



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#47385**

**DATE: AUGUST 4, 2020**

**SUBJECT: ANADARKO PETROLEUM CORPORATION – FURTHER  
ADJUSTMENT  
ADJUSTED OPTION SYMBOL: OXY1  
DATE: 7/2/20  
\* \* \* UPDATE \* \* \***

Adjusted Anadarko Petroleum Corporation options were adjusted on August 9, 2019 (See OCC Information Memo #45563). The new deliverable became 1) 29 Occidental Petroleum Corporation (OXY) Common Shares, and 2) \$5,915.03 Cash.

Occidental Petroleum Corporation (OXY) has declared a warrants distribution to OXY Common Shareholders, as described below:

**WARRANTS:** Each warrant will provide the right to purchase one share of Occidental Petroleum Corporation (OXY) Common Stock

**PRICE:** \$22.00 per OXY share

**DISTRIBUTION  
RATIO:** 0.125 of a warrant per one Occidental Petroleum Corporation (OXY) Common Share

**RECORD DATE:** July 6, 2020

**EXPIRATION:** **August 3, 2027**

**GUARANTY PERIOD:** UNKNOWN

**Occidental Petroleum Corporation (OXY) Warrants began trading regular way on The New York Stock Exchange on August 4, 2020 under the trading symbol “OXY WS”.**

Adjusted OXY1 options must be further adjusted to reflect the Warrants distribution as described below.

**CONTRACT ADJUSTMENT – OPTIONS**

**EFFECTIVE DATE:** July 2, 2020

**OPTION SYMBOL:** OXY1 remains OXY1

**STRIKE DIVISOR:** 1

CONTRACT  
MULTIPLIER: 1

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

NEW DELIVERABLE  
PER CONTRACT:

- 1) 29 Occidental Petroleum Corporation (OXY) Common Shares
- 2) \$5,915.03 Cash
- 3) 3 Occidental Petroleum Corporation Warrants **(no longer subject to delayed settlement)**
- 4) Cash in lieu of 0.625 fractional OXY Warrants

SETTLEMENT  
ALLOCATION:

OXY: 95%  
OXY Warrants: 5%

CUSIPS: OXY: 674599105  
**OXY WS: 674599162**

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 OXY1 will be determined as follows:

$$\text{OXY1} = 0.29 (\text{OXY}) + 0.03625 (\text{OXY Warrants}) + 59.1503$$

### **DELAYED SETTLEMENT**

The OXY component of the OXY1 has settled through National Securities Clearing Corporation (NSCC). **The OXY WS component of the OXY1 delivery class which has been delayed from July 2, 2020 through August 3, 2020, will now settle through the National Securities Clearing Corporation (NSCC).** OCC will continue to delay settlement of the cash portion of the OXY1 deliverable until the cash in lieu of fractional OXY Warrants is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

### **BACKGROUND**

Occidental Petroleum Corporation (OXY) has announced a distribution of Occidental Petroleum Corporation Warrants. The distribution ratio is 0.125 of an OXY warrant for each OXY share held. The record date is July 6, 2020; the payable date is August 3, 2020. The warrant distribution will not be quoted ex on NYSE.

**Occidental Petroleum Corporation Warrants began trading regular way on NYSE on August 4, 2020 under the trading symbol "OXY WS".**

### **FURTHER CONTRACT ADJUSTMENT**

When the Warrants expire, adjusted OXY1 options will be further adjusted to no longer call for the delivery of the Warrants. No adjustment will be made to the adjusted contracts to compensate for any in-the-money value the OXY Warrants may have at the time of their expiration.

## **EXERCISE CONSIDERATIONS**

The Warrants are to be suspended from trading on a date to be determined and expire on **August 3, 2027**. Call option holders who wish to exercise their adjusted options to obtain the Warrants for subsequent exercise, sale or other purposes bear sole responsibility for determining when to exercise their options as well as complying with all terms and conditions of the Warrants Distribution applicable to Warrants exercise or delivery.

## **DELIVERY SETTLEMENT AND PROTECT PROVISIONS**

Option contracts which are exercised, and physically-settled security Futures contracts which mature, will require the settlement of all component securities included in the contract deliverable at the time of the option contract exercise, including rights, warrants, or similar instruments. Additional entitlements (such as due bills, eligibility to participate in tender offers, elections, etc.) may also automatically attach to securities deliverable upon option exercise. Conversely, exercised calls and or matured Futures contracts may be unable to realize the benefit of securities or entitlements not associated to the contract deliverable at the time of the option exercise or Option contract maturity.

Except in unusual cases, securities deliverable as a result of equity option exercises and or Option contract maturity are settled through National Securities Clearing Corporation (NSCC). Rights and obligations of Members with respect to securities settling at NSCC as a result of an option exercise/assignment are governed by the rules of NSCC. NSCC has its own rules which enable purchasers of securities to protect themselves for value which may be lost if timely delivery is not made to them of securities subject to specific deadlines, such as the expiration of a tender offer, rights offering, election, or similar event. These rules are generally called protect or liability notice procedures, and are intended to protect purchasers by binding the delivering parties to liability if such value is lost because timely delivery is not effected. Purchasers of securities must observe the rules and procedures of NSCC to avail themselves of such protect provisions of NSCC. Questions regarding these provisions should be addressed to NSCC.

## **SPECIAL RISKS**

### **Call Holders/ Put Writers**

As a result of the adjustment described above, the Warrants will be part of the adjusted OXY1 options deliverable, but only until the Warrants expire, after which time they will be dropped from the deliverable of the option contract. When the Warrants expire and are dropped from the deliverable of the option contract, any value the Warrants may have had will no longer be associated with the option contract. As a result, holders of in-the-money calls may be disadvantaged unless they exercise in sufficient time to obtain the Warrants. After the Warrants expire and are dropped from the deliverable of the option contract, holders of short put positions who are assigned will be required to purchase OXY stock whose value may have been substantially diminished by the Warrants distribution.

### **Uncovered Short Obligations**

Holders of assigned calls or exercised puts, and holders of short positions in physically-settled security Futures at maturity who do not possess the underlying security at the time of assignment or exercise are subject to special risk. Suspension of trading of the underlying security, inability to borrow the security, or similar events may preclude the possibility of effecting timely delivery, thereby exposing persons with an obligation to deliver to liability if timely delivery is not effected (See Delivery Settlement and Protect Provisions above).

## **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](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).