



**THE FOUNDATION
FOR SECURE
MARKETS**

#48362

Date: March 01, 2021

Subject: Eaton Vance Corporation (Election Merger) - Contract Adjustment
Option Symbol: 3/1/21 – EV remains EV
3/2/21 – EV becomes MS2
Date: 03/1/21

On October 7, 2020, the Voting Trust, the sole holder of Eaton Vance Corporation (EV) Voting Common Stock, delivered to Eaton Vance a written consent approving the proposed merger with Morgan Stanley (MS). The merger was subsequently consummated before the open on March 1, 2021.

The Merger: Aggregate Terms

The total amount of cash paid and the total number of shares of Morgan Stanley Common Stock issued in the merger is the same as what would be paid and issued if all EV stockholders were to receive the Mixed Consideration.

The Merger: Individual Share Elections

Within the terms of the Merger, individual EV Shareholders may:

- Elect to receive \$28.25 in cash and 0.5833 of a share of MS Common Stock for each EV Common Share ("Mixed Consideration"). Cash will be paid in lieu of fractional shares. OR,
- Elect to receive cash for each EV Common Share in an amount equal to the value of the sum of \$28.25 plus 0.5833 times the MS volume-weighted average closing price ("VWAP"), calculated as described in the MS/EV Information Statement/Prospectus dated January 29, 2021 ("Prospectus"), and subject to proration ("Cash Consideration"). OR,
- Elect to receive a number of MS Shares for each EV Common Share equal to the sum of 0.5833 Morgan Stanley (MS) Common Shares plus \$28.25 divided by MS VWAP calculated as described in the Prospectus, and subject to proration ("Share Consideration"). Cash will be paid in lieu of fractional shares. OR,
- Register no preference by not making an election ("Non-electing"). Under the terms of the election, shares which are not subject to an effective election will be treated as non-electing shares and converted into the right to receive the Mixed Consideration.

The Merger Consideration: Prorations

The Cash Consideration and Share Consideration will be subject to automatic adjustment as described in the Prospectus.

Contract Adjustment

Date: March 1, 2021

Option Symbol: 3/1/21 – EV remains EV (with adjusted deliverable described below)
3/2/21 – EV changes to MS2

Strike Divisor: 1

Contract Multiplier: 1

New Multiplier: 100 (e.g., a premium or strike price extensions, 1.00 yields \$100)

New Deliverable Per Contract: The deliverable for adjusted EV options will be BASED ON THE MERGER CONSIDERATION WHICH ACCRUES TO NON-ELECTING EV SHAREHOLDERS (stated in terms of a current 100-Share deliverable).

1) 58 Morgan Stanley (MS) Common Shares
2) Cash in lieu of 0.33 fractional MS shares
3) \$2,825.00 Cash (\$28.25 x 100)

CUSIP: MS: 617446448

Pricing

Until the cash in lieu amount is determined, the underlying price for MS2 will be determined as follows:

$$\text{MS2} = 0.5833 (\text{MS}) + 28.25$$

Delayed Settlement

The MS component of the MS2 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the MS2 deliverable until the cash in lieu of fractional MS shares amount is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

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@theoec.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theoec.com.