



#36914

**DATE:** JUNE 16, 2015

**SUBJECT:** BAXTER INTERNATIONAL INC. - DISTRIBUTION  
OPTION SYMBOLS: BAX/2BAX  
NEW SYMBOLS: BAX1/2BAX1  
FUTURES SYMBOLS: BAX1C/BAX1D  
NEW SYMBOLS: BAX2C/BAX2D  
DATE: 7/1/15

**CONTRACT ADJUSTMENT - OPTIONS**

**EFFECTIVE DATE:** July 1, 2015

**OPTION SYMBOL:** BAX changes to BAX1  
2BAX changes to 2BAX1

**STRIKE PRICES:** No Change

**NUMBER OF CONTRACTS:** No Change

**MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 60 yields \$6,000)

**NEW DELIVERABLE PER CONTRACT**

- 1) 100 Baxter International Inc. (BAX) Common Shares
- 2) 100 (New) Baxalta Incorporated (BXLT) Common Shares

**SETTLEMENT ALLOCATION:** BAX: 50%  
BXLT: 50%

**CUSIPS:** BAX: 071813109  
BXLT: 07177M103

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.

**PRICING**

The underlying price for BAX1/2BAX1 will be determined as follows:

$$BAX1 = BAX + BXLT$$

## **CONTRACT ADJUSTMENT - FUTURES**

EFFECTIVE DATE: July 1, 2015

FUTURES SYMBOLS: BAX1C changes to BAX2C  
BAX1D changes to BAX2D

SETTLEMENT PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150)

NEW DELIVERABLE PER CONTRACT

- 1) 100 Baxter International Inc. (BAX) Common Shares
- 2) 100 (New) Baxalta Incorporated (BXL) Common Shares

SETTLEMENT ALLOCATION:

BAX: 50%  
BXL: 50%

CUSIPS: BAX: 071813109  
BXL: 07177M103

THE SETTLEMENT ALLOCATION 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.

## **PRICING**

The underlying price for the BAX2C/BAX2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{BAX2D} = \text{BAX} + \text{BXL}$$

Please note that the valuation would apply only to the BAX2C/BAX2D deliverables in terms of current market value of the deliverable securities. The resulting price would not be equivalent to the daily settlement price of a futures contract month, whose determination would include cost of money carrying charges, adjustment for dividends, and other factors.

## **BACKGROUND**

Baxter International Inc. (BAX) has announced a distribution of (New) Baxalta Incorporated (BXL) Common Shares. The distribution ratio is one (1) BXL share for each BAX share held. The record date is June 17, 2015; the mail date is July 1, 2015 (Before the opening). The New York Stock Exchange (NYSE) has set July 1, 2015, as the ex-distribution date for this distribution.

Baxalta Incorporated Common Shares began trading on a when issued basis on June 15, 2015 on the New York Stock Exchange under the trading symbol "BXL WI".

## **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 a panel of The OCC Securities Committee pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The adjustment panel is comprised of representatives from OCC and each exchange which trades the affected option. 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, call Investor Services at 1-888-678-4667 or email [investorservices@theocc.com](mailto:investorservices@theocc.com). Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email [memberservices@theocc.com](mailto:memberservices@theocc.com).