



SCENARIO 1: EXPLANATION OF SHARE DISTRIBUTION at Close of the Adient Spin Off

Following the timeline outlined below, on the “Adient Record Date” Joe owns 82 shares in the new Johnson Controls. He’s wondering what will happen to those shares after the close of the Adient spin off.

Joe’s 82 shares in the new Johnson Controls make him eligible to: **retain his new Johnson Controls shares, and receive Adient shares and a fractional cash consideration** after the close of the Adient spin off.

How many shares of the new Johnson Controls and Adient will Joe own?	What does Joe receive for this fractional shares?	What are Joe’s holdings post-spin?
<p>Shareholders in the new Johnson Controls will receive one Adient share for every 10 shares of new Johnson Controls they own at the close of the record date for the distribution.</p> <p>82 new Johnson Controls shares = 8.2 Adient shares</p> <p>10</p> <p>Joe will retain his 82 new Johnson Controls shares and be entitled to receive 8.2 Adient shares on the distribution date. The receipt of these shares is a taxable event.</p>	<p>Joe owns 8.2 Adient shares. The .2 is a fractional share, which will be cashed out. This cash will be deposited into Joe’s brokerage account.</p> <p>The receipt of these shares and cash from the fractional share is a taxable event.</p> <p>Joe ultimately owns 8 shares of Adient, which are held in his brokerage account.</p>	<p>Joe’s holdings will now consist of three components:</p> <p>Value of 82 new Johnson Controls shares</p> <p>+</p> <p>Value of 8 Adient shares</p> <p>+</p> <p>Cash from fractional Adient share</p>

KEY ACTIONS:

