



NOTICE TO MEMBERS

No. 2005 – 011

January 28, 2005

CRITERIA FOR ELIGIBILITY OF STOCK OPTIONS

As the issuer and guarantor of exchange-traded derivatives in Canada, Canadian Derivatives Clearing Corporation (CDCC) revises its eligibility criteria for equity options on an annual basis.

CDCC Rule B-6 stipulates:

Section B -603 Criteria for the Eligibility of Stock Options:

- a) “the Stock is listed on a Canadian Exchange; and
- b) the Market Capitalization of the Stock is within the top quartile (25%) of Securities listed on all Canadian Exchanges as of December 31 of the previous year. The specific dollar threshold will be published by the Corporation; and
- c) the monthly North American Volume of the Stock is within the top quartile (25%) of Securities listed on all Canadian Exchanges as of December 31 of the previous year. The specific threshold will be published by the Corporation.”

Section B -604 Criteria for the Deficiency of Stock Options:

- (a) “the Stock is no longer listed on a Canadian Exchange; or
 - (b) the Market Capitalization of the Stock is below the top third (33%) of Securities listed on all Canadian Exchanges as of December 31 of the previous year. The specific dollar threshold will be published by the Corporation; or
 - (c) the monthly North American Volume of the Stock is below the top third (33%) of Securities listed on all Canadian Exchanges as of December 31 of the previous year. The specific threshold will be published by the Corporation.
- (2) In exceptional circumstances and in the interest of maintaining a fair and orderly market or for the protection of investors, the Corporation may agree to clear additional Series of Options with respect to any Underlying Interest which is deficient under one or more of the criteria.”

Included below is the Eligibility and Deficiency Criteria for 2005, as required by the rules of the CDCC.

Criteria	Eligibility Threshold	Deficiency Threshold
Market Capitalization	99,400,000 CAD	47,400,000 CAD
Monthly Volume	69,000	45,000

For further information, please contact your local CDCC office.

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