



**THE FOUNDATION  
FOR SECURE  
MARKETS®**

#53050

**Date:** August 17, 2023

**Subject:** MTEM1 Options - Expiration Pricing Consideration

MTEM1 (adjusted Molecular Templates, Inc. options) will be subject to special pricing consideration in expiration processing on August 18, 2023. The pricing consideration is due to the undetermined cash in lieu of fractional shares amount included in the option deliverable of MTEM1 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.

### **MTEM1**

MTEM1 options are adjusted Molecular Templates, Inc. options, adjusted August 14, 2023 (see OCC Information Memo #53023). The deliverable of MTEM1 options is:

#### **NEW DELIVERABLE**

**PER CONTRACT:**

- 1) 6 Molecular Templates, Inc. (MTEM) Common Shares
- 2) Cash in lieu of approximately 0.6667 fractional MTEM shares

As of August 17, 2023, the MTEM Exchange Agent has not determined the price to be used to determine the cash in lieu amount.

For purposes of calculating a MTEM1 price for use in expiration processing, OCC will use the following formula:

$$\text{MTEM1} = 0.066667 (\text{MTEM})$$

For example, if MTEM closes at 8.36, the MTEM1 price would be:

$$\text{MTEM1} = 0.066667 (8.36) = 0.56$$

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

**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](mailto: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@theooc.com](mailto:memberservices@theooc.com).