

CBOE Research Circular #RS17-296

Date: May 19, 2017

To: Permit Holders

From: Scott Speer

RE: ArcelorMittal ("MT")

1-for-3 Reverse ADS Split

Ex-Distribution Date: May 22, 2017

ArcelorMittal ("MT") has announced a 1-for-3 reverse American Depositary Share (ADS) split, in which each outstanding ADS of MT will automatically be converted into one-third (approximately **0.333333**) of a share of "New" MT. **The ex-date for the reverse common stock split is Monday, May 22, 2017.**

Contract Adjustment

Pursuant to OCC rules (Article VI, Section 11 and 11A), all outstanding MT option series as of Monday, May 22, 2017, at 8:30 A.M. Chicago time will be adjusted to reflect this 1-for-3 reverse ADS split. All MT options will be adjusted to require the receipt or delivery of: **(A) 33 ADSs of "New" ArcelorMittal ("MT"); plus (B) cash in lieu of approximately 0.3333 fractional ADS of "New" MT.** The contract multiplier will remain 100, *i.e.*, 1 point of premium or strike price will equal \$100. Strike prices will remain the same. The option symbol will change to **MT1**. Premiums for the adjusted MT1 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. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

The option adjustment will appear in the Daily Position Report of the clearing member firms on the ex-date. After 8:30 A.M. Monday, May 22, 2017, all trades, corrections, and exercises must be submitted to the CBOE and OCC on an adjusted basis.

Settlement

The OCC will delay settlement of MT1 exercise and assignment activity until the determination of the cash-in-lieu amount for the approximate 0.3333 fractional ADS of "New" MT.

New Unadjusted Series

To facilitate the maintenance of a fair and orderly market in ArcelorMittal options, new MT series with a contract unit of 100 ADSs will be introduced on Tuesday, May 23, 2017. The MT series will be added for June, July, September, and December expirations at exercise prices nearest the money. Also, new MT LEAP series with a contract unit of 100 ADSs will be introduced on May 23, 2017, for the January 2018 and January 2019 expirations at exercise prices nearest the money.

GTC Order Conversion

On Friday, May 19, 2017, immediately after the CBOE close, the system will convert or cancel all resting orders in the MT 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 adjustments. 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.



EXECUTE SUCCESSSM

Immediately after the close, the book staff will return a final written report listing the orders that are converted or canceled to all firms. 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.

Position and Exercise Limits

The CBOE Regulatory Division has determined that: "The position and exercise limits following this reverse ADS split 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>