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#55002

**Date:** August 07, 2024

**Subject:** Natura & Co Holding S.A. – ADR Termination/Anticipated Cash Settlement  
Option Symbol: NTCOY  
Date: ???

On April 10, 2024, the Bank of New York Mellon (the "Depository") announced it will terminate the Deposit Agreement among Natura & Co Holding S.A. (NTCOY), the Depository, and holders of American Depositary Shares ("ADSs"). The termination will become effective at 5:00 PM Eastern Time on August 7, 2024.

**NTCOY ADSs will be suspended from trading on an over the counter market before the open on August 8, 2024.**

NTCOY ADS holders will be able to surrender their ADSs for cancellation and take delivery of the underlying Common Shares until at least August 12, 2024. NTCOY ADS holders who surrender their ADSs for delivery of the underlying Common Shares will be required to pay a cable fee of \$17.50, a cancellation fee of up to \$0.05 per ADS surrendered, and any applicable U.S. or local taxes or governmental charges.

Subsequent to August 12, 2024, the Depository may sell the Common Shares that underlie any remaining ADSs not surrendered. If the Depository sells such shares, ADS holders must surrender their ADSs to obtain payment of the sale proceeds, net of the expenses of sale, withholdings, and a cancellation fee of up to \$0.05 per ADS.

**Exercise Consideration** - At the time of the contract adjustment, the deliverable for adjusted NTCOY options will be 100 x the net cash proceeds received per NTCOY ADS, less applicable fees and withholdings, if any. NTCOY call option holders who wish to receive the corresponding ADSs, and who do not wish to receive the cash proceeds from the sale of ADSs, should exercise their options in sufficient time to exchange the ADSs 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.

**The option symbol NTCOY will not change.**

**Date:** ???

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

**Settlement:** NTCOY options will be subject to delayed settlement effective August 8, 2024, pending the determination of the cash proceeds paid per NTCOY ADS, less fees and withholdings, if any.

Once the final cash amount to be included in the NTCOY deliverable is determined, settlement in NTCOY 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**

It is uncertain if the National Securities Clearing Corporation (NSCC) will continue to accept for settlement NTCOY options exercise and assignment activity. If these circumstances cause impairments in the ability of OCC to settle NTCOY options exercise and assignment activity, OCC may take the following actions: 1) if NTCOY ADSs are only transferrable to the Depositary, OCC **may** delay settlement of NTCOY options exercise and assignment activity until the final net cash liquidation amount is available (which is not expected to occur before August 12, 2024), or 2) if NTCOY ADSs remain transferrable, OCC **may** direct that the NTCOY 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 NTCOY cash proceeds amount is determined, after which time the unsettled obligations would settle for cash.**

### **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](mailto: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](mailto:memberservices@theocc.com).