

# NOTICE TO MEMBERS



CANADIAN DERIVATIVES  
CLEARING CORPORATION

CORPORATION CANADIENNE DE  
COMPENSATION DE PRODUITS DÉRIVÉS

NOTICE TO MEMBERS  
No.2002-053  
May 24, 2002

## CONTRACT ADJUSTMENT

### TRIZECHAHN CORPORATION (TZQ) Cash Adjustment

Further to the Notice to Members No. 2002-045, on May 9, 2002, Canadian Derivatives Clearing Corporation (CDCC) has been informed that the fractional shares on Trizec Canada subordinate voting shares (TZC) and Trizec Properties Exchange Certificates (XTR) will be replaced by a cash amount. Furthermore, CDCC has been informed that the cash in lieu amounts are as follows:

**Trizec Canada subordinate voting shares (TZC) C\$25.10**  
**Trizec Properties Exchange Certificates (XTR) C\$25.3251**

Therefore, CDCC will calculate the cash in lieu amounts as follows:

**TZC**  
**0.731519 (0.00731519 x 100) x C\$25.10 = C\$18.36 per TZQ contract.**

**XTR**  
**0.268481 (0.00268481 x 100) x C\$25.3251 = C\$6.74 per TZQ contract.**

Based on the formula above, the New Deliverable Per Contract on TZQ options is as follow:

**New Deliverable**  
**Per Contract:**

- 1) 89 TZC – Trizec Canada subordinate voting shares (100 x 0.89731519);
- 2) 10 XTR – Trizec Properties exchanges Certificates (100 x 0.10268481);
- \*3) **C\$18.36 in Cash (in lieu of 0.731519 of TZC);**
- \*4) **C\$6.74 in Cash (in lieu of 0.268481 of XTR).**

\* Cash settlement in TZQ options will take place through CDCC's cash settlement system. The cash portion of the deliverable remains permanently fixed as part of the option deliverable, and does not vary with price changes of securities also included in the deliverable.

CDCC will process a cash adjustment based on the formula provided below.

Members who exercised call options will receive:  $C\$25.10 \times 0.731519$  (TZC) x Number of contracts exercised plus (+)  $C\$25.3251 \times 0.268481$  (XTR) x Number of contracts exercised.

Members who were assigned on their call options will deliver:  $C\$25.10 \times 0.731519$  (TZC) x Number of contracts assigned plus (+)  $C\$25.3251 \times 0.268481$  (XTR) x Number of contracts assigned.

Members who exercised put options will deliver :  $C\$25.10 \times 0.731519$  (TZC) x Number of contracts exercised plus (+)  $C\$25.3251 \times 0.268481$  (XTR) x Number of contracts exercised.

Members who were assigned on their put options will receive:  $C\$25.10 \times 0.731519$  (TZC) x Number of contracts assigned plus (+)  $C\$25.3251 \times 0.268481$  (XTR) x Number of contracts assigned.

**PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS CLASS ARE ADVISED OF THIS NOTICE.**

For further information, please contact your local CDCC office.

Michel Favreau  
Senior Vice-President and  
Chief Clearing Officer