



#40553

DATE: JANUARY 24, 2017

SUBJECT: VARIAN MEDICAL SYSTEMS, INC. – DISTRIBUTION
OPTION SYMBOL: VAR
NEW SYMBOL: VAR1
FUTURES SYMBOL: VAR1D
NEW SYMBOL: VAR2D
DATE: 01/30/2017

CONTRACT ADJUSTMENT - OPTIONS

EFFECTIVE DATE: January 30, 2017

OPTION SYMBOL: VAR changes to VAR1

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 90.00 yields \$9,000.00)

NEW DELIVERABLE PER CONTRACT

- 1) 100 Varian Medical Systems, Inc. (VAR) Common Shares
- 2) 40 (New) Varex Imaging Corporation (VREX) Common Shares

SETTLEMENT ALLOCATION: VAR: 90%
(New) VREX: 10%

CUSIPS: VAR: 92220P105
(New) VREX: 92214X106

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 VAR1 will be determined as follows:

$$\text{VAR1} = \text{VAR} + 0.40 (\text{VREX})$$

CONTRACT ADJUSTMENT - FUTURES

EFFECTIVE DATE:	January 30, 2017
FUTURES SYMBOL:	VAR1D changes to VAR2D
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 Varian Medical Systems, Inc. (VAR) Common Shares 2) 40 (New) Varex Imaging Corporation (VREX) Common Shares
SETTLEMENT ALLOCATION:	VAR: 90% (New) VREX: 10%
CUSIPS:	VAR: 92220P105 (New) VREX: 92214X106

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

The underlying price for the VAR2D Futures contract deliverable, expressed in term of current market value, would be calculated as follows:

$$\text{VAR2D} = \text{VAR} + 0.40 (\text{VREX})$$

Please note that the valuation would apply only to the VAR2D 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.

BACKGROUND

Varian Medical Systems, Inc. (VAR) has announced a distribution of (New) Varex Imaging Corporation (VREX) Common Shares. The distribution ratio is 0.40 of a VREX share for each VAR share held. The record date is January 20, 2017; the payable date is January 28, 2017. The New York Stock Exchange (NYSE) has set January 30, 2017, as the ex-distribution date for this distribution.

Varex Imaging Corporation Common Shares began trading on a when issued basis on January 20, 2017 on the Nasdaq Stock Market under the trading symbol "VREXV".

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.