



**Date:** June 18, 2021

**Subject:** FSK1 Options - Expiration Pricing Consideration

FSK1 (adjusted FS KKR Capital Corporation II options) will be subject to special pricing consideration in expiration processing on June 18, 2021. The pricing consideration is due to the delayed shares and cash in lieu in the option deliverable of FSK1 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.

**FSK1**

FSK1 options are adjusted FS KKR Capital Corporation II options, adjusted June 17, 2021 (see OCC Information Memo #48863). The deliverable of FSK1 options is:

**NEW DELIVERABLE**

**PER CONTRACT:**

- 1) 94 FS KKR Capital Corporation (FSK) Common Shares (subject to delayed settlement)
- 2) Cash in lieu of 0.98 fractional FSK Common Shares, if any (subject to delayed settlement)

As of June 18, 2021, the deliverable of FSK1 remains delayed until the treatment of fractional shares is determined.

For purposes of calculating a FSK1 price for use in expiration processing, OCC will use the following formula:

$$\text{FSK1} = 0.9498 (\text{FSK})$$

For example, if FSK closes at 22.37, the FSK1 price would be:

$$\text{FSK1} = 0.9498 (22.37) = 21.25$$

This formula includes an estimate for the value of stock and the cash in lieu amount and not the actual numbers 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](mailto: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](mailto:memberservices@theocc.com).