

NOTICE TO MEMBERS



CANADIAN DERIVATIVES
CLEARING CORPORATION

CORPORATION CANADIENNE DE
COMPENSATION DE PRODUITS DÉRIVÉS

NOTICE TO MEMBERS
No.2002-063
June 12, 2002

CONTRACT ADJUSTMENT

CLARICA LIFE INSURANCE COMPANY (CLI)
Arrangement with Sun Life Financial Services of Canada Inc. (SLC)

Cash Adjustment

Further to the Notice to Members No. 2002-056, on May 30, 2002, Canadian Derivatives Clearing Corporation (CDCC) has been informed that the cash in lieu amount corresponding to the fractional shares of Sun Life Financial Services of Canada Inc. (SLC) is as follow :

Sun Life Financial Services common shares (SLC) : C\$35.2022

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

0.35 SLC (0.0035 x 100) x C\$35.2022 = C\$12.32 per CLX contract.

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

New Deliverable
Per Contract:

- 1) 151 SLC - Sun Life Financial Services of Canada Inc. common shares (100 x 1.5135);
- *2) **C\$12.32 in Cash (in lieu of 0.35 of SLC).**

* Cash settlement in CLX 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: $C\$35.2022 \times 0.35 \text{ (SLC)} \times \text{Number of contracts exercised}$.

Members who were assigned on their call options will deliver: $C\$35.2022 \times 0.35 \text{ (SLC)} \times \text{Number of contracts assigned}$.

Members who exercised put options will deliver : $C\$35.2022 \times 0.35 \text{ (SLC)} \times \text{Number of contracts exercised}$.

Members who were assigned on their put options will receive: $C\$35.2022 \times 0.35 \text{ (SLC)} \times \text{Number of contracts assigned}$.

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