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CIRCULAR 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

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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

➤ <u>New Deliverable Per</u> 100 CNR common shares

CONTRACT:

> STRIKE PRICES: An adjustment will be made for all existing series

> MULTIPLIER: 100

➤ <u>Position and Exercise</u> Effective February 20, 2006, Position and Exercise

LIMITS: 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 <u>on the effective date</u>, all open orders on the CNR options class <u>will</u> <u>not be modified</u> to reflect the stock split and will have to <u>be registered again</u> into the Montreal Automated System (SAM) by the approved participants.

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

Canadian National Railway Company							
Symbol	Actual Strike	New Strike Prices Effective on	Strike Price	Adjusted			
	Prices	Monday February 20, 2006	Codes	Symbol			
CNR	\$ 68.00	\$ 34.00	M	CNX			
CNR	\$ 70.00	\$ 35.00	G	CNX			
CNR	\$ 72.00	\$ 36.00	0	CNX			
CNR	\$ 74.00	\$ 37.00	Q	CNX			
CNR	\$ 76.00	\$ 38.00	X	CNR			
CNR	\$ 78.00	\$ 39.00	Z	CNR			
CNR	\$ 80.00	\$ 40.00	Н	CNR			
CNR	\$ 85.00	\$ 42.50	V	CNR			
CNR	\$ 90.00	\$ 45.00	I	CNR			
CNR	\$ 95.00	\$ 47.50	Е	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.

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