



**THE FOUNDATION
FOR SECURE
MARKETS**

#51058

Date: September 21, 2022

Subject: Shell Midstream Partners, L.P. – Anticipated Cash Settlement
Option Symbols: SHLX/2SHLX
Date: ???

On July 25, 2022, Shell Midstream LP Holdings LLC, which beneficially owns units representing approximately 72% of the voting power of Shell Midstream Partners, L.P. (SHLX), delivered a written consent approving the merger agreement between SHLX and Semisonic Enterprises LLC, a wholly-owned subsidiary of Shell USA, Inc. If and when the merger is consummated, each existing SHLX Common Unit will be converted into the right to receive \$15.85 net cash per unit, plus any per unit cash distribution with record date prior to but not paid before the effective time of the merger.

Note: As described in the SHLX Information Statement dated September 16, 2022, SHLX may declare cash distributions prior to the consummation of the merger. OCC will not adjust the SHLX/2SHLX deliverable to include any ordinary distributions.

Exercise Consideration – SHLX/2SHLX options will not be adjusted to include any ordinary distributions. Call option holders who wish to receive any ordinary distributions announced prior to consummation of the merger should exercise their options in sufficient time to become shareholders of record. In all cases, it is the sole responsibility of persons holding call options seeking to receive the underlying securities to determine when to exercise their options.

Contract Adjustment

Date: Effective the opening of the business day after the merger is consummated.
Contract adjustment is expected to occur in the fourth quarter of 2022.

New Deliverable
Per Contract: \$1,585.00 Cash (\$15.85 x 100)

Settlement in SHLX/2SHLX options will take place through OCC's cash settlement system. Settlement will be accomplished by payment of the difference between the extended strike amount and the cash deliverable.

Acceleration of Expirations

Pursuant to OCC Rule 807, equity stock option contracts whose deliverables are adjusted to call for cash-only delivery will be subject to **an acceleration of the expiration dates for outstanding option series** (See OCC Information Memo 23988).

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, please email the Investor Education team at options@theoocc.com. Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theoocc.com.