



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#49351**

**Date:** October 04, 2021

**Subject:** Rexnord Corporation – Distribution and Name/Symbol/CUSIP Change  
Option Symbols: RXN/1RXN  
New Symbols: ZWS1/1ZWS1  
Date: 10/05/2021  
\* \* \* Update \* \* \*

**Contract Adjustment**

**Effective Date:** October 5, 2021

**Option Symbols:** RXN changes to ZWS1  
1RXN changes to 1ZWS1

**Strike Prices:** No Change

**Number of Contracts:** No Change

**Multiplier:** 100 (e.g., a premium of 1.50 yields \$150; a strike of 65.00 yields \$6,500.00)

**New Deliverable Per Contract:**

- 1) 100 (New) Zurn Water Solutions Corporation (ZWS) Common Shares
- 2) 22 (New) Regal Rexnord Corporation (RRX) Common Shares
- 3) Cash in lieu of 0.296103 fractional RRX shares

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

**Settlement Allocation:**

**ZWS: 50%**  
**RRX: 50%**

**CUSIPs:**

**ZWS: (New) 98983L108**  
**RRX: 758750103**

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

**Pricing**

Until the cash in lieu amount is determined, the underlying price for ZWS1/1ZWS1 will be determined as follows:

$$\text{ZWS1} = \text{ZWS} + 0.22296103 (\text{RRX})$$

### **Delayed Settlement**

The ZWS and RRX components of the ZWS1/1ZWS1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the ZWS1/1ZWS1 deliverable until the cash in lieu of fractional RRX Common 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**

Rexnord Corporation (RXN) has announced a spinoff distribution of the common shares of its subsidiary Land Newco, Inc. ("Spinco") at a rate of 1.0 Spinco share per RXN share held. **Immediately following the spinoff, Spinco will merge with Regal-Beloit Corporation (RBC), and each holder of Spinco will receive 0.22296103 of an RBC share held.** The record date is September 29, 2021; the payable date is October 4, 2021. The NYSE has set October 5, 2021, as the ex-distribution date for this distribution. Cash will be paid in lieu of fractional shares.

Regal-Beloit Corporation Common Shares began trading on a when issued basis on September 28, 2021 on the NYSE under the trading symbol "RBC WI".

Prior to the opening of business on October 5, 2021, Rexnord Corporation will change its name, trading symbol, and CUSIP to Zurn Water Solutions Corporation (ZWS), CUSIP 98983L 108, and Regal-Beloit Corporation will change its name and symbol to Regal Rexnord Corporation (RRX).

### **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](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).