



**THE FOUNDATION
FOR SECURE
MARKETS**

#48354

Date: February 25, 2021

Subject: Adjusted Aerojet Rocketdyne Holdings, Inc. – Anticipated Further Adjustment
Adjusted Option Symbol: AJRD1
Date: ???

Adjusted Aerojet Rocketdyne Holdings Inc. (adjusted option symbol AJRD1) options will be adjusted on March 9, 2021 (See OCC Information Memo #48353). The new deliverable for AJRD1 will become 1) 100 Aerojet Rocketdyne Holdings Inc. (AJRD) Common Shares, and 2) \$500.00 Cash (100 x \$5.00 Pre-Closing Dividend), if any, contingent upon the merger described below closing after the close of business on March 10, 2021.

On March 9, 2021, Shareholders of Aerojet Rocketdyne Holdings, Inc. (AJRD) will vote concerning the proposed merger with Mizar Sub, Inc., a wholly-owned subsidiary of Lockheed Martin Corporation. If the merger is consummated after March 10, 2021, each existing AJRD Common Share will be converted into the right to receive \$51.00 net cash per share.

If the merger is consummated before the close of business on March 10, 2021, no dividend will be paid to stockholders and the amount of cash paid in the merger will be adjusted to \$56.00 per share.

Adjusted AJRD1 options are expected to be further adjusted to reflect the merger as described below.

Contract Adjustment

Date: Effective the opening of the business day after the merger is consummated.
Contract adjustment is expected to occur during in the second half of 2021.

**New Deliverable
Per Contract:** \$5,600.00 Cash (\$56.00 x 100)

Settlement in AJRD1 options will take place through OCC's cash settlement system. Settlement will be accomplished by payment of the difference between the extended strike amount and the cash deliverable.

Acceleration of Expirations

Pursuant to OCC Rule 807, equity stock option contracts whose deliverables are adjusted to call for cash-only delivery will be subject to an **acceleration of the expiration dates for outstanding option series** (See OCC Information Memo 23988).

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.