



**THE FOUNDATION
FOR SECURE
MARKETS**

#45074

DATE: MAY 22, 2019

SUBJECT: VF CORPORATION – DISTRIBUTION
OPTION SYMBOLS: VFC/2VFC
NEW SYMBOLS: VFC1/2VFC1
FUTURES SYMBOL: VFC1D
NEW SYMBOL: VFC2D
DATE: 5/23/19
***** UPDATE *****

CONTRACT ADJUSTMENT – OPTIONS

EFFECTIVE DATE: May 23, 2019

OPTION SYMBOLS: VFC changes to VFC1
2VFC changes to 2VFC1

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 95 yields \$9,500.00)

NEW DELIVERABLE PER CONTRACT:
1) 100 VF Corporation (VFC) Common Shares
2) 14 (New) Kontoor Brands, Inc. (KTB) Common Shares
3) Cash in lieu of approximately 0.285714 fractional KTB Common Shares

SETTLEMENT ALLOCATION: **VFC: 95%**
KTB: 5%

CUSIPS: VFC: 918204108
KTB: 50050N103

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

Until the cash in lieu amount is determined, the underlying price for VFC1 will be determined as follows:

$$\text{VFC1} = \text{VFC} + 0.14285714 (\text{KTB})$$

DELAYED SETTLEMENT

The VFC and KTB components of the VFC1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the VFC1 deliverable until the cash in lieu of fractional KTB Common 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.

CONTRACT ADJUSTMENT - FUTURES

EFFECTIVE DATE: May 23, 2019

FUTURES SYMBOL: VFC1D changes to VFC2D

Note: All active VF Corporation (VFC) futures will be adjusted in a manner similar to that of VFC1D 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 VF Corporation (VFC) Common Shares
- 2) 14 (New) Kontoor Brands, Inc. (KTB) Common Shares
- 3) Cash in lieu of approximately 0.285714 fractional KTB Common Shares

SETTLEMENT ALLOCATION: **VFC: 95%**
KTB: 5%

CUSIPS: VFC: 918204108
KTB: 50050N103

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

Until the cash in lieu amount is determined the underlying price for the VFC2D/all active VFC Futures contract deliverable, expressed in term of current market value, would be calculated as follows:

$$\text{VFC2D} = \text{VFC} + 0.14285714 (\text{KTB})$$

Please note that the valuation would apply only to the VFC2D/all active VFC futures deliverables 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 VFC and KTB components of the VFC2D/all active VFC futures deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the VFC2D/all active VFC futures 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.

BACKGROUND

VF Corporation (VFC) has announced a distribution of (New) Kontoor Brands, Inc. (KTB) Common Shares. The distribution ratio is approximately 0.14285714 of a KTB share for each VFC share held. The record date is May 10, 2019; the payable date is May 22, 2019. The New York Stock Exchange (NYSE) has set May 23, 2019, as the ex-distribution date for this distribution.

Kontoor Brands, Inc. Common Shares began trading on a when issued basis on May 9, 2019 on the NYSE under the trading symbol "KTB WI".

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.