



DATE: JANUARY 9, 2019

SUBJECT: ROWAN COMPANIES PLC - ANTICIPATED ADJUSTMENT
OPTION SYMBOL: RDC
NEW SYMBOL: ERD1
FUTURES SYMBOL: RDC1D
NEW SYMBOL: RDC2D
DATE: ???

CONTRACT ADJUSTMENT

DATE: Effective the opening of the business day after the merger is consummated.
Contract adjustment is anticipated to occur in the first half of 2019.

OPTION SYMBOL: RDC changes to ERD1

STRIKE DIVISOR: 1

**CONTRACTS
MULTIPLIER:** 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 10 yields \$1,000.00)

**NEW DELIVERABLE
PER CONTRACT:** 1) 55 (New) EnSCO Rowan plc (ERD) Class A Ordinary Shares
2) Cash in lieu of 0.375 fractional ERD shares

CUSIP: (New) ERD: TBD

PRICING

Until the cash in lieu amount is determined, the underlying price for ERD1 will be determined as follows:

$$\text{ERD1} = 0.55375 (\text{ERD})$$

DELAYED SETTLEMENT

The ERD component of the ERD1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the ERD1 deliverable until the cash in lieu of fractional ERD 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: Effective the opening of the business day after the merger is consummated.
Contract adjustment is anticipated to occur in the first half of 2019.

FUTURES SYMBOL: RDC1D changes to RDC2D

NUMBER OF CONTRACTS: No Change

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

NEW DELIVERABLE PER CONTRACT: 1) 55 (New) Ensco Rowan plc (ERD) Class A Ordinary Shares
2) Cash in lieu of 0.375 fractional ERD shares

CUSIP: (New) ERD: TBD

PRICING

Until the cash in lieu amount is determined, the underlying price for the RDC2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{RDC2D} = 0.55375 (\text{ERD})$$

Please note that the valuation would apply only to the RDC2D 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 ERD component of the RDC2D deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the RDC2D deliverable until the cash in lieu of fractional ERD shares is determined. Upon determination of the cash in lieu amount, OCC will require delivery of the appropriate cash amount.

BACKGROUND

On January 23, 2019, Shareholders of Rowan Companies plc (RDC) will vote concerning the proposed Scheme of Arrangement with Ensco plc (ESV). If the Scheme is approved and consummated, each existing RDC Common Share will be converted into the right to receive 2.215 ESV Class A Ordinary Shares.

Immediately after the merger becomes effective, it is anticipated that ESV will undergo a 1-for-4 reverse split and name change to (New) Ensco Rowan plc, so that the merger consideration that RDC shareholders receive will then be converted into 0.55375 (New) Ensco Rowan plc Ordinary Shares. **The Scheme is not conditioned on Ensco shareholder approval of the Reverse Split.**

It is anticipated that Ensco Rowan plc Ordinary Shares will trade on the NYSE under the ticker symbol "ERD" or another symbol selected by ESV and RDC.

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.