

# CORPORATE EVENTS

MEMO # 08-346

DATE: 11/14/08

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**ACTION:**

On November 5, 2008, Shareholders of Hercules Incorporated ("HPC") voted concerning the proposed merger with Ashland Inc. ("ASH"). The merger was approved and subsequently consummated on November 13, 2008. As a result, each existing HPC Common Share will be converted into the right to receive .093 ASH Common Shares plus \$18.60 cash. Cash will be paid in lieu of fractional ASH shares.

This action will be coordinated with the Options Clearing Corporation.

**CATEGORY:**

Cash Settlement

**EQUITY SYMBOL:**

Hercules Incorporated ("HPC")

**ONE CHICAGO SYMBOL:**

**HPC1C** changes to **HPC2C**; **HPC1C** will not be reintroduced.

**CME FUTURES SYMBOL:**

**HC2** for **HPC2C**

**MULTIPLIER:**

100 (e.g., 1.00 equals \$100.00)

**EFFECTIVE DATE:**

**Friday, November 14, 2008**

**NEW DELIVERABLE PER CONTRACT:**

- 1) 9 Ashland Inc. ("ASH") Common Shares
- 2) \$1,860.00 Cash (\$18.60 x 100)
- 3) Cash in lieu of .30 ASH Common Shares

\*The cash portion of the deliverable remains permanently fixed as part of the deliverable and does not vary with price changes of securities also included in the deliverable.

**APPLICABLE CONTRACT MONTHS:**

November, December 2008 and March, June 2009

**SETTLEMENT PRICES AND POSITIONS:**

The price for the HPC2C contract will be calculated as follows:

$$\text{HPC2C} = .09 (\text{ASH}) + 18.60 + \text{Cash in lieu of fractional shares}$$

Please note that the valuation would apply only to the HPC2C deliverable in terms of current market value of the deliverable securities. The resulting price would not be equivalent to the daily settlement price of a futures contract month, whose determination would include cost of money carrying charges, adjustment for dividends, and other factors.

**NOTES:**

The forecasted effect of the upcoming corporate event on each clearing firms' positions can be viewed in infopac in the Corporate Event Initial Forecast Report (ONE712), the Corporate Event Final Forecast Report (ONE713), and the Corporate Event Forecast Audit Report (CPDBU710).

If you have any questions regarding the information provided in the document, please call CME Clearing risk management hotline at (312) 648-3888.