



#38657

DATE: MARCH 24, 2016

SUBJECT: HEALTH NET, INC. - CONTRACT ADJUSTMENT
OPTION SYMBOL: 3/24/16 – HNT remains HNT
3/28/16 – HNT becomes CNC1
FUTURES SYMBOL: 3/24/26 – HNT1D remains HNT1D
3/28/16 – HNT1D becomes HNT2D
DATE: 3/24/16

Contract Adjustment

DATE: March 24, 2016

OPTION SYMBOL: 3/24/16 – HNT remains HNT (with adjusted deliverable described below)
3/28/16 – HNT changes to CNC1

STRIKE DIVISOR: 1

CONTRACTS MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 62.50 yields \$6,250.00)

NEW DELIVERABLE PER CONTRACT: 1) 62 Centene Corporation (CNC) Common Shares
2) Cash in lieu of 0.2 fractional CNC shares
3) \$2,825.00 Cash (\$28.25 x 100)

CUSIP: CNC: 15135B101

PRICING

Until the cash in lieu amount is determined, the underlying price for CNC1 will be determined as follows:

$$\text{CNC1} = 0.622 (\text{CNC}) + 28.25$$

DELAYED SETTLEMENT

The CNC component of the CNC1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the CNC1 deliverable until the cash in lieu of fractional CNC 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: March 24, 2016

FUTURES SYMBOL: 3/24/16 – HNT1D remains HNT1D (with adjusted deliverable described below)
3/28/16 – HNT1D changes to HNT2D

NUMBER OF CONTRACTS: No Change

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

NEW DELIVERABLE PER CONTRACT: 1) 62 Centene Corporation (CNC) Common Shares
2) Cash in lieu of 0.2 fractional CNC shares
3) \$2,825.00 Cash (\$28.25 x 100)

CUSIP: CNC: 15135B101

PRICING

Until the cash in lieu amount is determined, the underlying price for the HNT2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{HNT2D} = 0.622 (\text{CNC}) + 28.25$$

Please note that the valuation would apply only to the HNT2D 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 CNC component of the HNT2D deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the HNT2D deliverables until the cash in lieu of fractional CNC shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

BACKGROUND

On October 23, 2015, Shareholders of Health Net, Inc. (HNT) voted concerning the proposed merger with Centene Corporation (CNC). The merger was approved and subsequently consummated before the opening of business on March 24, 2016. As a result, each existing HNT Common Share will be converted into the right to receive 0.622 CNC Common Shares plus \$28.25 Cash. Cash will be paid in lieu of fractional CNC shares.

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