



**THE FOUNDATION
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MARKETS®**

#52128

Date: March 16, 2023

Subject: SRNE1 Options - Expiration Pricing Consideration

SRNE1 (adjusted Sorrento Therapeutics, Inc. options) will be subject to special pricing consideration in expiration processing on March 17, 2023. The pricing consideration is due to the delayed status of the SCLX and cash components included in the option deliverable of SRNE1 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.

SRNE1

SRNE1 options are adjusted Sorrento Therapeutics, Inc. options, adjusted January 5, 2023 (see OCC Information Memo #51845). The deliverable of SRNE1 options is:

NEW DELIVERABLE

PER CONTRACT:

- 1) 100 Sorrento Therapeutics, Inc. (SRNEQ) Common Shares
- 2) 14 Scilex Holding Company (SCLX) Common Shares
- 3) Cash in lieu of 0.10127 fractional SCLX shares

As of March 16, 2023, the SCLX component of the SRNE1 option deliverable remains subject to delayed settlement, and the SRNEQ Distribution Agent has not determined the price to be used to determine the cash in lieu amount.

For purposes of calculating a SRNE1 price for use in expiration processing, OCC will use the following formula:

$$\text{SRNE1} = \text{SRNEQ} + 0.1410127 (\text{SCLX})$$

For example, if SRNEQ closes at 0.31 and SCLX closes at 7.54, the SRNE1 price would be:

$$\text{SRNE1} = 0.31 + 0.1410127 (7.54) = 1.37$$

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, please email the Investor Education team at options@theocc.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@theocc.com.