



**THE FOUNDATION
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#54809

Date: July 01, 2024

Subject: FNCB Bancorp, Inc. - Contract Adjustment
Option Symbol: 07/01/2024 - FNCB remains FNCB
07/02/2024 - FNCB becomes PFIS1
Date: 07/01/2024

Contract Adjustment

Date: July 1, 2024

Option Symbol: 07/01/2024 - FNCB remains FNCB (with adjusted deliverable described below)
07/02/2024 - FNCB changes to PFIS1

Strike Divisor: 1

Contracts Multiplier: 1

New Multiplier: 100 (e.g., a premium of 1.50 yields \$150; a strike of 7.50 yields \$750.00)

New Deliverable Per Contract: 1) 14 Peoples Financial Services Corporation (PFIS) Common Shares
2) Cash in lieu of 0.6 fractional PFIS Common Shares

Note: Once determined the cash in lieu of fractional share portion of the option deliverable remains fixed and does not vary with price changes of any security.

CUSIP: PFIS: 711040105

Pricing

Until the cash in lieu amount is determined, the underlying price for PFIS1 will be determined as follows:

$$\text{PFIS1} = 0.146 (\text{PFIS})$$

Delayed Settlement

The PFIS component of the PFIS1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the PFIS1 deliverable until the cash in lieu of

fractional PFIS shares is determined. Upon determination of the cash in lieu amount, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

Background

On March 22, 2024, Shareholders of FNCB Bancorp, Inc. (FNCB) voted concerning the proposed merger with Peoples Financial Services Corporation (PFIS). The merger was approved and subsequently consummated before the open on July 1, 2024. As a result, each existing FNCB Common Share will be converted into the right to receive 0.146 PFIS Common Shares. Cash will be paid in lieu of fractional PFIS shares.

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.