

## **CBOE Research Circular #RS14-092**

Date: February 18, 2014

To: Permit Holders From: Scott Speer

RE: Xyratex Ltd ("XRTX") Proposed Merger with Seagate Technology International

Shareholders of Xyratex Ltd ("XRTX") will vote on Wednesday, February 26, 2014, to approve a proposed Merger between XRTX and Phoenix Acquisition Limited, a wholly-owned subsidiary of Seagate Technology International, an indirect subsidiary of Seagate Technology plc ("STX"). Pursuant to the terms of the Merger, each share of XRTX Common Stock outstanding immediately prior to the consummation of the Merger will be converted into the right to receive \$13.25 cash, without interest, per XRTX share. The Merger is expected to become effective in mid-calendar year 2014.

THE FOREGOING IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE MERGER, PREPARED BY CBOE FOR THE CONVENIENCE OF ITS PERMIT HOLDERS. CBOE ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. PERMIT HOLDERS SHOULD REFER TO THE XYRATEX LTD AND SEAGATE TECHNOLOGY INTERNATIONAL JOINT AGREEMENT AND PLAN OF MERGER DATED DECEMBER 21, 2013, FOR THE AUTHORITATIVE DESCRIPTION OF THE MERGER AND ALL OF ITS TERMS AND CONDITIONS.

## **Contract Adjustment**

Pursuant to Article VI, Section 11 and 11A of The Options Clearing Corporation's By-Laws, all outstanding XRTX options shall be adjusted as follows. On the business day immediately following the Effective Time of the Merger each Xyratex Ltd contract will be adjusted to require, upon exercise, the per-contract delivery or receipt of \$1,325.00 in cash. Strike prices will remain the same, and the option symbol will remain XRTX. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

Please be aware that trading in the adjusted XRTX options will be suspended as of the date on which the option contract is adjusted. There will be no restrictions on the exercise of the adjusted XRTX options.

## **Acceleration of Expirations**

Pursuant to OCC Rule 807, equity stock option contracts whose deliverables are adjusted to call for cash-only delivery will be subject to an acceleration of the expiration dates for outstanding option series.

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

http://www.cboe.com/ContractAdjustments