



## NOTICE TO MEMBERS

No. 2006 - 013

January 27, 2006

### FINAL CONTRACT ADJUSTMENT

#### Canadian National Railway Company (CNR) Stock Split

**THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL INC. (THE BOURSE) APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF CERTAIN TERMS OF THE AFOREMENTIONED ADJUSTMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY.**

The Bourse and CDCC hereby inform you that on January 24, 2006, Canadian National Railway Company (CN) announced that its Board of Directors has approved a two-for-one stock split of the company's common shares outstanding.

The two-for-one stock split will take the form of a stock dividend. Shareholders will receive one additional common share of CN for each common share held. The stock dividend will be payable on February 28, 2006 to shareholders of record at the close of business on February 22, 2006.

#### **Stock split - adjustment details:**

- **EX-DATE:** February 20, 2006
- **RECORD DATE:** February 22, 2006
- **PAYABLE DATE:** February 28, 2006



### **CDCC - adjustment details:**

Pursuant to Terms of Adjustment provided in Section A-902 of the Rules of CDCC, all CN options will be adjusted as follows:

- **EFFECTIVE DATE:** February 20, 2006
- **OPTION SYMBOL:** CNR
- **NUMBER OF CONTRACTS:** Doubled
- **NEW DELIVERABLE PER CONTRACT:** 100 CNR common shares
- **STRIKE PRICES:** An adjustment will be made for all existing series
- **MULTIPLIER:** 100
- **POSITION AND EXERCISE LIMITS:** Effective February 20, 2006, Position and Exercise Limits will remain unchanged at 75,000 contracts
- **CUSIP :** 136375102

**CDCC will not adjust any outstanding escrow receipts. Members who want to maintain margin relief for their entire position will be required to deposit additional escrow receipts.**

### **The Bourse - adjustment details:**

It is important to note that on the effective date, all open orders on the CNR options class **will not be modified** to reflect the stock split and will have to **be registered again** into the Montreal Automated System (SAM) by the approved participants.



At the opening of business on February 20, 2006 the Bourse will adjust the Strike Prices for CNR series as indicated below:

<b>Canadian National Railway Company</b>				
<b>Symbol</b>	<b>Actual Strike Prices</b>	<b>New Strike Prices Effective on Monday February 20, 2006</b>	<b>Strike Price Codes</b>	<b>Adjusted Symbol</b>
CNR	\$ 68.00	\$ 34.00	M	<b>CNX</b>
CNR	\$ 70.00	\$ 35.00	G	<b>CNX</b>
CNR	\$ 72.00	\$ 36.00	O	<b>CNX</b>
CNR	\$ 74.00	\$ 37.00	Q	<b>CNX</b>
CNR	\$ 76.00	\$ 38.00	X	CNR
CNR	\$ 78.00	\$ 39.00	Z	CNR
CNR	\$ 80.00	\$ 40.00	H	CNR
CNR	\$ 85.00	\$ 42.50	V	CNR
CNR	\$ 90.00	\$ 45.00	I	CNR
CNR	\$ 95.00	\$ 47.50	E	CNR
CNR	\$ 100.00	\$ 50.00	J	CNR
CNR	\$ 110.00	\$ 55.00	K	CNR
CNR	\$ 120.00	\$ 60.00	L	CNR

Strike prices are subject to change depending on the underlying value closing price on Friday, February 17, 2006.

**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 Richard Bourbonnière, Vice-President, Market Operations, Bourse de Montréal Inc. at (514) 871-3548 or CDCC's Operations Department.

Michel Favreau  
Executive Vice-President and Chief Clearing Officer