



THE OPTIONS CLEARING CORPORATION

#24201

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DATE: MARCH 17, 2008

SUBJECT: RESPIRONICS, INC. – CASH SETTLEMENT / ACCELERATION OF EXPIRATIONS
OPTION SYMBOL: RBQ
DATE: 3/17/08

On March 13, 2008, Moonlight Merger Sub, Inc., a wholly owned subsidiary of Phillips Holding USA Inc., which is a wholly owned subsidiary of Phillips Koninklijke Philips Electronics N.V. completed its tender offer for Respironics, Inc. ("RESP") Common Shares. The merger was subsequently consummated on March 14, 2008. As a result, each existing RESP Common Share will be converted into the right to receive \$66.00 net cash per share

THE FOREGOING IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE MERGER, PREPARED BY OCC FOR THE CONVENIENCE OF CLEARING MEMBERS. OCC ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. CLEARING MEMBERS SHOULD REFER TO THE RESP OFFER TO PURCHASE DATED JANUARY 3, 2008 FOR THE AUTHORITATIVE DESCRIPTION OF THE MERGER AND ALL ITS TERMS AND CONDITIONS.

CONTRACT ADJUSTMENT

Pursuant to Article VI, Section 11, of OCC's By-Laws, a panel of OCC's Securities Committee has determined to adjust all RBQ options as indicated below (the panel consists of two representatives from the Exchanges on which the affected option is traded (in this case the Chicago Board Options Exchange ("CBOE") and the International Securities Exchange ("ISE")) and the Chairman of OCC or his delegee, who only votes in case of a tie).

DATE: March 17, 2008

**NEW DELIVERABLE
PER CONTRACT:** \$6,600.00 (\$66.00 x 100)

Settlement in RBQ options will take place through OCC's cash settlement system. Settlement will be accomplished by payment of the difference between the extended strike amount and the cash deliverable.

Existing RBQ open interest will remain open until it is exercised or expires. Since RBQ options are American-style, they are exercisable at the option of the holder.

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 Respirationics, Inc. options whose expiration dates are **after 3-22-2008** will have their expiration dates **advanced to 3-22-2008**. Expiration dates occurring **before 3-22-2008** (e.g., Flex options) will remain **unchanged**.

All Respirationics, Inc. options will utilize a **\$.01 exercise threshold**.

Option Symbol	Existing Expiration	New Expiration Date	Exercise Threshold
RBQ	all months	3-22-2008	\$.01

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

Please note the acceleration of expirations for cash-only equity options became effective January 2, 2008 (see OCC Information Memo #23988). Equity options that were adjusted for cash-only delivery before 2008 will not have their expiration dates advanced. These options will continue to be subject to an exercise by exception (“ex by ex”) threshold of \$.05 in all account types.

CATEGORY: CONTRACT ADJUSTMENTS
SUB-CATEGORY: CASH SETTLEMENT

For questions regarding this memo, call 1-888-OPTIONS or email options@theocc.com.