



#41189

**DATE: MAY 18, 2017**

**SUBJECT: GFA1 OPTIONS - EXPIRATION PRICING CONSIDERATION**

GFA1 (Adjusted Gafisa S.A. options) will be subject to special pricing consideration in expiration processing on May 19, 2017. The pricing consideration is due to the undetermined cash amount included in the option deliverable of GFA1 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.

**GFA1**

GFA1 options are adjusted Gafisa S.A. options, adjusted April 25, 2017, (see OCC Information Memo #41030). The deliverable of GFA1 options is:

**NEW DELIVERABLE**

- PER CONTRACT:**
- 1) 7 Gafisa S.A. (GFA) American Depositary Shares
  - 2) \$18.33 Cash
  - 3) An amount of cash received per GFA ADS which accrues to GFA shareholders who do not make a valid election, less any applicable taxes and fees, (x7)

As of May 18, 2017, the GFA1 Distribution Agent has not determined the final net cash amount applicable in the distribution.

For purposes of calculating a GFA1 price for use in expiration processing, OCC will use the following formula:

$$\text{GFA1} = 0.07 (\text{GFA}) + 0.1833$$

For example, if GFA closes at 8.75, the GFA1 price would be:

$$\text{SYT1} = 0.07 (8.75) + 0.1833 = 0.80$$

This formula includes does NOT include an estimate for the value of the cash 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).