



**THE FOUNDATION
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MARKETS®**

#52385

Date: May 10, 2023

Subject: Ault Alliance, Inc. – Amended and Extended Partial Exchange Offer
Option Symbol: AULT
Date: 05/17/2023

Ault Alliance, Inc. (AULT) is the subject of an amended and extended partial Offer to Exchange (The “Offer”), as described below:

Purchaser: Ault Alliance, Inc. (AULT)

Security to be Purchased: Ault Alliance, Inc. (AULT) Common Shares

Quantity: AULT is offering to exchange up to 333,333,333 of its Class A Common Stock for 10.00% Series H Cumulative Redeemable Perpetual Preferred Stock (“Series H Preferred Stock”).

Offer Terms: Each **50 (formerly 200)** AULT common shares are exchangeable for one share of Series H Preferred Stock having a liquidation preference of \$10.00 per share of Series H Preferred Stock (the equivalent of **\$0.20** per share of Common Stock for each share of Common Stock exchanged in the Offer). AULT shares may only be tendered in increments of **50** shares.

Note: AULT intends to file an application to list the Series H Preferred Stock on the NYSE American or The Nasdaq Capital Market under the symbol “AULT-PDH.”

Expiration: One minute following 11:59 P.M. (12:00 midnight), New York City time, on May 17, 2023 (formerly April 28, 2023), unless extended

Depository: Computershare Trust Company, N.A.

Guaranty Period*: Two Trading Days

*Under the terms of this Offer, shares not immediately available may nevertheless be tendered provided they are tendered under a properly executed “Notice of Guaranteed Delivery”, and valid delivery is subsequently made within the specified “guaranty period”. In all cases it is the sole responsibility of the person tendering to comply with all terms and conditions of the Offer.

Delivery Settlement and Protect Provisions

Option contracts which are exercised will require the settlement of all component securities included in the contract deliverable at the time of the option contract exercise, including rights, warrants, or similar instruments. Additional entitlements (such as due bills, eligibility to participate in tender offers, elections, etc.) may also automatically attach to securities deliverable upon option exercise. Conversely, securities not included in the contract deliverable at the time of the option exercise not associated with the underlying deliverable securities, may preclude call exercisers from realizing the benefit of such entitlements. (See also "Special Risks - Valuation Disparity".) Except in unusual cases, securities deliverable as a result of equity option exercise are settled through National Securities Clearing Corporation ("NSCC").

Rights and obligations of Members with respect to securities settling at NSCC as a result of an option exercise/assignment are governed by the rules of NSCC. NSCC has its own rules which enable purchasers of securities to protect themselves for value which may be lost if timely delivery is not made to them of securities subject to specific deadlines, such as the expiration of a tender offer, rights subscription, election, or similar event. These rules are generally called "protect" or "liability notice" procedures, and are intended to protect purchasers by binding the delivering parties to liability if such value is lost because timely delivery is not effected. Purchasers of securities must observe the rules and procedures of NSCC to avail themselves of such "protect" provisions of NSCC. Questions regarding these provisions should be addressed to NSCC.

Special Risks

Writers of call options and holders of short positions in physically-settled security futures at maturity who are uncovered with respect to deliverable securities subject to deadlines or cut-off times (such as expirations of tender offers, rights subscriptions, elections, or similar events) should be aware of a risk associated with the timing of their possible assignments or physically-settled security futures delivery obligations: Equity option exercise settlement and settlement of physically-settled security futures delivery obligations normally occurs 2 business days after the option exercise date or the security-futures maturity date. An uncovered call writer or uncovered short futures holder who has an obligation to deliver, and who waits until after assignment or futures maturity to effect purchase of the underlying security, may not be able to effect timely delivery by a regular-way purchase (2 business-day settlement) or call option exercise (2 business-day settlement after exercise). Such uncovered writer or short futures holder may nevertheless be subject to liability under the protect provisions of NSCC (see above) with respect to his delivery obligation, because he cannot make timely delivery. Additionally, Cash Markets (same-day, or less-than-2-business-day settlement) may not be available, or may be expensive for buyers of the underlying security.

Possible Delayed Settlement

After the Offer expires, it is possible Ault Alliance, Inc. (AULT) common stock may begin to trade on a when-distributed basis on the NYSE. Should this occur, OCC may delay settlement of AULT options exercises until a settlement date for when-distributed trades is determined.

Adjustment Policy for Tenders

Interpretation .03 to Article VI, Section 11A of OCC's By-Laws states:

Adjustments will not be made to reflect a tender offer or exchange offer to the holders of the underlying security, whether such offer is made by the issuer of the underlying security or by a third person or whether the offer is for cash, securities, or other property. This policy will apply without regard to whether the price of the underlying security may be favorably or adversely affected by the offer or whether the offer may be deemed to be coercive. Outstanding options ordinarily will be adjusted to reflect a merger, consolidation or similar event that becomes effective following the completion of a tender offer or exchange offer. Under this interpretation, AULT options will not be adjusted to reflect the expiration of the Offer.

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.