



#38969

DATE: MAY 18, 2016

SUBJECT: TIME WARNER CABLE INC. (ELECTION MERGER) - CONTRACT ADJUSTMENT

OPTION SYMBOLS: 5/18/16 – TWC remains TWC
5/19/16 – TWC becomes CHTR2
5/18/16 – 1TWC remains 1TWC
5/19/16 – 1TWC becomes 1CHTR2

FUTURES SYMBOLS: 5/18/16 – TWC1C remains TWC1C
5/19/16 – TWC1C becomes TWC2C
5/18/16 – TWC1D remains TWC1D
5/19/16 – TWC1D becomes TWC2D
5/18/16 – TWC3W remains TWC3W
5/19/16 – TWC3W becomes TWC6W
5/18/16 – TWC3H remains TWC3H
5/19/16 – TWC3H becomes TWC6H
5/18/16 – TWC3F remains TWC3F
5/19/16 – TWC3F becomes TWC6F
5/18/16 – TWC4M remains TWC4M
5/19/16 – TWC4M becomes TWC6M
5/18/16 – TWC4T remains TWC4T
5/19/16 – TWC4T becomes TWC6T

DATE: 5/18/16

On September 21, 2015, Shareholders of Time Warner Cable Inc. (TWC) voted concerning the proposed merger with Charter Communications, Inc. (CHTR). The merger was approved and subsequently consummated on May 19, 2016. The combined company will be named (New) Charter Communications, Inc., and its common shares will trade on NASDAQ under the symbol "CHTR".

The Merger: Aggregate Terms

Charter Communications, Inc. (CHTR) expects the aggregate value of the merger transactions to the TWC shareholders to be approximately \$57.5 billion, comprised of (New) CHTR common stock and cash, as described in the TWC/CHTR Proxy Statement/Prospectus dated August 20, 2015.

CONTRACT ADJUSTMENT

DATE: May 18, 2016

OPTION SYMBOLS: 5/18/16 – TWC remains TWC (with adjusted deliverable described below)
5/19/16 – TWC changes to CHTR2

5/18/16 – 1TWC remains 1TWC (with adjusted deliverable described below)

5/19/16 – 1TWC changes to 1CHTR2

STRIKE DIVISOR: 1

CONTRACT MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., for premium or strike price extensions, 1.00 equals \$100)

NEW DELIVERABLE PER CONTRACT: The deliverable for adjusted TWC options will be BASED ON THE MERGER CONSIDERATION WHICH ACCRUES TO NON-ELECTING TWC SHAREHOLDERS (stated in terms of a current 100-Share deliverable).

1) 48 (New) Charter Communications, Inc. (CHTR) Class A Common Shares

1) Cash in lieu of 0.908178 fractional CHTR shares

2) \$10,000.00 Cash (\$100.00 x 100)

CUSIP: (New) CHTR: 16119P108

PRICING

Until the cash in lieu amount is determined, the underlying price for CHTR2/1CHTR2 will be determined as follows:

$$\text{CHTR2} = 0.489108178 (\text{CHTR}) + 100.00$$

DELAYED SETTLEMENT

The CHTR component of the CHTR2/1CHTR2 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the CHTR2/1CHTR2 deliverables until cash in lieu amount is determined. Upon determination of the cash in lieu amounts, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

Futures Contract Adjustment

DATE: May 18, 2016

FUTURES SYMBOLS: 5/18/16 – TWC1C remains TWC1C (with adjusted deliverable described below)
5/19/16 – TWC1C changes to TWC2C
5/18/16 – TWC1D remains TWC1D (with adjusted deliverable described below)
5/19/16 – TWC1D changes to TWC2D
5/18/16 – TWC3W remains TWC3W (with adjusted deliverable described below)
5/19/16 – TWC3W changes to TWC6W
5/18/16 – TWC3H remains TWC3H (with adjusted deliverable described below)
5/19/16 – TWC3H changes to TWC6H
5/18/16 – TWC3F remains TWC3F (with adjusted deliverable described below)
5/19/16 – TWC3F changes to TWC6F

5/18/16 – TWC4M remains TWC4M (with adjusted deliverable described below)
5/19/16 – TWC4M changes to TWC6M
5/18/16 – TWC4T remains TWC4T (with adjusted deliverable described below)
5/19/16 – TWC4T changes to TWC6T

NUMBER OF
CONTRACTS:

No Change

MULTIPLIER

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

NEW DELIVERABLE
PER CONTRACT:

The deliverable for adjusted TWC2C/TWC2D/all weekly futures will be BASED ON THE MERGER CONSIDERATION WHICH ACCRUES TO NON-ELECTING TWC SHAREHOLDERS (stated in terms of a current 100-Share deliverable).

- 1) 48 (New) Charter Communications, Inc. (CHTR) Class A Common Shares
- 2) Cash in lieu of 0.908178 fractional CHTR shares
- 3) \$10,000.00 Cash (\$100.00 x 100)

CUSIP:

(New) CHTR: 16119P108

PRICING

Until the cash in lieu amount is determined, the underlying price for the TWC2C/TWC2D/all weekly Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{TWC2C} = 0.489108178 (\text{CHTR}) + 100.00$$

Please note that the valuation would apply only to the TWC2C/TWC2D/all weekly 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 CHTR component of the TWC2C/TWC2D/all weekly futures deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the TWC2C/TWC2D/all weekly futures deliverables until the cash in lieu of fractional CHTR shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

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.