THE FOUNDATION FOR SECURE MARKETS®

#54800

Date: June 28, 2024

Subject: BABA1 Options - Expiration Pricing Consideration

BABA1 (adjusted Alibaba Group Holding Limited options) will be subject to special pricing consideration in expiration processing on June 28, 2024. The pricing consideration is due to the undetermined final net cash amount included in the option deliverable of BABA1 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.

BABA1

BABA1 options are adjusted Alibaba Group Holding Limited options, adjusted June 13, 2024 (see OCC Information Memo #54634). The deliverable of BABA1 options is:

NEW DELIVERABLE PER CONTRACT:
1) 100 Alibaba Group Holding Limited (BABA) American Depositary Shares
2) Approximately $66.00 Cash (approximately $0.66 x 100), less fees, if any

As of June 28, 2024, the BABA Distribution Agent has not determined the final net dividend amount.

For purposes of calculating a BABA1 price for use in expiration processing, OCC will use the following formula:

BABA1 = BABA + 0.66

For example, if BABA closes at 72.37, the BABA1 price would be:

BABA1 = 72.37 + 0.66 = 73.03

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.