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#56158

**Date:** March 05, 2025

**Subject:** Paramount Global Class B (Election Merger) - Anticipated Adjustment  
Option Symbol: PARA  
Date: ??? (Election Deadline: ???)

On July 7, 2024, National Amusements, Inc. and its subsidiaries (collectively Specified NAI Entities), which beneficially owned approximately 77.4% of the aggregate voting power of the outstanding Paramount Global Class A common shares, delivered to Paramount Global (PARA) a written consent adopting and approving the two-step transaction agreement between Paramount Global and Skydance Media, LLC to form “New Paramount”.

After the consummation of the transactions, New Paramount will be renamed “Paramount Skydance Corporation”. Paramount Skydance Corporation Class B Common Shares are anticipated to be listed on NASDAQ under the ticker symbol “PARA”.

### **The Merger: Aggregate Terms**

The maximum amount of cash consideration that holders of Paramount Class B common stock will be entitled to receive pursuant to the transaction approximately \$4.3 billion in the aggregate, and a maximum of 285,889,212 shares of Paramount Class B common stock will be entitled to receive the Class B Cash Consideration. The elections to receive Class B Cash Consideration will be prorated as necessary to ensure that these limits are not exceeded.

### **The Merger: Individual Share Elections**

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

- Elect to receive 1.00 (New) Paramount Skydance Corporation (PARA) Class B Common Share (“Class B Stock Consideration”). OR,
- Elect to receive \$15.00 in cash (“Class B Cash Consideration”). Class B Cash Election is subject to proration. OR,
- Register no preference by not making an election (“Class B Non-Election Shares”). Under the terms of the election, shares which are not subject to an effective election will be treated as non-electing shares and converted into the right to receive the Class B Stock Consideration.

Elections must be submitted to the exchange agent. **The election deadline will be at 5:00 p.m. local time (in the city in which the principal office of the Exchange Agent is located) on the date that is five (5) Business Days prior to the Parties' good faith estimate of the Closing Date or such other date as may be mutually agreed to by the Parties.** PARA Shareholders must observe all terms and conditions for the election as specified in the Information Statement dated February 13, 2025. **It should be noted that it is**

unknown if PARA shares may be delivered pursuant to an election under "Notices of Guaranteed Delivery". In all cases, Call option holders exercising in order to obtain stock for an election must exercise in sufficient time to be able to make valid delivery pursuant to the election procedures.

### The Merger Consideration: Prorations

Class B Cash Election will be subject to proration.

### Contract Adjustment

<b>Date:</b>	Effective the opening of the business day after the merger is consummated. Contract adjustment is expected to occur in the first half of 2025.
<b>Option Symbol:</b>	PARA remains PARA (with adjusted delivery described below)
<b>Strike Divisor:</b>	1
<b>Contract Multiplier:</b>	1
<b>New Multiplier:</b>	100 (e.g., a premium or strike price extensions, 1.00 yields \$100)
<b>New Deliverable Per Contract:</b>	The deliverable for adjusted PARA options will be BASED ON THE MERGER CONSIDERATION WHICH ACCRUES TO CLASS B NON-ELECTION PARA SHAREHOLDERS (stated in terms of a current 100-Share deliverable).  100 Paramount Skydance Corporation (PARA) Class B Common Shares
<b>CUSIP:</b>	(New) PARA: TBD

### Pricing

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

$$\text{PARA} = \text{PARA}$$

### Important Exercise Considerations

Holders of PARA Call options who wish to make their own elections with respect to PARA shares received through exercise (for example, to receive a consideration other than the Non-Electing consideration) bear sole responsibility in determining when to exercise their options to permit a valid election. After the merger is consummated and the contract adjustment described above is effected, adjusted PARA options will no longer call for the delivery of PARA shares upon exercise. Call option holders will receive upon exercise (and Put holders deliver upon exercise) the non-electing merger consideration (on a per contract basis).

### Delivery Settlement and Protect Provisions

Option contracts which are exercised, and physically-settled security futures contracts which mature, will require the settlement of all component securities included in the contract deliverable at the time of the futures contract maturation or option contract exercise, including rights, warrants, or similar instruments. Additional PARA entitlements (such as due bills, eligibility to participate in tender offers, elections, etc.) may also automatically attach to securities deliverable upon physically-settled futures contract maturity or option

exercise. Conversely, securities not included in the contract deliverable at the time of the option exercise or futures contract maturity, or other entitlements not associated with the underlying deliverable securities, may preclude holders of long futures contracts from realizing the benefit of such entitlements. For example, if a physically-settled security futures underlying security is the subject of a tender offer, exchange offer, or similar event which expires *before* the futures contract reaches its maturity, the securities due to long futures holders upon maturity *will not* be eligible for participation in the tender/exchange offer. Conversely, if such tender offer, exchange offer or similar event expires *after* the futures contract matures, securities deliverable to long futures holders *will* be eligible for participation in these events.

Except in unusual cases, securities deliverable as a result of equity option exercise or the maturity of physically-settled security futures are settled through National Securities Clearing Corporation (NSCC).

Rights and obligations of Members with respect to securities settling at NSCC as a result of an option exercise or assignment or a physically-settled security future delivery or receipt obligation are governed by the rules of NSCC. NSCC has its own rules which enable purchasers of securities to protect themselves for value which may be lost if timely delivery is not made to them of securities subject to specific deadlines, such as the expiration of a tender offer, rights subscription, election, or similar event. These rules are generally called protect or liability notice procedures, and are intended to protect purchasers by binding the delivering parties to liability if such value is lost because timely delivery is not effected. Purchasers of securities must observe the rules and procedures of NSCC to avail themselves of such "protect" provisions of NSCC. Questions regarding these provisions should be addressed to NSCC.

### **Special Risks**

Writers of call options and holders of short positions in physically-settled security futures at maturity who are uncovered with respect to deliverable securities subject to deadlines or cut-off times (such as expirations of tender offers, rights subscriptions, elections, or similar events) should be aware of a risk associated with the timing of their possible assignments or physically-settled security futures delivery obligations: Equity option exercise settlement and settlement of physically-settled security futures delivery obligations normally occurs on the business day after the option exercise date or the security-futures maturity date. An uncovered call writer or uncovered short futures holder who has an obligation to deliver, and who waits until after assignment or futures maturity to effect purchase of the underlying security, may not be able to effect timely delivery by a regular-way purchase (1 business-day settlement) or call option exercise (1 business-day settlement after exercise). Such uncovered writer or short futures holder may nevertheless be subject to liability under the protect provisions of NSCC (see above) with respect to his delivery obligation, because he cannot make timely delivery. Additionally, Cash Markets (same-day) may not be available, or may be expensive for buyers of the underlying security.

### **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](mailto: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](mailto:memberservices@theocc.com).