

Cash Merger

February 17, 2017

Exchange/Memo ID:204041

ONN / OCC ID: 40684



BLUE NILE, INC. - CASH SETTLEMENT/ACCELERATION OF EXPIRATIONS

DESCRIPTION:

On February 2, 2017, Shareholders of Blue Nile, Inc. (NILE) voted concerning the proposed merger with a wholly-owned subsidiary of BC Cyan Parent Inc., an affiliate of an investor group comprised of funds managed by Bain Capital Private Equity and Bow Street LLC. The merger was approved and subsequently consummated before the open on February 17, 2017. As a result, each existing NILE Common Share will be converted into the right to receive \$40.75 net cash per share.

ACCELERATION OF EXPIRATIONS

Pursuant to OCC Rule 807, equity stock option contracts whose deliverables are adjusted to call for cash-only delivery will be subject to an acceleration of the expiration dates for outstanding option series. (See OCC Information Memo 23707) Additionally, the exercise by exception (ex by ex) threshold for expiring series will be \$.01 in all account types.

All series of Blue Nile, Inc. options whose expiration dates are after 3-17-2017 will have their expiration dates advanced to 3-17-2017. Expiration dates occurring before 3-17-2017 (e.g., Flex options) will remain unchanged.

All Blue Nile, Inc. options will utilize a \$.01 exercise threshold.

Option Symbol: NILE

Existing Expiration: All months

New expiration date: 3-17-2017

Existing American-style Blue Nile, Inc. options remain exercisable at the option of the holder prior to their expiration. Exercised options will continue to settle in three business days.

ACCELERATION OF EXPIRATIONS

Pursuant to OCC Rule 807, equity stock option contracts whose deliverables are adjusted to call for cash-only delivery will be subject to an acceleration of the expiration dates for outstanding option series (See OCC Information Memo 23988).

Pending Contract Adjustments:

Pursuant to the By-Laws of the Options Clearing Corporation ("OCC"), the below options will be adjusted as follows.

Adjustment Date:	Contract adjustment is expected to occur during the first quarter of 2017.		
Option Symbol:	NILE	remains	NILE
Underlying Security:	NILE	remains	NILE
Contract Multiplier:	1		
Strike Divisor:	1		
New Multiplier:	100		
New Deliverable:	\$4,075.00 Cash (\$40.75 x 100)		

Pricing Considerations:

Additional Exchange Info: On Friday, February 17th, 2017, immediately after the BOX close, all resting orders for NILE in the order book will be canceled by the BOX Market Operations Center.

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
NILE	C/P	15.00	02/17/2017	NILE	C/P	15.00	02/17/2017
NILE	C/P	17.50	02/17/2017	NILE	C/P	17.50	02/17/2017
NILE	C/P	20.00	02/17/2017	NILE	C/P	20.00	02/17/2017
NILE	C/P	22.50	02/17/2017	NILE	C/P	22.50	02/17/2017
NILE	C/P	25.00	02/17/2017	NILE	C/P	25.00	02/17/2017
NILE	C/P	30.00	02/17/2017	NILE	C/P	30.00	02/17/2017
NILE	C/P	35.00	02/17/2017	NILE	C/P	35.00	02/17/2017
NILE	C/P	40.00	02/17/2017	NILE	C/P	40.00	02/17/2017
NILE	C/P	45.00	02/17/2017	NILE	C/P	45.00	02/17/2017
NILE	C/P	50.00	02/17/2017	NILE	C/P	50.00	02/17/2017
NILE	C/P	22.50	03/17/2017	NILE	C/P	22.50	03/17/2017
NILE	C/P	25.00	03/17/2017	NILE	C/P	25.00	03/17/2017
NILE	C/P	30.00	03/17/2017	NILE	C/P	30.00	03/17/2017
NILE	C/P	35.00	03/17/2017	NILE	C/P	35.00	03/17/2017
NILE	C/P	40.00	03/17/2017	NILE	C/P	40.00	03/17/2017
NILE	C/P	45.00	03/17/2017	NILE	C/P	45.00	03/17/2017
NILE	C/P	50.00	03/17/2017	NILE	C/P	50.00	03/17/2017
NILE	C/P	55.00	03/17/2017	NILE	C/P	55.00	03/17/2017
NILE	C/P	60.00	03/17/2017	NILE	C/P	60.00	03/17/2017
NILE	C/P	20.00	05/19/2017	NILE	C/P	20.00	05/19/2017
NILE	C/P	22.50	05/19/2017	NILE	C/P	22.50	05/19/2017
NILE	C/P	25.00	05/19/2017	NILE	C/P	25.00	05/19/2017
NILE	C/P	30.00	05/19/2017	NILE	C/P	30.00	05/19/2017
NILE	C/P	35.00	05/19/2017	NILE	C/P	35.00	05/19/2017
NILE	C/P	40.00	05/19/2017	NILE	C/P	40.00	05/19/2017
NILE	C/P	45.00	05/19/2017	NILE	C/P	45.00	05/19/2017
NILE	C/P	50.00	05/19/2017	NILE	C/P	50.00	05/19/2017
NILE	C/P	22.50	08/18/2017	NILE	C/P	22.50	08/18/2017
NILE	C/P	25.00	08/18/2017	NILE	C/P	25.00	08/18/2017
NILE	C/P	30.00	08/18/2017	NILE	C/P	30.00	08/18/2017
NILE	C/P	35.00	08/18/2017	NILE	C/P	35.00	08/18/2017
NILE	C/P	40.00	08/18/2017	NILE	C/P	40.00	08/18/2017
NILE	C/P	45.00	08/18/2017	NILE	C/P	45.00	08/18/2017
NILE	C/P	50.00	08/18/2017	NILE	C/P	50.00	08/18/2017
NILE	C/P	55.00	08/18/2017	NILE	C/P	55.00	08/18/2017
NILE	C/P	60.00	08/18/2017	NILE	C/P	60.00	08/18/2017

Disclaimer:

This Information Memo summarizes corporate events affecting listed options. No warranty of accuracy or completeness is given with respect to the summary. Option series information is based on series existing at OCC at the time this Memo was generated.

Contact Information:

Questions regarding this memo can be addressed to the BOX Market Operations Center at 617-235-2291 or toll free at 1-866-768-8845.