



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#44887**

**DATE: APRIL 12, 2019**

**SUBJECT: DWDP1 OPTIONS - EXPIRATION PRICING CONSIDERATION**

DWDP1 (adjusted DowDuPont Inc. options) will be subject to special pricing consideration in expiration processing on April 12, 2019. The pricing consideration is due to the undetermined cash in lieu of fractional shares amount included in the option deliverable of DWDP1 as indicated below. These options will continue to be subject to normal exercise based on customary exercise thresholds in OCC's Ex-by-Ex processing.

MEMBERS SHOULD ADVISE THEIR CUSTOMERS TO TAKE THE FOLLOWING CONSIDERATIONS INTO ACCOUNT IN DECIDING TO EXERCISE, OR NOT TO EXERCISE, THESE OPTIONS.

**DWDP1**

DWDP1 options are adjusted DowDuPont Inc. options, adjusted April 2, 2019, (see OCC Information Memo #44782). The deliverable of DWDP1 options is:

**NEW DELIVERABLE**

**PER CONTRACT:**

- 1) 100 DowDuPont Inc. (DWDP) Common Shares
- 2) 33 Dow Inc. (DOW) Common Shares
- 3) Cash in lieu of approximately 0.3333 fractional DOW Common Shares

As of April 12, 2019, the DWDP Distribution Agent has not determined the price to be used to determine the cash in lieu amount.

For purposes of calculating an DWDP1 price for use in expiration processing, OCC will use the following formula:

$$\text{DWDP1} = \text{DWDP} + 0.333333 (\text{DOW})$$

For example, if DWDP closes at 38.50, DOW closes at 55.71, the DWDP1 price would be:

$$\text{DWDP1} = 38.50 + 0.333333 (55.71) = 57.07$$

This formula includes an estimate for the value of the cash in lieu amount and not the actual amount applicable in the distribution.

**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).