



Date: July 06, 2022
Subject: Orphazyme A/S – Anticipated ADR Termination/Anticipated Cash Settlement
Option Symbol: ORPHY
Date: ???
* * * Update * * *

The Bank of New York has announced its intention to terminate the Depositary Agreement for Orphazyme A/S (ORPHY) American Depositary Receipts (“ADRs”) as of July 6, 2022, thereby terminating the ORPHY ADR program. As a result of the termination of the Deposit Agreement, holders of the ORPHY ADRs may exchange their ADRs for the underlying shares. ORPHY ADR holders may surrender their ADRs to the Bank of New York Mellon (the “Depositary”) until at least July 11, 2022. ORPHY ADR holders who surrender their ADRs for the underlying shares will be required to pay a \$17.50 cable fee plus a \$0.05 per ADR cancellation fee and any other applicable fees or taxes to the Depositary.

Subsequent to July 11, 2022, the Depositary may attempt to sell the underlying shares that underlie any remaining ADRs not surrendered. If the Depositary sells such shares, ADR holders must surrender their ADRs to obtain payment of the sale proceeds, net of sale expenses and withholdings, if any, and a cancellation fee of up to \$0.05 per ADR.

Exercise Consideration - At the time of the contract adjustment, the deliverable for adjusted ORPHY options will be 100 x the net cash proceeds received per ORPHY ADR. ORPHY call option holders who wish to receive the corresponding ADRs 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 the underlying shares. 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 ORPHY will not change

Date: ???

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

Settlement: Starting **July 7, 2022**, ORPHY options will be subject to delayed settlement, pending the determination of the cash proceeds paid per ORPHY ADR, less fees and withholdings, if any

Settlement in ORPHY 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).

Special Risks

If an OTC trading market is not sustained, it is uncertain if the National Securities Clearing Corporation (NSCC) will continue to accept for settlement ORPHY options exercise and assignment activity. If these circumstances cause impairments in the ability of OCC to settle ORPHY options exercise and assignment activity, OCC **may** take the following actions: 1) if ORPHY ADRs are only transferrable to the Depository, OCC may delay settlement of ORPHY options exercise and assignment activity until the final net cash liquidation amount is available (which is not expected to occur before July 11, 2022), or 2) if ORPHY ADRs remain transferrable, OCC **may** direct that the ORPHY 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 ORPHY 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 ORPHY ADRs and the possibility that ORPHY options exercise and assignment activity may be delayed until the final cash proceeds amount is determined poses possible risks for ORPHY 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 ORPHY 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 ORPHY ADRs ceases to exist, price protection may require a purchase or sale of Orphazyme AS 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, please email the Investor Education team at options@theocc.com. Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.