

NOTICE TO MEMBERS



CANADIAN DERIVATIVES
CLEARING CORPORATION

CORPORATION CANADIENNE DE
COMPENSATION DE PRODUITS DÉRIVÉS

NOTICE TO MEMBERS
No.2002-081
August 30, 2002

CONTRACT ADJUSTMENT

TRIZECHAHN CORPORATION. (TZQ) Cash Adjustment

Further to the Notice to Members No. 2002-078, on July 30, 2002, Canadian Derivatives Clearing Corporation (CDCC) has been informed that the Exchange Certificates remaining will be replaced at the expiration by a cash amount.

Furthermore, CDCC has been informed that the cash in lieu amount is as follows:

Trizec Properties Exchange Certificate (XTR) : C\$16.91

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

XTR

10 x C\$16.91 = C\$169.10 per TZQ contract.

Therefore, the New Deliverable Per Contract on TZQ options will be as follows:

New Deliverable
Per Contract:

- 1) 89 TZC – Trizec Canada subordinate voting shares (100 x 0.89731519);
- 2) **C\$169.10 in Cash in lieu of 10 XTR - Trizec Properties Exchange Certificates (10 x 16.91);**
- 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\$18.36 (in lieu of 0.731519 TZC) x Number of contracts exercised plus (+) C\$175.84 (in lieu of 10.268481 XTR) x Number of contracts exercised.

Members who were assigned on their call options will deliver: C\$18.36 (in lieu of 0.731519 TZC) x Number of contracts assigned plus (+) C\$175.84 (in lieu of 10.268481 XTR) x Number of contracts assigned.

Members who exercised put options will deliver : C\$18.36 (in lieu of 0.731519 TZC) x Number of contracts exercised plus (+) C\$175.84 (in lieu of 10.268481 XTR) x Number of contracts exercised.

Members who were assigned on their put options will receive: C\$18.36 (in lieu of 0.731519 TZC) x Number of contracts assigned plus (+) C\$175.84 (in lieu of 10.268481 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