



#35465

DATE: OCTOBER 24, 2014

SUBJECT: KIMBERLY-CLARK CORPORATION - DISTRIBUTION
OPTION SYMBOLS: KMB/2KMB
NEW SYMBOLS: KMB1/2KMB1
FUTURES SYMBOLS: KMB1C/KMB1D
NEW SYMBOLS: KMB2C/KMB2D
DATE: 11/3/14
* * * UPDATE * * *

CONTRACT ADJUSTMENT - OPTIONS

EFFECTIVE DATE: November 3, 2014

OPTION SYMBOLS: KMB changes to KMB1
2KMB changes to 2KMB1

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 105 yields \$10,500)

NEW DELIVERABLE PER CONTRACT

- 1) 100 Kimberly-Clark Corporation (KMB) Common Shares
- 2) 12 (New) Halyard Health, Inc. (HYH) Common Shares
- 3) Cash in lieu of 0.5 fractional HYH shares

CUSIPS: KMB: 494368103
HYH: 40650V100

SETTLEMENT ALLOCATION: **KMB: 95%**
HYH: 5%

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 cash in lieu amount is determined, the underlying price for KMB1/2KMB1 will be determined as follows:

$$\text{KMB1} = \text{KMB} + 0.125 (\text{HYH})$$

DELAYED SETTLEMENT

The KMB and HYH components of the KMB1/2KMB1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the KMB1/2KMB1 deliverable until the cash in lieu of fractional HYH 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.

CONTRACT ADJUSTMENT - FUTURES

EFFECTIVE DATE:	November 3, 2014
FUTURES SYMBOLS:	KMB1C changes to KMB2C KMB1D changes to KMB2D
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 Kimberly-Clark Corporation (KMB) Common Shares 2) 12 (New) Halyard Health, Inc. (HYH) Common Shares 3) Cash in lieu of 0.5 fractional HYH shares
CUSIPS:	KMB: 494368103 HYH: 40650V100
SETTLEMENT ALLOCATION:	KMB: 95% HYH: 5%

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 cash in lieu amount is determined, the underlying price for the KMB2C/KMB2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{KMB2C} = \text{KMB} + 0.125 (\text{HYH})$$

Please note that the valuation would apply only to the KMB2C/KMB2D 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 KMB and HYH components of the KMB2C/KMB2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the KMB2C/KMB2D deliverable until the cash in lieu of fractional HYH shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

BACKGROUND

Kimberly-Clark Corporation (KMB) has announced a distribution of Halyard Health, Inc. (HYH) Common Shares. The distribution ratio is 0.125 HYH shares for each KMB share held. The record date is October 23, 2014; the mail date is October 31, 2014. The New York Stock Exchange (NYSE) has set November 3, 2014, as the ex-distribution date for this distribution.

Halyard Health, Inc. Common Shares began trading on a when issued basis on October 21, 2014 on NYSE under the trading symbol HYH WI.

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.

CATEGORY: CONTRACT ADJUSTMENT