



**THE FOUNDATION
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#51715

Date: January 03, 2023

Subject: Orphazyme A/S – ADR Termination/Anticipated Cash Settlement/Broker to Broker Settlement
Option Symbol: ORPHY
Date: ???
* * * Settlement Update - Repost * * *

This is a repost of OCC Information Memo #51480.

ORPHY exercise and assignment activity has been subject to delayed settlement since July 7, 2022. Effective December 2, 2022, OCC has determined that, effective with exercises of July 7, 2022 and thereafter, all ORPHY exercise and assignment activity will settle on a broker to broker basis.

All delayed settlement obligations from July 7, 2022 through December 1, 2022 will no longer be delayed and will settle on a broker to broker basis. The deliverable for ORPHY options will remain the underlying ORPHY ADSs.

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. On July 6, 2022, Finra confirmed the termination of the 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

No Exercise Restrictions

OCC has determined not to impose any exercise restrictions with respect to ORPHY options. Therefore OCC will continue to accept and process exercise instructions in accordance with its Rules and as further described below. Because OCC has been informed NSCC will not accept exercise/assignment transactions involving the ORPHY for settlement, such settlement will be effected as follows.

Broker to Broker Settlement

Pursuant to OCC By-Law Article VI, Section 19, OCC has determined that, effective with exercises of **July 7, 2022** and thereafter, all ORPHY exercise and assignment activity shall settle on a broker to broker basis. The deliverable for ORPHY options will remain the underlying ORPHY ADSs.

If it is not possible for the delivering Clearing Member to effect delivery of the ORPHY shares on the designated settlement date, then the settlement obligations of both delivering and receiving Members shall be delayed until such time as OCC designates a new exercise settlement date, settlement method and/or settlement value. This determination allows delivering Members the opportunity to effect settlement if they have ORPHY shares and are able to effect delivery, but delays the settlement obligation when this is not possible. Both the delivering and receiving Clearing Members are required to immediately notify OCC if they are unable to effect settlement.

In determining that delivery of the ORPHY shares is in fact not possible in respect of a given exercise or assignment, OCC shall require an appropriate officer(s) of the delivering Clearing Member to represent in writing that delivery is not possible. (Upon exercise or assignment of ORPHY options, OCC will contact each delivering Clearing Member to provide the specific requirements and procedures for such representation.)

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

Broker to Broker Delivery Advice/Settlement Procedures

Clearing Members should note that ORPHY exercise and assignment activity will be reported on the Broker to Broker Delivery Advice, which is a separate report from the regular Delivery Advice. Members will need to refer to this report each day to be informed of ORPHY exercise/assignment activity. The Broker to Broker Delivery Advice will also identify the opposite side Clearing Member with whom settlement is to be made. Members are responsible for contacting the opposing side on all ORPHY activity and for making arrangements for settlement. Both delivering and receiving Members are also reminded of their obligation to inform OCC when settlement is made. OCC will continue to margin ORPHY exercise/assignment activity until settlement is accomplished.

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.