



**THE FOUNDATION
FOR SECURE
MARKETS**

#51462

Date: December 01, 2022

Subject: Flagstar Bancorp, Inc. - Contract Adjustment
Option Symbol: 12/01/2022 - FBC remains FBC
12/02/2022 - FBC becomes NYCB1
Date: 12/01/2022

Contract Adjustment

Date: December 1, 2022

Option Symbol: 12/01/2022 - FBC remains FBC (with adjusted deliverable described below)
12/02/2022 - FBC changes to NYCB1

Strike Divisor: 1

Contracts Multiplier: 1

New Multiplier: 100 (e.g., a premium of 1.50 yields \$150; a strike of 40 yields \$4,000.00)

New Deliverable Per Contract:

- 1) 401 New York Community Bancorp, Inc. (NYCB) Common Shares
- 2) Cash in lieu of 0.51 fractional NYCB Common Shares

Note: Once determined the cash in lieu of fractional share portion of the option deliverable remains fixed and does not vary with price changes of any security.

CUSIP: NYCB: 649445103

Pricing

Until the cash in lieu amount is determined, the underlying price for NYCB1 will be determined as follows:

$$\text{NYCB1} = 4.0151 (\text{NYCB})$$

Delayed Settlement

The NYCB component of the NYCB1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash portion of the NYCB1 deliverable until the cash in lieu of fractional NYCB 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.

Background

On August 4, 2021, Shareholders of Flagstar Bancorp, Inc. (FBC) voted concerning the proposed merger with New York Community Bancorp, Inc. (NYCB). The merger was approved and subsequently consummated before the open on December 1, 2022. As a result, each existing FBC Common Share will be converted into the right to receive 4.0151 NYCB Common Shares. Cash will be paid in lieu of fractional NYCB shares.

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. 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.