



**THE FOUNDATION
FOR SECURE
MARKETS**

#47731

DATE: OCTOBER 15, 2020

SUBJECT: SNP1 OPTIONS - EXPIRATION PRICING CONSIDERATION

SNP1 (adjusted China Petroleum & Chemical Corporation options) will be subject to special pricing consideration in expiration processing on October 16, 2020. The pricing consideration is due to the undetermined cash amount included in the option deliverable of SNP1 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.

SNP1

SNP1 options are adjusted China Petroleum & Chemical Corporation options, adjusted October 14, 2020, (see OCC Information Memo #47580). The deliverable of SNP1 options is:

NEW DELIVERABLE

PER CONTRACT:

- 1) 100 China Petroleum & Chemical Corporation (SNP) American Depositary Shares
- 2) Approximately \$102.32 Cash (100 x \$1.023167), less withholding tax and applicable fees if any

As of October 15, 2020, the SNP Distribution Agent has not determined the final net dividend amount.

For purposes of calculating a SNP1 price for use in expiration processing, OCC will use the following formula:

$$\text{SNP1} = \text{SNP} + 1.023167$$

For example, if SNP closes at 39.17, the SNP1 price would be:

$$\text{SNP1} = 39.17 + 1.023167 = 40.19$$

This formula includes an estimate for the value of the cash in the deliverable and not the actual final net cash dividend 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. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.