



**THE FOUNDATION
FOR SECURE
MARKETS**

#50308

Date: April 13, 2022

Subject: Adjusted AT&T Inc. – Determination of Deliverable
Adjusted Option Symbols: T1/2T1

Adjusted AT&T Inc. options were adjusted on April 11, 2022 (See OCC Information Memo #50289). The new deliverable became 1) 100 AT&T Inc. (T) Common Shares, 2) Approximately 24 Warner Bros. Discovery, Inc. (WBD) Common Shares, and 3) Cash in lieu of fractional WBD Common Shares, if any. Settlement of the WBD and cash components of T1/2T1 options exercise/assignment activity were subject to delayed settlement.

OCC has been informed that the final distribution ratio is 0.241917 WBD shares per T share held.

OCC has not yet been informed of a price to be used in determining cash in lieu of fractional shares.

Now that the distribution ratio has been determined, OCC will require Put exercisers and Call assignees, during the period of April 11, 2022 through April 13, 2022, to deliver the appropriate number of WBD shares.

Terms of the T1/2T1 options are as follows:

New Deliverable

Per Contract:

- 1) 100 AT&T Inc. (T) Common Shares
- 2) 24 Warner Bros. Discovery, Inc. (WBD) Common Shares
- 3) Cash in lieu of 0.1917 fractional WBD 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.

Strike Prices: Unchanged

CUSIPS: T: 00206R102
WBD: 934423104

Multiplier: 100 (i.e., a premium of 1.50 yields \$150)

Settlement

The T component of T1/2T1 exercise/assignment activity has settled through National Security Clearing Corporation (NSCC). The WBD component of T1/2T1 exercise/assignment activity, which was delayed from April 11, 2022 through April 12, 2022, will settle through National Security Clearing Corporation (NSCC). OCC will continue to delay the cash portion of the T1/2T1 deliverable until the cash in lieu

amount is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

Pricing

Until the cash in lieu amount is determined, underlying price for T1/2T1 options will be determined as follows:

$$T1 = T + 0.241917 \text{ (WBD)}$$

For example, if T closes at 19.56 and WBD closes at 24.68, the T1/2T1 prices would be calculated as follows:

$$T1 = 19.56 + 0.241917 (24.68) = 25.53$$

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.