



#38703

**DATE:** APRIL 4, 2016

**SUBJECT:** QLT INC. - DISTRIBUTION  
OPTION SYMBOL: QLT1  
NEW SYMBOL: QLT11  
DATE: 4/6/16  
\*\*\* UPDATED EFFECTIVE DATE \*\*\*

**CONTRACT ADJUSTMENT - OPTIONS**

**EFFECTIVE DATE:** April 6, 2016 (formerly TBA)

**OPTION SYMBOL:** QLT1 changes to QLT11

**STRIKE PRICES:** No Change

**NUMBER OF CONTRACTS:** No Change

**MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 2.50 yields \$250)

**NEW DELIVERABLE PER CONTRACT**

- 1) 100 QLT Inc. (QLTI) Common Shares
- 2) Approximately 13 Aralez Pharmaceuticals Inc. (ARLZ) Common Shares

**SETTLEMENT ALLOCATION:** QLT1: 75%  
ARLZ: 25%

**CUSIPS:** QLT1: 746927102  
ARLZ: 03852X100

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 is determined, the underlying price for QLT11 will be determined as follows:

$$\text{QLT11} = \text{QLTI} + 0.13 (\text{ARLZ})$$

## **DELAYED SETTLEMENT**

The QLT1 component of the QLT11 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the ARLZ component of the QLT11 deliverable until the final distribution ratio is determined. Upon determination of the distribution ratio, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

## **BACKGROUND**

QLTI Inc. (QLTI) has announced a Special Distribution of Aralez Pharmaceuticals Inc. (ARLZ) Common Shares. The Special Distribution is subject to a cash election, and non-electing shares will receive the Distribution in the form of ARLZ shares. The distribution ratio is approximately 0.13629 of an ARLZ Common Share for each QLT1 Common Share held. Fractional ARLZ shares will be rounded down to the nearest whole share. The record date is February 16, 2016; the payable date is **April 5, 2016**. The NASDAQ Stock Market has **set April 6, 2016 as the ex-distribution date for this distribution**. Fractional shares will be rounded down to the nearest whole share.

Aralez Pharmaceuticals Inc. Common Shares trade on the NASDAQ Stock Market under the trading symbol "ARLZ".

## **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](mailto: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](mailto:memberservices@theocc.com).