



**THE FOUNDATION
FOR SECURE
MARKETS®**

#56775

Date: June 27, 2025

Subject: BABA2 Options - Expiration Pricing Consideration

BABA2 (adjusted Alibaba Group Holding Limited options) will be subject to special pricing consideration in expiration processing on June 27, 2025. The pricing consideration is due to the undetermined final net cash amount included in the option deliverable of BABA2 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.

BABA2

BABA2 options are adjusted Alibaba Group Holding Limited options, adjusted June 12, 2025 (see OCC Information Memo #56574). The deliverable of BABA2 options is:

NEW DELIVERABLE

PER CONTRACT: 1) 100 Alibaba Group Holding Limited (BABA) American Depositary Shares
2) Approximately \$95.00 Cash (approximately \$0.95 x 100), less fees, if any

As of June 27, 2025, the BABA Distribution Agent has not determined the final net dividend amount.

For purposes of calculating a BABA2 price for use in expiration processing, OCC will use the following formula:

$$\text{BABA2} = \text{BABA} + 0.95$$

For example, if BABA closes at 113.93, the BABA2 price would be:

$$\text{BABA2} = 113.93 + 0.95 = 114.88$$

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.