



<input type="checkbox"/>	Trading – Interest Rate Derivatives	<input checked="" type="checkbox"/>	Back-office - Options
<input checked="" type="checkbox"/>	Trading – Equity and Index Derivatives	<input checked="" type="checkbox"/>	Technology
<input type="checkbox"/>	Back-office – Futures	<input checked="" type="checkbox"/>	Regulation

**CIRCULAR  
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.

Joëlle Saint-Arnault  
Vice-President, Legal Affairs and Secretary

Circular no.: 010-2005