



Date: November 05, 2021
Subject: Vedanta Limited - Anticipated ADR Termination/Anticipated Cash Settlement
Option Symbol: VEDL
Date: ???

Vedanta Limited (VEDL) announced its intention to terminate the Depositary Agreement for Vedanta Limited American Depositary Receipts (“ADRs”) as of November 8, 2021, thereby terminating the VEDL ADR program. As a result of the termination of the Deposit Agreement, holders of the VEDL ADRs may exchange their ADRs for the corresponding Shares in India. VEDL ADR holders may surrender their ADRs to the Citibank,N.A. (the “Depositary”) until December 8, 2021.

Starting on or about December 9, 2021, the Depositary may attempt to sell the then-remaining shares held on deposit. Following any such sale(s), the Depositary will promptly remit the net proceeds to the holders of ADSs then outstanding through the payment mechanism of DTC. The ADSs will be deemed cancelled and terminated from the date of the cancellation of the ADS resulting from the sale of the Shares.

Cash proceeds from the sale of underlying shares may be subject to surrender fees and Indian withholding taxes of up to 43.68%.

Vedanta Limited ADRs are anticipated to be delisted from the New York Stock Exchange (NYSE) at the close of business November 8, 2021. It is unknown at this time if an OTC market will develop in Vedanta Limited ADRs after the ADRs are delisted from the NYSE.

Exercise Consideration - At the time of the contract adjustment, the deliverable for adjusted VEDL options will be 100 x the cash proceeds received per VEDL ADR, less applicable fees and withholdings, if any. VEDL call option holders who wish to receive the corresponding shares and who do not wish to receive the cash proceeds from the sale of ADRs, should exercise their options in sufficient time to exchange the ADRs for corresponding shares in India. In all cases, it is the sole responsibility of persons holding call options seeking to receive the underlying securities to determine when to exercise their options.

Contract Adjustment

The option symbol VEDL will not change

Date: ???

New Deliverable Per Contract: 100 x the cash proceeds received per VEDL ADR, less applicable fees and withholdings, if any

Settlement: Starting November 9, 2021, VEDL options will be subject to delayed settlement, pending the determination of the cash proceeds paid per ADR, less fees and withholdings

Settlement in VEDL 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.

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).

Expiration Processing

If an OTC trading market does not develop for VEDL ADRs following the delisting of the shares from NYSE, OCC may elect to remove automatic exercise thresholds for VEDL options in OCC's expiration processing. If this occurs, holders of expiring VEDL options will be required to independently ascertain the value of the VEDL securities and issue positive instructions to exercise any expiring options.

Special Risks

If an OTC trading market does not develop or is not sustained, it is uncertain if the National Securities Clearing Corporation (NSCC) will continue to accept for settlement VEDL options exercise and assignment activity. If these circumstances cause impairments in the ability of OCC to settle VEDL options exercise and assignment activity, OCC may take the following actions: 1) if VEDL ADRs are only transferrable to the Depositary, OCC may delay settlement of VEDL options exercise and assignment activity until the final net cash liquidation amount is available (which is not expected to occur before December 9, 2021, or 2) if VEDL ADRs remain transferrable, OCC may direct that the VEDL options exercise and assignment activity be settled on a broker to broker basis through OCC's system; however, OCC may delay the settlement obligations of both the delivering and receiving parties if the delivering party is not able to effect broker to broker settlement on the original exercise settlement date. **Such a delay in settlement may extend until the final VEDL cash proceeds amount is determined, after which time the unsettled obligations would settle for cash.**

The possible absence of an OTC trading market for the VEDL ADRs and the possibility that VEDL options exercise and assignment activity may be delayed until the final cash proceeds amount is determined poses possible risks for VEDL options exercisers and assignees: If subject to delayed settlement, an exerciser or assignee may be impaired in ability to protect himself from a decrease or increase in the value of the VEDL deliverable which occurs from the original exercise date to the date the final cash proceeds amount is determined. Under normal circumstances, an offsetting sale or purchase could be effected in the marketplace to protect against the increase or decrease in value of the deliverable security. But if a market for the VEDL ADRs does not exist, price protection may require a purchase or sale of Vedanta Limited shares on the home market.

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.