



Date: April 27, 2021
Subject: Valaris plc – Contract Adjustment
Option Symbol: VALPQ becomes VLPQ1
Date: 4/28/2021

On March 3, 2021, U.S. Bankruptcy Court for the Southern District of Texas Houston Division confirmed the Debtors’ Fourth Amended Joint Chapter 11 Plan of Reorganization for Valaris plc (“Plan”). The Plan became effective on April 27, 2021, and all existing VALPQ shares were cancelled. VALPQ shareholders are entitled to receive a Pro Rata portion of New Warrants (“Warrants”), as described in the Plan. The treatment of fractional Warrants is unknown at this time.

Possible Settlement Procedures

An OTC or OTCBB (Bulletin Board) market may develop in the U.S. for the Warrants, although there is no assurance this will happen. OCC anticipates that if an OTC or OTCBB market develops, NSCC will accept transactions in the Warrants which arise as a result of option exercise and assignment activity. In that event, VLPQ1 option exercise and assignment activity will settle in the normal fashion through NSCC. However, if a market does not develop or NSCC does not accept transactions in the Warrants, OCC anticipates requiring broker to broker settlement for VLPQ1 options after the final distributions are determined.

Pursuant to customary OCC broker to broker settlement procedures, inability to effect delivery may subsequently occasion cash settlement as determined by OCC.

Contract Adjustment

Date: April 28, 2021
Option Symbol: VALPQ becomes VLPQ1
Strike Divisor: 1
Contract Multiplier: 1
New Multiplier: 100 (e.g., a premium of 1.50 yields \$150; a strike of 1 yields \$100.00)
New Deliverable Per Contract:
1) 100 x Pro Rata portion of New Warrants distributed per VALPQ share, if any
2) Cash in lieu of fractional New Warrants, if any

Note: Once determined the cash in lieu of fractional warrant portion of the option deliverable remains fixed and does not vary with price changes of any security.

CUSIP: (New) Warrants: TBD

Delayed Settlement

OCC will delay settlement of the VLPQ1 option deliverable until the final distribution ratio, trading symbol, and trading status of the Warrants, are determined. Upon determination of the Warrants' final distribution ratio, trading symbol, and trading status, OCC will require Put exercisers and Call assignees to deliver the appropriate number of Warrants, if any, and the appropriate cash amount, if any.

Disclaimer

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

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@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.