



Date: October 14, 2021

Subject: ZWS1 Options - Expiration Pricing Consideration

ZWS1 (adjusted Zurn Water Solutions Corporation 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 ZWS1 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.

ZWS1

ZWS1 options are adjusted Zurn Water Solutions Corporation, Inc. options (formerly Rexnord Corporation), adjusted October 5, 2021 (see OCC Information Memo #49351). The deliverable of ZWS1 options is:

NEW DELIVERABLE

PER CONTRACT:

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

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

For purposes of calculating an ZWS1 price for use in expiration processing, OCC will use the following formula:

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

For example, if ZWS closes at 35.62 and RRX closed at 139.83, the ZWS1 price would be:

$$\text{ZWS1} = 35.62 + 0.22296103 (139.83) = 66.80$$

This formula includes an estimate for the value of the cash in lieu amount and not the actual amount applicable in the distribution.

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. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theooc.com.