



**DATE: APRIL 3, 2020**

**SUBJECT: RAYTHEON COMPANY – CONTRACT ADJUSTMENT**

**OPTION SYMBOLS:** 4/3/20 – RTN remains RTN  
4/6/20 – RTN becomes RTX2  
4/3/20 – 1RTN remains 1RTN  
4/6/20 – 1RTN becomes 1RTX2  
4/3/20 – 2RTN remains 2RTN  
4/6/20 – 2RTN becomes 2RTX2

**FUTURES SYMBOLS:** 4/3/20 – RTN1D remains RTN1D  
4/6/20 – RTN1D becomes RTN2D  
4/3/20 – RTN1F remains RTN1F  
4/3/20 – RTN1M remains RTN1M  
4/6/20 – RTN1M becomes RTN6M  
4/3/20 – RTN1T remains RTN1T  
4/6/20 – RTN1T becomes RTN6T  
4/3/20 – RTN2W remains RTN2W  
4/6/20 – RTN2W becomes RTN6W  
4/3/20 – RTN2H remains RTN2H  
4/6/20 – RTN2H becomes RTN6H  
4/3/20 – RTN1I remains RTN1I  
4/6/20 – RTN1I becomes RTN2I  
4/3/20 – RTN1J remains RTN1J  
4/6/20 – RTN1J becomes RTN2J  
4/3/20 – RTN1K remains RTN1K  
4/6/20 – RTN1K becomes RTN2K

**DATE: 4/3/20**

**Contract Adjustment**

**DATE:** April 3, 2020

**OPTION SYMBOLS:** 4/3/20 – RTN remains RTN (with adjusted deliverable described below)  
4/6/20 – RTN changes to RTX2  
4/3/20 – 1RTN remains 1RTN (with adjusted deliverable described below)  
4/6/20 – 1RTN changes to 1RTX2  
4/3/20 – 2RTN remains 2RTN (with adjusted deliverable described below)  
4/6/20 – 2RTN changes to 2RTX2

**STRIKE DIVISOR:** 1

**CONTRACTS  
MULTIPLIER:** 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 195 yields \$19,500.00)

NEW DELIVERABLE  
PER CONTRACT: 1) 233 Raytheon Technologies Corporation (RTX) Common Shares  
2) Cash in lieu of 0.48 fractional RTX Common Shares

CUSIP: (New) RTX: 75513E101

### **PRICING**

Until the cash in lieu amount is determined, the underlying price for RTX2/1RTX2/2RTX2 will be determined as follows:

$$\text{RTX2} = 2.3348 (\text{RTX})$$

### **DELAYED SETTLEMENT**

The RTX component of the RTX2/1RTX2/2RTX2 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the RTX2/1RTX2/2RTX2 deliverable until the cash in lieu of fractional RTX 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: April 3, 2020

FUTURES SYMBOLS: 4/3/20 – RTN1D remains RTN1D (with adjusted deliverable described below)  
4/6/20 – RTN1D changes to RTN2D  
4/3/20 – RTN1F remains RTN1F (with adjusted deliverable described below)  
4/3/20 – RTN1M remains RTN1M (with adjusted deliverable described below)  
4/6/20 – RTN1M changes to RTN6M  
4/3/20 – RTN1T remains RTN1T (with adjusted deliverable described below)  
4/6/20 – RTN1T changes to RTN6T  
4/3/20 – RTN2W remains RTN2W (with adjusted deliverable described below)  
4/6/20 – RTN2W changes to RTN6W  
4/3/20 – RTN2H remains RTN2H (with adjusted deliverable described below)  
4/6/20 – RTN2H changes to RTN6H  
4/3/20 – RTN1I remains RTN1I (with adjusted deliverable described below)  
4/6/20 – RTN1I changes to RTN2I  
4/3/20 – RTN1J remains RTN1J (with adjusted deliverable described below)  
4/6/20 – RTN1J changes to RTN2J  
4/3/20 – RTN1K remains RTN1K (with adjusted deliverable described below)  
4/6/20 – RTN1K changes to RTN2K

NUMBER OF  
CONTRACTS: No Change

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

NEW DELIVERABLE  
PER CONTRACT: 1) 233 Raytheon Technologies Corporation (RTX) Common Shares  
2) Cash in lieu of 0.48 fractional RTX Common Shares

CUSIP: (New) RTX: 75513E101

## **PRICING**

Until the cash in lieu amount is determined, the underlying price for the RTN2D/RTN1F/RTN6M/RTN6T/RTN6W/RTN6H/RTN2J/RTN2K/RTN2I Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{RTN2D} = 2.3348 (\text{RTX})$$

Please note that the valuation would apply only to the RTN2D/RTN1F/RTN6M/RTN6T/RTN6W/RTN6H/RTN2J/RTN2K/RTN2I 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 RTX component of the RTN2D/RTN1F/RTN6M/RTN6T/RTN6W/RTN6H/RTN2J/RTN2K/RTN2I deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the RTN2D/RTN1F/RTN6M/RTN6T/RTN6W/RTN6H/RTN2J/RTN2K/RTN2I deliverable until the cash in lieu of fractional RTX shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

## **BACKGROUND**

On October 11, 2019, Shareholders of Raytheon Company (RTN) voted concerning the proposed merger with United Technologies Corporation (UTX). The merger was approved and subsequently consummated before the open on April 3, 2020. As a result, UTX will change its name and trading symbol to (New) Raytheon Technologies Corporation (RTX), and each existing RTN Common Share will be converted into the right to receive 2.3348 (New) Raytheon Technologies Corporation (RTX) Common Shares. Cash will be paid in lieu of fractional RTX shares.

Raytheon Technologies Corporation Common Shares will trade on the New York Stock Exchange under the symbol "RTX".

## **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).