SCENARIO 2: EXPLANATION OF SHARE DISTRIBUTION

at Close of the Adient Spin Off

Valeria owns 100 shares in the new Johnson Controls. She's wondering what will happen to those shares after the close of the Adient spin off.

Valeria's 100 shares in the new Johnson Controls make her eligible to:

retain her new Johnson Controls shares, and receive Adient shares

after the close of the Adient spin off.

How many shares of the new Johnson Controls and Adient will Valeria own?	What are Valeria's holdings post-spin?
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.	Valeria's holdings will now consist of two components:

$$\frac{\text{100 new Johnson Controls shares}}{10} = \text{10 Adient shares}$$

Valeria will retain her **100 new Johnson Controls shares** and will receive **10 Adient shares** on the distribution date. The receipt of these shares is a taxable event.

Value of 100 new Johnson Controls shares

+

Value of 10 Adient shares

KEY ACTIONS:

October 1, 2016 Projected Merger Close Date → Adient Record Date → Adient Distribution Date → Fractional Share Payout Date

Johnson Controls