



NOTICE TO MEMBERS

No. 2005 - 008

January 17, 2005

EQUITY OPTIONS CONTRACTS ADJUSTMENT POLICY FOR TENDER OFFERS

REMINDER

Bourse de Montréal Inc. and Canadian Derivatives Clearing Corporation (CDCC) would like to remind their participants and members of the circumstances under which an equity option contract adjustment should be considered.

Pursuant to Terms of Adjustment provided in Section A-902 of the Rules of CDCC, adjustment will not be made to reflect a take-over bid or issuer bid made for the underlying interest, whether such offer is for cash, securities or other property. Outstanding derivative instruments ordinarily will be adjusted to reflect a merger, arrangement or similar event that becomes effective following the completion of a take-over bid.

The decision to adjust or not adjust and the extent of any adjustments are subject to change as information becomes available or if there are material changes to the terms of the corporate action.

For further information, please contact your local CDCC office.

Michel Favreau
Senior Vice-President and Chief Clearing Officer

Canadian Derivatives Clearing Corporation	
65 Queen Street West	800 Victoria Square
Suite 700	3 rd Floor
Toronto, Ontario	Montréal, Québec
M5H 2M5	H4Z 1A9
Tel : 416-367-2463	Tel : 514-871-3545
Fax: 416-367-2473	Fax: 514-871-3530

www.cdcc.ca