



**THE FOUNDATION
FOR SECURE
MARKETS®**

#52045

Date: March 01, 2023

Subject: iStar Inc. – Anticipated Contract Adjustment
Option Symbol: STAR
New Symbol: SAFE2
Date: ???

On March 9, 2023, iStar Inc. (STAR) Shareholders will vote concerning the proposed merger with Safehold Inc. (SAFE). If the merger is approved and consummated, STAR will continue as the surviving corporation operating under the name Safehold Inc. ("New SAFE").

Prior to the effective time of the merger, STAR will separate its remaining legacy non-ground lease assets and businesses into a separate publicly traded company, Star Holdings ("SpinCo"), and will distribute to STAR shareholders, on a pro rata basis, all of SpinCo's issued and outstanding common shares of beneficial interest. Cash will be paid in lieu of fractional shares, if any, resulting from the distribution.

Following the SpinCo distribution and immediately prior to the merger, each STAR share will be consolidated, by means of a reverse stock split, into a number of shares equal to the STAR share consolidation ratio ("Consolidation Ratio"), calculated as described in the SAFE/STAR Proxy Statement/Prospectus dated January 30, 2023 ("Proxy"). Cash will be paid in lieu of fractional shares, if any, resulting from the reverse split. Each share of STAR common stock issued and outstanding immediately following the reverse split will remain outstanding as a share of New SAFE common stock. Shares of New SAFE common stock will be traded on the New York Stock Exchange under the ticker symbol "SAFE."

In the merger, holders of existing SAFE shares will have the right to receive one newly issued post-split share of New SAFE for each SAFE share held.

Note: As described in the Proxy, STAR and SAFE may declare and pay a dividend to shareholders to maintain their qualification as a REIT. If one party declares a REIT dividend, the other party can declare a dividend per share in the same amount, as adjusted by the exchange ratio. In connection with the closing of the merger, STAR and SAFE will declare closing pro-rata dividends to their respective shareholders, the record and, to the extent practicable, the payment date for each of which will be the close of business on the last business day prior to the closing of the merger. OCC will not adjust the SAFE2 deliverable to include any ordinary distributions.

Exercise Consideration – SAFE2 options will not be adjusted to include any ordinary distributions. Call option holders who wish to receive any ordinary distributions paid prior to consummation of the merger should exercise their options in sufficient time to become shareholders of record. In all cases, it is the sole responsibility of persons holding call options seeking to receive the underlying securities to determine when to exercise their options.

Contract Adjustment

Date:	Effective the opening of the business day after the merger is consummated. Contract adjustment is anticipated to occur in the first half of 2023.
Option Symbol:	STAR changes to SAFE2
Strike Divisor:	1
Contract Multiplier:	1
New Multiplier:	100 (e.g., a premium of 1.50 yields \$150; a strike of 10.00 yields \$1,000.00)
New Deliverable Per Contract:	<div>1) 100 x the pro rata number of SpinCo shares applicable in the distribution</div> <div>2) Cash in lieu of fractional SpinCo shares, if any</div> <div>2) A number of (New) Safehold Inc. (SAFE) Common Shares, equal to the the Consolidation Ratio as described in the Proxy x 100</div> <div>3) Cash in lieu of fractional SAFE shares, if any</div> <div> Note: Once determined, the cash in lieu of fractional share portion of the option deliverable will remain fixed and will not vary with price changes of any security.</div>
Settlement Allocation:	<div>SpinCo: TBD</div> <div>(New) SAFE: TBD</div>
CUSIPs:	<div>SpinCo: TBD</div> <div>(New) SAFE: TBD</div>

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

Delayed Settlement

OCC will delay settlement of the SpinCo and SAFE components of the SAFE2 deliverable until the final terms of the transaction have been finalized. OCC will delay settlement of the cash portion of the SAFE2 deliverable until the cash in lieu of fractional SpinCo Common Shares and SAFE Common Shares, if any, is determined.

Disclaimer

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment

decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, please email the Investor Education team at options@theoocc.com. Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theoocc.com.