



DATE: MARCH 9, 2020

SUBJECT: FOAMIX PHARMACEUTICALS LTD. – CONTRACT ADJUSTMENT
OPTION SYMBOL: 3/9/20 – FOMX remains FOMX
3/10/20 – FOMX becomes MNLO1
DATE: 3/9/20

Contract Adjustment

DATE: March 9, 2020

OPTION SYMBOL: 3/9/20 – FOMX remains FOMX (with adjusted deliverable described below)
3/10/20 – FOMX changes to MNLO1

STRIKE DIVISOR: 1

**CONTRACTS
MULTIPLIER:** 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 5.00 yields \$500.00)

**NEW DELIVERABLE
PER CONTRACT:**

- 1) 59 Menlo Therapeutics Inc. (MNLO) Common Shares, less withholdings, if any
- 2) Cash in lieu of 0.24 fractional MNLO shares, less withholdings, if any

Note: The FOMX option deliverable will not be adjusted to include non-transferable Contingent Stock Rights.

CUSIP: MNLO: 586858102

PRICING

Until the final merger consideration is determined, the underlying price for MNLO1 will be determined as follows:

$$\text{MNLO1} = 0.5924 (\text{MNLO})$$

DELAYED SETTLEMENT

OCC will delay settlement of the MNLO1 deliverable until the final merger consideration is determined. Upon determination of the final merger consideration, OCC will require Put exercisers and Call assignees to deliver the appropriate number of MNLO shares and appropriate cash amount.

BACKGROUND

On February 6, 2020, Shareholders of Foamix Pharmaceuticals Ltd. (FOMX) voted concerning the proposed merger with Menlo Therapeutics Inc. (MNLO). The merger was approved and subsequently consummated before the open on March 9, 2020. As a result, each existing FOMX Share will be converted into the right to receive 0.5924 MNLO Common Shares plus one non-transferable Contingent Stock Right, less withholdings, if any. Cash will be paid in lieu of fractional MNLO shares, less withholdings, if any.

Note: The Contingent Stock Rights represent a non-transferable contractual right to receive additional stock consideration, if any, if certain conditions are met. The adjusted MNLO1 option deliverable will **not** include the non-transferable Contingent Stock Rights.

NOTE: As stated in the Proxy, Foamix Pharmaceuticals Ltd. (FOMX) has submitted an application to the Israeli Tax Authority for a withholding ruling and requested that non-Israeli shareholders be exempt from withholding, provided that the shareholder provide the designated agent with the appropriate tax declaration regarding residency and satisfies other conditions as stated in the Proxy. Investors are referred to the FOMX/MNLO Proxy for a complete discussion of relevant tax considerations. As indicated in this memo, the deliverable of MNLO1 options will be based on the merger consideration net of applicable withholding taxes, if any.

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, 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.