



**THE FOUNDATION
FOR SECURE
MARKETS**

#44234

DATE: DECEMBER 20, 2018

**SUBJECT: EXPRESS SCRIPTS HOLDING COMPANY - CONTRACT
ADJUSTMENT
OPTION SYMBOLS: ESRX/2ESRX
NEW SYMBOLS: CI1/2CI1
FUTURES SYMBOL: ESRX1D
NEW SYMBOL: ESRX2D
DATE: 12/21/18**

CONTRACT ADJUSTMENT

DATE: December 21, 2018

OPTION SYMBOLS: ESRX becomes CI1
2ESRX becomes 2CI1

STRIKE DIVISOR: 1

**CONTRACTS
MULTIPLIER:** 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 85 yields \$8,500.00)

**NEW DELIVERABLE
PER CONTRACT:**

- 1) 24 Cigna Corporation (CI) Common Shares
- 2) Cash in lieu of 0.34 fractional CI shares
- 3) \$4,875.00 Cash (\$48.75 x 100)

CUSIP: CI: 125523100

PRICING

Until the cash in lieu amount is determined, the underlying price for CI1/2CI1 will be determined as follows:

$$CI1 = 0.2434 (CI) + 48.75$$

DELAYED SETTLEMENT

The CI component of the CI1/2CI1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the CI1/2CI1 deliverable until the cash in lieu of

fractional CI 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.

FUTURES CONTRACT ADJUSTMENT

DATE: December 21, 2018

FUTURES SYMBOL: ESRX1D becomes ESRX2D

NUMBER OF CONTRACTS: No Change

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

NEW DELIVERABLE PER CONTRACT: 1) 24 Cigna Corporation Common Shares
2) Cash in lieu of 0.34 fractional CI shares
3) \$4,875.00 Cash (\$48.75 x 100)

CUSIP: CI: 125523100

PRICING

Until the cash in lieu amount is determined, the underlying price for the ESRX2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{ESRX2D} = 0.2434 (\text{CI}) + 48.75$$

Please note that the valuation would apply only to the ESRX2D 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 CI component of the ESRX2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the ESRX2D deliverable until the cash in lieu of fractional CI shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

BACKGROUND

On August 28, 2018, Shareholders of Express Scripts Holding Company (ESRX) voted concerning the proposed merger with Cigna Corporation (CI). The merger was approved and subsequently consummated on December 20, 2018. As a result, each existing ESRX Common Share will be converted into the right to receive 0.2434 CI Common Shares plus \$48.75 Cash. Cash will be paid in lieu of fractional CI 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 OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. 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.