



#39064

DATE: JUNE 3, 2016

SUBJECT: BAXALTA INCORPORATED (ELECTION MERGER) - CONTRACT ADJUSTMENT

OPTION SYMBOLS: 6/3/16 – BXLT remains BXLT
6/3/16 – 1BXLT remains 1BXLT
6/6/16 – BXLT becomes SHPG1
6/6/16 – 1BXLT becomes 1SHPG1

FUTURES SYMBOL: 6/3/16 – BXLT1D remains BXLT1D
6/6/16 – BXLT1D becomes BXLT2D

DATE: 6/3/16

On May 27, 2016, Shareholders of Baxalta Incorporated (BXLT) voted concerning the proposed merger with Shire plc (SHPG). The merger was approved and subsequently consummated before the open on June 3, 2016. As a result, each BXLT share will be converted into the right to receive 0.1482 SHPG shares plus \$18.00 Cash. Cash will be paid in lieu of fractional SHPG shares.

CONTRACT ADJUSTMENT

DATE: June 3, 2016

OPTION SYMBOLS: 6/3/16 – BXLT remains BXLT (with adjusted deliverable described below)
6/6/16 – BXLT changes to SHPG1
6/3/16 – 1BXLT remains 1BXLT (with adjusted deliverable described below)
6/6/16 – 1BXLT changes to 1SHPG1

STRIKE DIVISOR: 1

CONTRACT MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., for premium or strike price extensions, 1.00 equals \$100)

NEW DELIVERABLE PER CONTRACT:

- 1) 14 Shire plc (SHPG) American Depositary Shares
- 2) Cash in lieu of 0.82 fractional SHPG shares
- 3) \$1,800.00 Cash (\$18.00 x 100)

CUSIP: SHPG: 82481R106

PRICING

Until the cash in lieu amount is determined, the underlying price for SHPG1/1SHPG1 will be determined as follows:

$$\text{SHPG1} = 0.1482 (\text{SHPG}) + 18.00$$

DELAYED SETTLEMENT

The SHPG component of the SHPG1/1SHPG1 deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the SHPG1/1SHPG1 deliverables until the cash in lieu of fractional SHPG shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

Futures Contract Adjustment

DATE: June 3, 2016

FUTURES SYMBOL: 6/3/16 – BXLT1D remains BXLT1D (with adjusted deliverable described below)
6/6/16 – BXLT1D changes to BXLT2D

NUMBER OF CONTRACTS: No Change

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

NEW DELIVERABLE PER CONTRACT:

- 1) 14 Shire plc (SHPG) American Depositary Shares
- 2) Cash in lieu of 0.82 fractional SHPG Shares
- 3) \$1,800.00 Cash (\$18.00 x 100)

CUSIP: SHPG: 82481R106

PRICING

Until the cash in lieu amount is determined, the underlying price for the BXLT2D futures contract deliverable, expressed in term of current market value, would be calculated as follows:

$$\text{BXLT2D} = 0.1482 (\text{SHPG}) + 18.00$$

Please note that the valuation would apply only to the BXLT2D deliverable 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.

DELAYED SETTLEMENT

The SHPG component of the BXLT2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the BXLT2D deliverable until the cash in lieu of fractional SHPG Shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

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. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.