



**THE FOUNDATION
FOR SECURE
MARKETS**

#47862

DATE: NOVEMBER 19, 2020

SUBJECT: PFE1 OPTIONS - EXPIRATION PRICING CONSIDERATION

PFE1 (adjusted Pfizer Inc. options) will be subject to special pricing consideration in expiration processing on November 20, 2020. The pricing consideration is due to the undetermined cash in lieu of fractional shares amount included in the option deliverable of PFE1 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.

PFE1

PFE1 options are adjusted Pfizer Inc. options, adjusted November 17, 2020 (see OCC Information Memo #47859). The deliverable of PFE1 options is:

NEW DELIVERABLE

PER CONTRACT:

- 1) 100 Pfizer Inc. (PFE) Common Shares
- 2) 12 Viatris Inc. (VTRS) Common Shares
- 3) Cash in lieu of 0.40788849 fractional VTRS shares

As of November 19, 2020, the PFE Distribution Agent has not determined the price to be used to determine the cash in lieu amount.

For purposes of calculating an PFE1 price for use in expiration processing, OCC will use the following formula:

$$\text{PFE1} = \text{PFE} + 0.1240788849 (\text{VTRS})$$

For example, if PFE closes at 36.32 and VTRS closes at 16.19, the PFE1 price would be calculated as follows:

$$\text{PFE1} = 36.32 + 0.1240788849 (16.19) = 38.33$$

This formula includes an estimate for the value of the cash in lieu amount and not the actual amount applicable in the merger.

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.