



**THE FOUNDATION
FOR SECURE
MARKETS**

#49215

Date: September 02, 2021

Subject: Magal Security Systems Ltd. – Cash Distribution
Option Symbol: MAGS
New Option Symbol: MAGS1
Date: 09/23/2021

Magal Security Systems Ltd. (MAGS) has announced a Special Cash Dividend of \$1.725, less withholdings, if any, per MAGS Ordinary Share. The record date is August 31, 2021; payable date is September 22, 2021. The ex-distribution date for this distribution will be September 23, 2021.

NOTE: MAGS intends to file a request for a ruling from the Israeli Tax Authority for a withholding ruling to enable shareholders entitled to an exemption and/or a lower withholding tax rate with respect to the cash distribution to benefit from such lower rates, provided that the shareholder complies with the applicable requirements and submits all the required documents to the paying agent. Investors should refer to the MAGS press release dated August 16, 2021 for further information. As indicated in this memo, the deliverable of MAGS1 options will include the distribution amount net of applicable withholding taxes, if any.

Options Contract Adjustment

Effective Date: September 23, 2021

New Multiplier: 100 (e.g., for premium extensions a premium of 1.50 equals \$150; a strike of 5 yields \$500.00).

Contract Multiplier: 1

Strike Prices: No Change

Option Symbol: MAGS changes to MAGS1

Deliverable Per Contract:
1) 100 Magal Security Systems Ltd. (MAGS) Ordinary Shares
2) Approximately \$172.50 Cash (100 x \$1.725, less withholdings, if any)

CUSIP: M6786D104

Pricing

Until the final net cash dividend amount is determined, the underlying price for MAGS1 will be determined as follows:

$$\text{MAGS1} = \text{MAGS} + 1.725$$

Delayed Settlement

The MAGS component of the MAGS1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the MAGS1 deliverable until exact cash amount is determined. Upon determination of the exact cash 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@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.