



**THE FOUNDATION  
FOR SECURE  
MARKETS**

**#48776**

**Date:** June 01, 2021

**Subject:** Nabors Industries Ltd. – Warrants Distribution  
Option Symbol: NBR  
New Symbol: NBR2  
Date: 06/03/2021

Nabors Industries Ltd. (NBR) has declared a warrants distribution to NBR Common Shareholders, as described below:

**Warrants:** Each warrant will provide the right to purchase one share of Nabors Industries Ltd. (NBR) Common Stock at an exercise price of \$166.66667 per NBR share.

Warrants submitted for exercise may be eligible to receive up to an additional 1/3 Common Share if the volume-weighted average price ("VWAP") per Common Share on the trading day prior to the exercise date is higher than the trailing three-day VWAP.

**Price:** \$166.66667 exercise price per NBR share

**Distribution Ratio:** 0.40 of a Nabors Industries Ltd. Warrant per one Nabors Industries Ltd. (NBR) Common Share

**Record Date:** June 4, 2021

**Expiration:** June 11, 2026, unless terminated

**Agent:** Unknown

**Guaranty Period:** Unknown

Nabors Industries Ltd. Warrants are expected to start trading over-the-counter on a date to be determined. The trading symbol is also to be determined.

#### **Possible Settlement Procedures**

OCC anticipates that if an OTC or OTCBB (Bulletin Board) market develops, NSCC will accept transactions in the Warrants which arise as a result of option exercise and assignment activity. In that event, NBR2 option exercise and assignment activity will settle in the normal fashion through NSCC. However, if a market does not develop or NSCC does not accept transactions in the Warrants, OCC anticipates requiring broker to broker settlement for NBR2 options.

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

### **Contract Adjustment**

<b>Effective Date:</b>	June 3, 2021
<b>Option Symbol:</b>	NBR becomes NBR2
<b>Strike Divisor:</b>	1
<b>Contract Multiplier:</b>	1
<b>New Multiplier:</b>	100 (e.g., a premium of 1.50 yields \$150)
<b>New Deliverable Per Contract:</b>	1) 100 Nabors Industries Ltd. (NBR) Common Shares 2) 40 Nabors Industries Ltd. Warrants (Subject to delayed settlement until regular way trading commences)
<b>Settlement Allocation:</b>	NBR: 95% NBR Warrants: 5%
<b>CUSIPs:</b>	NBR: G6359F137 NBR Warrants: TBD

THE SETTLEMENT ALLOCATION OF THE TOTAL STRIKE PRICE AMOUNT IS BEING PROVIDED SOLELY FOR THE PURPOSE OF THE INTERFACE BETWEEN OCC AND THE NATIONAL SECURITY CLEARING CORPORATION (NSCC), AND IS NOT INTENDED TO BE USED FOR ANY OTHER PURPOSE, TRANSACTION OR CUSTOMER ACCOUNT STATEMENTS.

### **Delayed Settlement**

The NBR component of the NBR2 exercise/assignment activity will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the Warrants of NBR2 exercise/assignment activity until their trading status is determined. Upon determination of the warrant trading status, OCC will require Put exercisers and Call assignees to deliver the appropriate number of warrants.

### **Pricing**

The underlying price of NBR2 will be determined as follows:

$$\text{NBR2} = \text{NBR} + 0.40 (\text{NBR Warrants})$$

### **Further Contract Adjustment**

When the NBR Warrants expire, adjusted NBR2 options will be further adjusted to no longer call for the delivery of the Warrants. No adjustment will be made to the adjusted contracts to compensate for any in-the-money value the NBR Warrants may have at the time of their expiration.

### **Exercise Considerations**

The Warrants are to be suspended from trading on a date to be determined and expire on July 11, 2026. Call option holders who wish to exercise their adjusted options to obtain the Warrants for subsequent exercise, sale or other purposes bear sole responsibility for determining when to exercise their options as well as complying with all terms and conditions of the Warrants Distribution applicable to Warrants exercise or delivery.

### **Delivery Settlement and Protect Provisions**

Option contracts which are exercised, and physically-settled security Futures contracts which mature, 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, exercised calls and or matured Futures contracts may be unable to realize the benefit of securities or entitlements **not** associated to the contract deliverable at the time of the option exercise or Option contract maturity.

Except in unusual cases, securities deliverable as a result of equity option exercises and or Option contract maturity 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 offering, 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**

#### **Call Holders/ Put Writers**

As a result of the adjustment described above, the Warrants will be part of the adjusted NBR2 options deliverable, but only until the Warrants expire, after which time they will be dropped from the deliverable of the option contract. When the Warrants expire and are dropped from the deliverable of the option contract, any value the Warrants may have had will no longer be associated with the option contract. *As a result, holders of in-the-money calls may be disadvantaged unless they exercise in sufficient time to obtain the Warrants. After the Warrants expire and are dropped from the deliverable of the option contract, holders of short put positions who are assigned will be required to purchase NBR stock whose value may have been substantially diminished by the Warrants distribution.*

#### **Uncovered Short Obligations**

Holders of assigned calls or exercised puts, and holders of short positions in physically-settled security Futures at maturity who do not possess the underlying security at the time of assignment or exercise are subject to special risk. Suspension of trading of the underlying security, inability to borrow the security, or similar events may preclude the possibility of effecting timely delivery, thereby exposing persons with an obligation to deliver to liability if timely delivery is not effected (See Delivery Settlement and Protect Provisions above).

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