

EASTMAN CHEMICAL CO  
Form 424B5  
October 30, 2018  
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Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-225564

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 30, 2018

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated June 11, 2018)

\$

# Eastman Chemical Company

\$ % Notes due 20

\$ % Notes due 20

We are offering \$ principal amount of % notes due 20 (the 20 notes ) and \$ principal amount of % notes due 20 (the 20 notes ). We refer to the 20 notes and the 20 notes together as the notes.

We will pay interest on the 20 notes semi-annually on and of each year, beginning , 2019. We will pay interest on the 20 notes semi-annually on and of each year, beginning , 2019. The 20 notes will mature on , 20 , and the 20 notes will mature on , 20 .

We may redeem the notes of each series, in whole or in part, at any time and from time to time prior to their maturity at the applicable redemption prices described herein under Description of Notes Optional Redemption. Upon the occurrence of a change of control triggering event with respect to either series of notes, we will be required to make an offer to repurchase such series of notes from holders at a repurchase

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price equal to 101% of their principal amount, plus accrued and unpaid interest to, but excluding, the repurchase date. See Description of Notes Change of Control Triggering Event. There will be no sinking funds for the notes.

The notes will be unsecured and will rank equally in right of payment with all our other unsecured and unsubordinated debt from time to time outstanding. The notes of each series will be issued only in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

See **Risk Factors** beginning on page S-8 of this prospectus supplement for a discussion of certain risks that you should consider in connection with an evaluation of an investment in the notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Price to public	Underwriting discounts	Proceeds, before expenses
Per 20 note	% <sup>(1)</sup>	%	% <sup>(1)</sup>
Total	\$	\$	\$
Per 20 note	% <sup>(1)</sup>	%	% <sup>(1)</sup>
Total	\$	\$	\$

(1) Plus accrued interest, if any, from , 2018, if settlement occurs after that date.

The notes are new issues of securities with no established trading markets. We do not intend to apply for the notes to be listed on any securities exchange or to arrange for the notes to be quoted on any quotation system.

The underwriters expect to deliver the notes to purchasers through the book-entry delivery system of The Depository Trust Company for the benefit of its participants, including Euroclear Bank, S.A./N.V. and Clearstream Banking, *société anonyme*, on or about , 2018.

### *Joint Book-Running Managers*

**BofA Merrill Lynch**

**Citigroup**

**J.P. Morgan**

, 2018

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### **ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, including the documents incorporated by reference herein, which describes the specific terms of the notes. The second part, the accompanying prospectus, gives more general information, some of which may not apply to the notes. You should read this entire prospectus supplement, as well as the accompanying prospectus and the documents incorporated by reference that are described under **Incorporation of Documents by Reference** in this prospectus supplement and **Incorporation of Certain Documents by Reference** in the accompanying prospectus.

We have not and the underwriters have not authorized anyone to provide any information other than that which is contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and in any free writing prospectus prepared by us or on our behalf to which we have referred you. We have not, and the underwriters have not, authorized any other person to provide you with different or additional information and we take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not, and the underwriters are not, making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. Further, you should assume that the information appearing in this prospectus supplement, the accompanying prospectus, and the documents incorporated by reference herein and therein, and any free writing prospectus, is accurate only as of the respective dates of those documents in which the information is contained. Our business, financial condition, results of operations and prospects may have changed since those dates.

Unless otherwise specified or unless the context requires otherwise, all references in this prospectus supplement to **Eastman**, **we**, **us**, **our**, **the Company** or similar references mean Eastman Chemical Company and its consolidated subsidiaries. References in this prospectus supplement and the accompanying prospectus to **\$** and **U.S. dollars** are to the currency of the United States ( **U.S.** ). The financial information presented in this prospectus supplement and the accompanying prospectus has been prepared in accordance with generally accepted accounting principles ( **GAAP** ) in the U.S.

### **WHERE YOU CAN FIND MORE INFORMATION**

#### **Available Information**

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. You may read and copy any of these documents and this information at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 or (202) 942-8090 for further information on the public reference room. The SEC also maintains an Internet website that contains reports, proxy statements and other information regarding issuers, including us, who file electronically with the SEC. The address of that site is <http://www.sec.gov>. You may also access the SEC filings and obtain other information about Eastman through our website at <http://www.eastman.com>. Other than the SEC filings specifically incorporated by reference below, the information contained on our website is not a part of or incorporated by reference into this prospectus supplement or the accompanying prospectus.

This prospectus supplement and the accompanying prospectus contain summaries of information contained in some of the documents discussed in this prospectus supplement and the accompanying prospectus, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of certain of the documents referred to in this prospectus supplement and the accompanying prospectus have been filed with or are incorporated by reference as exhibits to the registration statement of which this prospectus supplement and the accompanying prospectus are a part. If any contract, agreement or other document is filed or incorporated by reference as an exhibit to such registration statement, you should read the exhibit for a more complete understanding of the document.

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**INCORPORATION OF DOCUMENTS BY REFERENCE**

The SEC allows us to incorporate by reference information into this prospectus supplement and the accompanying prospectus. This means we can disclose information to you by referring you to another document we have filed with the SEC. We will make those documents available to you without charge upon your oral or written request. Requests for those documents should be directed to Eastman Chemical Company, P.O. Box 431, Kingsport, Tennessee 37662-0431, Attention: Investor Relations (telephone: (423) 229-4647).

This prospectus supplement incorporates by reference the following documents filed with the SEC but which we have not included or delivered with this prospectus supplement and the accompanying prospectus:

our Annual Report on Form 10-K (including the portions of our Definitive Proxy Statement for our 2018 Annual Meeting of Stockholders filed on March 1, 2018 and incorporated by reference therein) for the year ended December 31, 2017;

our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2018, June 30, 2018, and September 30, 2018; and

our Current Reports on Form 8-K filed with the SEC on February 20, 2018, May 8, 2018, and July 2, 2018.

We are also incorporating by reference any additional documents we may file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) after the date of this prospectus supplement until this offering of notes has been completed, other than any portion of the respective filings furnished, rather than filed, under applicable SEC rules. This additional information is a part of this prospectus supplement from the date of filing of those documents.

The information contained in this prospectus supplement and the accompanying prospectus should be read together with the information in the documents incorporated herein by reference.

Any statement made in this prospectus supplement, in the accompanying prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement or the accompanying prospectus will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference in this prospectus supplement or the accompanying prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus.

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements made or incorporated by reference in this prospectus supplement and the accompanying prospectus are forward-looking statements within the meaning of the Private Securities Litigation Reform Act, Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Exchange Act. Forward-looking statements are all statements, other than statements of historical fact, that may be made by us from time to time. In some cases, you can identify forward-looking statements by terminology such as anticipates, believes,

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estimates, expects, intends, may, plans, projects, will, would, and similar expressions or expressions of the negative of these terms. Forward-looking statements may relate to, among other things, such matters as planned and expected capacity increases and utilization; anticipated capital spending; expected depreciation and amortization; environmental matters; exposure to, and effects of hedging of, raw material and energy prices and costs; foreign currencies and interest rates; disruption or interruption of operations and of raw material or energy supply; global and regional economic, political, and business conditions; competition; growth opportunities; supply and demand, volume, price, cost, margin and sales;

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pending and future legal proceedings; earnings, cash flow, dividends, stock repurchases and other expected financial results, events, and conditions; expectations, strategies, and plans for individual assets and products, businesses, and operating segments, as well as for the whole of Eastman; cash requirements and uses of available cash; financing plans and activities; pension expenses and funding; credit ratings; anticipated and other future restructuring, acquisition, divestiture, and consolidation activities; cost reduction and control efforts and targets; the timing and costs of, and benefits from, the integration of, and expected business and financial performance of, acquired businesses; strategic and technology and product innovation initiatives and development, production, commercialization and acceptance of new products, services and technologies and related costs; asset, business, and product portfolio changes; and expected tax rates and net interest costs.

Forward-looking statements are based upon certain underlying assumptions as of the date such statements were made. Such assumptions are based upon internal estimates and other analyses of current market conditions and trends, management expectations, plans, and strategies, economic conditions, and other factors. Forward-looking statements and the assumptions underlying them are necessarily subject to risks and uncertainties inherent in projecting future conditions and results. Actual results could differ materially from expectations expressed in the forward-looking statements if one or more of the underlying assumptions and expectations proves to be inaccurate or is unrealized. The most significant known factors, risks, and uncertainties that could cause actual results to differ materially from those in the forward-looking statements are identified and discussed under the headings **Risk Factors** and **Management's Discussion and Analysis of Financial Condition and Results of Operations** contained in our Annual Report on Form 10-K for the year ended December 31, 2017 and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018, respectively, each of which is incorporated herein by reference, and any risk factors included or described in our other periodic or current reports, and in other information that we file with the SEC from time to time and which is incorporated by reference into this prospectus supplement. Other factors, risks or uncertainties of which management is not aware or presently deems immaterial could also cause actual results to differ materially from those in the forward-looking statements.

We caution you not to place undue reliance on forward-looking statements, which speak only as of the date of this prospectus supplement in the case of forward-looking statements contained in this prospectus supplement, or the dates of the accompanying prospectus or any documents incorporated by reference herein and therein in the case of forward-looking statements made in the accompanying prospectus or such incorporated documents. Except as may be required by law, we undertake no obligation to update or alter these forward-looking statements, whether as a result of new information, future events, or otherwise.



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### **SUMMARY**

*This summary highlights selected information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information you should consider when making your investment decision. We urge you to read all of this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, including our consolidated financial statements and accompanying notes, carefully to gain a fuller understanding of our business and the terms of the notes, as well as some of the other considerations that may be important to you, before making your investment decision. You should pay special attention to the section in this prospectus supplement entitled "Risk Factors" and the information under the headings "Risk Factors," "Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Risk Factors contained in our Annual Report on Form 10-K for the year ended December 31, 2017 and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018, as applicable, each of which is incorporated herein by reference.*

### **Eastman Chemical Company**

Eastman Chemical Company is a global advanced materials and specialty additives company that produces a broad range of products found in items people use every day. Eastman began business in 1920 for the purpose of producing chemicals for Eastman Kodak Company's photographic business and became a public company, incorporated in Delaware, on December 31, 1993. Eastman has 48 manufacturing sites and equity interests in three manufacturing joint ventures in 14 countries that supply products to customers throughout the world. The Company's headquarters and largest manufacturing site are located in Kingsport, Tennessee.

Eastman uses an innovation-driven growth model which consists of leveraging world class scalable technology platforms, delivering differentiated application development capabilities, and relentlessly engaging the market. The Company's world class technology platforms form the foundation of sustainable growth by differentiated products through significant scale advantages in research and development and advantaged global market access. Differentiated application development converts market complexity into opportunities for growth and accelerates innovation by enabling a deeper understanding of the value of Eastman's products and how they perform within customers' end user products. Key areas of application development include thermoplastic processing, functional films, coatings formulations, rubber additive formulations, adhesives formulations, non-wovens and textiles, and animal nutrition. The Company engages the market by working directly with customers and downstream users, targeting attractive niche markets, and leveraging disruptive macro trends such as health and wellness, natural resource efficiency, an increasing middle class in emerging economies, and feeding a growing population. Management believes that these elements of the Company's innovation-driven growth model combined with disciplined portfolio management and balanced capital deployment will result in consistent, sustainable earnings growth and strong cash flow.

In 2017, the Company had sales revenue of \$9.5 billion, earnings before interest and taxes (EBIT) of \$1.5 billion, net earnings attributable to Eastman of \$1.4 billion and diluted earnings per share attributable to Eastman were \$9.47. Cash provided by operating activities was \$1.7 billion. Included in earnings were the following non-core and unusual items: asset impairment and restructuring charges, net of \$8 million; mark-to-market pension and other post-retirement benefit plans gain of \$21 million; net costs of the disruption, repairs, and reconstruction of the Kingsport site's coal gasification operations area resulting from the October 4, 2017 explosion (the coal gasification incident) of \$112 million; cost of disposition of claims against acquired discontinued operations of \$9 million; gains from sale of business of \$3 million; and net increase to earnings for various tax-related items of \$377 million. For a further description of these items, see the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of our Annual Report on Form 10-K for the year ended December 31, 2017.

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For the nine months ended September 30, 2018, the Company had sales revenue of \$7.8 billion, EBIT of \$1.4 billion, net earnings attributable to Eastman of \$1.0 billion and diluted earnings per share attributable to Eastman of \$7.28. Cash provided by operating activities was \$803 million. Included in earnings were the following non-core and unusual items: asset impairment and restructuring charges, net of \$6 million; coal gasification incident insurance income in excess of costs of \$86 million; and net decrease to earnings for various tax-related items of \$10 million. For a further description of these items, see the Management's Discussion and Analysis of Financial Condition and Results of Operations section of our Quarterly Report on Form 10-Q for the three months ended September 30, 2018.

## **Recent Developments**

### ***Tender Offer for and Redemption of Certain Outstanding Debt Securities***

On October 30, 2018, the Company commenced a cash tender offer (the *Tender Offer*) for any and all of our \$250 million aggregate principal amount of 5.500% notes due 2019 (the *2019 Notes*).

The Tender Offer will expire at 5:00 p.m., New York City time, on November 5, 2018, unless extended or earlier terminated. The Tender Offer is subject to the completion by the Company of an offering of debt securities on terms acceptable to the Company (the *Financing Condition*) and other conditions, although this offering of notes is not conditioned on the completion of the Tender Offer.

We cannot assure you that the Tender Offer will be completed in accordance with its terms, or at all, or that any minimum amount of debt securities will be repurchased pursuant thereto. Nothing in this prospectus supplement or the accompanying prospectus shall be construed as an offer to purchase any of our 2019 Notes that are subject to the Tender Offer. The Tender Offer is being made only to the recipients of, and upon the terms and conditions set forth in, the offer to purchase related thereto. We may amend the Tender Offer in any respect, including waiving any condition to the Tender Offer (including the Financing Condition), subject to applicable law.

We also anticipate delivering a notice of redemption of any of the approximately \$250 million aggregate principal amount of 2019 Notes outstanding and that are not tendered in the Tender Offer (the *2019 Notes Redemption*). In addition, we anticipate delivering a notice of redemption of \$550 million (the *2020 Notes Partial Redemption*) of the approximately \$800 million aggregate principal amount outstanding of our 2.70% notes due 2020 (the *2020 Notes*). This prospectus supplement does not constitute a notice of redemption with respect to either the 2019 Notes or the 2020 Notes. This offering of notes is not conditioned on the delivery of a notice of redemption with respect to either the 2019 Notes or the 2020 Notes, or the completion of either the 2019 Notes Redemption or the 2020 Notes Partial Redemption, nor is either the 2019 Notes Redemption nor the 2020 Notes Partial Redemption conditioned on the completion of this offering of notes.

The Company intends to use the net proceeds from this offering to complete the Tender Offer, the 2019 Notes Redemption and the 2020 Notes Partial Redemption and to pay any related fees and expenses. Any proceeds not used for the foregoing will be used for general corporate purposes. See *Use of Proceeds*.

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### **The Offering**

*The following summary contains information about the notes and the offering and is not intended to be complete. For a more complete understanding of the notes, please refer to the section in this prospectus supplement entitled "Description of Notes" and the section in the accompanying prospectus entitled "Description of Debt Securities." Unless the context requires otherwise, all references to "we" and the "Company" in this "Summary The Offering" section refer only to Eastman Chemical Company and not its subsidiaries.*

<b>Issuer</b>	Eastman Chemical Company
<b>Notes Offered</b>	<p>\$       aggregate principal amount of    % notes due 20</p> <p>\$       aggregate principal amount of    % notes due 20</p>
<b>Maturity Dates</b>	The 20    notes will mature on                      , 20    , and the 20    notes will mature on                      , 20    .
<b>Interest</b>	% per year in the case of the 20    notes and    % per year in the case of the 20    notes.
<b>Interest Payment Dates</b>	<p>We will pay interest on the 20    notes semi-annually on                      and                      of each year, beginning                      , 2019.</p> <p>We will pay interest on the 20    notes semi-annually on                      and                      of each year, beginning                      , 2019.</p>
<b>Ranking</b>	<p>The notes:</p> <p>will be unsecured;</p> <p>will rank equally in right of payment with all our existing and future unsecured and unsubordinated debt;</p> <p>will be senior to any of our future subordinated debt;</p> <p>will be effectively subordinated to any of our future secured debt to the extent of the value of the assets securing such debt; and</p> <p>will be structurally subordinated to all existing and future liabilities of our subsidiaries.</p>

As of September 30, 2018, we had approximately \$6.5 billion of debt that would rank equally with the notes, and our subsidiaries had approximately \$123 million of debt that would be structurally senior in right of repayment to our obligations under the notes.

**Optional Redemption**

We may redeem the notes, in whole or in part, in the case of the 20 notes, at any time prior to their

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maturity date, in the case of the 20 notes, and in the case of the 20 notes, at any time prior to , 20 ( months prior to their maturity date), at the applicable redemption prices described in this prospectus supplement, plus accrued and unpaid interest to the redemption date.

In addition, commencing on , 20 ( months prior to the maturity date), we may redeem the 20 notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the 20 notes being redeemed plus accrued and unpaid interest to the redemption date.

See Description of Notes Optional Redemption.

### **Change of Control Triggering Event**

Upon the occurrence of a Change of Control Triggering Event (as defined in this prospectus supplement) with respect to a series of notes, the holders of such series of notes will have the right to cause us to repurchase all or a portion of such series of notes at a price equal to 101% of the principal amount of such series of notes plus accrued and unpaid interest to, but excluding, the date of repurchase. See Description of Notes Change of Control Triggering Event.

### **Covenants**

The indenture (as defined in this prospectus supplement) under which the notes will be issued contains covenants that, among other things, restrict our ability to:

incur certain secured indebtedness;

enter into sale and leaseback transactions; and

consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis.

These covenants are subject to important exceptions and qualifications, which are described in this prospectus supplement and the accompanying prospectus. For a more detailed description, see Description of Notes in this prospectus supplement and Description of Debt Securities in the accompanying prospectus.

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### **Issuance of Additional Notes**

We may create and issue additional notes of either series ranking equally and ratably with the notes of such series in all respects, except for any differences in the issue date, price to the public, interest accrued prior to the issue date of such additional notes and the initial interest payment date, so that such additional notes shall be consolidated with the applicable series of notes offered hereby, including for purposes of voting and redemptions, provided that if such additional notes are not fungible for U.S. federal income tax purposes, such additional notes will have a different CUSIP number from the applicable series of notes offered hereby.

### **Form and Denomination**

The notes of each series will be issued in fully registered form in denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof.

### **Use of Proceeds**

We expect that we will receive approximately \$       million in net proceeds from this offering, after deducting the underwriting discounts and estimated offering expenses payable by us. We intend to use the net proceeds from this offering to complete the Tender Offer, the 2019 Notes Redemption and the 2020 Notes Partial Redemption and to pay any related fees and expenses. Any proceeds not used for the foregoing will be used for general corporate purposes. Pending the application of any net proceeds, we expect to invest such net proceeds in cash equivalents. This offering is not conditioned on the completion of the Tender Offer, the 2019 Notes Redemption, or the 2020 Notes Partial Redemption. See    Use of Proceeds.

### **Certain U.S. Federal Income Tax Considerations**

You should consult your tax advisor with respect to the U.S. federal, state, local and non-U.S. tax considerations in connection with owning and disposing of the notes. See    Certain U.S. Federal Income Tax Considerations.

### **Risk Factors**

See    Risk Factors    and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of factors you should consider carefully before deciding whether to invest in the notes.

### **Governing Law**

The notes will be, and the indenture is, governed by the laws of the State of New York.

### **Trustee**

Wells Fargo Bank, National Association

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The following table presents selected historical consolidated financial data for us as of and for the fiscal years ended December 31, 2017, 2016, 2015, 2014, 2013, and as of and for the nine months ended September 30, 2018 and 2017. This financial data has been derived from, and is qualified in its entirety by reference to, our historical consolidated financial data and related notes. This information should be read in conjunction with our consolidated financial statements and the related notes thereto and the information under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" set forth in our Annual Report on Form 10-K for the year ended December 31, 2017 and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018, each of which is incorporated by reference into this prospectus supplement. The financial data for the nine months ended September 30, 2018 and 2017, and as of September 30, 2018, includes all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair presentation of our results of operations for such period and our financial position as of such date. Interim results are not necessarily indicative of results to be expected for any future periods or our financial position to be expected at any future date.

(in millions, except per share amounts)	Nine months ended September 30,			Year Ended December 31,			
	2018	2017	2017	2016	2015	2014 <sup>(1)</sup>	2013
<b>Operating Data</b>							
Sales <sup>(2)</sup>	\$ 7,775	\$ 7,187	\$ 9,549	\$ 9,008	\$ 9,648	\$ 9,527	\$ 9,350
Earnings before interest and taxes <sup>(3)(4)</sup>	1,417	1,285	1,530	1,389	1,392	1,177	1,859
Net earnings <sup>(4)</sup>	1,049	897	1,388	859	854	757	1,172
Less: Net earnings attributable to non-controlling interest	3	4	4	5	6	6	7
Net earnings attributable to Eastman <sup>(4)</sup>	\$ 1,046	\$ 893	\$ 1,384	\$ 854	\$ 848	\$ 751	\$ 1,165
Basic earnings per share attributable to Eastman <sup>(4)</sup>	\$ 7.38	\$ 6.15	\$ 9.56	\$ 5.80	\$ 5.71	\$ 5.03	\$ 7.57
Diluted earnings per share attributable to Eastman <sup>(4)</sup>	\$ 7.28	\$ 6.10	\$ 9.47	\$ 5.75	\$ 5.66	\$ 4.97	\$ 7.44

- (1) In 2014, Eastman completed four acquisitions, each accounted for as a business combination: the December 5, 2014 acquisition of Taminco Corporation ( "Taminco" ) for \$2.8 billion, consisting of cash of \$1.7 billion, net of cash acquired, and repayment of Taminco's debt of \$1.1 billion; the December 11, 2014 acquisition of Commonwealth Laminating & Coating, Inc. for a total cash purchase price of \$438 million; the June 2, 2014 acquisition of BP plc's global aviation turbine engine oil business for a total cash price of \$283 million; and the August 6, 2014 acquisition of Knowlton Technologies, LLC for a total cash purchase price of \$42 million.
- (2) On January 1, 2018, Eastman adopted Accounting Standards Update 2014-09 Revenue Recognition (Accounting Standards Codification 606) under the modified retrospective method. Accordingly, revenue for all periods prior to January 1, 2018 continue to be reported under the previous standard, which resulted in an increase to retained earnings of \$53 million after tax for products shipped but not delivered as of December 31, 2017.
- (3) As of January 1, 2018, Eastman changed its primary measure of operating performance to earnings before interest and tax ( "EBIT" ). Previously, the Company's primary measure of performance was operating earnings. EBIT for the years ended December 31, 2017, 2016, 2015, 2014 and 2013 was not previously presented in the historical consolidated financial statements and is therefore unaudited. EBIT can be derived from the audited historical consolidated financial statements by summing previously disclosed amounts of operating earnings plus other (income) charges, net.

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- (4) Earnings and earnings per share include certain non-core and unusual items. For a further description of these items, see the Management's Discussion and Analysis of Financial Condition and Results of Operations sections of our Annual Reports on Forms 10-K and our Quarterly Reports on Form 10-Q for such periods.

(in millions, except per share amounts)	As of		As of December 31,			
	September 30,					
	2018	2017	2016	2015	2014	2013
<b>Statement of Financial Position Data</b>						
Current assets	\$ 3,647	\$ 3,143	\$ 2,866	\$ 2,878	\$ 3,173	\$ 2,840
Net properties	5,570	5,607	5,276	5,130	5,087	4,290
Total assets	16,362	15,999	15,457	15,580	16,072	11,845
Current liabilities	2,153	1,982	1,795	2,056	2,022	1,470
Long-term borrowings	5,898	6,147	6,311	6,577	7,248	4,254
Total liabilities	10,367	10,519	10,849	11,559	12,482	7,970
Total Eastman's stockholders' equity	5,920	5,403	4,532	3,941	3,510	3,796
Dividends declared per share	1.68	2.09	1.89	1.66	1.45	1.25

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### **RISK FACTORS**

*You should carefully consider the risks and uncertainties described below as well as any cautionary language or other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the risks described under the headings **Risk Factors** and **Management's Discussion and Analysis of Financial Condition and Results of Operations Risk Factors** contained in our Annual Report on Form 10-K for the year ended December 31, 2017 and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018, respectively, each of which is incorporated herein by reference, before deciding whether to invest in the notes. The risks described therein or set forth below are those that we consider to be the most significant to your decision whether to invest in the notes. If any of the events described below occurs, the value of your investment in the notes could decline, and in some cases we may not be able to make payments on the notes, and this could result in your losing all or part of your investment.*

**The notes will be effectively subordinated to the existing and future liabilities of our subsidiaries and to any secured debt we may incur in the future to the extent of the assets securing the same and, therefore, your right to receive payments on the notes will be effectively junior to claims of our subsidiaries' creditors and to the lenders under secured debt agreements.**

Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the notes. In addition, any payment of dividends, loans or advances by our subsidiaries could be subject to statutory or contractual restrictions. Our right to receive any assets of any of our subsidiaries upon its bankruptcy, liquidation or reorganization, and therefore the right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors. In addition, even if we are a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of our subsidiaries and any debt of our subsidiaries senior to that held by us. At September 30, 2018, our subsidiaries had approximately \$123 million of debt.

The notes will not be secured by any of our assets. If we become insolvent or are liquidated, or if payment under any of the agreements governing any secured debt we may incur in the future is accelerated, the lenders under such secured debt agreements would be entitled to exercise the remedies available to a secured lender under applicable law and pursuant to agreements governing that debt. Accordingly, those lenders would have a prior claim on our assets to the extent of their liens thereon. In that event, because the notes are not secured by any of our assets, it is possible that there would be no assets remaining from which claims of the holders of notes could be satisfied or, if any assets remain, the remaining assets may be insufficient to satisfy those claims in full.

**We may not have the funds necessary to finance the change of control repurchase offer required by the indenture.**

Upon the occurrence of a Change of Control Triggering Event (as defined under the heading **Description of Notes Change of Control Triggering Event**) with respect to either series of notes, we will be required to make an offer to repurchase all outstanding notes of such series at a repurchase price equal to 101% of their principal amount plus accrued and unpaid interest to the date of repurchase. We cannot assure you that we will have sufficient funds available to make any required repurchases of either series of notes. Any failure to repurchase the notes of either series in those circumstances would constitute a default under the indenture governing such series of notes. A default could result in the acceleration of the principal and interest on all the notes.

**The terms of the indenture and the notes provide only limited protection against a number of significant corporate events that could adversely impact your investment in the notes.**

While the indenture and the notes contain terms intended to provide protection to holders of notes upon the occurrence of certain events involving significant corporate transactions and our creditworthiness, such terms are limited and may not be sufficient to protect your investment in the notes.

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The definition of "Change of Control" contemplates, among other things, the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of our properties or assets taken as a whole. Although there is limited case law interpreting the phrase "substantially all," there is no precise, established definition of the phrase under applicable law. Accordingly, the applicability of the requirement that we offer to repurchase the notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of our assets taken as a whole to another person or group may be uncertain.

The definition of the term "Change of Control Triggering Event" does not cover a variety of transactions (such as acquisitions by us or recapitalizations) that could negatively affect the value of the notes. If we were to enter into a significant corporate transaction that would negatively affect the value of the notes but would not constitute a Change of Control Triggering Event, we would not be required to offer to repurchase the notes prior to their maturity.

Furthermore, the indenture and the notes do not, and will not, among other things:

require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity;

limit our ability to incur debt that is equal in right of payment to the notes;

limit the ability of our subsidiaries to incur unsecured debt, which will be structurally senior to the notes;

limit our ability, or the ability of our subsidiaries, to incur debt that is secured in any manner other than by any Principal Property (as defined under the heading "Description of Notes - Restrictions on Secured Debt");

restrict our ability to repurchase or prepay any other of our securities or other debt;

restrict our ability to make investments or to repurchase or pay dividends or make other payments in respect of our common stock or other securities ranking junior to the notes; or

limit our ability to sell, merge or consolidate any of our unrestricted subsidiaries.

For a further discussion of the terms of the indenture and the notes, see the information under the heading "Description of Notes" in this prospectus supplement and "Description of Debt Securities" in the accompanying prospectus.

### **There may not be public markets for the notes.**

The notes are new issues of securities with no established trading markets. We do not intend to list the notes on any securities exchange or to include the notes in any automated quotation system. Accordingly, no markets for the notes may develop, and any markets that develop may not last. If the notes are traded, they may trade at a discount from their offering prices, depending on prevailing interest rates, the market for similar securities, the time remaining to the maturity of the notes, our performance and other factors. To the extent that active trading markets do not

develop, you may not be able to resell your notes at the prices you paid or at all.

The underwriters have advised us that they currently intend to make a market in each series of notes, but they are not obligated to do so and may cease market-making at any time in their sole discretion without notice.

**In certain instances, it will be possible for the indenture to be amended and for compliance with certain covenants and for certain defaults thereunder to be waived with the consent of the holders of a majority in aggregate principal amount of all of the affected notes of each series, treated as a single class.**

Subject to certain exceptions, the indenture provides that it may be amended by us and the trustee with the consent of the holders of any series of notes issued under the indenture, including each of the 20 notes and the

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20 notes. With respect to any series of notes, the required consent can be obtained from either the holders of a majority in aggregate principal amount of the notes of that series, or from the holders of a majority in aggregate principal amount of all of the notes of that series and all other series issued under the indenture affected by the amendment, voting as a single class. In addition, subject to certain exceptions, with respect to any series of notes issued under the indenture, our compliance with certain restrictive provisions of the indenture or any past default under the indenture may be waived by either the holders of a majority in aggregate principal amount of the notes of that series, or by the holders of a majority in aggregate principal amount of all of the notes of that series and all other series issued under the indenture affected by the waiver, voting as a single class. As a result, it will be possible in certain circumstances for the indenture to be amended and for compliance with certain covenants and for certain defaults thereunder to be waived with the consent of holders of less than a majority of any particular series of notes issued under the indenture (and potentially without the consent of any of the holders of any particular series of notes issued under the indenture), including the 20 notes as a series and the 20 notes as a series.

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**Table of Contents****CAPITALIZATION**

The following table shows our total capitalization as of September 30, 2018:

on an actual basis; and

on an as adjusted basis to reflect this offering of notes and the application of the net proceeds therefrom as described under "Use of Proceeds," assuming all \$250 million aggregate principal amount of 2019 Notes outstanding are validly tendered and accepted for purchase pursuant to the Tender Offer or redeemed pursuant to the 2019 Notes Redemption, and \$550 million aggregate principal amount of 2020 Notes outstanding are redeemed pursuant to the 2020 Notes Partial Redemption.

This table should be read in conjunction with "Summary" Summary Historical Consolidated Financial Data appearing elsewhere in this prospectus supplement, the information under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements, including the accompanying notes, appearing in our Annual Report on Form 10-K for the year ended December 31, 2017, and our unaudited condensed consolidated interim financial statements appearing in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018, which reports are incorporated by reference herein.

(dollars in millions, except par value)			As of September 30, 2018	
			Actual	As Adjusted
% notes due 20	offered hereby (\$	million)	\$	\$
% notes due 20	offered hereby (\$	million)		
5.5% notes due November 2019			250	
2.7% notes due January 2020			798	248
4.5% notes due January 2021			185	185
3.6% notes due August 2022			739	739
1.50% notes due May 2023			865	865
7 1/4% debentures due January 2024			198	198
7 5/8% debentures due June 2024			43	43
3.8% notes due March 2025			688	688
1.875% notes due November 2026			572	572
7.60% debentures due February 2027			195	195
4.8% notes due September 2042			493	493
4.65% notes due October 2044			872	872
Commercial paper and short-term borrowings			727	727
Credit facilities borrowings				
Capital leases and others			1	1
Total borrowings			6,626	
Borrowings due within one year			728	728
Long-term borrowings			\$ 5,898	\$
<b>Stockholders' equity:</b>				
Common stock, par value \$0.01				
Authorized 350,000,000 shares				
Issued 219,119,060 shares)			\$ 2	\$ 2
Additional paid-in capital			2,036	2,036
Retained earnings			7,626	7,626 <sup>(1)</sup>
Accumulated other comprehensive (loss)			(194)	(194)
			9,470	9,470 <sup>(1)</sup>
Less: Treasury stock at cost (79,127,753 shares)			3,550	3,550

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Total Eastman stockholders' equity	5,920	5,920 <sup>(1)</sup>
Noncontrolling interest	75	75
Total equity	5,995	5,995 <sup>(1)</sup>
Total capitalization	\$ 12,621	\$ (1)

(1) Amount excludes costs, repurchase or redemption premiums, as applicable, and accrued interest (only with respect to interest accruing after September 30, 2018), payable with respect to any 2019 Notes or 2020 Notes that are repurchased or redeemed pursuant to the Tender Offer, the 2019 Notes Redemption, and the 2020 Notes Partial Redemption.

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**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our consolidated ratio of earnings to fixed charges for the indicated periods:

	<b>Nine months ended September 30, 2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Ratio of earnings to fixed charges	7.0x	5.5x	4.5x	4.8x	5.5x	9.1x

For purposes of computing these ratios, earnings represents earnings before income taxes less noncontrolling interest plus interest expense, one-third of rent expense (which approximates the interest component of rental expense), and amortization of capitalized interest. Fixed charges consist of interest expense, the interest component of rental expense, and capitalized interest. We have not had any shares of preferred stock outstanding during any of these periods, and have not paid any preferred stock dividends. Therefore, our ratio of earnings to combined fixed charges and preferred dividends is the same as the ratio above for each period.



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**USE OF PROCEEDS**

We expect that we will receive approximately \$       million in net proceeds from this offering, after deducting the underwriting discounts and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering to complete the Tender Offer, the 2019 Notes Redemption and the 2020 Notes Partial Redemption and to pay any related fees and expenses. Any proceeds not used for the foregoing will be used for general corporate purposes. Pending the application of any net proceeds, we expect to invest such net proceeds in cash equivalents.

To the extent that any of the underwriters or their respective affiliates own any of the debt securities that are the subject of the Tender Offer and tender such debt securities and have them accepted for purchase in the Tender Offer, or hold 2019 Notes or 2020 Notes that are redeemed, they may receive a portion of the net proceeds from this offering. In addition, an affiliate of one of the underwriters is acting as the dealer manager in the Tender Offer and will receive customary fees in connection therewith. See   Underwriting   Conflicts of Interest.

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### **DESCRIPTION OF NOTES**

*The notes being offered hereby are two new, separate series of debt securities. The notes will be issued under an indenture, dated June 5, 2012, by and between Eastman Chemical Company and Wells Fargo Bank, National Association, as trustee (the "indenture"). The following description is only a summary of the material provisions of the notes and does not purport to be complete. This summary is subject to and is qualified in its entirety by reference to all the provisions of the indenture, including the definitions of the terms used in the indenture and those terms made a part of the indenture by reference to the Trust Indenture Act of 1939, as amended. You should read the documents in their entirety because they, and not this description, will define your rights as a holder of the applicable series of notes. The indenture is filed as an exhibit to our annual reports, which are available as described under the heading "Where You Can Find More Information."*

*Unless the context requires otherwise, all references to "we" and the "Company" in this "Description of Notes" section include only Eastman Chemical Company and not its subsidiaries, and all references to "notes" refer to the 2019 notes and the 2020 notes together.*

*The following description of the particular terms of the notes offered hereby supplements the general description of debt securities set forth in the accompanying prospectus.*

#### **General**

The 2019 notes will be issued in an initial aggregate principal amount of \$\_\_\_\_\_ and will mature on \_\_\_\_\_, 20\_\_\_\_. The 2020 notes will be issued in an initial aggregate principal amount of \$\_\_\_\_\_ and will mature on \_\_\_\_\_, 20\_\_\_\_. The notes of each series will be issued only in fully registered form without coupons in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes will not be entitled to any sinking funds.

Interest on each series of notes will accrue at the rate per annum shown on the cover of this prospectus supplement from \_\_\_\_\_, 2019, or from the most recent date from which interest has been paid or provided for. Interest will be payable semi-annually on \_\_\_\_\_ and \_\_\_\_\_ of each year, beginning on \_\_\_\_\_, 2019, in the case of 2019 notes, and on \_\_\_\_\_ and \_\_\_\_\_ of each year, beginning on \_\_\_\_\_, 2019, in the case of 2020 notes, to the persons in whose names the notes are registered in the security register at the close of business on the \_\_\_\_\_ or \_\_\_\_\_ preceding the relevant interest payment date, in the case of the 2019 notes, and on the \_\_\_\_\_ or \_\_\_\_\_ preceding the relevant interest payment date, in the case of the 2020 notes, except that interest payable at maturity shall be paid to the same persons to whom principal of the notes is payable. Interest will be computed on the notes on the basis of a 360-day year of twelve 30-day months.

If any interest payment date, maturity date or redemption date is not a business day, the payment otherwise required to be made on such date will be made on the next business day without any additional payment as a result of such delay.

The notes are a new issue of securities with no established trading market. We do not intend to apply for the notes to be listed on any securities exchange or to arrange for the notes to be quoted on any quotation system.

**Optional Redemption**

We may redeem the notes of each series offered hereby, in whole or in part, in the case of the 20 notes, at any time prior to their maturity date, and in the case of the 20 notes, at any time prior to , 20 ( months prior to their maturity date), at a redemption price equal to the greater of:

100% of the principal amount of the applicable series of notes to be redeemed; or

as determined by a Quotation Agent (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of

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interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate (as defined below) plus      basis points with respect to the 20    notes and      basis points with respect to the 20    notes;

plus, in each case, accrued and unpaid interest to the redemption date; provided that the principal amount of a note remaining outstanding after redemption in part shall be \$2,000 or an integral multiple of \$1,000 in excess thereof.

In addition, commencing on                      , 20    (      months prior to their maturity date), we may redeem the 20    notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the 20    notes being redeemed plus accrued and unpaid interest to the redemption date.

For purposes of the foregoing discussion of an optional redemption, the following definitions are applicable:

*Adjusted Treasury Rate* means, with respect to any redemption date for any series of notes, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

*Comparable Treasury Issue* means, with respect to any series of notes, the United States Treasury security selected by a Quotation Agent as having a maturity comparable to the remaining term of the series of notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

*Quotation Agent* means the Reference Treasury Dealer appointed by us.

*Comparable Treasury Price* means, with respect to any redemption date for any series of notes, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if the Quotation Agent obtains fewer than four such Reference Treasury Dealer Quotations, the average of all quotations obtained.

*Reference Treasury Dealer* means (1) Citigroup Global Markets Inc., J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a Primary Treasury Dealer), we shall substitute therefor another Primary Treasury Dealer, and (2) any other Primary Treasury Dealer selected by us.

*Reference Treasury Dealer Quotations* means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer as of 5:00 p.m., New York City time, on the third business day preceding such redemption date.

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We will give notice to the holders of notes and the trustee of any series to be redeemed of any redemption we propose to make at least 30 days, but not more than 60 days, before the redemption date. If fewer than all of a series of notes are to be redeemed, the trustee must select the particular notes of such series to be redeemed by the method specified in the indenture.

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Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or the portion of the notes called for redemption.

### **Change of Control Triggering Event**

Upon the occurrence of a Change of Control Triggering Event with respect to either series of notes, unless we have exercised our right to redeem the applicable series of notes as described under "Optional Redemption" in accordance with the indenture, each holder of such notes will have the right to require us to purchase all or a portion (equal to \$2,000 or any multiple of \$1,000 in excess thereof) of such holder's notes pursuant to the offer described below (the "Change of Control Offer"), at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to, but excluding, the date of purchase (the "Change of Control Payment"), subject to the rights of holders of such notes on the relevant record date to receive interest due on the relevant interest payment date.

Within 30 days following the date upon which the Change of Control Triggering Event occurred with respect to either series of notes, or at our option, prior to any Change of Control but after the public announcement of the pending Change of Control, we will be required to send, by first class mail, a notice to each holder of such notes, with a copy to the trustee, which notice will govern the terms of the Change of Control Offer. Such notice will state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date such notice is mailed, other than as may be required by law (the "Change of Control Payment Date"). The notice, if mailed prior to the date of consummation of the Change of Control, will state that the Change of Control Offer is conditioned on the Change of Control being consummated on or prior to the Change of Control Payment Date.

On the Change of Control Payment Date, we will, to the extent lawful:

accept or cause a third party to accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;

deposit or cause a third party to deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and

deliver or cause to be delivered to the trustee the notes properly accepted together with an officers' certificate stating the aggregate principal amount of notes or portions of notes being repurchased and that all conditions precedent to the Change of Control Offer and to the repurchase by us of notes pursuant to the Change of Control Offer have been complied with.

The paying agent will be required to promptly mail to each holder who properly tendered such notes the purchase price for such debt securities, and the trustee will be required to promptly authenticate and mail (or cause to be transferred by book-entry) to each such holder a new note equal in principal amount to any unpurchased portion of the notes surrendered, if any; provided that each new note will be in a principal amount of \$2,000 or a multiple of \$1,000 in excess thereof.

We will not be required to make a Change of Control Offer with respect to either series of notes if (i) a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer otherwise required to be made by us and such third party purchases all such notes properly tendered and not withdrawn under its offer or (ii) a notice of redemption has been given to the holders of all such notes in accordance with the terms of the indenture, unless and until there is a default in payment of the redemption price. A Change of

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Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place of the Change of Control at the time of making of the Change of Control Offer.

We will comply in all material respects with the requirements of Rule 14e-1 under the Exchange Act, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in

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connection with the repurchase of the applicable series of notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any such securities laws or regulations conflict with the Change of Control Offer provisions of the applicable series of notes, we will comply with those securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Offer provisions of the applicable series of notes by virtue of any such conflict.

For purposes of the foregoing discussion of a Change of Control Offer, the following definitions are applicable:

*Below Investment Grade Rating Event* means the notes of a series cease to be rated Investment Grade by each of the Rating Agencies on any date during the period (the Trigger Period) commencing on the earlier of (a) the occurrence of a Change of Control and (b) the first public announcement by us of any Change of Control (or pending Change of Control) and ending 60 days following the consummation of such Change of Control (which Trigger Period will be extended if the rating of such series of notes is under publicly announced consideration for possible downgrade by any Rating Agency on such 60th day, such extension to last with respect to each Rating Agency until the date on which such Rating Agency considering such possible downgrade either (x) rates such series of notes below Investment Grade or (y) publicly announces that it is no longer considering such series of notes for possible downgrade; provided, that no such extension will occur if on such 60th day the notes of such series are rated Investment Grade not subject to review for possible downgrade by any Rating Agency); provided, that a rating event will not be deemed to have occurred in respect of a particular Change of Control (and thus will not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Triggering Event) if each Rating Agency making the reduction in rating does not publicly announce or confirm or inform the trustee in writing at our request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the Change of Control (whether or not the applicable Change of Control has occurred at the time of the Below Investment Grade Rating Event).

*Beneficial Owner* has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular person as such term is used in Section 13(d)(3) of the Exchange Act, such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition.

*Change of Control* means the occurrence of any of the following after the date of issuance of a series of notes:

the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any person or group (as those terms are used in Section 13(d)(3) of the Exchange Act) other than to the Company or one of its Subsidiaries;

the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person or group (as those terms are used in Section 13(d)(3) of the Exchange Act, it being agreed that an employee of the Company or any of its Subsidiaries for whom shares are held under an employee stock ownership, employee retirement, employee savings or similar plan and whose shares are voted in accordance with the instructions of such employee shall not be a member of a group (as that term is used in Section 13(d)(3) of the Exchange Act) solely because such employee's shares are held by a trustee under said plan) becomes the ultimate Beneficial Owner, directly or indirectly, of our Voting Stock representing more than 50% of the voting power of our outstanding Voting Stock;

we consolidate with, or merge with or into, any Person, or any Person consolidates with, or merges with or into, us, in any such event pursuant to a transaction in which any of our outstanding Voting Stock or





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Voting Stock of such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where our Voting Stock outstanding immediately prior to such transaction constitutes, or is converted into or exchanged for, Voting Stock representing more than 50% of the voting power of the Voting Stock of the surviving Person or its parent immediately after giving effect to such transaction; or

during any period of 24 consecutive calendar months, the majority of the members of our board of directors shall no longer be composed of individuals (a) who were members of our board of directors on the first day of such period or (b) whose election or nomination to our board of directors was approved by individuals referred to in clause (a) above constituting, at the time of such election or nomination, at least a majority of our board of directors or, if directors are nominated by a committee of our board of directors, constituting at the time of such nomination, at least a majority of such committee.

Notwithstanding the foregoing, a transaction will not be deemed to involve a Change of Control if (i) we become a direct or indirect wholly-owned Subsidiary of a holding company and (ii) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of our Voting Stock immediately prior to that transaction.

*Change of Control Triggering Event* means the occurrence of both a Change of Control and a Below Investment Grade Rating Event. Notwithstanding the foregoing, no Change of Control Triggering Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

*Investment Grade* means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating category of Moody's) and a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P), and the equivalent investment grade credit rating from any replacement rating agency or rating agencies selected by us under the circumstances permitting us to select a replacement agency and in the manner for selecting a replacement agency, in each case as set forth in the definition of Rating Agency.

*Moody's* means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.

*Rating Agency* means each of Moody's and S&P; provided, that if any of Moody's or S&P ceases to provide rating services to issuers or investors, we may appoint another nationally recognized statistical rating organization (as defined under the Exchange Act) as a replacement for such Rating Agency; provided, that we shall give written notice of such appointment to the trustee.

*S&P* means Standard & Poor's Ratings Services, a division of S&P Global Inc., and its successors.

*Voting Stock* of any specified Person as of any date means the capital stock (or comparable equity interests) of such Person that is at the time entitled to vote generally in the election of the board of directors (or members of the governing body) of such Person.

For purposes of the notes, the following definition is applicable:

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*Person* means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, estate, unincorporated organization or government or any agency or political subdivision thereof or any other entity.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the properties or assets of Eastman and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise, established definition of the phrase under applicable law. Accordingly, the applicability

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of the requirement that we offer to repurchase the notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Subsidiaries taken as a whole to another Person or group may be uncertain.

## **Certain Covenants**

The indenture contains, among others, the following covenants:

## **Restrictions on Secured Debt**

Under the indenture, we will not, and we will not permit any Restricted Subsidiary (as defined below) to, incur, issue, assume or guarantee any notes, bonds, debentures or other similar evidences of indebtedness for money borrowed ( Debt ), secured by pledge of, or mortgage or lien on, any Principal Property (as defined below) of the Company or any Restricted Subsidiary, or any shares of stock of or Debt of any Restricted Subsidiary (such pledges, mortgages and liens being called Mortgage or Mortgages and such debt secured by such Mortgages being called Secured Debt ), without effectively providing that the notes of each series (together with, if we shall so determine, any other indebtedness of the Company or such Restricted Subsidiary then existing or thereafter created which is not subordinate to the notes) shall be secured equally and ratably with (or prior to) such Secured Debt, so long as such Secured Debt shall be so secured, unless after giving effect thereto, the aggregate amount of all such Secured Debt plus all Attributable Debt (as defined below) of the Company and our Restricted Subsidiaries in respect of any Sale and Leaseback Transaction (as defined below) would not exceed 10% of Consolidated Net Tangible Assets; provided, however, that this restriction shall not apply to, and there shall be excluded from Secured Debt in any computation under such restriction, indebtedness secured by:

Mortgage on such property or shares of stock or Debt existing as of June 5, 2012;

Mortgages securing only notes issued under the indenture;

Mortgages on such property or shares of stock of or Debt of, any Person, which Mortgages are existing at the time (i) such Person became a Restricted Subsidiary, (ii) such Person is merged into or consolidated with the Company or any Subsidiary or (iii) we or a Subsidiary merges into or consolidates with such Person (in a transaction in which such Person becomes a Restricted Subsidiary), which Mortgage was not incurred in anticipation of such transaction and was outstanding prior to such transaction;

Mortgages in favor of us or any Restricted Subsidiary;

Mortgages in favor of any governmental body to secure progress, advance or other payments pursuant to any contract or provision of any statute;

Mortgages on such property or shares of stock or Debt existing at the time of acquisition thereof (including acquisition through merger or consolidation);

Mortgages on such property or shares of stock or Debt to secure the payment of all or any part of the purchase price or construction cost thereof or to secure any Debt incurred prior to, at the time of, or within 180 days after, the acquisition of such property or shares or

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Debt, the completion of any construction or the commencement of full operation, for the purpose of financing all or any part of the purchase price or construction cost thereof;

Mortgages incurred in connection with a Sale and Leaseback Transaction (as defined below) satisfying the provisions under Limitations on Sale and Leaseback Transactions ; and

any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Mortgage referred to in the foregoing bullet points; provided that such extension, renewal or replacement Mortgage shall be limited to all or a part of the same such property or shares of stock or Debt that secured the Mortgage extended, renewed or replaced (plus improvements on such property).

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### **Limitations on Sale and Leaseback Transactions**

Under the indenture, we will not, and we will not permit any Restricted Subsidiary to, enter into any arrangement with any bank, insurance company or other lender or investor (not including us or any Restricted Subsidiary) or to which any such lender or investor is a party, providing for the leasing by us or a Restricted Subsidiary for a period, including renewals, in excess of three years of any Principal Property the ownership of which has been or is to be sold or transferred, more than 180 days after the completion of construction and commencement of full operation thereof, by us or such Restricted Subsidiary to such lender or investor or to any Person to whom funds have been or are to be advanced by such lender or investor on the security of such Principal Property (referred to as a Sale and Leaseback Transaction ) unless either:

we or such Restricted Subsidiary could create Secured Debt pursuant to the provisions described under Restrictions on Secured Debt on the Principal Property to be leased in an amount equal to the Attributable Debt with respect to such Sale and Leaseback Transaction without equally and ratably securing notes issued under the indenture; or

(a) the net proceeds of the sale or transfer of the Principal Property leased pursuant to such Sale and Leaseback Transaction is at least equal to the fair market value of such Principal Property and (b) within 180 days after such sale or transfer shall have been made by us or by a Restricted Subsidiary, we apply an amount not less than the greater of (i) the net proceeds of the sale of the Principal Property leased pursuant to such arrangement or (ii) the fair market value of the Principal Property so leased at the time of entering into such arrangement (as evidenced by an officers certificate) to the retirement of Funded Debt (as defined below) of the Company; provided that the amount to be applied to the retirement of Funded Debt of the Company shall be reduced by (x) the principal amount of notes issued under the indenture delivered within 180 days after such sale to the trustee for retirement and cancellation, and (y) the principal amount of Funded Debt other than notes issued under the indenture, voluntarily retired by us within 180 days after such sale. No retirement referred to in this bullet point may be effected by payment at maturity or pursuant to any mandatory sinking fund payment or mandatory prepayment provision.

### **Limitation on Mergers, Consolidation and Sales of Assets**

The indenture provides that we may not consolidate or merge with or into, or sell, lease or convey all or substantially all of our assets in any one transaction or series of transactions to any other corporation, unless:

the resulting, surviving or transferee Person is either the Company or is a corporation, partnership, trust or other entity organized under the laws of the U.S., any state therein or the District of Columbia and expressly assumes by supplemental indenture all of our obligations under the indenture and the notes of each series issued under the indenture; and

immediately after giving effect to the transaction, with respect to each series of notes issued under the indenture, no Event of Default (as defined below) or event which with notice or lapse of time would be an Event of Default has occurred and is continuing.

The successor will be substituted for us in the indenture with the same effect as if it had been an original party to such indenture. Thereafter, the successor may exercise the rights and powers of the Company under the indenture.

### **Certain Definitions**

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*Attributable Debt* means, as to any lease in respect of a Sale and Leaseback Transaction under which any Person is at the time liable, at any date as of which the amount thereof is to be determined, the total net amount of rent required to be paid by such Person under such lease during the remaining term thereof (or, if earlier, the first date upon which such lease may be terminated without penalty), discounted from the respective due dates thereof to such date at the rate per annum borne by notes issued under the indenture, compounded annually. The

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net amount of rent required to be paid under any such lease for any such period shall be the aggregate amount of the rent payable by the lessee with respect to such period after excluding amounts required to be paid on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges. Unless the Company elects to calculate the total amount of rent required to be paid through the first date upon which such lease may be terminated without penalty (if such a provision exists), in the case of any lease which is terminable by the lessee upon the payment of a penalty, such net amount shall also include the amount of such penalty, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated.

*Consolidated Net Tangible Assets* means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom (1) all current liabilities, except for (a) notes and loans payable, (b) current maturities of long-term debt and (c) current maturities of obligations under capital leases and (2) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles, all as set forth on the most recent balance sheet of the Company and its consolidated Subsidiaries and computed in accordance with generally accepted accounting principles in the U.S. as in effect from time to time.

*Funded Debt* means all indebtedness for money borrowed having a maturity of more than 12 months from the date of the most recent balance sheet of the Company and its consolidated Subsidiaries or having a maturity of less than 12 months but by its terms being renewable or extendible beyond 12 months from the date of such balance sheet at the option of the borrower.

*Principal Property* means any single parcel of real estate, any single manufacturing plant or any single warehouse owned or leased in connection with a Sale and Leaseback Transaction by the Company or any Subsidiary which is located within the U.S. and the net book value of which on the date as of which the determination is being made exceeds 1% of Consolidated Net Tangible Assets, other than any such manufacturing plant or warehouse or portion thereof (1) which is a pollution control or other facility financed by obligations issued by a state or local government unit and described in Sections 141(a), 142(a)(5), 142(a)(6), 142(a)(10) or 144(a) of the Internal Revenue Code (or their successor provisions) or by any other obligations the interest of which is excluded under Section 103 of the Internal Revenue Code (or its successor provision), or (2) which, in the good-faith opinion of the board of directors, as evidenced by a board resolution, is not of material importance to the total business conducted by the Company and its Subsidiaries taken as a whole.

*Restricted Subsidiary* means a wholly-owned Subsidiary of the Company substantially all of the assets of which are located in the U.S. (excluding territories or possessions) and which owns a Principal Property; provided, however, that the term Restricted Subsidiary shall not include any Subsidiary that is principally engaged in (1) the business of financing; (2) the business of owning, buying, selling, leasing, dealing in or developing real property; or (3) the business of exporting goods or merchandise from or importing goods or merchandise into the U.S.

*Subsidiary* means a corporation more than 50% of the outstanding Voting Stock (as defined above) of which is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries.

## **Issuance of Additional Notes**

The indenture provides that we may, without the consent of the holders of the applicable series of notes, increase the principal amount of notes of that series by issuing additional notes of such series in the future on the same terms and conditions, except for any differences in the issue date, price to the public, interest accrued prior to the issue date of such additional notes, and the initial interest payment date, and with the same CUSIP number as the applicable series of notes offered hereby, provided that if such additional notes are not fungible for U.S. federal income tax purposes, such notes will have a different CUSIP number than the applicable series of notes offered hereby. The notes offered by this prospectus supplement, the accompanying prospectus and the



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documents incorporated by reference herein and therein and any additional notes of such series would rank equally and ratably and would be treated as a single class for all purposes under the indenture. No additional notes may be issued if any Event of Default has occurred and is continuing with respect to such series of notes.

## **Ranking**

The notes will be our unsecured unsubordinated obligations and will rank on a parity in right of payment with all our other unsecured and unsubordinated debt for borrowed money. The notes will be effectively subordinated to any of our future secured debt to the extent of the value of the assets securing such debt. As of September 30, 2018, we had approximately \$6.5 billion of debt that would rank equally with the notes.

The notes will not be guaranteed by any of our Subsidiaries and will therefore be structurally subordinated to all existing and future debt and other obligations, including trade payables, of our Subsidiaries. As of September 30, 2018, our Subsidiaries had approximately \$123 million of debt that would be structurally senior in right of payment to our obligations under the notes.

The indenture does not limit the incurrence by us or our Subsidiaries of other unsecured debt and does not limit the incurrence of secured debt by our Subsidiaries which are not Restricted Subsidiaries. The indenture and the terms of the notes will not contain any covenants (other than those described herein) designed to afford holders of any notes protection in a highly leveraged or other transaction involving us that may adversely affect holders of the notes.

## **Concerning the Trustee**

Wells Fargo Bank, National Association is the trustee under the indenture. We may, from time to time, borrow from or maintain deposit accounts and conduct other banking transactions with the trustee or its affiliates in the ordinary course of business.

## **Governing Law**

The indenture is, and the notes will be, governed by and construed in accordance with the internal laws of the State of New York.

## **Book-Entry Procedures**

As described more fully in the accompanying prospectus, the notes of each series will be deposited with the trustee on behalf of The Depository Trust Company (the "Depository"), in the form of one or more global notes. As long as the Depository is the depository for the notes, you may hold interests in the notes through participants in the Depository, including Clearstream Banking, société anonyme ("Clearstream") and Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"). Euroclear and Clearstream will hold interests, in each case, on behalf of their participants through customers' securities accounts in the names of Euroclear and Clearstream on the books of their respective depositories,

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which in turn will hold such interests in customers' securities accounts in the depositaries' names on the Depositary's books.

Payments, deliveries, transfers, exchanges, notices and other matters relating to the notes made through Euroclear or Clearstream must comply with the rules and procedures of those systems. Those systems could change their rules and procedures at any time. We have no control over those systems or their participants and we take no responsibility for their activities. Transactions between participants in Euroclear or Clearstream, on the one hand, and other participants in the Depositary, on the other hand, would also be subject to the rules and procedures of the Depositary.

Investors will be able to make and receive through Euroclear and Clearstream payments, deliveries, transfers, exchanges, notices and other transactions involving any securities held through those systems only on

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days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, U.S. investors who hold their interests in the notes through these systems and wish to transfer their interests, or to receive or make a payment or delivery or exercise any other right with respect to their interests, on a particular day may find that the transaction will not be effected until the next business day in Luxembourg or Brussels, as applicable. Thus, investors who wish to exercise rights that expire on a particular day may need to act before the expiration date. In addition, investors who hold their interests through both the Depositary and Euroclear or Clearstream may need to make special arrangements to finance any purchases or sales of their interests between the U.S. and European clearing systems, and those transactions may settle later than transactions within one clearing system.

If the Depositary notifies us at any time that it is unwilling or unable to continue as Depositary and a successor Depositary is not appointed within 90 days of such notice or the Depositary ceases to be a clearing agency registered under the Exchange Act and a successor Depositary is not appointed within 90 days, we will issue notes in certificated form in exchange for global notes. The indenture permits us to determine at any time and in our sole discretion that notes of any series shall no longer be represented by global notes. We would issue definitive certificates in exchange for any beneficial interests withdrawn. We will also issue notes in certificated form in exchange for global notes if such exchange is made upon request by or on behalf of the Depositary for such global notes in accordance with customary procedures, following the request of a Beneficial Owner seeking to exercise or enforce its rights under the notes.

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**CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS**

The following is a summary of certain U.S. federal income tax considerations relating to the ownership and disposition of the notes. It is not a complete analysis of all the potential tax considerations relating to the notes. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations promulgated under the Code, and currently effective administrative rulings and judicial decisions, all relating to the U.S. federal income tax treatment of debt instruments as of the date hereof. These authorities may be changed, perhaps with retroactive effect, so as to result in U.S. federal income tax consequences different from those set forth below.

This discussion is limited to beneficial owners of notes who purchase notes upon their initial issuance at the notes' issue price (which is the first price at which a substantial amount of the notes is sold for cash to investors, excluding sales to the initial purchasers or to similar persons acting in the capacity of underwriters, placement agents or wholesalers) and who will hold the notes as capital assets. This summary does not address the tax considerations arising under the laws of any foreign, state or local jurisdiction. In addition, this discussion does not address all tax considerations that may be applicable to your particular circumstances or to you if you are a person subject to special tax rules, such as, for example:

a person subject to the alternative minimum tax;

banks, insurance companies, or other financial institutions;

tax-exempt organizations;

dealers in securities or commodities;

certain former citizens and former long-term residents of the U.S.;

traders in securities that elect to use a mark-to-market method of tax accounting for their securities holdings;

brokers;

regulated investment companies;

real estate investment trusts;

Non-U.S. Holders (as defined below) subject to special rules under the Code, including controlled foreign corporations and passive foreign investment companies ;

U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;

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persons that will hold the notes as a position in a hedging transaction, straddle, conversion transaction or other risk reduction transaction;

persons deemed to sell the notes under the constructive sale provisions of the Code;

persons required for U.S. federal income tax purposes to conform the timing of income accruals with respect to the notes to their financial statements under section 451 of the Code; or

partnerships or other pass-through entities or investors therein.

If an entity or arrangement classified as a partnership for U.S. federal income tax purposes holds notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership that will hold notes, you should consult your tax advisor regarding the tax consequences to you of holding the notes.

This summary of U.S. federal income tax considerations is for general information only and is not tax advice. You are urged to consult your tax advisor with respect to the application of U.S. federal income tax laws

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to your particular situation as well as any tax consequences arising under other U.S. federal tax rules (such as estate or gift tax laws) or under the laws of any state, local, foreign or other taxing jurisdiction or under any applicable tax treaty.

### **Certain Additional Payments**

Upon the occurrence of a Change of Control Triggering Event, we may be required to make payments on the notes in excess of stated principal and interest as described under **Description of Notes** **Change of Control Triggering Event**. The obligation to make these payments may implicate the provisions of the Treasury Regulations relating to contingent payment debt instruments. Under the applicable Treasury Regulations, however, for purposes of determining whether a debt instrument is a contingent payment debt instrument, remote or incidental contingencies (determined as of the date an instrument is issued) are ignored. We believe the possibility of making additional payments on the notes is remote and/or incidental. Therefore, we intend to take the position that the possibility of these payments does not result in the notes being treated as contingent payment debt instruments under the applicable Treasury Regulations. Our position is not binding on the Internal Revenue Service ( **IRS** ). If the IRS takes a contrary position, you may be required to accrue interest income based upon a comparable yield (as defined in the Treasury Regulations) determined at the time of issuance of the notes (which is not expected to differ significantly from the actual yield on the notes), with adjustments to your accruals when any contingent payments are made that differ from the payments based on the comparable yield. In addition, any income on the sale, exchange, retirement or other taxable disposition (a **disposition** ) of the notes would be treated as ordinary income rather than as capital gain. You should consult your tax advisor regarding the tax consequences if the notes were treated as contingent payment debt instruments. The remainder of this discussion assumes that the notes are not treated as contingent payment debt instruments.

### **Consequences to U.S. Holders**

The following is a summary of the general U.S. federal income tax consequences that will apply to you if you are a **U.S. Holder** of the notes. Certain consequences to **Non-U.S. Holders** of the notes are described under **Consequences to Non-U.S. Holders**, below. **U.S. Holder** means a beneficial owner of a note that is, for U.S. federal income tax purposes:

an individual who is a citizen or resident of the U.S.;

a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the U.S. or any political subdivision of the U.S.;

an estate the income of which is includable in gross income for U.S. federal income taxation regardless of its source; or

a trust that (1) is subject to the supervision of a court within the U.S. and the control of one or more U.S. persons (as defined in the Code) or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

### ***Payments of Interest***

Stated interest on the notes generally will be taxable to you as ordinary income at the time it is paid or accrued in accordance with your regular method of accounting for U.S. federal income tax purposes.

***Original Issue Discount***

The notes may be issued with original issue discount ( *OID* ) for U.S. federal income tax purposes.

The stated redemption price at maturity of the notes may exceed their issue price by an amount that equals or exceeds the statutory *de minimis* amount for U.S. federal income tax purposes (as described below). In such event, the notes will be treated for U.S. federal income tax purposes as issued with *OID* in an amount equal to

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such excess, and beneficial owners of notes that are subject to U.S. federal income taxation generally will be required to include the OID in gross income (as ordinary income) as it accrues (on a constant yield-to-maturity basis) for U.S. federal income tax purposes in advance of the receipt of cash payment thereof and regardless of such beneficial owner's regular method of accounting for U.S. federal income tax purposes. Under this method, U.S. Holders of the notes generally will be required to include in income increasingly greater amounts of OID in successive accrual periods. If the difference between a note's stated redemption price at maturity and its issue price is less than the *de minimis* threshold of one quarter of 1 percent (i.e., 0.25%) of the stated principal amount multiplied by the number of complete years to maturity, then the note will be under the *de minimis* threshold and will not be treated as having OID.

### ***Dispositions of Notes***

Upon a sale, exchange, redemption, retirement or other taxable disposition of a note, you will recognize taxable gain or loss equal to the difference, if any, between the amount realized on such disposition (except to the extent any amount realized is attributable to accrued but unpaid stated interest, which will be taxed as ordinary income to the extent not previously included in income) and your adjusted tax basis in the note. Your adjusted tax basis in a note generally will equal your cost for the note, increased by any OID previously included in taxable income. Any gain or loss recognized on the disposition of a note generally will be capital gain or loss, and will be long-term capital gain or loss if, at the time of such disposition, your holding period for the note is more than one year. Long-term capital gains of non-corporate taxpayers are generally eligible for preferential rates of taxation. The deductibility of capital losses is subject to certain limitations.

### ***Medicare Tax***

If you are an individual or estate, or a trust that does not fall into a special class of exempt trusts, you will be subject to a 3.8% Medicare tax on the lesser of (1) your net investment income for the relevant taxable year and (2) the excess of your modified gross income for the taxable year over a certain threshold. Your net investment income will generally include your gross interest income (including any OID) and your net gains from the disposition of the notes, unless the interest income (including any OID) or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities).

If you are an individual, estate, or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the notes.

### ***Information Reporting and Backup Withholding***

In general, information reporting requirements will apply to certain payments of interest and to OID accruals on the notes and the proceeds of certain sales or other dispositions of notes unless you are an exempt recipient (such as a corporation). Backup withholding (currently at a rate of 24%) may apply to any payments if you fail to provide your taxpayer identification number (TIN) or certification of exempt status, furnish an incorrect TIN, or have been notified by the IRS that payments to you are subject to backup withholding.

You should consult your tax advisors regarding your qualification for an exemption from backup withholding and the procedures for obtaining the exemption, if applicable. Backup withholding is not an additional tax, and any amounts withheld under the backup withholding rules will generally be allowed as a credit against your U.S. federal income tax liability and you may claim a refund provided that you furnish the required information to the IRS on a timely basis.

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### **Consequences to Non-U.S. Holders**

#### ***Non-U.S. Holders***

The term **Non-U.S. Holder** means a beneficial owner of a note (other than an entity or arrangement treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder.

#### ***Payments of Interest***

Under U.S. federal income tax law, and subject to the discussions of backup withholding, FATCA and income effectively connected with a U.S. trade or business below, payments of interest (which, for purposes of this discussion of Non-U.S. Holders, includes any OID) made to you on the notes will not be subject to U.S. federal income or withholding tax under the **portfolio interest exemption**, provided that:

you do not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;

you are not a controlled foreign corporation that is directly or indirectly related to us through stock ownership; and

you have certified your nonresident status as described below.

You can meet the certification requirement of the portfolio interest exemption by furnishing to the paying agent prior to the payment an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or an acceptable substitute form upon which you certify, under penalties of perjury, that you are a not a U.S. person. If you hold the note through a financial institution or other agent acting on your behalf, you will be required to provide appropriate documentation to the agent. The agent will then be required to provide certification to the paying agent, either directly or through other intermediaries. Special rules apply to foreign partnerships, estates and trusts and other intermediaries, and in certain circumstances certifications as to foreign status of partners, trust owners or beneficiaries may have to be provided. In addition, special rules apply to qualified intermediaries that enter into withholding agreements with the IRS.

If you cannot satisfy the requirements described above for the portfolio interest exemption, payments of interest made to you on the notes will generally be subject to the 30% U.S. federal withholding of tax, unless you provide the paying agent either with (1) a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or successor form), establishing an exemption from (or a reduction of) withholding under the benefits of an applicable tax treaty or (2) a properly executed IRS Form W-8ECI (or successor form) certifying that interest paid on the note is not subject to withholding of tax because the interest is effectively connected with your conduct of a trade or business in the U.S. (and, generally in the case of an applicable tax treaty, attributable to your permanent establishment in the U.S.), as described below under **Income or Gain Effectively Connected with a U.S. Trade or Business**.

#### ***Dispositions of Notes***

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Generally, subject to the discussions below concerning backup withholding and FATCA, no deduction for any U.S. federal withholding of tax will be made from any principal payments or from gain that you realize on the disposition of your note. In addition, you will not be subject to U.S. federal income tax on gain realized on the disposition of the note, unless: (1) that gain or income is effectively connected with the conduct of your trade or business in the U.S. or (2) you are an individual who is present in the U.S. for 183 days or more in the taxable year of that disposition, and certain other conditions are met. If you are described in clause (1), see Income or Gain Effectively Connected with a U.S. Trade or Business, below. If you are described in clause (2), any gain realized from the disposition of the notes will be subject to U.S. federal income tax at a 30% rate (or lower applicable treaty rate), although the amount of gain subject to tax may be offset by certain losses.

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### ***Income or Gain Effectively Connected with a U.S. Trade or Business***

If any interest on the notes or gain from the disposition of the notes is effectively connected with a U.S. trade or business conducted by you (and, generally in the case of an applicable tax treaty, attributable to your permanent establishment or fixed base in the U.S.), then such income or gain will generally be subject to U.S. federal income tax in the same manner as if you were a U.S. Holder, but will not be subject to the tax described above under **Consequences to U.S. Holders; Medicare Tax** or U.S. withholding tax if certain certification requirements are satisfied. You can generally meet these certification requirements by providing a properly executed IRS Form W-8ECI or appropriate substitute form to us or our paying agent. If you are a corporation, the portion of your earnings and profits that is effectively connected with your U.S. trade or business (and, generally in the case of an applicable tax treaty, attributable to your permanent establishment or fixed base in the U.S.) may be subject to an additional **branch profits tax** at a 30% rate, although an applicable tax treaty may provide for a lower rate, provided certain certification requirements are met.

### ***Backup Withholding and Information Reporting***

Generally, information returns will be filed with the IRS in connection with payments of interest on the notes. Information reporting may be filed with the IRS in respect of proceeds from the disposition of the notes. You may be subject to backup withholding of tax on these payments unless you comply with certain certification procedures to establish that you are not a U.S. Person. The certification procedures required to claim an exemption from withholding tax on interest described above will generally satisfy the certification requirements necessary to avoid backup withholding as well.

Backup withholding is not an additional tax, and any amounts withheld under the backup withholding rules will generally be allowed as a credit against your U.S. federal income tax liability and you may claim a refund provided that you furnish the required information to the IRS on a timely basis.

### ***FATCA***

Pursuant to the Foreign Account Tax Compliance Act, or **FATCA**, unless an exemption applies, foreign financial institutions (which term includes most foreign hedge funds, private equity funds, mutual funds, securitization vehicles and other investment vehicles) and certain other foreign entities generally must comply with certain information reporting rules with respect to their U.S. account holders and investors or be subject to a 30% withholding tax with respect to any **withholdable payments**. For this purpose, withholdable payments generally include U.S.-source interest and also include the entire gross proceeds from the disposition of any debt instruments of U.S. issuers, even if the payment would otherwise not be subject to U.S. nonresident withholding tax (e.g., because it is capital gain). Under the applicable final Treasury regulations, withholding under FATCA, if applicable, will generally apply to payments of U.S.-source interest, but will not apply until January 1, 2019 to payments of gross proceeds from dispositions of debt securities (including the notes). Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the U.S. governing FATCA may be subject to different rules.

We will not pay any additional amounts to you in respect of any amounts withheld pursuant to FATCA. Under certain circumstances, you might be eligible for refunds or credits of these amounts.

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You are urged to consult with your own tax advisors regarding the effect, if any, of the FATCA provisions to you based on your particular circumstances.

**You should consult your own tax advisor as to the particular tax consequences to you of purchasing, holding or disposing of notes, including the applicability and effect of any state, local or non-U.S. tax laws, and of any changes or proposed changes in applicable law.**

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Subject to the terms and conditions in the underwriting agreement between us and Citigroup Global Markets Inc., J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representatives of the several underwriters named below, we have agreed to sell to each underwriter, and each underwriter has severally agreed to purchase from us, the principal amount of each series of notes as set forth opposite the names of the underwriters below:

<b>Underwriter</b>	<b>Principal Amount of 20 Notes</b>	<b>Principal Amount of 20 Notes</b>
Citigroup Global Markets Inc.	\$	\$
J.P. Morgan Securities LLC		
Merrill Lynch, Pierce, Fenner & Smith Incorporated		
Total	\$	\$

The underwriting agreement provides that the underwriters severally agree to purchase all of the notes if any of them are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

The underwriters initially propose to offer each series of notes to the public at the public offering prices that appear on the cover page of this prospectus supplement. The underwriters may offer the notes to selected dealers at the public offering prices minus a concession of up to % of the principal amount of the 20 notes and up to % of the principal amount of the 20 notes. In addition, the underwriters may allow, and those selected dealers may re-allow, a concession of up to % of the principal amount of the 20 notes and up to % of the principal amount of the 20 notes to certain other dealers. After the initial offering of the notes, the underwriters may change the public offering prices and any other selling terms of either series of notes. The underwriters may offer and sell notes through certain of their affiliates.

The following table shows the underwriting discounts in connection with this offering (expressed as a percentage of the principal amount of the notes).

	<b>Paid by Us</b>
Per 20 note	%
Total	\$
Per 20 note	%
Total	\$

In the underwriting agreement, we have agreed that:

we will pay our expenses related to the offering, which we estimate will be \$ (excluding the underwriting discounts); and

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we will indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or contribute to payments that the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of an officer's certificate and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Each series of notes is a new issue of securities with no established trading market. We do not intend to apply for the notes of either series to be listed on any securities exchange or to arrange for the notes of either series to be quoted on any quotation system.

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The underwriters have advised us that they intend to make a market in each series of notes, but they are under no obligation to do so and may discontinue any market making in either series of notes at any time in their sole discretion. Accordingly, we cannot assure you that liquid trading markets will develop for the notes of either series, that you will be able to sell your notes of either series at a particular time or that the prices that you receive when you sell will be favorable. If the notes of either series are traded, they may trade at a discount from their initial offering prices, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

In connection with the offering of the notes, the underwriters may engage in over-allotment, stabilizing transactions and syndicate covering transactions. Over-allotment involves sales in excess of the offering size, which creates a short position for the underwriters. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the prices of the notes. Syndicate-covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate-covering transactions may cause the prices of the notes to be higher than it would otherwise be in the absence of those transactions. If the underwriters engage in stabilizing or syndicate-covering transactions, they may discontinue them at any time.

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future, various financial advisory, commercial banking or investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In particular, affiliates of Citigroup Global Markets Inc., J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated are parties to and lenders under our term loan and revolving loan facilities. Our credit facilities were negotiated on an arms length basis and contain customary terms pursuant to which the lenders receive customary fees. In addition, one of the underwriters is acting as the dealer manager in the Tender Offer and will receive customary fees in connection therewith. Furthermore, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the underwriters or their affiliates have a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **Conflicts of Interest**

We intend to use a portion of the net proceeds from this offering to complete the Tender Offer, the 2019 Notes Redemption and the 2020 Notes Partial Redemption. To the extent that any of the underwriters or their respective affiliates own any of the debt securities that are the subject of the Tender Offer and tender such debt securities and have them accepted for purchase in the Tender Offer, or hold 2019 or 2020 Notes that are redeemed, they may receive a portion of the net proceeds from this offering. If the Tender Offer results in payments to underwriters and their affiliates of 5% or more of the net proceeds of this offering, there would be a conflict of interest under Rule 5121 of the Financial Industry Regulatory Authority (FINRA). Because the notes are investment grade rated, no qualified independent underwriter is required to be appointed in connection with this offering. However, as required by FINRA Rule 5121, no sale of the notes will be made by the affected underwriter to an account over which it exercises discretion without the prior specific written consent of the account holder.

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### **Selling Restrictions**

Other than the U.S., to the best of our knowledge, no action has been taken by us or the underwriters that would permit a public offering of the notes in any jurisdiction where action for that purpose is required. The notes may not be offered or sold, directly or indirectly, nor may this prospectus supplement or any other offering material or advertisements in connection with the offer and sale of any such notes be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus supplement comes are advised to inform themselves about and to observe any restrictions relating to the offering of the notes and the distribution of this prospectus supplement. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any notes offered by this prospectus supplement in any jurisdiction in which such an offer or a solicitation is unlawful.

Sales of notes in the U.S. by any underwriter that is not a broker-dealer registered with the SEC will be made only through one or more SEC-registered broker-dealers in compliance with applicable securities laws and the rules of FINRA.

### **Notice to Prospective Investors in Canada**

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

### **Notice to Prospective Investors in the European Economic Area**

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, MiFID II); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the Prospectus Directive). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the PRIIPs Regulation) for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This prospectus

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supplement and the accompanying prospectus have been prepared on the basis that any offer of notes in any Member State of the EEA will be made pursuant to an exemption under the

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Prospectus Directive from the requirement to publish a prospectus for offers of notes. This prospectus supplement and the accompanying prospectus are not a prospectus for the purposes of the Prospectus Directive.

### **Notice to Prospective Investors in the United Kingdom**

In addition, in the United Kingdom, this prospectus supplement and the accompanying prospectus are being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). This prospectus supplement and the accompanying prospectus must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this prospectus supplement and the accompanying prospectus relates is only available to, and will be engaged in with, relevant persons.

### **Notice to Prospective Investors in Switzerland**

The notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this prospectus nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland.

### **Notice to Prospective Investors in Hong Kong**

Each underwriter (i) has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the SFO) and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a prospectus as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that Ordinance.

### **Notice to Prospective Investors in Japan**

The issue of notes has not been and will not be registered under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, none of the notes nor any interest therein may be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person,

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except pursuant to an exemption from the registration requirements of, and otherwise in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, Japanese Person shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

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### **Notice to Prospective Investors in Singapore**

This prospectus supplement and the accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement, the accompanying prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 by a relevant person which is: (i) a corporation (which is not an accredited investor), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA, except: (A) to an institutional investor under Section 274 of the SFA (as defined in Section 275(2) of the SFA), or to any person arising from an offer referred to in to Section 275(1A), or Section 276(4)(i)(B) of the SFA; (B) where no consideration is or will be given for the transfer; (C) where the transfer is by operation of law; (D) as specified in Section 276(7) of the SFA; or (E) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

**Singapore Securities and Futures Act Product Classification** Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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**LEGAL MATTERS**

The validity of the notes will be passed upon for us by Jones Day, Atlanta, Georgia. Certain legal matters with respect to the notes will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

**EXPERTS**

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus supplement by reference to the Annual Report on Form 10-K of Eastman Chemical Company for the year ended December 31, 2017 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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**PROSPECTUS**

**Eastman Chemical Company**

**Common Stock, Preferred Stock, Depositary Shares, Debt Securities,**

**Warrants, Stock Purchase Contracts, and Units**

From time to time we may offer common stock, preferred stock, depositary shares, debt securities, warrants, stock purchase contracts or units consisting of a combination of any of these securities. The debt securities that we may offer may consist of debentures, notes or other evidences of indebtedness in one or more series. The securities offered under this prospectus may be offered separately, together or in separate series and in amounts, at prices and on terms to be determined at the time of sale. Each time we offer to sell securities under this prospectus, we will provide a prospectus supplement that will set forth the terms of that offering of securities. You should read this prospectus and the applicable prospectus supplement before deciding whether to invest in our securities.

Our common stock is traded on the New York Stock Exchange under the symbol EMN. On June 8, 2018, the closing price of our common stock on the New York Stock Exchange ( NYSE ) was \$109.07 per share.

**Investing in our securities involves risks. See Part I Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations Risk Factors in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, which is incorporated herein by reference, and the risk factors included in our other periodic reports, in prospectus supplements relating to specific offerings of securities and in other information that we file with the Securities and Exchange Commission (the SEC ).**

**Neither the SEC nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is June 11, 2018.**



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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement on Form S-3 that we filed with the SEC using a shelf registration process. This prospectus provides you with a general description of various securities we may offer and sell from time to time.

The securities offered under this prospectus may be offered separately, together or in separate series and in amounts, at prices and on terms to be determined at the time of sale. A prospectus supplement that will set forth the terms of the offering of any securities, including a description of the risks relating to that offering if those items are not described in this prospectus, will accompany this prospectus. The terms described in a prospectus supplement will include:

in the case of common stock, the offering price and number of shares;

in the case of preferred stock, with respect to the relevant class or series, the offering price, title, maximum number of shares, rate, if any (which may be fixed or variable), time of payment, and relative priority of any dividends, any terms for redemption at our option or the option of the holder, any terms for sinking fund payments, any terms for conversion or exchange into other securities, any voting rights, any restrictions on further issuances, any listing on a securities exchange and any other terms of the preferred stock;

in the case of depositary shares, the offering price, the number of fractional shares of preferred stock represented thereby, the depositary, the terms of the preferred stock and any other terms of the depositary shares;

in the case of debt securities, the title, aggregate principal amount, denominations (which may be in United States dollars, in any other currency or in composite currencies), seniority, maturity, rate, if any (which may be fixed or variable), the interest payment dates, whether the debt securities will be secured or unsecured, any terms for redemption at our option or the option of the holder, any terms for sinking fund payments, any terms for conversion or exchange into other securities, any listing on a securities exchange and the initial public offering price and any other terms in connection with the offering of such debt securities;

in the case of warrants, the offering price, designation and terms of the security purchasable upon exercise of the warrant (which may be a debt security or common or preferred stock), the exercise price, the amount of such underlying security that may be purchased upon exercise, exercisability and expiration dates, redemption provisions, if any, and any other terms of the warrants;

in the case of stock purchase contracts, the offering price, the party who is obligated to purchase common stock or preferred stock (which may be Eastman), the purchase price (which may be fixed or determined by formula), the purchase dates and any other terms of the stock purchase contracts; and

in the case of units, the offering price, the type and amount of securities sold as part of the unit, the terms of such securities and any other terms in connection with the offering of such units.

A prospectus supplement may also add, update or change information contained in or incorporated by reference into this prospectus. If there is any inconsistency between the information contained in or incorporated by reference into this prospectus and any accompanying prospectus supplement, you should rely on the information contained in or incorporated by reference into the prospectus supplement. You should read both this prospectus and the applicable prospectus supplement, together with additional information under the heading **Where You Can Find More Information**, before deciding whether to invest in any of the securities offered.

You should rely only on the information contained in or incorporated by reference into this prospectus and any prospectus supplement. We have not authorized anyone to provide you with different or additional information. We are not making offers to sell the securities in any jurisdiction in which an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation.

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We may sell securities to or through underwriters or dealers, and also may sell securities directly to other purchasers or through agents. To the extent not described in this prospectus, the names of any underwriters, dealers or agents employed by us in the sale of the securities covered by this prospectus, the principal amounts or number of shares or other securities, if any, to be purchased by such underwriters or dealers and the compensation, if any, of such underwriters, dealers or agents will be set forth in an accompanying prospectus supplement.

Wherever references are made in this prospectus to information that will be included in a prospectus supplement, to the extent permitted by applicable law, rules or regulations, we may instead include such information or add, update or change the information contained in this prospectus by means of a post-effective amendment to the registration statement of which this prospectus is a part, through filings we make with the SEC that are incorporated by reference into this prospectus or by any other method as may then be permitted under applicable law, rules or regulations.

The information contained in this prospectus or any applicable prospectus supplement is accurate as of the date on the front cover thereof. Information incorporated by reference into this prospectus or any applicable prospectus supplement is accurate as of the date of the document from which the information is incorporated. You should not assume that the information contained in or incorporated by reference into this prospectus or any applicable prospectus supplement is accurate as of any other date.

References in this prospectus to the terms we, our, us, the Company or Eastman or other similar terms mean Eastman Chemical Company, including our subsidiaries, unless we state otherwise or the context indicates otherwise.

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements made or incorporated by reference into this prospectus are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the Securities Act ), and Section 21E of the Securities and Exchange Act of 1934, as amended (the Exchange Act ). Forward-looking statements are all statements, other than statements of historical fact, that may be made by us from time to time. In some cases, you can identify forward-looking statements by terminology such as anticipates, believes, estimates, expects, intends, may, plans, projects, will, would, and similar expressions or ex negative of these terms. Forward-looking statements may relate to, among other things, such matters as planned and expected capacity increases and utilization; anticipated capital spending; expected depreciation and amortization; environmental matters; exposure to, and effects of hedging of, raw material and energy prices and costs; foreign currencies and interest rates; disruption or interruption of operations and raw material or energy supply; global and regional economic, political, and business conditions; competition; growth opportunities; supply and demand, volume, price, cost, margin and sales; pending and future legal proceedings; earnings, cash flow, dividends, stock repurchases and other expected financial results, events, and conditions; expectations, strategies, and plans for individual assets and products, businesses, and operating segments, as well as for the whole of Eastman; cash requirements and uses of available cash; financing plans and activities; pension expenses and funding; credit ratings; anticipated and other future restructuring, acquisition, divestiture, and consolidation activities; cost reduction and control efforts and targets; the timing and costs of, and benefits from, the integration of, and expected business and financial performance of, acquired businesses; strategic and technology and product innovation initiatives and development, production, commercialization and acceptance of new products, services and technologies and related costs; asset, business, and product portfolio changes; and expected tax rates and net interest costs.

Forward-looking statements are based upon certain underlying assumptions as of the date such statements were made. Such assumptions are based upon internal estimates and other analyses of current market conditions and trends, management expectations, plans, and strategies, economic conditions, and other factors. Forward-looking statements and the assumptions underlying them are necessarily subject to risks and uncertainties inherent in projecting future conditions and results. Actual results could differ materially from expectations expressed in the forward-looking statements if one or more of the underlying assumptions and expectations proves to be inaccurate or is unrealized. The most significant known factors, risks, and uncertainties that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, those set forth under Part I Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations Risk Factors in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, which is incorporated herein by reference, and any risk factors included or described in our other periodic reports, in prospectus supplements relating to specific offerings of securities and in other information that we may file with the SEC from time to time and incorporate by reference into this prospectus. Other factors, risks or uncertainties of which management is not aware, or presently deems immaterial, could also cause actual results to differ materially from those in the forward-looking statements.

We caution you not to place undue reliance on forward-looking statements, which speak only as of the date of this prospectus in the case of forward-looking statements contained in this prospectus, or the dates of any applicable prospectus supplement or any documents incorporated by reference in this prospectus in the case of forward-looking statements made in such prospectus supplement or incorporated documents. Except as may be required by law, we undertake no obligation to update or alter these forward-looking statements, whether as a result of new information, future events, or otherwise.

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Eastman Chemical Company ( Eastman or the Company ) is a global advanced materials and specialty additives company that produces a broad range of products found in items people use every day. Eastman began business in 1920 for the purpose of producing chemicals for Eastman Kodak Company's photographic business and became a public company, incorporated in Delaware, on December 31, 1993. Eastman has 48 manufacturing sites and equity interests in three manufacturing joint ventures in 14 countries that supply products to customers throughout the world. The Company's headquarters and largest manufacturing site are located in Kingsport, Tennessee. Eastman's businesses are managed and reported in four operating segments: Additives & Functional Products, Advanced Materials, Chemical Intermediates, and Fibers.

Eastman's principal executive offices are located at 200 South Wilcox Drive, Kingsport, Tennessee 37662, and our phone number at that address is (423) 229-2000. Eastman maintains a website at [www.eastman.com](http://www.eastman.com); however, the information on its website is not a part of, or incorporated by reference into, this prospectus.

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our consolidated ratio of earnings to fixed charges for the indicated periods:

	<b>Three Months Ended March 31,</b>	<b>Year Ended December 31,</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Ratio of earnings to fixed charges	6.1x	5.5x	4.5x	4.8x	5.5x	9.1x

For purposes of computing these ratios, earnings represents income from continuing operations before income taxes excluding noncontrolling interest plus interest expense, one-third of rent expense (which approximates the interest component of rental expense), and amortization of capitalized interest. Fixed charges consist of interest expense, the interest component of rental expense, and capitalized interest. We have not had any shares of preferred stock outstanding during any of these periods, and have not paid any preferred stock dividends. Therefore, our ratios of earnings to combined fixed charges and preferred dividends are the same as the ratios above.

**RISK FACTORS**

Before you invest in any of our securities, in addition to the other information contained in or incorporated by reference into this prospectus and any applicable prospectus supplement, you should carefully consider the risk factors under the heading Part I Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations Risk Factors in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, which is incorporated herein by reference. These risk factors may be amended, supplemented or superseded from time to time by risk factors contained in other periodic reports or information that we file with the SEC, which will be subsequently incorporated herein by reference; by any prospectus supplement accompanying this prospectus; or by a post-effective amendment to the registration statement of which this prospectus is a part. In addition, new risks may emerge at any time and we cannot predict such risks or estimate the extent to which they may affect our financial performance. See Where You Can Find More Information, Incorporation of Certain Documents By Reference and Cautionary Statement Regarding Forward-Looking Statements.



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**USE OF PROCEEDS**

Unless otherwise indicated in the accompanying prospectus supplement, the net proceeds from the sale of the securities offered hereby will be used for general corporate purposes, which may include additions to working capital, refinancing existing indebtedness, capital expenditures and possible acquisitions. We have not allocated a specific portion of the net proceeds for any particular use at this time. Specific information concerning the use of proceeds from the sale of any securities will be included in the prospectus supplement relating to such securities.

**DESCRIPTION OF CAPITAL STOCK**

The following description of our capital stock is only a summary of the general terms and provisions of capital stock that we may offer and sell. The applicable prospectus supplement and applicable agreements relating to any particular capital stock offered and sold will describe the specific terms of such capital stock. The summaries and descriptions below do not purport to be complete statements of the relevant provisions of our amended and restated certificate of incorporation and our amended and restated bylaws. The summaries and descriptions are qualified in their entirety by reference to our amended and restated certificate of incorporation and our amended and restated bylaws, which you must read for the actual terms of our capital stock. These documents are filed as exhibits to the registration statement of which this prospectus is a part.

**Authorized Capital Stock**

We are authorized to issue up to 400,000,000 shares of capital stock, of which 50,000,000 may be shares of preferred stock, par value \$.01 per share, and 350,000,000 may be shares of common stock, par value \$.01 per share. As of March 31, 2018, 142,635,082 shares of our common stock were issued and outstanding. As of the date hereof, no class or series of preferred stock has been established, and no shares of preferred stock have been issued or are outstanding.

**Common Stock**

Holders of our common stock are entitled to one vote for each share on all matters voted on by our stockholders. Holders of our common stock do not have cumulative voting rights in the election of directors. Holders of our common stock do not have any preemptive right to subscribe for or purchase any of our securities of any class or kind.

Holders of our common stock do not have any subscription, redemption or conversion privileges. Subject to the preferences or other rights of any preferred stock that may be issued from time to time, holders of our common stock are entitled to participate ratably in dividends on our common stock as declared by our Board of Directors. Holders of our common stock are entitled to share ratably in all assets available for distribution to stockholders in the event of our liquidation or dissolution, subject to distribution of the preferential amount, if any, to be distributed to holders of our preferred stock.

**Preferred Stock**

Subject to limitations prescribed by law, our Board of Directors is authorized to determine the voting powers, designations, preferences and relative, participating, optional or other special rights, qualifications, limitations or restrictions and other terms of any class or series of preferred stock. Issuances of preferred stock would be subject to the applicable rules of the New York Stock Exchange or other organizations on whose systems our stock may then be quoted or listed. Depending upon the terms of preferred stock established by our Board of Directors, any or all classes or series of preferred stock may have preference over the common stock with respect to dividends and other distributions and upon our liquidation. Issuance of any such shares with voting powers would dilute the voting power



of the outstanding common stock. Except as otherwise provided in an applicable prospectus supplement, holders of our preferred stock will not have any preemptive right to subscribe for or purchase any of our securities of any class or kind.

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A prospectus supplement relating to a certain class or series of our preferred stock will describe the material terms of that class or series of our preferred stock including, without limitation:

the designation of such class or series and the number of shares offered;

the initial public offering price at which the shares will be issued;

the dividend rate of that class or series, the conditions and dates upon which those dividends will be payable, and whether those dividends will be cumulative or noncumulative;

the relative ranking and preferences of that class or series as to dividend rights and rights upon any liquidation, dissolution or winding up of our affairs;

any redemption or sinking fund provisions;

any conversion or exchange rights of the holder or us;

any voting rights;

any listing of that class or series on any securities exchange; and

any other terms of that class or series.

## **Certain Provisions Affecting Control of the Company**

### ***General***

Certain provisions of our amended and restated certificate of incorporation, our amended and restated bylaws and the Delaware General Corporation Law (the "DGCL") described in this section may delay or make more difficult acquisitions or changes of control of Eastman not approved by our Board of Directors. These provisions could have the effect of discouraging third parties from making proposals involving an acquisition or change of control of Eastman, although these kinds of proposals, if made, might be considered desirable by a majority of our stockholders. These provisions may also have the effect of making it more difficult for third parties to cause the replacement of our current management without the concurrence of our Board of Directors.

### ***Number of Directors; Removal; Vacancies***

Our amended and restated certificate of incorporation and our amended and restated bylaws provide that the number of directors will be determined from time to time exclusively by a vote of a majority of our Board of Directors then in

office. Our amended and restated certificate of incorporation also provides that our Board of Directors has the exclusive right to fill vacancies, including vacancies created by expansion of our Board of Directors. This provision could have the effect of discouraging a potential acquiror from attempting to obtain control of Eastman. Our amended and restated certificate of incorporation further provides that directors may be removed with or without cause by the affirmative vote of the holders of a majority of the voting power of all of the shares of our capital stock then entitled to vote generally in the election of directors. This provision, in conjunction with the provision authorizing our Board of Directors to fill vacant directorships, could prevent stockholders from removing certain incumbent directors and filling the resulting vacancies with their own nominees.

### ***Election of Directors***

Our amended and restated bylaws provide that directors are elected by the affirmative vote of a majority of the votes cast by stockholders, except as otherwise required by the DGCL or as provided for in our amended and restated certificate of incorporation and our amended and restated bylaws. All directors are elected at each annual meeting of stockholders for terms expiring at the next annual meeting of stockholders and until such director's successor shall be elected and qualified.

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***No Stockholder Action by Written Consent; Special Meetings***

Our amended and restated certificate of incorporation provides that stockholder action can be taken only at an annual or special meeting of stockholders and cannot be taken by written consent in lieu of a meeting. Our amended and restated certificate of incorporation also provides that special meetings of the stockholders may be called only by our Board of Directors (i) pursuant to a resolution adopted by a majority of the members of our Board of Directors then in office, or (ii) upon the written request of the holders of at least 25% of our outstanding voting stock in accordance with the requirements set forth in our amended and restated bylaws. These provisions could delay a stockholder vote on certain matters, such as proposed business combinations or removal of directors, and could have the effect of discouraging a potential acquiror from making a tender offer for our securities.

***Advance Notice for Stockholder Proposals and Director Nominations; Proxy Access***

Our amended and restated bylaws establish an advance notice procedure for stockholder proposals to be brought before a meeting of stockholders and for nominations by our stockholders of candidates for election as directors at an annual meeting or a special meeting at which directors are to be elected. As described more fully in our amended and restated bylaws, only such business may be conducted at a meeting of stockholders as has been brought before the meeting by, or at the direction of, our Board of Directors, or by a stockholder who has given to the Company's Corporate Secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. The presiding officer at a stockholders' meeting has the authority to make these determinations. Only persons who are nominated by, or at the direction of, our Board of Directors, or who are nominated by a stockholder who has given timely written notice, in proper form, to the Company's Corporate Secretary prior to a meeting at which directors are to be elected will be eligible for election as our directors. In addition to the director nomination process described above, our amended and restated bylaws permit one or more stockholders, who have owned continuously at least 3% of the voting power entitled to vote generally in the election of directors for at least three years, up to and including the date of the applicable annual meeting of stockholders, to include up to a specified number of director nominees in our proxy materials for an annual meeting of stockholders. The maximum number of stockholder nominees permitted under the proxy access provisions of our amended and restated bylaws is 20% of the number of directors in office as of the last day on which a notice of proxy access nomination may be delivered. Stockholders must give timely written notice to the Company's Corporate Secretary, in proper form, to include director nominees in our proxy materials for an annual meeting of stockholders. With the exception of proxy access, these provisions could make it more difficult for stockholders to raise matters affecting control of Eastman, including tender offers for our securities, business combinations or the election or removal of directors, for a stockholder vote.

***Amendment of the Certificate of Incorporation***

Any proposal to amend, alter, change or repeal any provision of our amended and restated certificate of incorporation requires approval by both a majority of the members of our Board of Directors then in office and a majority of the voting power of all of the shares of our capital stock entitled to vote generally in the election of directors. This provision, which is the minimum approval required under the DGCL, could make it more difficult for stockholders to amend, alter, change or repeal any provision of our amended and restated certificate of incorporation, including a provision affecting control of Eastman.

***Preferred Stock and Additional Common Stock***

Under our amended and restated certificate of incorporation, our Board of Directors has the authority to provide by board resolution for the issuance of shares of one or more classes or series of preferred stock. Our Board of Directors is authorized to fix by resolution the terms and conditions of each such other class or series. The authorized shares of

our preferred stock, as well as authorized but unissued shares of our common stock, are available for issuance without further action by our stockholders, unless stockholder action is required by

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applicable law or the rules of the NYSE or any other stock exchange on which any class or series of our stock may then be listed. These provisions give our Board of Directors the power to approve the issuance of a class or series of our preferred stock, or additional shares of our common stock, that could, depending on the terms of the stock, either impede or facilitate the completion of a merger, tender offer or other takeover attempt. For example, the issuance of new shares might impede a business combination if the terms of those shares include voting rights which would enable a holder to block business combinations; alternatively, the issuance of new shares might facilitate a business combination if those shares have general voting rights sufficient to cause an applicable percentage vote requirement to be satisfied.

***Constituency or Stakeholder Provision***

In determining what is in our best interests and the best interests of our stockholders, our amended and restated certificate of incorporation authorizes our Board of Directors in its discretion to consider, in addition to the long-term and short-term interests of the stockholders, the social and economic effects of the matter being considered on employees, customers, creditors and communities in which we operate. Further, in evaluating a potential business combination, our Board of Directors may also consider such matters as the business and financial condition of the acquiror, the competence, experience and integrity of the acquiror's management, and prospects for successful conclusion of the business combination. This provision gives our Board of Directors the authority to take into account factors other than the financial interests of the stockholders and could result in the rejection of a business combination or tender offer for our securities even if proposed at a price exceeding market value.

***Delaware Business Combination Statute***

Section 203 of the DGCL provides that, subject to specified exceptions, an interested stockholder of a Delaware corporation may not engage in any business combination with the corporation for a three-year period following the time that stockholder becomes an interested stockholder unless:

prior to that time, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder ;

upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding certain shares); or

on or subsequent to that time, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Except as otherwise specified in Section 203 of the DGCL, an interested stockholder is defined to include (i) any person that is the owner of 15% or more of the outstanding voting stock of the corporation, or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the relevant time and (ii) the affiliates and associates of any such person. A business combination includes mergers, asset sales or other transactions resulting in a financial benefit to the stockholder.

Under certain circumstances, Section 203 of the DGCL makes it more difficult for a person who would be an interested stockholder to effect various business combinations with a corporation for a three-year period, although the stockholders may elect to exclude a corporation from the restrictions imposed under Section 203 of the DGCL. Our amended and restated certificate of incorporation does not exclude us from the restrictions imposed under Section 203 of the DGCL. The provisions of Section 203 of the DGCL may encourage companies interested in acquiring us to negotiate in advance with our Board of Directors, since the stockholder approval requirement would be avoided if a majority of the directors then in office approved either the business combination or the transaction that results in the stockholder becoming an interested stockholder. These

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provisions may discourage or make more difficult an attempt by a stockholder or other entity to acquire control of Eastman. These provisions also may have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

## **Transfer Agent and Registrar**

American Stock Transfer & Trust Company is the transfer agent and registrar for our common stock.

## **Stock Exchange Listing**

Our shares of common stock are listed on NYSE, and trade under the symbol EMN.

## **DESCRIPTION OF DEBT SECURITIES**

This section summarizes the general terms and provisions of debt securities that we may offer and sell. The applicable prospectus supplement and applicable indenture relating to any particular debt securities offered and sold will describe the specific terms of such debt securities. Any debt securities offered by this prospectus may be issued under an indenture, dated as of June 5, 2012, between Eastman Chemical Company and Wells Fargo Bank, National Association, as trustee (the "indenture"), or such other indentures as we may enter into from time to time in connection with any offering of debt securities.

References in this section of the prospectus to the terms "we," "our," "us," "the Company" or "Eastman" or other similar terms mean Eastman Chemical Company only, excluding our subsidiaries.

Certain provisions of the indenture have been summarized below. These summaries are not complete and are subject, and qualified in their entirety by reference, to all the provisions of the indenture, including the definitions of certain terms. Investors should read the indenture because it will define your rights as a holder of debt securities.

## **General**

The indenture provides that debt securities in separate series may be issued thereunder from time to time without limitation as to aggregate principal amount. We may specify a maximum aggregate principal amount for the debt securities of any series. Such debt securities may have such terms and provisions which are not inconsistent with the indenture, including as to maturity, principal and interest, as we may determine.

The prospectus supplement relating to any offered debt securities will describe the following terms:

the title of the offered debt securities of the series;

any limit on the aggregate principal amount of the offered debt securities of the series;

the date or dates on which the principal of the offered debt securities of the series will be payable;



the rate or rates, or the method of determination with respect to the rate or rates, at which the offered debt securities of the series will bear interest, if any, the date or dates from which such interest will accrue, the interest payment dates on which any such interest will be payable and the record date for the determination of holders to whom interest will be payable;

the place or places where the principal of, premium, if any, and interest on the offered debt securities of the series will be payable;

the currency in which the offered debt securities of the series will be denominated;

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the currency or currencies in which payment on the offered debt securities of the series will be payable, if other than the currency in which the offered debt securities of the series is denominated;

the right, if any, of the Company to redeem, purchase or repay the offered debt securities of the series and the price or prices at which, the period or periods within which and the terms and condition on which the offered debt securities of the series may be redeemed, in whole or in part, at our option, pursuant to any sinking fund or otherwise;

the obligation, if any, of the Company to redeem, repurchase or repay the offered debt securities of the series pursuant to any sinking fund or analogous provisions or at the option of a holder and the price or prices at which or process by which and the period or periods within which and the terms and conditions on which the offered debt securities of the series will be redeemed, repurchased or repaid, in whole or in part, pursuant to such obligation;

the denominations in which the offered debt securities of the series will be issuable;

if other than the entire principal amount of the offered debt securities of the series, the portion of the principal amount of the offered debt securities of the series which will be payable upon declaration of acceleration of the maturity;

if the principal of, premium, if any, or interest on any offered debt securities of the series is to be payable, at our election or a holder's, in a coin or currency other than the currency in which the offered debt securities of the series is denominated, the period or periods within which, and the terms and conditions on which, such election may be made;

if the amount of payments of principal of, premium, if any, or interest on the offered debt securities of the series may be determined with reference to an index based on a coin or currency other than the currency in which the offered debt securities of the series is denominated, the manner in which such amounts will be determined;

any additions to or changes in the Events of Default (as defined in the indenture) with respect to the offered debt securities of the series;

if other than the rate of interest stated in the title of the offered debt securities of the series, the applicable rate at which the offered debt securities of the series will bear interest as designated by the Company;

in the case of any series of non-interest bearing offered debt securities, the applicable dates for purposes of furnishing securityholder lists in accordance with the indenture;

if other than Wells Fargo Bank, National Association is to act as trustee for the offered debt securities of the series, the name and corporate trust office of such trustee;

if either or both of the provisions related to Legal Defeasance or Covenant Defeasance (each as defined in the indenture) will be altered or will not apply to any offered debt securities of the series;

if the offered debt securities of the series will be issuable in whole or in part in the form of a global security, as described under Book-Entry System, and, in such case, the name of the respective depositaries with respect to the offered debt securities, the form of any legend or legends which will be borne by any such global security in addition to or in lieu of those set forth in the indenture and any circumstances under which the global security may be exchanged or transferred in whole or in part for debt securities in definitive form;

whether the offered debt securities of the series will be secured and, if so, the provisions related to such security;

whether the offered debt securities of the series will be convertible into or exchangeable for shares of common stock or other securities, and if so, the provisions related to the convertibility or exchangeability;

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whether the offered debt securities of the series will be senior securities or subordinated securities and, if subordinated securities, the provisions related to such subordination;

any additions or changes to the covenants set forth in the indenture which will apply to the offered debt securities of the series and, if applicable, whether any such covenant will not be subject to defeasance under the indenture;

any additions or changes to the consent and supplemental indenture provisions which will apply to the offered debt securities of the series;

any depositaries, interest rate calculation agents or other agents with respect to the offered debt securities of the series if other than those appointed under the indenture; and

any other terms of the offered debt securities of the series.

The debt securities may be offered and sold at a substantial discount below their stated principal amount. Federal income tax consequences and other special considerations applicable to any such original issue discount securities will be described in the applicable prospectus supplement.

## **Form, Exchange and Transfer**

The debt securities of each series will be issued in fully registered form, without coupons, and, unless otherwise specified in the applicable prospectus supplement, in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof. At the option of the holder, subject to the terms of the indenture, debt securities of any series may be exchanged for a like aggregate principal amount of debt securities of the same series of other authorized denominations. Subject to the terms of the indenture and the limits applicable to global securities, debt securities may be presented for exchange as provided above or for registration of transfer (duly endorsed or with the form of transfer endorsed thereon duly executed) at the office of the security registrar or at the office of any transfer agent we designate for such purpose. No service charge will be made for any registration of transfer or exchange of debt securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Such transfer or exchange will be effected upon the security registrar or such transfer agent, as the case may be, being satisfied with the documents of title and identity of the person making the request. We have appointed the trustee as security registrar. We may at any time designate additional transfer agents or rescind the designation of any transfer agent or approve a change in the office through which any transfer agent acts, except that we will be required to maintain a transfer agent in each place of payment for the debt securities of each series.

The Company shall not be required to issue, exchange or register a transfer of (i) any debt security of such series during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of any such debt security that may be selected for redemption and ending at the close of business on the day of such mailing, provided, however, that the trustee will have no duty or responsibility with respect to issuing, exchanging or registering a transfer during such period unless and until it shall have received written notice setting forth the date which starts such 15 day period; or (ii) any debt security selected, called or being called for redemption in whole or in part except, in the case of any debt security to be redeemed in part, the portion thereof not so to be redeemed.

## **Notices**

Notices to holders will be given by first-class mail, postage prepaid, or by overnight air courier guaranteeing next-day delivery to the addresses of such holders as they may appear in the security register.

### **Holders**

We, the trustee and any agent of ours or of the trustee may treat the person in whose name a debt security is registered as the absolute owner of such security (whether or not such debt security may be overdue) for the purpose of making payment and for all other purposes.

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**Governing Law**

The indenture is and any debt securities issued thereunder will be governed by, and construed in accordance with, the law of the State of New York.

**Book-Entry System**

We will issue each debt security in book-entry form only. Each debt security issued in book-entry form will be represented by one or more global securities that we deposit with and register in the name of one or more financial institutions or clearing systems, or their nominees, which we select. A financial institution or clearing system that we select for any security for this purpose is called the depositary for that security. The depositary holds the debt securities on behalf of other financial institutions that participate in the depositary's book-entry system; these participating institutions, in turn, hold beneficial interests in the securities on behalf of themselves or their customers. Under the indenture, only the person in whose name a security is registered is recognized as the holder of that security. Consequently, for securities issued in global form, we will recognize only the depositary as the holder of the securities and we will make all payments on the securities, including deliveries of any property other than cash, to the depositary. The depositary passes along the payments it receives to its participants, which in turn pass the payments along to their customers who are the beneficial owners. The depositary and its participants do so under agreements they have made with one another or with their customers; they are not obligated to do so under the terms of the securities. As a result, investors will not own securities directly. Instead, they will own beneficial interests in a global security, through a bank, broker or other financial institution that participates in the depositary's book-entry system or holds an interest through a participant. As long as the securities are issued in global form, investors will be indirect owners, and not holders, of the securities.

The Depository Trust Company ( DTC ) will act as the depositary for the debt securities. The debt securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that DTC participants deposit with DTC. DTC also facilitates the post-trade settlement among DTC participants of securities transactions, such as transfers and pledges in deposited securities through electronic computerized book-entry changes in DTC participants' accounts, thereby eliminating the need for physical movement of securities certificates. DTC participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations, and certain other organizations. Indirect access to the DTC system also is available to others such as banks, brokers, dealers, trust companies and clearing corporations that clear through or maintain a custodial relationship with a participant, either directly or indirectly. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ( DTCC ). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. The rules applicable to DTC and DTC participants are on file with the SEC. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of debt securities within the DTC system must be made by or through DTC participants, which will receive a credit for the securities on DTC's records. The ownership interest of each actual purchaser of debt securities, or the beneficial owner, is in turn to be recorded on the DTC participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations

providing details of the transactions, as well as periodic statements of their holdings from the DTC participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the debt securities will be effected only through entries made on the books of DTC participants acting

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on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in debt securities, except in the event that use of the book-entry system for the debt securities is discontinued.

To facilitate subsequent transfers, all debt securities deposited by direct participants with DTC will be registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of debt securities with DTC and their registration in the name of Cede & Co. or such other nominee will not change the beneficial ownership. DTC has no knowledge of the actual beneficial owners of the debt securities. DTC's records reflect only the identity of the direct participants to whose accounts such debt securities are credited, which may or may not be the beneficial owners. The participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the debt securities of a particular series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in the securities of such series to be redeemed.

In instances in which a vote is required, generally, neither DTC nor Cede & Co. will itself consent or vote with respect to the securities. Under its usual procedures DTC would mail an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts such securities are credited on the record date (identified in a listing attached to the omnibus proxy).

Redemption proceeds, distributions and payments on the debt securities will be made to Cede & Co., as nominee of DTC. DTC's practice is to credit direct participants' accounts upon DTC's receipt of funds and corresponding detail information from us on the payment date in accordance with their respective holdings shown on DTC records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices and will be the responsibility of such participants and not of DTC, the trustee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of us or the trustee, disbursement of such payments to direct participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be accurate, but we assume no responsibility for the accuracy thereof. We do not have any responsibility or liability for the performance by DTC or its participants of their respective obligations as described herein or under the rules and procedures governing their respective operations.

## **Payment and Paying Agents**

Unless otherwise indicated in the applicable prospectus supplement, payment of interest on a debt security on any interest payment date will be made to the person in whose name such debt security (or one or more predecessor debt securities) is registered at the close of business on the record date for such interest.

Unless otherwise indicated in the applicable prospectus supplement, principal of, premium, if any, and interest on the debt securities of a particular series will be payable at the office of such paying agent or agents as we may designate



for such purpose from time to time, except that at our option payment of any interest may be made by

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check mailed to the address of the person entitled thereto as such address appears in the security register. Unless otherwise indicated in the applicable prospectus supplement, the corporate trust office of the trustee in the city of New York will be designated as our sole paying agent for payments with respect to debt securities of each series. Any other paying agents initially designated by us for the debt securities of a particular series will be named in the applicable prospectus supplement. We may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts, except that we will be required to maintain a paying agent in each place of payment for the debt securities of a particular series.

Subject to any applicable abandoned property law, all moneys paid by us to a paying agent for the payment of the principal of, premium, if any, or interest on any debt security which remain unclaimed at the end of two years after such principal, premium, if any, or interest has become due and payable will be repaid to us at our request, and the holder thereafter may look only to us for payment of any principal, premium or interest as unsecured general creditors.

## **Events of Default**

With respect to the debt securities of any series, each of the following will be an Event of Default under the indenture:

failure to pay principal of, or premium, if any, on any debt securities of such series when due;

failure to pay any interest on any debt securities of such series when due, continued for 30 days;

failure to perform any other covenant in the indenture, continued for 90 days after written notice has been given by the trustee, or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series, as provided in the indenture; and

certain events in bankruptcy, insolvency or reorganization.

If an Event of Default (other than an Event of Default described in the last bullet point above) with respect to the debt securities of any series at the time outstanding shall occur and be continuing, either the trustee or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series by notice as provided in the indenture, may declare the principal amount of the debt securities of such series, and the interest accrued thereon, if any, to be due and payable immediately. If an Event of Default described in the last bullet point above with respect to the debt securities of such series at the time outstanding shall occur and is continuing, the principal amount of all the debt securities of such series, and the interest accrued thereon, if any, will automatically, and without any action by the trustee or any holder, become immediately due and payable, without any declaration or other act by the trustee or any holder. After any such acceleration, but before a judgment or decree based on acceleration, the holders of a majority in aggregate principal amount of all of the debt securities of each applicable series then outstanding affected thereby (treated as a single class) may, under certain circumstances, waive all defaults related to such series of debt securities (or with respect to all of the debt securities, as the case may be) and rescind and annul such acceleration and its consequences if the Company has paid or deposited with the trustee a sum sufficient to pay matured interest, principal due otherwise than by acceleration, overdue interest and certain other payments in accordance with the indenture, and all Events of Default in respect of such series of debt securities, other than the non-payment of accelerated principal have been cured or waived as provided in the indenture. For information as to waiver of defaults, see Modification and Waiver.

Subject to the provisions of the indenture relating to the duties of the trustee if an Event of Default occurs and is continuing, the trustee shall be under no obligation to exercise any of its rights and powers under the indenture at the request of any of the holders, unless such holder shall have offered to the trustee security and indemnity satisfactory to it against the cost, expenses and liabilities which might be incurred by it in compliance with such request or direction. Subject to such provisions for the indemnification of the trustee, the holders of a majority in

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aggregate principal amount of the outstanding debt securities of any series will have the right, in accordance with applicable law and the provisions of the indenture, to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee with respect to the debt securities of that series.

No holder of any debt security of any series will have any right to institute any action or proceeding with respect to the indenture, or for the appointment of a receiver or a trustee, or for any other remedy thereunder, unless (i) such holder has previously given to the trustee written notice of a continuing Event of Default with respect to the debt securities of such series, (ii) the holders of at least 25% in aggregate principal amount of the outstanding debt securities of such series have made written request, and such holder or holders have offered reasonable indemnity, to the trustee to institute such proceeding as trustee and (iii) the trustee has failed to institute such proceeding, and has not received from the holders of a majority in aggregate principal amount of the outstanding debt securities of such series a direction inconsistent with such request, within 60 days after such notice, request and offer. However, such limitations do not apply to a suit instituted by a holder of any debt security for the enforcement of payment of the principal of, any premium, if any, or interest on such debt security on or after the applicable due date specified in such debt security.

We will be required to furnish to the trustee annually a statement by certain of our officers as to whether or not we, to the officers' knowledge, are in default in the performance or observance of any of the terms, provisions and conditions of the indenture and, if so, specifying all such known defaults.

## **Modification and Waiver**

The indenture provides that we and the trustee may enter into supplemental indentures without the consent of the holders of the debt securities to:

cure any ambiguity or correct any inconsistency in the indenture or any supplement thereto;

secure the debt securities of any series;

evidence the assumption by a successor corporation of our obligations;

add covenants for the protection of the holders of all or any series of debt securities;

provide for the issuance of, and terms of, new debt securities of any series as permitted under the indenture;

provide for uncertificated debt securities or to comply with the provisions of any clearing system or requirements of the trustee relating to transfers or exchanges of the debt securities;

comply with requirements of the SEC in order to effect or maintain the qualification of the indenture under the Trust Indenture Act of 1939, as amended;

evidence and provide for the acceptance of appointment by a successor trustee;

in the case of subordinated debt securities, make any change relating to subordination that would limit or terminate the benefits available to any holder of senior indebtedness, provided that such change is made in accordance with the provisions of such senior debt securities;

add any guarantees with respect to the debt securities of any series; and

make any change that we may deem necessary or desirable, provided that such provisions do not materially adversely affect the legal rights of any holder of the debt securities of the applicable series.

The indenture provides that modifications and amendments of the indenture may be made by us and the trustee with the consent of the holders of not less than a majority in aggregate principal amount of all of the debt securities of each applicable series then outstanding affected by such modification or amendment (treated as a

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single class); provided, however, that no such modification or amendment may, without the consent of the holder of each outstanding debt security affected by the modification or amendment:

change the stated maturity of the principal of any debt security;

reduce the principal amount or premium, if any, on any debt security;

reduce the rate or extend the time of payment of interest;

reduce any amount payable on redemption;

change the currency in which the principal, premium, if any, or interest is payable;

impair the right to institute suit for the enforcement of any payment on any debt security when due;

reduce the percentage in principal amount of debt securities of any series outstanding whose consent is required for any modification of the indenture; or

modify such amendment provisions, subject to certain exceptions.

The holders of not less than a majority in aggregate principal amount of all of the debt securities of each applicable series outstanding affected thereby (treated as a single class), by written notice to the trustee, may on behalf of the holders of all debt securities waive compliance by us with certain restrictive provisions of the indenture with respect to such series. The holders of a majority in aggregate principal amount of all of the debt securities of each applicable series outstanding affected thereby (treated as a single class) may on behalf of the holders of all debt securities waive any past default under the indenture, except a default in the payment of principal, premium or interest and certain covenants and provisions of the indenture which cannot be amended without the consent of the holder of each outstanding debt security of each series affected.

With respect to any series of debt securities, the consent or waiver, as the case may be, of holders of debt securities of such series required or permitted under the indenture, as the case may be, if we so determine, may also be obtained from the holders of a majority in principal amount of the debt securities of that series.

The indenture provides that in determining whether the holders of the requisite principal amount of the outstanding debt securities of any or all series have given any request, demand, authorization, direction, notice, consent, waiver or other action under the indenture as of any date, certain debt securities, including those for whose payment or redemption money has been deposited or set aside in trust for the holders and those that have been fully defeased pursuant to the indenture, which is described below in Discharge, Defeasance and Covenant Defeasance, will not be deemed to be outstanding.

Except in certain limited circumstances, we will be entitled to set any day as a record date for the purpose of determining the holders of outstanding debt securities of any series entitled to give any request, demand, authorization, direction, notice, consent, waiver or other action under the indenture, in the manner and subject to the limitations provided in the indenture. If a record date is set for any action to be taken by holders, such action may be taken only by persons who are holders of outstanding debt securities of any series on the record date.

### **Discharge, Defeasance and Covenant Defeasance**

The indenture provides that we may elect either:

to defease and be discharged from any and all obligations with respect to all or any series of debt securities with certain limited exceptions described below (referred to as **Legal Defeasance** ); or

to be released from our obligations with respect to all or any series of debt securities under the restrictive covenants in the indenture and any related Events of Default (referred to as **Covenant Defeasance** ).

In order to accomplish Legal Defeasance or Covenants Defeasance: (i) we must deposit with the trustee, in trust, cash in U.S. dollars and/or U.S. government obligations, in an amount sufficient to pay any installment of

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principal, premium, if any, and interest on the debt securities of such series on the applicable stated maturity or redemption date of the payments; (ii) we must deliver to the trustee an opinion of counsel (in the case of Legal Defeasance with respect to any series of debt securities, based on a ruling of the Internal Revenue Service or a change in applicable federal income tax law occurring after the date of the indenture) to the effect that the holders of the debt securities will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance or Covenant Defeasance, as the case may be, and that such holders will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the Legal Defeasance or Covenant Defeasance, as the case may be, with respect to such series of debt securities had not occurred; (iii) no default or Event of Default with respect to the debt securities of the applicable series will have happened or be continuing on the date of the deposit; and (iv) if certain other conditions are satisfied.

Obligations not discharged in a Legal Defeasance include those relating to (i) the rights of holders of the debt securities of such series to receive payments in respect of the principal of, premium, if any, and interest on such debt securities when such payments are due from the trust referred to above; (ii) our obligations with respect to the debt securities of such series concerning mutilated, destroyed, lost or stolen debt securities and the maintenance of an office or agency for payment and money for security payments held in trust; and (iii) the rights, powers, trusts, duties and immunities of the trustee, and our obligations in connection therewith.

In addition, subject to certain limitations and exceptions, we may satisfy and discharge our obligations under the indenture with respect to any series of debt securities by (i) delivering to the trustee for cancellation all of the debt securities of any series outstanding under the indenture, or (ii) depositing with the trustee, in trust, no earlier than one year before the debt securities of such series become due and payable, whether at stated maturity, or any redemption date, or otherwise, cash and/or U.S. government obligations sufficient to pay all of the outstanding debt securities of that series and paying all other sums payable under the indenture by us.

### **DESCRIPTION OF OTHER SECURITIES**

We will set forth in an applicable prospectus supplement a description of the material terms of any depositary shares, warrants, stock purchase contracts or units that may be offered pursuant to this prospectus.

### **MATERIAL FEDERAL INCOME TAX CONSEQUENCES**

A summary of any material United States federal income tax consequences to persons investing in the securities offered by this prospectus may be set forth in an applicable prospectus supplement. The summary will be presented for information purposes only, however, and will not be intended as legal or tax advice to prospective purchasers. Prospective purchasers of securities are urged to consult their own tax advisors prior to any acquisition of securities.

### **PLAN OF DISTRIBUTION**

We may sell the securities being offered by this prospectus through agents, underwriters and dealers, or through a combination of those means. Additionally, securities may be sold to other purchasers directly or through agents, or in another manner as described in the applicable prospectus supplement. The distribution of the securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

Offers to purchase securities may be solicited by agents designated by us from time to time. Any such agent involved in the offer or sale of any of the securities covered by this prospectus will be named, and any





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commissions payable by us to such agent set forth, in the applicable prospectus supplement. Agents may be entitled under agreements that may be entered into with us to indemnification by us against certain liabilities, including liabilities under the Securities Act, and such agents or their affiliates may be customers of, extend credit to or engage in transactions with, or perform services for, us in the ordinary course of business.

If any underwriters are utilized in the sale, securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. We will enter into an underwriting agreement with those underwriters at the time of sale to them and the names of the underwriters and the terms of the transaction will be set forth in the applicable prospectus supplement. This prospectus supplement will be used by the underwriters to make resales of the securities covered by this prospectus to the public. The underwriters may be entitled, under the relevant underwriting agreement, to indemnification by us against certain liabilities, including liabilities under the Securities Act, and the underwriters or their affiliates may be customers of, extend credit to or engage in transactions with, or perform services for, us in the ordinary course of business.

If dealers are utilized in the sale of the securities in respect of which this prospectus is delivered, we will sell such securities to such dealers, as principal. The dealers may then resell the securities to the public at varying prices to be determined by the dealers at the time of resale. Dealers may be entitled to indemnification by us against certain liabilities, including liabilities under the Securities Act, and those dealers or their affiliates may be customers of, extend credit to or engage in transactions with, or perform services for, us in the ordinary course of business.

We may directly solicit offers to purchase the securities and we may make sales of securities directly to institutional investors or others. These persons may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale of the securities. To the extent required, the applicable prospectus supplement will describe the terms of any such sales, including the terms of any bidding or auction process, if used.

In connection with the sale of any of these securities, underwriters, dealers or agents may receive compensation from us or from purchasers of securities for whom they may act as agents in the form of discounts, concessions or commissions. Underwriters may sell securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agents. Underwriters, dealers and agents that participate in the distribution of securities may be deemed to be underwriters within the meaning of the Securities Act, and any discounts or commissions received by them from us and any profit on the resale of securities by them, may be deemed to be underwriting discounts and commissions under the Securities Act.

Any person participating in the distribution of common stock registered under the registration statement that includes this prospectus will be subject to applicable provisions of the Exchange Act, and the applicable SEC rules and regulations, including, among others, Regulation M, which may limit the timing of purchases and sales of any of our common stock by any such person. Furthermore, Regulation M may restrict the ability of any person engaged in the distribution of our common stock to engage in market-making activities with respect to our common stock. These restrictions may affect the marketability of our common stock and the ability of any person or entity to engage in market-making activities with respect to our common stock.

Certain persons participating in an offering may engage in over-allotment, stabilizing transactions, short-covering transactions and penalty bids in accordance with Regulation M under the Exchange Act that stabilize, maintain or otherwise affect the price of the offered securities. If any such activities will occur, they will be described in the applicable prospectus supplement.



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**VALIDITY OF SECURITIES**

Except as may be set forth in the applicable prospectus supplement, the validity of the securities offered by this prospectus will be passed upon for us by Jones Day, Atlanta, Georgia.

**EXPERTS**

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2017 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC under the Exchange Act. You may read and copy any materials that we file with the SEC at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. Our SEC filings, including the complete registration statement of which this prospectus is a part, are available to the public from commercial document retrieval services and also available at the Internet website maintained by the SEC at <http://www.sec.gov>. You may also access the SEC filings and obtain other information about Eastman through our website, <http://www.eastman.com>. The information contained in our website is not a part of, or incorporated by reference into, this prospectus.

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The SEC allows us to incorporate information into this prospectus by reference, which means that we are able to disclose important information to you by referring you to another document filed separately with the SEC, but which is not presented in or delivered with this prospectus. The information incorporated by reference is deemed to be part of this prospectus, except to the extent superseded by information contained in this prospectus or by information contained in documents filed with or furnished to the SEC after the date of this prospectus, including any prospectus supplement. You should rely only on the information contained in and incorporated by reference into this prospectus and any prospectus supplement. We have not authorized anyone to provide you with different or additional information. This prospectus incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about us and our financial condition:

- (1) our Annual Report on Form 10-K (including the portions of our Definitive Proxy Statement for our 2018 Annual Meeting of Stockholders filed on March 22, 2018 and incorporated by reference therein) filed on March 1, 2018 for the year ended December 31, 2017;
- (2) our Quarterly Report on Form 10-Q filed on May 7, 2018 for the quarter ended March 31, 2018;
- (3) our Current Reports on Form 8-K filed with the SEC on February 20, 2018 and May 8, 2018 (other than documents or portions of documents not deemed to be filed); and

- (4) the description of our capital stock in our Form 10/A, originally filed with the SEC on December 9, 1993 and subsequently amended.

We also incorporate by reference into this prospectus additional documents that we may file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus to the end of the offering

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of the securities. These documents may include Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as proxy statements. We are not incorporating by reference any information furnished under Items 2.02 or 7.01 (or corresponding information furnished under Item 9.01 or included as an exhibit) in any past or future Current Report on Form 8-K that we may furnish to the SEC, unless otherwise specified in such current report or in a particular prospectus supplement.

You may obtain copies of any of these filings from Eastman as described below, through the SEC or through the SEC's Internet website as described above. Documents incorporated by reference are available without charge, excluding all exhibits, unless an exhibit has been specifically incorporated by reference into such documents, by requesting them in writing or by telephone. Any requests should be directed to:

Eastman Chemical Company

P.O. Box 431

Kingsport, Tennessee 37662

Attention: Investor Relations

Telephone: (423) 229-2000

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