



DATE: DECEMBER 17, 2020

SUBJECT: CSU1 OPTIONS - EXPIRATION PRICING CONSIDERATION

CSU1 (adjusted Capital Senior Living Corporation options) will be subject to special pricing consideration in expiration processing on December 18, 2020. The pricing consideration is due to the undetermined cash in lieu of fractional shares amount included in the option deliverable of CSU1 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.

CSU1

CSU1 options are adjusted Capital Senior Living Corporation options, adjusted December 14, 2020 (see OCC Information Memo #47987). The deliverable of CSU1 options is:

NEW DELIVERABLE

PER CONTRACT: 1) 6 Capital Senior Living Corporation (CSU) Common Shares
 2) Cash in lieu of approximately 0.6666667 fractional CSU Shares

As of December 17, 2020, the CSU Distribution Agent has not determined the price to be used to determine the cash in lieu amount.

For purposes of calculating an CSU1 price for use in expiration processing, OCC will use the following formula:

$$\text{CSU1} = 0.066666667 (\text{CSU})$$

For example, if CSU closes at 15.13, the CSU1 price would be calculated as follows:

$$\text{CSU1} = 0.066666667 (15.13) = 1.01$$

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

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.