



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#49402**

**Date:** October 14, 2021

**Subject:** CTRA1 Options - Expiration Pricing Consideration

CTRA (adjusted Cimarex Energy Co. options) will be subject to special pricing consideration in expiration processing on October 15, 2021. The pricing consideration is due to the undetermined cash in lieu of fractional shares amount included in the option deliverable of CTRA1 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.

**CTRA1**

CTRA1 options are adjusted Cimarex Energy Co. options, adjusted October 1, 2021 and October 13, 2021 (see OCC Information Memos #49334 and #49364). The deliverable of CTRA1 options is:

**NEW DELIVERABLE**

**PER CONTRACT:**

- 1) 401 Coterra Energy Inc. (CTRA) Common Shares
- 2) Cash in lieu of 0.46 fractional CTRA Common Shares
- 3) \$200.50 Cash (401 x \$0.50)

As of October 14, 2021, the XEC Exchange Agent has not determined the price to be used to determine the cash in lieu amount.

For purposes of calculating an CTRA1 price for use in expiration processing, OCC will use the following formula:

$$\text{CTRA1} = 4.0146 (\text{CTRA}) + 2.0050$$

For example, if CTRA closes at 20.90, the CTRA1 price would be:

$$\text{CTRA1} = 4.0146 (\text{CTRA}) + 2.0050 = 85.91$$

This formula includes an estimate for the value of the cash in lieu amount and not the actual amount 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@theooc.com](mailto:investorservices@theooc.com). Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email [memberservices@theooc.com](mailto:memberservices@theooc.com).