



**THE FOUNDATION
FOR SECURE
MARKETS®**

#54682

Date: June 07, 2024

Subject: HSBC1 Options - Expiration Pricing Consideration

HSBC1 (adjusted HSBC Holdings plc options) will be subject to special pricing consideration in expiration processing on June 7, 2024. The pricing consideration is due to the undetermined net cash amount included in the option deliverable of HSBC1 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.

HSBC1

HSBC1 options are adjusted HSBC Holdings plc options, adjusted May 9, 2024 (see OCC Information Memo #54530). The deliverable of HSBC1 options is:

NEW DELIVERABLE

PER CONTRACT:

- 1) 100 HSBC Holdings plc (HSBC) American Depositary Shares
- 2) Approximately \$105.00 Cash (approximately \$1.05 x 100), less fees, if any

As of June 7, 2024, the HSBC Distribution Agent has not determined the final net dividend amount.

For purposes of calculating a HSBC1 price for use in expiration processing, OCC will use the following formula:

$$\text{HSBC1} = \text{HSBC} + 1.05$$

For example, if HSBC closes at 44.54, the HSBC1 price would be:

$$\text{HSBC1} = 44.54 + 1.05 = 45.59$$

This formula includes an estimate for the value of the cash in the deliverable and not the actual final net cash dividend 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.