



DATE: OCTOBER 30, 2020

SUBJECT: LIVONGO HEALTH, INC. – CONTRACT ADJUSTMENT
OPTION SYMBOL: 10/30/20 – LVGO remains LVGO
11/2/20 – LVGO becomes TDOC1
DATE: 10/30/20

Contract Adjustment

DATE: October 30, 2020

OPTION SYMBOL: 10/30/20 – LVGO remains LVGO (with adjusted deliverable described below)
11/2/20 – LVGO changes to TDOC1

STRIKE DIVISOR: 1

**CONTRACTS
MULTIPLIER:** 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 140 yields \$14,000.00)

**NEW DELIVERABLE
PER CONTRACT:** 1) 59 Teladoc Health, Inc. (TDOC) Common Shares
2) Cash in lieu of 0.20 fractional TDOC shares
3) \$1,133.00 Cash ((\$4.24 + \$7.09 special dividend) x 100)

CUSIP: TDOC: 87918A105

PRICING

Until the cash in lieu of fractional shares is determined, the underlying price for TDOC1 will be determined as follows:

$$\text{TDOC1} = 0.5920 (\text{TDOC}) + 11.33$$

DELAYED SETTLEMENT

The TDOC component of the TDOC1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the TDOC1 deliverable until the cash in lieu of fractional TDOC 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.

BACKGROUND

On October 29, 2020, Shareholders of Livongo Health, Inc. (LVGO) voted concerning the proposed merger with Teladoc Health, Inc. (TDOC). The merger was approved and subsequently consummated before the open on October 30, 2020. As a result, each existing LVGO Common Share will be converted into the right to receive 0.5920 TDOC Common Shares, plus \$4.24 cash. Additionally, LVGO shareholders as of a record date immediately prior to the closing of the merger are entitled to a \$7.09 special cash dividend. Cash will be paid in lieu of fractional TDOC shares.

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.