



DATE: NOVEMBER 13, 2020

**SUBJECT: MONTAGE RESOURCES CORPORATION – CONTRACT
ADJUSTMENT**
OPTION SYMBOL: 11/13/20 – MR remains MR
11/16/20 – MR becomes SWN1
DATE: 11/13/20

Contract Adjustment

DATE: November 13, 2020

OPTION SYMBOL: 11/13/20 – MR remains MR (with adjusted deliverable described below)
11/16/20 – MR changes to SWN1

STRIKE DIVISOR: 1

**CONTRACTS
MULTIPLIER:** 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 5 yields \$500.00)

**NEW DELIVERABLE
PER CONTRACT:** 1) 186 Southwestern Energy Company (SWN) Common Shares
2) Cash in lieu of 0.56 fractional SWN shares

CUSIP: SWN: 845467109

PRICING

Until the cash in lieu of fractional shares is determined, the underlying price for SWN1 will be determined as follows:

$$\text{SWN1} = 1.8656 (\text{SWN})$$

DELAYED SETTLEMENT

The SWN component of the SWN1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the SWN1 deliverable until the cash in lieu of fractional SWN 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 November 12, 2020, Shareholders of Montage Resources Corporation (MR) voted concerning the proposed merger with Southwestern Energy Company (SWN). The merger was approved and subsequently consummated before the open on November 13, 2020. As a result, each existing MR Common Share will be converted into the right to receive 1.8656 SWN Common Shares. Cash will be paid in lieu of fractional SWN 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.