



DATE: SEPTEMBER 13, 2018

**SUBJECT: KLX INC. – DISTRIBUTION
OPTION SYMBOL: KLXI
NEW SYMBOL: KLXI1
DATE: 9/17/18**

CONTRACT ADJUSTMENT – OPTIONS

EFFECTIVE DATE: September 17, 2018

OPTION SYMBOL: KLXI changes to KLXI1

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 72.50 yields \$7,250.00)

NEW DELIVERABLE

PER CONTRACT

1) 100 KLX Inc. (KLXI) Common Shares
2) 40 (New) KLX Energy Services Holdings, Inc. (KLXE) Common Shares

SETTLEMENT ALLOCATION:

KLXI: 85%
KLXE: 15%

CUSIPS:

KLXI: 482539103
KLXE: 48253L106

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

The underlying price for KLXI1 will be determined as follows:

$$\text{KLXI1} = \text{KLXI} + 0.4 (\text{KLXE})$$

BACKGROUND

KLX Inc. (KLXI) has announced a distribution of (New) KLX Energy Services Holdings, Inc. (KLXE) Common Shares. The distribution ratio is 0.4 of an KLXE share for each KLXI share held. The record date is September 3, 2018; the payable date is September 14, 2018. NASDAQ has set September 17, 2018, as the ex-distribution date for this distribution.

KLX Energy Services Holdings, Inc. Common Shares began trading on a when issued basis on August 29, 2018 on NASDAQ under the trading symbol "KLXEV".

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.