



**THE FOUNDATION
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#54866

Date: July 12, 2024

Subject: FNCB Bancorp, Inc. - Cash In Lieu Settlement
Adjusted Option Symbol: PFIS1

FNCB Bancorp, Inc. options were adjusted on July 1, 2024 (See OCC Information Memo #54809). The new deliverable became 1) 14 Peoples Financial Services Corporation (PFIS) Common Shares, and 2) Cash in lieu of 0.6 fractional PFIS Common Shares. Only settlement of the cash portion of PFIS1 options exercise/assignment activity was subject to delayed settlement.

OCC has been informed that a price of \$42.20 per whole PFIS share will be used to determine the cash in lieu amount. Accordingly, the cash in lieu amount is:

$$0.6 \times \$42.20 = \$25.32 \text{ per PFIS1 Contract}$$

Now that the exact cash in lieu amount has been determined, OCC will require Put exercisers and Call assignees, during the period of July 1, 2024 through July 12, 2024, to deliver the appropriate cash amount.

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

Terms of the PFIS1 options are as follows:

New Deliverable

Per Contract: 1) 14 Peoples Financial Services Corporation (PFIS) Common Shares
2) \$25.32 Cash

Strike Prices: Unchanged

CUSIP: PFIS: 711040105

Multiplier: 100 (i.e., a premium of 1.50 yields \$150)

Settlement

The PFIS component of PFIS1 exercise/assignment activity from July 1, 2024 through July 11, 2024, has settled through National Security Clearing Corporation (NSCC). The \$25.32 cash amount will be settled by OCC.

Pricing

The underlying price for PFIS1 will be determined as follows:

$$\text{PFIS1} = 0.14 (\text{PFIS}) + 0.2532$$

For example, if PFIS closes at 45.05, the PFIS1 price would be calculated as follows:

$$\text{PFIS1} = 0.14 (45.05) + 0.2532 = 6.56$$

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.