



#42730

**DATE: MARCH 6, 2018**

**SUBJECT: SCRIPPS NETWORKS INTERACTIVE, INC. (ELECTION MERGER) -  
CONTRACT ADJUSTMENT  
OPTION SYMBOL: SNI  
NEW SYMBOL: DSCK1  
FUTURES SYMBOLS: SNI1D/SNI1I/SNI1J/SNI1K/SNI1L/  
SNI1W/SNI2H/SNI2F/SNI2M/SNI2T  
NEW SYMBOLS: SNI2D/SNI2I/SNI2J/SNI2K/SNI2L/SNI6W/  
SNI6H/SNI6F/SNI6M/SNI6T  
DATE: 3/7/18**

On November 17, 2017, Shareholders of Scripps Networks Interactive, Inc. (SNI) voted concerning the proposed merger with Discovery Communications, Inc. The merger was approved and subsequently consummated on March 6, 2018.

**The Merger: Aggregate Terms**

In the aggregate, the total amount of cash paid and the total number of DISCK shares issued to SNI shareholders will be equal to the total amount of cash and number of DISCK shares that would have been paid and issued if all SNI holders elected the mixed consideration.

**CONTRACT ADJUSTMENT**

**DATE:** March 7, 2018

**OPTION SYMBOL:** SNI changes to DSCK1

**STRIKE DIVISOR:** 1

**CONTRACT MULTIPLIER:** 1

**NEW MULTIPLIER:** 100 (e.g., for premium or strike price extensions, 1.00 equals \$100)

**NEW DELIVERABLE PER CONTRACT:** The deliverable for adjusted SNI options will be BASED ON THE MERGER CONSIDERATION WHICH ACCRUES TO NON-ELECTING SNI SHAREHOLDERS (stated in terms of a current 100-Share deliverable):

- 1) 105 Discovery Communications, Inc. (DISCK) Series C Common Shares
- 2) Cash in lieu of 0.84 fractional DISCK share
- 3) \$6,582.00 Cash (\$65.82 x 100)

CUSIP:

DISCK: 25470F302

**PRICING**

Until the cash in lieu amount is determined, the underlying price for DSCCK1 will be determined as follows:

$$\text{DSCCK1} = 1.0584 (\text{DISCK}) + 65.82$$

**DELAYED SETTLEMENT**

The DISCK component of the DSCCK1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the DSCCK1 deliverable until the cash in lieu amount 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:

March 7, 2018

FUTURES SYMBOLS:

SNI1D changes to SNI2D  
SNI1I changes to SNI2I  
SNI1J changes to SNI2J  
SNI1K changes to SNI2K  
SNI1L changes to SNI2L  
SNI1W changes to SNI6W  
SNI2H changes to SNI6H  
SNI2F changes to SNI6F  
SNI2M changes to SNI6M  
SNI2T changes to SNI6T

NUMBER OF  
CONTRACTS:

No Change

MULTIPLIER

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

NEW DELIVERABLE  
PER CONTRACT:

The deliverable for adjusted SNI1D/SNI1I/SNI1J/SNI1K/SNI1L/SNI1W/SNI2H/  
SNI2F/SNI2M/SNI2T futures will be BASED ON THE MERGER  
CONSIDERATION WHICH ACCRUES TO NON-ELECTING SNI  
SHAREHOLDERS (stated in terms of a current 100-Share deliverable):

- 1) 105 Discovery Communications, Inc. (DISCK) Series C Common Shares
- 2) Cash in lieu of 0.84 fractional DISCK share
- 3) \$6,582.00 Cash (\$65.82 x 100)

CUSIP:

DISCK: 25470F302

**PRICING**

Until the cash in lieu amount is determined, the underlying price for SNI2D/ SNI2I/ SNI2J/ SNI2K/ SNI2L/  
SNI6W/SNI6F/SNI6H/SNI6M/SNI6T Futures contracts will be determined as follows:

$$\text{SNI2D} = 1.0584 (\text{DISCK}) + 65.82$$

## **DELAYED SETTLEMENT**

The DISCK component of the SNI2D/SNI2I/SNI2J/SNI2K/SNI2L/SNI6W/SNI6H/SNI6F/SNI6M/SNI6T will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the SNI2D/SNI2I/SNI2J/SNI2K/SNI2L/SNI6W/SNI6H/SNI6F/SNI6M/SNI6T Futures contracts deliverables until the cash in lieu amount 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 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](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).