



#39886

DATE: OCTOBER 14, 2016

SUBJECT: ITC HOLDINGS CORPORATION - CONTRACT ADJUSTMENT
OPTION SYMBOL: 10/14/16 - ITC remains ITC
10/17/16 - ITC becomes FTS1
FUTURES SYMBOL: 10/14/16 - ITC1D remains ITC1D
10/17/16 - ITC1D becomes ITC2D
DATE: 10/14/16

Contract Adjustment

DATE: October 14, 2016

OPTION SYMBOL: 10/14/16 - ITC remains ITC (with adjusted deliverable described below)
10/17/16 - ITS becomes FTS1

STRIKE DIVISOR: 1

CONTRACTS MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 45.00 yields \$4,500.00)

NEW DELIVERABLE PER CONTRACT: 1) 75 Fortis Inc. (FTS) Common Shares
2) Cash in lieu of 0.20 fractional FTS shares
3) \$2,257.00 Cash (\$22.57 x 100)

CUSIP: (New) FTS: 349553107

PRICING

Until the cash in lieu amount is determined, the underlying price for FTS1 will be determined as follows:

$$\text{FTS1} = 0.7520 (\text{FTS}) + 22.57$$

DELAYED SETTLEMENT

The FTS component of the FTS1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the FTS1 deliverable until the cash in lieu of fractional FTS 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: October 14, 2016

FUTURES SYMBOL: 10/14/16 - ITC1D remains ITC1D (with adjusted deliverable described below)
10/17/16 - ITC1D becomes ITC2D

NUMBER OF CONTRACTS: No Change

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

NEW DELIVERABLE PER CONTRACT: 1) 75 Fortis Inc. (FTS) Common Shares
2) Cash in lieu of 0.20 fractional FTS shares
3) \$2,257.00 Cash (\$22.57 x 100)

CUSIP: (New) FTS: 349553107

PRICING

Until the cash in lieu amount is determined, the underlying price for the ITC2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{ITC2D} = 0.7520 (\text{FTS}) + 22.57$$

Please note that the valuation would apply only to the ITC2D 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 FTS component of the ITC2D deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the ITC2D deliverable until the cash in lieu of fractional FTS shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

BACKGROUND

On June 22, 2016, Shareholders of ITC Holdings Corporation (ITC) voted concerning the proposed merger with Fortis Inc. The merger was approved and subsequently consummated before the open on October 14, 2016. As a result, each existing ITC Common Share will be converted into the right to receive 0.7520 Fortis Inc. Common Shares plus \$22.57 Cash. Cash will be paid in lieu of fractional Fortis Inc. shares.

Fortis Inc. Common Shares will trade on NYSE under the trading symbol "FTS".

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.