



#41713

DATE: AUGUST 23, 2017

SUBJECT: HEWLETT PACKARD ENTERPRISE COMPANY- DISTRIBUTION
OPTION SYMBOL: HPE
NEW SYMBOL: HPE2
FUTURES SYMBOL: HPE1D
NEW SYMBOL: HPE2D
DATE: 9/1/17

CONTRACT ADJUSTMENT - OPTIONS

EFFECTIVE DATE: September 1, 2017

OPTION SYMBOL: HPE changes to HPE2

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 17.50 yields \$1,750.00)

NEW DELIVERABLE PER CONTRACT

- 1) 100 Hewlett Packard Enterprise Company (HPE) Common Shares
- 2) Approximately 13 (New) MicroFocus International plc (MFGP) American Depositary Shares
- 3) Cash in lieu of approximately 0.67 fractional MFGP share

Note: Per the 8-K filing dated August 14, 2017, the rate of approximately 0.1367 MFGP shares per HPE share held is preliminary and based on estimated figures as of an earlier date than will be used to calculate the actual exchange ratio. **The actual Exchange Ratio is likely to differ, and could materially differ, from the foregoing estimated Exchange Ratio.**

SETTLEMENT ALLOCATION: HPE: 80%
MFGP: 20%

CUSIPS: HPE: 42824C109
(New) MFGP: 594837304

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

Until the final distribution ratio and cash in lieu amount are determined, the underlying price for HPE2 will be determined as follows:

$$\text{HPE2} = \text{HPE} + 0.1367 (\text{MFGP})$$

DELAYED SETTLEMENT

The HPE component of the HPE2 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the MFGP and cash components of the HPE2 deliverable until the final distribution ratio and cash in lieu amount of fractional MFGP American Depositary Share are determined. Upon determination of the final distribution ratio and cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate number of MFGP shares and cash amount.

CONTRACT ADJUSTMENT - FUTURES

EFFECTIVE DATE: September 1, 2017

FUTURES SYMBOL: HPE1D changes to HPE2D

Note: All Hewlett Packard Enterprise Company (HPE) futures active at the time of the contract adjustment will be adjusted in a manner similar to that of HPE1D futures.

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 Hewlett Packard Enterprise Company (HPE) Common Shares
- 2) Approximately 13 (New) MicroFocus International plc (MFGP) American Depositary Shares
- 3) Cash in lieu of approximately 0.67 fractional MFGP share

Note: Per the 8-K filing dated August 14, 2017, the rate of approximately 0.1367 MFGP shares per HPE share held is preliminary and based on estimated figures as of an earlier date than will be used to calculate the actual exchange ratio. **The actual Exchange Ratio is likely to differ, and could materially differ, from the foregoing estimated Exchange Ratio.**

SETTLEMENT ALLOCATION:

HPE: 80%
MFGP: 20%

CUSIPS: HPE: 42824C109
(New) MFGP: 594837304

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

Until the final distribution ratio and cash in lieu amount are determined, the underlying price for the HPE2D/all active Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{HPE2D} = \text{HPE} + 0.1367 (\text{MFGP})$$

Please note that the valuation would apply only to the HPE2D/all active futures 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.

DELAYED SETTLEMENT

The HPE component of the HPE2D/all active futures deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the MFGP and cash components of the HPE2 deliverable until the final distribution ratio and cash in lieu amount of fractional MFGP American Depositary Share are determined. Upon determination of the final distribution ratio and cash in lieu amount, OCC will require delivery of the appropriate number of MFGP shares and cash amount.

BACKGROUND

Hewlett Packard Enterprise Company (HPE) has announced a spinoff distribution of its non-core software assets into a new company, Seattle SpinCo, Inc., which will then immediately merge into Micro Focus International plc. As a result of the transactions, HPE shareholders will receive approximately 0.1367 MicroFocus International plc American Depositary Shares per HPE share held. Cash will be paid in lieu of fractional MFGP shares. The record date is August 21, 2017; the payable date is September 1, 2017. The New York Stock Exchange (NYSE) has set September 1, 2017, as the ex-distribution date for this distribution.

MicroFocus International plc American Depositary Shares began trading when-issued on NYSE on August 17, 2017 under the trading symbol "MFGP WI".

Note: Per the 8-K filing dated August 14, 2017, the rate of approximately 0.1367 MFGP shares per HPE share held is preliminary and based on estimated figures as of an earlier date than will be used to calculate the actual exchange ratio. The actual Exchange Ratio is likely to differ, and could materially differ, from the foregoing estimated Exchange Ratio.

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.