



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#47407**

**DATE: AUGUST 7, 2020**

**SUBJECT: OXY2 OPTIONS - EXPIRATION PRICING CONSIDERATION**

OXY2 (adjusted Occidental Petroleum Corporation options) will be subject to special pricing consideration in expiration processing on August 7, 2020. The pricing consideration is due to the undetermined cash in lieu of fractional shares amount included in the option deliverable of OXY2 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.

**OXY2**

OXY2 options are adjusted Occidental Petroleum Corporation options, adjusted July 2, 2020, (see OCC Information Memo #47384). The deliverable of OXY2 options is:

**NEW DELIVERABLE**

**PER CONTRACT:**

- 1) 100 Occidental Petroleum Corporation (OXY) Common Shares
- 2) 12 Occidental Petroleum Corporation Warrants
- 3) Cash in lieu of 0.5 fractional OXY WS Warrants

As of August 7, 2020, the OXY Distribution Agent has not determined the price to be used to determine the cash in lieu amount.

For purposes of calculating an OXY2 price for use in expiration processing, OCC will use the following formula:

$$\text{OXY2} = \text{OXY} + 0.125 (\text{OXY WS})$$

For example, if OXY closes at 15.45, and OXY Warrants close at 4.50 the OXY2 price would be:

$$\text{OXY2} = 15.45 + 0.125 (4.50) = 16.01$$

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).