



**THE FOUNDATION
FOR SECURE
MARKETS**

#48891

Date: June 23, 2021

Subject: FS KKR Capital Corporation II - Contract Adjustment
Option Symbol: FSKR
New Symbol: FSK1
Date: 06/17/21
* * * Update * * *

Contract Adjustment

Date: June 17, 2021

Option Symbol: FSKR changes to FSK1

Strike Divisor: 1

Contracts Multiplier: 1

New Multiplier: 100 (e.g., a premium of 1.50 yields \$150; a strike of 20 yields \$2,000.00)

New Deliverable Per Contract:

- 1) 94 FS KKR Capital Corporation (FSK) Common Shares
- 2) Cash in lieu of 0.98 fractional FSK shares

Note: Once determined the cash in lieu of fractional share portion of the option deliverable remains fixed and does not vary with price changes of any security.

CUSIP: FSK: 302635206

Pricing

Until the cash in lieu amount is determined, the underlying price for FSK1 will be determined as follows:

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

Delayed Settlement

The FSK component of the FSK1 deliverable, which was subject to delayed settlement from June 17, 2021 through June 22, 2021, will now settle through National Securities Clearing Corporation (NSCC). OCC will continue to delay settlement of the cash portion of the FSK1 deliverable until the cash in lieu of fractional FSK shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

Background

On May 21, 2021, Shareholders of FS KKR Capital Corporation II (FSKR) approved the proposed merger with FS KKR Capital Corporation (FSK). The merger was consummated on June 16, 2021. As a result, each existing FSKR Common Share will be converted into the right to receive 0.9498 FSK Common Shares. **Fractional shares are being issued in the reorganization but are not eligible for settlement at DTC. Thus, fractional shares will not be included in the deliverable, and OCC will attach cash in lieu of the fractional FSK shares to the FSK1 deliverable.**

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.