



**THE FOUNDATION
FOR SECURE
MARKETS**

#48594

Date: April 16, 2021

Subject: Kazia Therapeutics Limited - Trading Halt/Expiration Pricing Considerations

OCC STRONGLY RECOMMENDS CLEARING MEMBERS CONTACT ALL HOLDERS OF EXPIRING KZIA OPTIONS TO APPRISE THEM OF THE CONTENTS OF THIS MEMO.

The OCC has been informed that trading in Kazia Therapeutics Limited (KZIA) was halted on the Nasdaq Stock Exchange on April 15, 2021.

MEMBERS SHOULD ADVISE THEIR CUSTOMERS TO TAKE THE FOLLOWING CONSIDERATIONS INTO ACCOUNT IN DECIDING TO EXERCISE, OR NOT TO EXERCISE, THESE OPTIONS.

KZIA Option Exercise

There continues to be no OCC restriction on the exercise of KZIA put and call options, and OCC does not currently anticipate imposing such restrictions.

KZIA Expiration Exercise Procedures

For purposes of calculating a price for use in expiration processing on April 16, 2021, OCC will use the last available KZIA price of \$11.33 from April 15, 2021. KZIA options will be processed in the normal fashion, including the use of the customary in-the-money thresholds to effect exercise of expiring KZIA positions.

CUSTOMER EXERCISE INSTRUCTIONS

Clearing Members are reminded that exercise thresholds are employed by OCC in expiration processing solely as an operational convenience, as described in interpretation .02 to OCC Rule 805(d): "The exercise thresholds provided for in Rule 805(d) and elsewhere in the rules are part of the administrative procedure established by the Corporation to expedite its processing of exercise of expiring options by Clearing Members, and are not intended to dictate to Clearing Members which positions in customer's accounts should or must be exercised."

Clearing Members should remind customers of their obligations to submit exercise instructions before expiration, as described in the Options Disclosure Document "Characteristics and Risks of Standardized Options":

"An option holder who intends to exercise an option before expiration must give exercise instructions to his brokerage firm before the firm's cut-off time for accepting exercise instructions on the last trading day before expiration. Many brokerage firms accept standing instructions to exercise, or have procedures for the exercise of, every option, which is in the money by a specified amount at expiration. These procedures often incorporate by reference OCC's administrative procedures that provide for the exercise of every option

that is in the money by a specified amount at expiration unless the Clearing Firm carrying the option in its accounts instructs OCC not to exercise the option. Investors should determine from their brokerage firm the applicable cut-off times, the firm's procedures for submitting exercise instructions, and whether any of their options are subject to automatic exercise. Investors should also determine whether the exercise of their options is subject to standing instructions of their brokerage firm, and, if so, they should discuss with the firm the potential consequences of such instructions."

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theoocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theoocc.com.