



**DATE: MARCH 26, 2019**

**SUBJECT: NOVARTIS AG – DISTRIBUTION**  
**OPTION SYMBOLS: NVS/1NVS/2NVS**  
**NEW SYMBOLS: NVS1/1NVS1/2NVS1**  
**FUTURES SYMBOL: NVS1D**  
**NEW SYMBOL: NVS2D**  
**DATE: 4/9/19**  
**\*\*\* CORRECTION \*\*\***

**CONTRACT ADJUSTMENT – OPTIONS**

**EFFECTIVE DATE:** April 9, 2019

**OPTION SYMBOLS:** NVS changes to NVS1  
1NVS changes to 1NVS1  
**2NVS changes to 2NVS1**

**STRIKE PRICES:** No Change

**NUMBER OF CONTRACTS:** No Change

**MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 92.50 yields \$9,250.00)

**NEW DELIVERABLE PER CONTRACT**  
1) 100 Novartis AG (NVS) American Depositary Shares  
2) 20 (New) Alcon Inc. (ALC) Ordinary Shares

**SETTLEMENT ALLOCATION:** NVS: 95%  
ALC: 5%

**CUSIPS:** NVS: 66987V109  
ALC: H01301128

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 NVS1/1NVS1/2NVS1 will be determined as follows:

$$\text{NVS1} = \text{NVS} + 0.20 \text{ (ALC)}$$

### **CONTRACT ADJUSTMENT - FUTURES**

EFFECTIVE DATE: April 9, 2019

FUTURES SYMBOL: NVS1D changes to NVS2D

Note: All active Novartis AG (NVS) futures will be adjusted in a manner similar to that of NVS1D futures.

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 Novartis AG (NVS) American Depositary Shares  
2) 20 (New) Alcon Inc. (ALC) Ordinary Shares

SETTLEMENT ALLOCATION:  
NVS: 95%  
ALC: 5%

CUSIPS:  
NVS: 66987V109  
ALC: H01301128

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 NVS2D Futures contract deliverable, expressed in term of current market value, would be calculated as follows:

$$\text{NVS2D} = \text{NVS} + 0.20 \text{ (ALC)}$$

Please note that the valuation would apply only to the NVS2D 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**

Novartis AG (NVS) has announced a distribution of (New) Alcon Inc. (ALC) Ordinary Shares. The distribution ratio is 0.20 of an ALC share for each NVS American Depositary Share held. The record date is April 1, 2019; the payable date is April 8, 2019. NVS American Depositary Shares will not be quoted "Ex-Distribution" on the NYSE. Beginning April 9, 2019, NVS shares will trade without the value of distribution.

Alcon Ordinary Shares will begin trading in the regular-way market on NYSE on April 9, 2019 under the symbol "ALC".

## **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](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).