



**THE FOUNDATION
FOR SECURE
MARKETS®**

#53611

Date: November 22, 2023

Subject: VMware, Inc. (Election Merger) - Cash Settlement/Acceleration of Expirations
Option Symbol: VMW
Date: 11/22/2023

On November 4, 2022, Shareholders of VMware, Inc. (VMW) approved the proposed merger with Broadcom Inc. (AVGO). The merger was subsequently consummated before the open on November 22, 2023.

The Merger: Aggregate Terms

The aggregate cash consideration and the aggregate stock consideration to be paid in the transaction each represents 50% of the total consideration to be paid in the transaction.

The Merger: Individual Share Elections

Within the terms of the Merger, individual VMW Shareholders may:

- Elect to receive 0.252 Broadcom Inc. (AVGO) Common Shares ("Stock Consideration"). The Stock Consideration is subject to proration. Cash will be paid in lieu of fractional shares. OR,
- Elect to receive \$142.50 in cash ("Cash Consideration"). The Cash Consideration is subject to proration. OR,
- Register no preference by not making an election. Shares for which a properly completed election form has not been submitted by the election deadline will be considered non-electing shares and converted into the right to receive the Stock Consideration or the Cash Consideration according to the allocation and proration procedures described in the VMW/AVGO Proxy Statement/Prospectus dated October 3, 2022 ("Proxy"). The consideration received by shareholders not making an election is the "Non-Electing Consideration".

The non-electing consideration has been determined to be \$142.50 Cash per VMW share.

Contract Adjustment

Date: November 22, 2023

**New Deliverable
Per Contract:**

The deliverable for adjusted VMW options will be BASED ON THE MERGER CONSIDERATION WHICH ACCRUES TO NON-ELECTING VMW SHAREHOLDERS (stated in terms of a current 100-Share deliverable).

\$14,250.00 (\$142.50 x 100)

Settlement in VMW 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 23707) Additionally, the exercise by exception (ex by ex) threshold for expiring series will be \$.01 in all account types.

All series of VMware, Inc. options whose expiration dates are after 12-15-2023 will have their expiration dates advanced to 12-15-2023. Expiration dates occurring before 12-15-2023 (e.g., Flex options) will remain unchanged.

All VMware, Inc. options will utilize a \$.01 exercise threshold.

Option Symbol: VMW

Existing Expiration: All months

New expiration date: 12-15-2023

Existing American-style VMware, Inc. options remain exercisable at the option of the holder prior to their expiration. Exercised options will continue to settle in two business days.

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@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.