

CBOE Research Circular #RS17-281

Date: May 12, 2017

To: Permit Holders

From: Scott Speer

RE: Ashland Global Holdings Inc. ("ASH")

Distribution of Shares of

Valvoline Inc. ("VVV")

Ex-Distribution Date: May 15, 2017

Ashland Global Holdings Inc. ("ASH") has announced a distribution of shares of Valvoline Inc. ("VVV") Common Stock. The distribution ratio will be **2.745338** of a share of Common Stock of (New) Valvoline Inc. for each one (1) share of Common Stock of Ashland Global Holdings Inc. held of record May 5, 2017. The mail date for the distribution will be May 12, 2017. **The ex-date for the distribution will be Monday, May 15, 2017.**

Contract Adjustment

Pursuant to Article VI, Section 11 and 11A of OCC's By-Laws, all ASH options outstanding as of Monday, May 15, 2017, shall be adjusted to require the per-contract delivery or receipt of the following: **(A) 100 shares of Ashland Global Holdings Inc. ("ASH") Common Stock; plus (B) 274 shares of Valvoline Inc. ("VVV") Common Stock; plus (C) cash in lieu of 0.5338 fractional share of Valvoline Inc. ("VVV") Common Stock.** The ASH option symbol will change to **ASH1**. Premiums and strike-price amounts for the adjusted ASH1 options will continue to be calculated on the basis of a multiplier of 100, *i.e.*, for premium and strike-price extensions, 1.00 will equal \$100. Strike prices will remain the same. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

New Unadjusted Series

To facilitate the maintenance of a fair and orderly market in Ashland Global Holdings Inc. options, new ASH series with a contract unit of 100 shares will be introduced on Tuesday, May 16, 2017. The ASH series will be added for May, June, July, and October expirations at exercise prices nearest the money.

Settlement Procedures

The ASH and VVV components of the ASH1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the ASH1 deliverable until the cash in lieu of fractional VVV 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.

GTC Order Conversion

On Friday, May 12, 2017, immediately after the CBOE close, the system will convert or cancel all resting orders in the ASH order book. If your firm has requested, all booked orders (phone, wire, and electronic) and all OHS orders residing outside the book (booth or crowd routed) will be converted reflecting the adjustment. If your firm has requested, all booked orders and OHS orders residing outside of the book will be canceled. If your firm receives CXL drops, the CXL confirms will print at your booth at 3:15 p.m. OHS CXLs will also be transmitted electronically to your branches.

A report will be available at the Help Desk listing the orders that are converted or canceled. If converted, this list will also show how the new orders will be adjusted. This report will be available on request anytime during the day prior to the night of the adjustment.

Order Entry After Adjustment

In entering orders, it is essential for permit holder firms to identify trades in old (adjusted) series with the option symbol ASH1; trades in the new (unadjusted) Ashland Global Holdings Inc. series must have the standard option symbol ASH. Brokers should make certain that customers entering closing transactions describe the option series with the correct symbol. Negligence in this matter could lead customers to establish new positions in unadjusted series rather than closing out existing positions in adjusted series.

Position and Exercise Limits

The CBOE Regulatory Division has determined that: "The position and exercise limits following this stock distribution will remain the same."

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>