani
Name: Vikram Malkani
Title: Managing Director

By: /s/ David Epstein
Name: David Epstein
Title: Vice President

[SIGNATURE PAGES CONTINUE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Master Framework Agreement as of the date first written above.

Buyer:

MUFG Bank, Ltd., New York Branch

By:

Name:

Title:

[SIGNATURE PAGES CONTINUE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Master Framework Agreement as of the date first written above.

Buyer:

Standard Chartered Bank, acting through its New York branch

By: /s/ Anita Gray

Name: Anita Gray

Title: Executive Director

[SIGNATURE PAGES CONTINUE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Master Framework Agreement as of the date first written above.

Buyer:

HSBC Bank USA, N.A.

By: /s/ Adam Hendley

Name: Adam Hendley

Title: Manage Director

[SIGNATURE PAGES CONTINUE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Master Framework Agreement as of the date first written above.

Seller:

PHI Financial Services, Inc.

By: /s/ Timothy A. Johnson

Name: Timothy A. Johnson

Title: Treasurer ad Director

SCHEDULE 1

DEFINITIONS

As used in the Transaction Agreements, the following terms have the following meanings unless otherwise defined in any Transaction Agreement:

“**Action**” means any suit in equity, action at law or other judicial or administrative proceeding conducted or presided over by any Governmental Authority.

“**Additional Funding Conditions**” has the meaning set forth in Section 4.3(a).

“**Additional Funding Transaction**” means a Transaction with respect to which any Funded Purchase Price is to be paid, whether pursuant to Section 4.2(b) or Section 4.5(a)(ii).

“**Affiliate**” of a Party means any Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, that Party. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

“**Agent**” has the meaning set forth in the Preamble.

“**Aggregate Buyer Balance**” means, as of any time of determination, the aggregate Purchase Price with respect to the applicable Current Transaction.

“**Aggregate Commitment Amount**” means, as of any date of determination with respect to any Transaction or proposed Transaction, the sum of the applicable Individual Commitment Amounts for each of the Buyers as of such date of determination. “**Aggregate Exposure Amount**” means the sum of all Individual Exposure Amounts for all Buyers.

“**Anti-Corruption Laws**” means all laws, rules, and regulations of any jurisdiction applicable to any Borrower or its Subsidiaries from time to time concerning or relating to bribery, corruption or money laundering.

“**Asset Representations, Warranties and Covenants**” means, collectively, the representations, warranties and covenants set forth in Section 5.2, Section 5.3(b), Section 5.3(d), Section 5.3(f), Section 5.3(g) and Section 5.3(h).

“**Bail-In Action**” means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“**Bail-In Legislation**” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the

European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“**Beneficial Ownership Rule**” means 31 C.F.R. § 1010.230.

“**Book Value**” means, with respect to any Eligible Farmer Loan as of any date of determination, the outstanding principal amount of such Eligible Farmer Loan as of such date of determination.

“**Breakage Amount**” has the meaning set forth in the Master Repurchase Agreement.

“**Business Day**” means any day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions located in New York City are permitted or required by applicable Law or regulation to remain closed.

“**Buyer**” has the meaning set forth in the Preamble.

“**CBR Score**” means, with respect to any Debtor that is a natural person as of any date of determination, the most recent numerical FICO score issued by Equifax, Experian or TransUnion with respect to such Debtor obtained by Seller and maintained in its records in accordance with its underwriting procedures for the 2021 season; provided, that any such Debtor for which Seller does not have a FICO score in its records as of such date of determination (with respect to which the most recent FICO score in Seller’s records was issued more than three (3) years prior to such date of determination) shall be deemed to have a FICO score of zero.

“**Certification of Beneficial Owner(s)**” means a certificate in form and substance satisfactory to the Agent regarding beneficial ownership of Seller, as required by the Beneficial Ownership Rule.

“**Change of Control**” means with respect to any Person, the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder as in effect on the date hereof), of voting equity securities representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding voting equity securities of such Person; provided, that the occurrence of any of the following shall also be treated as a Change of Control with respect to Seller:

(i) Corteva ceases to own, directly or indirectly, 100% of the issued and outstanding equity interests in DuPont (other than, unless redeemed or otherwise extinguished, the Preferred Stock - \$4.50 Series and the Preferred Stock - \$3.50 Series of DuPont outstanding on November 12, 2018);

(ii) any Guarantor violates the provisions of Sections 5.09, 6.01, 6.03 or 6.04 of the Corteva Revolver, as amended from time to time;

(iii) any Guarantor violates the provisions of Section 6.02 of the Corteva Revolver, as amended from time to time, replacing the reference to a “Default” thereunder with an Event of Default under this Framework Agreement; or

(iv) Seller ceases to be a direct or indirect wholly-owned Subsidiary of DuPont.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Commitment Reduction Date**” means each of the Monthly Dates occurring in October, 2021 and November, 2021.

“**Confidential Information**” means any and all information, know-how and data, technical or non-technical, disclosed or provided by one Party to another Party concerning any of the Transaction Agreements, the subject matter thereof or any of the transactions contemplated thereby, whether disclosed or provided in oral, written, graphic, photographic, electronic, or any other form, but excluding any such information to the extent that such information:

(a) is or becomes generally known or available to the public without breach of this Framework Agreement;

(b) is known to the Receiving Party or any of its Representatives at the time of disclosure, as evidenced by written records of the Receiving Party;

(c) is independently developed by the Receiving Party or any of its Representatives, as evidenced by written records of the Receiving Party; or

(d) is disclosed to the Receiving Party by a third party who, to the knowledge of the Receiving Party, is not bound by any duty of confidentiality to the Disclosing Party.

“**Confirmation**” has the meaning set forth in the Master Repurchase Agreement.

“**Contract**” means contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments, and legally binding arrangements, whether written or oral.

“**Corteva**” means Corteva, Inc., a Delaware corporation.

“**Corteva Revolver**” means the Five-Year Revolving Credit Agreement dated as of November 12, 2018, among DuPont, Corteva, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, as amended by (i) that certain Amendment No. 1 to Five-Year Revolving Credit Agreement dated as of May 2, 2019, among DuPont, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, and (ii) that certain Joinder Agreement dated as of June 1, 2019, among DuPont, Corteva, and JPMorgan Chase Bank, N.A., as administrative agent.

“**Current Transaction**” means, as of any time of determination, the Transaction, if any, outstanding at such time of determination.

“**Data Transfer Agreement**” means that certain Data Transfer Agreement dated as of September 15, 2015, between Agent and DuPont, as set forth on Schedule 4.

“**Debtor**” means, with respect to any Eligible Farmer Loan, each of the Persons designated as a “borrower” under the applicable Loan Agreement.

“**Deemed Roll-Over Conditions**” has the meaning set forth in Section 4.3(c).

“**Deemed Roll-Over Transaction**” has the meaning set forth in Section 4.1(c).

“**Defaulting Buyer**” has the meaning set forth in Section 4.5.

“**Direct Taxes**” means sales, use, excise, gross receipts, fuel, value added, export/import, acquisition, transfer and similar Taxes, or any inspection fees, environmental fees and similar amounts imposed on or with respect to any Eligible Farmer Loan or any Contracts related thereto.

“**Disclosing Party**” means the Party who provides (by any means, including indirectly through Agent or any third party or third party application or website) any Confidential Information to the Receiving Party.

“**Distribution Amount**” means, for any Buyer with respect to any Funded Repurchase Price or Margin Payment paid by Seller in connection with any Transaction, an amount equal to the product of such Funded Repurchase Price or Margin Payment, multiplied by such Buyer’s Undivided Funding Percentage as of the date such Funded Repurchase Price or Margin Payment was paid by Seller to Agent.

“**DuPont**” means E. I. du Pont de Nemours and Company, a Delaware corporation.

“**EEA Financial Institution**” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“**EEA Member Country**” means any member state of the European Union, Iceland, Liechtenstein and Norway.

“**EEA Resolution Authority**” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” has the meaning set forth in the Preamble.

“Eligible Farmer Loan” means any outstanding loan made by Seller to a customer of Seller or its Affiliates in connection with Seller’s Pioneer Deferred Payment Plan program with a stated final maturity date of December 1, 2021 (the “Farmer Loan Maturity Date”).

“ERISA Event” has the meaning ascribed to such term in the Corteva Revolver.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” means any of the following:

(a) Seller or any Guarantor shall have failed to pay any margin payment required to be paid under Paragraph 4(a) of the Master Repurchase Agreement or any Repurchase Price due and payable on the Scheduled Facility Expiration Date or on any Commitment Reduction Date, in each case, when and as the same shall become due and payable;

(b) Seller or any Guarantor shall have failed to pay any Repurchase Price (other than any Repurchase Price payable on the Scheduled Facility Expiration Date or any Commitment Reduction Date), Price Differential, any fee required to be paid under the Fee Letter or the Side Letter, any amount required to be refunded pursuant to Section 4.5(a)(iii) hereof, or any other amounts owing under any Transaction Agreement (other than amounts specified in clause (a) of this definition), in each case, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three (3) or more Business Days;

(c) Seller shall fail to perform any covenant set forth in Section 5.3(f)(i) or Section 5.3(o);

(d) Seller or any Guarantor shall fail to observe or perform any covenant, condition or agreement contained in this Framework Agreement or any other Transaction Agreement (excluding (i) any covenants, conditions or agreements contained in the Asset Representations, Warranties and Covenants unless the failure to observe such covenants, conditions and agreements would, individually or in the aggregate, have a Material Adverse Effect and (ii) any covenants, conditions or agreements specified in clauses (a), (b) or (c) of this definition) and such failure shall continue unremedied for a period of 30 or more days;

(e) any representation or warranty made or deemed made by or on behalf of Seller or any Guarantor in or in connection with this Framework Agreement, any other Transaction Agreement or any amendment or modification hereof or thereof, shall prove to have been incorrect in any material respect when made or deemed made (excluding any representations or warranties contained in the Asset Representations, Warranties and Covenants unless the failure of such representations and warranties would, individually or in the aggregate,

have a Material Adverse Effect), and such failure to be correct shall continue unremedied for a period of 30 or more days;

(f) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of either of Seller or any Guarantor or its debts, or of a substantial part of the assets thereof, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for either of Seller or any Guarantor or for a substantial part of its assets, and in any such case, such proceeding or petition shall continue undismissed for a period of 60 or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(g) Seller or any Guarantor shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (f) of this definition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Seller or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(h) Seller or any Guarantor shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(i) one or more judgments for the payment of money in an aggregate amount (to the extent not covered by insurance) in excess of \$100,000,000 shall be rendered against Seller, any Guarantor or any Material Subsidiaries of any Guarantor or any combination thereof, and the same shall remain undischarged for a period of thirty (30) or more consecutive days during which execution shall not be effectively stayed, vacated or bonded pending appeal;

(j) an ERISA Event shall have occurred that, in the reasonable determination of Agent, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect; and

(k) the Guaranty shall cease to be in full force and effect, or its validity or enforceability shall be disputed by Seller or any Guarantor.

“Facility Expiration Date” means the Scheduled Facility Expiration Date; provided, that on any Business Day following the occurrence of a Change of Control with respect to any Guarantor or Seller, Agent may deliver a written notice to Seller terminating the Facility Term, in which case the Facility Expiration Date shall be the first Monthly Date to occur that is at least five (5) Business Days following the date of such delivery.

“**Facility Term**” means the period beginning on the Effective Date and ending on the Facility Expiration Date.

“**Farmer Loan Maturity Date**” has the meaning set forth in the definition of Eligible Farmer Loan.

“**Fee Letter**” means that certain Fee Letter Agreement dated as of the Effective Date, by and between Seller, Agent and the Buyers.

“**Financial Officer**” means, with respect to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person, or any other individual to whom any of the chief financial officer, principal accounting officer, treasurer or controller of such Person shall have delegated in writing his or her authority to execute and deliver certificates and other documents hereunder; provided, that, when such term is used in reference to any document executed by, or a certification of, a Financial Officer, the secretary or assistant secretary of such Person shall have delivered an incumbency certificate to Agent as to the authority of such individual.

“**Fitch**” means Fitch Ratings, Inc., or any successor to its rating agency business.

“**Framework Agreement**” has the meaning set forth in the Preamble.

“**Funded Purchase Price**” means, with respect to any Transaction entered into (or proposed to be entered into) on any Purchase Date, the excess of (x) Purchase Price for such Transaction over (y) the amount of Repurchase Price under the Transaction (if any) whose Repurchase Date coincides with such Purchase Date which is netted against such Purchase Price in accordance with Paragraph 12 of the Master Repurchase Agreement (any such netting being subject to Paragraph 12 of Annex I to the Master Repurchase Agreement).

“**Funded Repurchase Price**” means, with respect to any Transaction expiring on any Repurchase Date, the Repurchase Price for such Transaction minus the amount of any Purchase Price under any other Transaction whose Purchase Date coincides with such Repurchase Date which is netted against such Repurchase Price in accordance with Paragraph 12 of the Master Repurchase Agreement (any such netting being subject to Paragraph 12 of Annex I to the Master Repurchase Agreement).

“**Funding Amount**” means, with respect to any Buyer in connection with any proposed Additional Funding Transaction, an amount equal to the product of (x) the Funded Purchase Price anticipated to be payable with respect to such Additional Funding Transaction (as specified in the relevant Funding Notice and without regard to any subsequent reduction thereof) multiplied by (y) such Buyer’s Undivided Commitment Percentage with respect to such Additional Funding Transaction; provided, that if one or more Buyers are Defaulting Buyers as of the date on which Agent delivers (or is required to deliver) the relevant Funding Notice in connection with such proposed Additional Funding Transaction pursuant to Section 4.2(a), then solely for purposes of calculating the applicable Funding Amounts for each Buyer in connection

with such proposed Additional Funding Transaction, (i) the Undivided Commitment Percentage of each such existing Defaulting Buyer with respect to such Additional Funding Transaction shall be deemed to be zero, and (ii) the Undivided Commitment Percentages of the remaining Buyers shall be deemed to be proportionately increased (as calculated by Agent and indicated in the relevant Funding Notice for such proposed Additional Funding Transaction) such that the sum of the Undivided Commitment Percentages of such remaining Buyers equals 100%.

“**Funding Notice**” has the meaning set forth in Section 4.2(a).

“**GAAP**” means generally accepted accounting principles as applied in the United States.

“**Governmental Authority**” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supranational bodies such as the European Union or the European Central Bank).

“**Governmental Order**” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“**Guarantors**” means each of DuPont and Corteva.

“**Guaranty**” means that certain Guaranty, dated as of the Effective Date, executed by the Guarantors in favor of the Buyers.

“**HSBC**” has the meaning set forth in the Preamble.

“**Individual Buyer Balance**” means, for any Buyer as of any time of determination, the excess, if any, of (x) the aggregate amount of Funded Purchase Price funded by such Buyer and applied to Purchase Price over (y) the aggregate Distribution Amounts allocated to such Buyer with respect to amounts of Funded Repurchase Price or Margin Payments paid by Seller (excluding any such amounts of Funded Repurchase Price attributable to payments of Price Differential), in each case, in connection with the Current Transaction and all prior Transactions as of such time of determination, subject to transfer or adjustment in accordance with the terms hereof.

“**Individual Commitment Amount**” means, with respect to each Buyer in connection with any outstanding or proposed Transaction, the amount set forth in Schedule 5 to this Framework Agreement for such Buyer corresponding to the calendar month in which the Purchase Date for such Transaction occurs, subject to transfer, adjustment or reduction in accordance with the terms hereof.

“Individual Exposure Amount” means, (a) with respect to any Buyer other than a Defaulting Buyer, its highest Individual Commitment Amount for any single month as set forth in Schedule 5 to this Framework Agreement and (b) with respect to any Defaulting Buyer, zero.

“Joint Lead Arranger” has the meaning set forth in the Preamble.

“Law” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

“Loan Agreement” means, with respect to each Eligible Farmer Loan, the Contract governing such loan, as amended.

“Margin Deficit” has the meaning set forth in the Master Repurchase Agreement.

“Margin Payment” means any cash transferred by Seller to Agent as required pursuant to Paragraph 4(a) of the Master Repurchase Agreement or as permitted under Paragraph 4(f) of Annex I to the Master Repurchase Agreement.

“Market Value” has the meaning set forth in the Master Repurchase Agreement.

“Master Repurchase Agreement” means that certain 1996 SIFMA Master Repurchase Agreement dated as of February 9, 2021, between Seller and Buyers, including Annex I thereto (and as amended thereby).

“Material Adverse Effect” means a material adverse effect on (a) the Eligible Farmer Loans, taken as a whole, (b) the ability of Seller to perform any of its obligations under the Transaction Agreements to which it is a party or (c) the rights of or benefits available to the Buyers under the Transaction Agreements.

“Material Subsidiary” has the meaning ascribed to such term in the Corteva Revolver.

“Moody’s” means Moody’s Investors Service, Inc., or any successor to its rating agency business.

“Monthly Date” means each of (i) February 16, 2021 and (ii) the eleventh (11th) Business Day of each subsequent calendar month occurring during the Facility Term.

“MUF_G” has the meaning set forth in the Preamble.

“Organizational Documents” means a Party’s articles or certificate of incorporation and its by-laws or similar governing instruments required by the laws of its jurisdiction of formation or organization.

“Party” and **“Parties”** have the meaning set forth in the Preamble.

“**Permits**” means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

“**Person**” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association, or other entity.

“**Portfolio Schedule**” has the meaning set forth in the Master Repurchase Agreement.

“**Potential Event of Default**” means the occurrence of any event that, with the giving of notice or lapse of time, would become an Event of Default.

“**Price Differential**” has the meaning set forth in the Master Repurchase Agreement.

“**Pricing Rate**” has the meaning set forth in the Master Repurchase Agreement.

“**Purchase Date**” has the meaning set forth in the Master Repurchase Agreement.

“**Purchase Price**” has the meaning set forth in the Master Repurchase Agreement.

“**Purchased Securities**” has the meaning set forth in the Master Repurchase Agreement.

“**Rabobank**” has the meaning set forth in the Preamble.

“**Recalculation Date**” means each of November 1, 2021, November 22, 2021, November 29, 2021 and December 6, 2021, as each such date may be adjusted at the request of Seller with the consent of Agent.

“**Receiving Party**” means the Party to whom any Confidential Information is provided (by any means, including indirectly through Agent or any third party or third party application or website) by the Disclosing Party.

“**Related Parties**” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, sub-agents, trustees and advisors of such Person and of such Person’s Affiliates.

“**Representatives**” means, with respect to any Person, its Affiliates, and the respective directors, officers, employees, consultants, representatives, attorneys, accountants, auditors, professional advisors and agents of such Person and each such Affiliate.

“**Repurchase Date**” has the meaning set forth in the Master Repurchase Agreement.

“**Repurchase Price**” has the meaning set forth in the Master Repurchase Agreement.

“Required Buyers” means, at any time, Buyers having Individual Exposure Amounts equal to more than 75% of the Aggregate Exposure Amount.

“Roll-Over Conditions” has the meaning set forth in Section 4.3(b).

“Roll-Over Portfolio Schedule” has the meaning set forth in Section 4.1(d)(C).

“Roll-Over Transaction” means any Transaction other than an Additional Funding Transaction.

“S&P” means S&P Global Ratings, a division of S&P Global Inc., or any successor to its rating agency business.

“Sanctioned Country” means, at any time, a country, region or territory that is itself the target of any comprehensive Sanctions.

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom, (b) any Person located, organized or resident in a Sanctioned Country or (c) any Person 50% or more owned or controlled by any other Person or Persons referred to in clause (a) or (b) above.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

“Scheduled Facility Expiration Date” means December 13, 2021.

“Security Interest” means any pledge, charge, lien, assignment by way of security, retention of title and any other encumbrance or security interest whatsoever created or arising under any relevant law, as well as any other agreement or arrangement having the effect of or performing the economic function of the same.

“Seller” has the meaning set forth in the Preamble.

“Side Letter” means that certain Side Letter Agreement dated as of the Effective Date, by and between Seller and Rabobank.

“Standard Chartered” has the meaning set forth in the Preamble.

“Subsidiary” of any Person means any corporation, partnership, limited liability company, association, trust, unincorporated association or other legal entity of which such Person (either alone or through or together with any other Subsidiary), (i) owns, directly or indirectly, fifty percent (50%) or more of the shares of capital stock or other equity interests that are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity; or (ii) has the contractual or other power to designate a majority of the board of directors or other governing body (and, where the context permits, includes any predecessor of such an entity).

“Tax” means all taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges payable to or imposed by any Governmental Authority, including any sales, use, excise or similar taxes and inclusive of any interest, additions to tax, penalties or fines applicable thereto.

“Transaction” has the meaning set forth in the Master Repurchase Agreement.

“Transaction Agreements” has the meaning set forth in Section 2.1.

“Transaction Conditions” means (i) in the case of any Additional Funding Transaction, the Additional Funding Conditions, (ii) in the case of any Roll-Over Transaction, the Roll-Over Conditions and (iii) in the case of any Deemed Roll-Over Transaction, the Deemed Roll-Over Conditions.

“Transaction Notice” has the meaning set forth in Section 4.1.

“Transaction Period” means, with respect to any Transaction, the period commencing on (and including) the Purchase Date for such Transaction and expiring on (but excluding) the Repurchase Date for such Transaction.

“Transaction Portfolio” means, with respect to any Transaction, the portfolio of Eligible Farmer Loans comprising the Purchased Securities acquired by Buyers in connection with such Transaction, as such portfolio may be modified from time to time during the Transaction Period for such Transaction in accordance with the terms of the Master Repurchase Agreement and applicable Confirmation.

“Undivided Commitment Percentage” means, with respect to any Buyer as of any date of determination or in connection with any Transaction or proposed Transaction, a fraction (expressed as a percentage) (a) the numerator of which is the Individual Commitment Amount of such Buyer applicable to such Transaction as of such date of determination and (b) the denominator of which is the Aggregate Commitment Amount in connection with such Transaction as of such date of determination.

“Undivided Funding Percentage” means, with respect to any Buyer as of any date of determination in connection with any Transaction, a fraction (expressed as a percentage), (a) the numerator of which is the Individual Buyer Balance of such Buyer as of such date of

determination and (b) the denominator of which is the Aggregate Buyer Balance as of such date of determination.

“Unsecured Rating” has the meaning ascribed to such term in the Corteva Revolver.

“Weighted Average CBR Score” means, with respect to any Transaction Portfolio, the average of the CBR Scores for the applicable Debtors with respect to all Eligible Farmer Loans included in such Transaction Portfolio made to Debtors who are natural persons, weighted in accordance with the respective Book Values of such Eligible Farmer Loans.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which writedown and conversion powers are described in the EU Bail-In Legislation Schedule.

SCHEDULE 2
BANK ACCOUNTS

SCHEDULE 3

FORMS OF DEFERRED PAYMENT LOAN AGREEMENT

SCHEDULE 4

DATA TRANSFER AGREEMENT

SCHEDULE 5

INDIVIDUAL COMMITMENT AMOUNTS

	<u>Rabobank</u>	<u>MUFG</u>	<u>Standard Chartered</u>	<u>HSBC</u>	<u>Total</u>
February 2021	0	0	0	0	\$0.00
March 2021	\$ 12,000,000.00	\$ 12,000,000.00	\$ 3,000,000.00	\$ 3,000,000.00	\$ 30,000,000.00
April 2021	\$ 60,000,000.00	\$ 60,000,000.00	\$ 15,000,000.00	\$ 15,000,000.00	\$ 150,000,000.00
May 2021	\$ 220,000,000.00	\$ 220,000,000.00	\$ 55,000,000.00	\$ 55,000,000.00	\$ 550,000,000.00
June 2021	\$ 320,000,000.00	\$ 320,000,000.00	\$ 80,000,000.00	\$ 80,000,000.00	\$ 800,000,000.00
July 2021	\$ 400,000,000.00	\$ 400,000,000.00	\$ 100,000,000.00	\$ 100,000,000.00	\$ 1,000,000,000.00
August 2021	\$ 400,000,000.00	\$ 400,000,000.00	\$ 100,000,000.00	\$ 100,000,000.00	\$ 1,000,000,000.00
September 2021	\$ 400,000,000.00	\$ 400,000,000.00	\$ 100,000,000.00	\$ 100,000,000.00	\$ 1,000,000,000.00
October 2021	\$ 400,000,000.00	\$ 400,000,000.00	\$ 100,000,000.00	\$ 100,000,000.00	\$ 1,000,000,000.00
November 2021	\$ 320,000,000.00	\$ 320,000,000.00	\$ 80,000,000.00	\$ 80,000,000.00	\$ 800,000,000.00

Form of Transaction Notice

COÖPERATIEVE RABOBANK, U.A., NEW YORK BRANCH, A DUTCH COÖPERATIEVE ACTING THROUGH ITS NEW YORK BRANCH, as Agent

RE: Transaction under the Framework Agreement and the Master Repurchase Agreement

Ladies and Gentlemen:

This Transaction Notice is delivered to you pursuant to Section 4.1 of the Master Framework Agreement, dated as of February 9, 2021 (the “Framework Agreement”), by and among PHI Financial Services, Inc., an Iowa corporation, as seller (the “Seller”), each of the buyers from time to time party thereto (each, a “Buyer”), and Coöperatieve Rabobank, U.A., New York Branch, a Dutch coöperatieve acting through its New York Branch, as agent for the Buyers (in such capacity, the “Agent”), relating to repurchase transactions to be entered into pursuant to the terms of the 1996 SIFMA Master Repurchase Agreement, dated as of February 9, 2021, including Annex I thereto (the “Master Repurchase Agreement”) by and among Seller and the Buyers. Capitalized terms used but not defined herein have the meanings set forth in the Framework Agreement, or if not defined therein, in the Master Repurchase Agreement.

Seller hereby requests that, in accordance with the terms of the Framework Agreement, a Transaction under the Master Repurchase Agreement with a proposed Purchase Price of \$ _____ be entered into on the proposed Purchase Date of _____, with a proposed Repurchase Date of _____. [Seller further requests that, pursuant to Paragraph 3(c)(ii) of Annex I to the Master Repurchase Agreement, the current Transaction thereunder evidenced by the Confirmation dated as of [] and originally scheduled to expire on [] be instead terminated as of such proposed Purchase Date.] Attached hereto is a completed proposed Portfolio Schedule setting forth information with respect to the proposed Purchased Securities to be subject to such Transaction

¹To be used in connection with an early termination of a transaction by Seller.

PROPOSED PORTFOLIO SCHEDULE

Date:

Reference is hereby made to the 1996 SIFMA Master Repurchase Agreement dated as of February 9, 2021 (including, and as amended by, Annex I thereto, the “Master Repurchase Agreement”), among PHI Financial Services, Inc., Coöperatieve Rabobank, U.A., New York Branch, MUFG Bank, Ltd., New York Branch, Standard Chartered Bank, a bank organized and existing under the laws of England and Wales, acting through its New York branch and HSBC Bank USA, N.A., a national banking association organized under the laws of the United States. Capitalized terms used but not defined herein shall have the meaning set forth in the Master Repurchase Agreement.

[Applicable box to be checked below]

- Portfolio Schedule for New Transaction.** In accordance with and subject to the terms and conditions of the Master Repurchase Agreement, this schedule constitutes the “Portfolio Schedule” for the Transaction evidenced by Confirmation to which this schedule is attached.

- Amendment and Restatement of Portfolio Schedule.** Further reference is made to the Confirmation dated as of _____, entered into in accordance with the Master Repurchase Agreement by Seller and each of the Buyers set forth in such Confirmation. In accordance with and subject to the terms and conditions of the Master Repurchase Agreement, Seller hereby amends and restates the Portfolio Schedule to such Confirmation in its entirety with the information set forth below.

Part I: Balance and Market Value Summary

Aggregate Loan Balance of All Purchased Securities: _____

Aggregate Market Value of All Purchased Securities: _____

Weighted Average CBR Score of Transaction Portfolio: _____

Part II: Key Metrics

Loans by Size

Loan Balance	# of Loans	Aggregate Market Value	% of Portfolio Market value	Average Market Value
0 to 10,000				
10,001 to 25,000				
25,001 to 50,000				
50,001 to 100,000				
100,001 to 250,000				
250,001 to 500,000				
500,001 to 1,000,000				
1,000,001+				

Loans by CBR Score

CBR Score	# of Loans	% of Loans in Portfolio	Aggregate Market Value	% of Portfolio Market Value
1-550				
551-600				
601-650				
651-700				
701-750				
751-800				
801+				
No Score				

Loans by Debtor Type

Debtor Type	# of Loans	% of Loans in Portfolio	Aggregate Market Value	% of Portfolio Market Value
Corporation				
Estate (Executor)				
General Partnership				
Individual				
LLC				
LLP				
LP				
Trust				
Unknown				

CERTIFICATIONS

I, James C. Collins, Jr., certify that:

1. I have reviewed this report on Form 10-Q for the period ended March 31, 2021 of Corteva, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2021

By: /s/ James C. Collins, Jr.
James C. Collins, Jr.
Chief Executive Officer

I, James C. Collins, Jr., certify that:

1. I have reviewed this report on Form 10-Q for the period ended March 31, 2021 of E. I. du Pont de Nemours and Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2021

By: /s/ James C. Collins, Jr.
James C. Collins, Jr.
Chief Executive Officer

CERTIFICATIONS

I, David J. Anderson, certify that:

1. I have reviewed this report on Form 10-Q for the period ended March 31, 2021 of Corteva, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2021

By: /s/ David J. Anderson

David J. Anderson

*Executive Vice President and
Chief Financial Officer*

I, David J. Anderson, certify that:

1. I have reviewed this report on Form 10-Q for the period ended March 31, 2021 of E. I. du Pont de Nemours and Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2021

By: /s/ David J. Anderson

David J. Anderson

*Executive Vice President and
Chief Financial Officer*

**Certification of CEO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Corteva, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), James C. Collins, Jr., as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James C. Collins, Jr.

James C. Collins, Jr.
Chief Executive Officer
May 5, 2021

**Certification of CEO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of E. I. du Pont de Nemours and Company on Form 10-Q for the period ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), James C. Collins, Jr., as Chief Executive Officer of E. I. du Pont de Nemours and Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of E. I. du Pont de Nemours and Company.

/s/ James C. Collins, Jr.

James C. Collins, Jr.
Chief Executive Officer
May 5, 2021

**Certification of CFO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Corteva, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), David J. Anderson, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David J. Anderson

David J. Anderson
Chief Financial Officer
May 5, 2021

**Certification of CFO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of E. I. du Pont de Nemours and Company on Form 10-Q for the period ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), David J. Anderson, as Chief Financial Officer of E. I. du Pont de Nemours and Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of E. I. du Pont de Nemours and Company.

/s/ David J. Anderson

David J. Anderson
Chief Financial Officer
May 5, 2021