



**THE FOUNDATION
FOR SECURE
MARKETS**

#48384

Date: March 03, 2021

Subject: Parsley Energy, Inc. - Cash in Lieu Settlement
Adjusted Option Symbol: PXD1

Parsley Energy, Inc. options were adjusted on January 13, 2021 (See OCC Information Memo #48155). The new deliverable became 1) 12 Pioneer Natural Resources Company (PXD) Common Shares, and 2) Cash in lieu of 0.52 fractional PXD shares. Only settlement of the cash portion of PXD1 options exercise/assignment activity was subject to delayed settlement.

OCC has been informed that a price of \$128.082 per whole PXD share will be used to determine the cash in lieu amount. Accordingly, the cash in lieu amount is:

$$0.52 \times \$128.082 = \$66.60 \text{ per PXD1 Contract}$$

Now that the exact cash in lieu amount has been determined, OCC will require Put exercisers and Call assignees, during the period of January 13, 2021 through March 3, 2021, to deliver the appropriate cash amount.

Terms of the PXD1 options are as follows:

New Deliverable Per Contract: 1) 12 Pioneer Natural Resources Company (PXD) Common Shares
2) \$66.60 Cash

Strike Prices: Unchanged

CUSIP: PXD: 723787107

Multiplier: 100 (i.e., a premium of 1.50 yields \$150)

Settlement

The PXD component of PXD1 exercise/assignment activity from January 13, 2021 through March 2, 2021, has settled through National Security Clearing Corporation (NSCC). The \$66.60 cash amount will be settled by OCC.

Pricing

The underlying price for PXD1 options will be determined as follows:

$$\text{PXD1} = 0.12 (\text{PXD}) + 0.6660$$

For example, if PXD closes at 156.18, the PXD1 price would be calculated as follows:

$$\text{PXD1} = 0.12 (156.18) + 0.6660 = 19.41$$

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.