

# CORPORATE EVENTS

MEMO # 09-485

DATE: 11/3/09

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**ACTION:**

On August 7, 2009, Shareholders of Schering-Plough Corporation ("SGP") voted concerning the proposed merger with Merck & Co., Inc. ("MRK"). The merger was approved and will become automatically effective after the close of business on November 3, 2009. As a result, each existing SGP Common Share will be converted into the right to receive .5767 (New) MRK Common Shares and \$10.50 Cash. Cash will be paid in lieu of fractional MRK shares.

This action will be coordinated with the Options Clearing Corporation.

**CATEGORY:**

Merger

**EQUITY SYMBOL:**

Schering-Plough Corporation ("SGP")

**ONE CHICAGO SYMBOL:**

**SGP1C** will change to **SGP2C**; **SGP1C** will not be reintroduced

**CME FUTURES SYMBOL:**

**SQ** will change to **SQ9**

**MULTIPLIER:**

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

**EFFECTIVE DATE:**

Wednesday, November 4, 2009

**NEW DELIVERABLE PER CONTRACT:**

- 1) 57 (New) Merck & Co., Inc. ("MRK") Common Shares
- 2) Cash in lieu of .67 fractional MRK Shares\*
- 3) \$1,050.00 Cash (\$10.50 x 100)\*

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

**APPLICABLE CONTRACT MONTHS:**

November, December 2009 and March, June 2010

**SETTLEMENT PRICES AND POSITIONS:**

The underlying price for the SGP2C Futures contract deliverable, expressed in term of current market value, would be calculated as follows:

$$\text{SGP2C} = .57 (\text{MRK}) + \text{cash in lieu of } .67 \text{ MRK} + 10.50$$

Please note that the valuation would apply only to the SGP2C 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.