



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#44370**

**DATE: JANUARY 8, 2019**

**SUBJECT: SHIRE PLC – CONTRACT ADJUSTMENT**  
**OPTION SYMBOL: 1/8/19 – SHPG remains SHPG**  
**1/9/19 – SHPG becomes TAK1**  
**FUTURES SYMBOL: 1/8/19 – SHPG1D remains SHPG1D**  
**1/9/19 – SHPG1D becomes SHPG2D**  
**DATE: 1/8/19**

On December 5, 2018, Shareholders of Shire plc voted concerning the proposed merger with Takeda Pharmaceutical Company Limited. The merger was approved and subsequently consummated before the open on January 8, 2019. As a result, each existing SHPG American Depositary Share will be converted into the right to receive 5.034 Takeda Pharmaceutical Company Limited American Depositary Shares (TAK) plus \$90.99 Cash. Cash will be paid in lieu of fractional Takeda ADSs.

**CONTRACT ADJUSTMENT**

**DATE:** January 8, 2019

**OPTION SYMBOL:** 1/8/19 – SHPG remains SHPG (with adjusted deliverable described below)  
1/9/19 – SHPG becomes TAK1

**STRIKE DIVISOR:** 1

**CONTRACTS MULTIPLIER:** 1

**NEW MULTIPLIER:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 172.50 yields \$17,250.00)

**NEW DELIVERABLE PER CONTRACT:**

- 1) 503 Takeda Pharmaceutical Company Limited (TAK) American Depositary Shares
- 2) Cash in lieu of 0.4 fractional TAK ADSs
- 3) \$9,099.00 Cash (\$90.99 x 100)

**CUSIP:** TAK: 874060205

**PRICING**

Until the cash in lieu amount is determined, the underlying price for TAK1 options will be determined as follows:

$$\text{TAK1} = 5.034 (\text{TAK}) + 90.99$$

## **DELAYED SETTLEMENT**

The TAK component of the TAK1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the TAK1 deliverable until the cash in lieu of fractional TAK 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: January 8, 2019

FUTURES SYMBOL: 1/8/19 – SHPG1D remains SHPG1D (with adjusted deliverable described below)  
1/9/19 – SHPG1D becomes SHPG2D

NUMBER OF CONTRACTS: No Change

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

NEW DELIVERABLE PER CONTRACT: 1) 503 Takeda Pharmaceutical Company Limited (TAK) American Depositary Shares  
2) Cash in lieu of 0.4 fractional TAK ADSs  
3) \$9,099.00 Cash (\$90.99 x 100)

CUSIP: TAK: 874060205

## **PRICING**

Until the cash in lieu amount is determined, the underlying price for the SHPG2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{SHPG2D} = 5.034 (\text{TAK}) + 90.99$$

Please note that the valuation would apply only to the SHPG2D 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 TAK component of the SHPG2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the SHPG2D deliverable until the cash in lieu of fractional TAK 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 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).