



#38935

DATE: MAY 12, 2016

SUBJECT: SANDISK CORPORATION - CONTRACT ADJUSTMENT
OPTION SYMBOL: 5/12/16 - SNDK remains SNDK
5/13/16 - SNDK becomes WDC1
FUTURES SYMBOLS: 5/12/16 - SNDK1C remains SNDK1C
5/12/16 - SNDK1D remains SNDK1D
5/13/16 - SNDK1C becomes SNDK2C
5/13/16 - SNDK1D becomes SNDK2D

DATE: 5/12/16

Contract Adjustment

DATE: May 12, 2016

OPTION SYMBOLS: 5/12/16 – SNDK remains SNDK (with adjusted deliverable described below)
5/13/16 – SNDK changes to WDC1

STRIKE DIVISOR: 1

CONTRACTS MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 76.50 yields \$7,650.00)

NEW DELIVERABLE PER CONTRACT:

- 1) 23 Western Digital Corporation (WDC) Common Shares
- 2) Cash in lieu of .87 fractional WDC shares
- 3) \$6,750.00 Cash

CUSIP: WDC: 958102105

PRICING

The underlying price for WDC1 will be determined as follows:

$$\text{WDC1} = 0.2387 (\text{WDC}) + 67.50$$

DELAYED SETTLEMENT

The WDC component of the WDC1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash component of the WDC1 deliverable until the cash in lieu amount is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate stock and cash amounts.

Futures Contract Adjustment

DATE: May 12, 2016

FUTURES SYMBOLS: 5/12/16 – SNDK1C remains SNDK1C (with adjusted deliverable described below)
5/13/16 – SNDK1C changes to SNDK2C
5/12/16 – SNDK1D remains SNDK1D (with adjusted deliverable described below)
5/13/16 – SNDK1D changes to SNDK2D

NUMBER OF CONTRACTS: No Change

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

NEW DELIVERABLE PER CONTRACT: 1) 23 Western Digital Corporation (WDC) Common Shares
2) Cash in lieu of .87 fractional WDC shares
3) \$6,750.00 Cash

CUSIP: WDC: 958102105

PRICING

The underlying price for the SNDK1C/SNDK2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{SNDK2D} = .2387 (\text{WDC}) + 67.50$$

Please note that the valuation would apply only to the SNDK1C/SNDK2D 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 WDC component of the SNDK2C/SNDK2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash component of the SNDK2C/SNDK2D deliverable until the cash in lieu amount is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate stock and cash amounts.

BACKGROUND

On March 15, 2016, Shareholders of SanDisk Corporation (SNDK) voted concerning the proposed merger with Western Digital Corporation (WDC). The merger was approved and subsequently consummated before the opening of business on May 12, 2016. As a result, each existing SNDK Common Share will be converted into the right to receive 0.2387 Western Digital Corporation (WDC) Common Shares and \$67.50 cash. Cash will be paid in lieu of fractional WDC shares.

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.