



NOTICE TO MEMBERS

No. 2004 - 009

February 12, 2004

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. APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE AFOREMENTIONED STOCK SPLIT. CDCC AND BOURSE DE MONTRÉAL INC. ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY.

Bourse de Montréal Inc. and Canadian Derivatives Clearing Corporation ("CDCC") hereby inform you that Canadian National Railway Company ("CNR") announced on January 28, 2004 that its Board of Directors has approved a three-for-two stock split of the company's outstanding common shares.

Shareholders will receive one-half additional common share of CNR for each common share of CNR held. The three-for-two stock split will take the form of a stock dividend which will be payable on February 27, 2004 to shareholders on record at the close of business on February 23, 2004.

CONTRACT ADJUSTMENT DETAILS

CDCC Adjustment details:

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

- **EFFECTIVE DATE:** **Thursday, February 19, 2004.**
- **OPTION SYMBOL:** **CNX.**
- **NUMBER OF CONTRACTS:** **Unchanged.**
- **NEW DELIVERABLE PER** **150 CNR common shares.**

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



CONTRACT:

- **STRIKE PRICES :** An adjustment will be made for all existing series.
- **MULTIPLIER:** 150
- **POSITION AND EXERCISE LIMITS:** Effective February 19, 2004, Position and Exercise Limits will increase from 60,000 to 75,000.
- **CUSIP* :** 136375102

*CDCC is supplying this as information only, Although every effort has been made to ensure the accuracy of the information, CDCC cannot be responsible for any errors or omissions.

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.

Bourse de Montréal Inc. adjustment details:

It is important to note that on the effective date mentioned above, i.e. on Thursday, February 19, 2004, all open orders on the CNR options class **will not be automatically modified** to reflect the three-for-two stock split and will therefore have to **be re-entered again** into the Montreal Automated System (SAM) by the approved participants using the new CNX symbol.

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At the opening of business on Thursday, February 19, 2004, Bourse de Montréal Inc. will adjust the strike prices for CNR series as indicated below:

Canadian National Railway Company

Actual Strike Prices	New Strike Prices Effective on Thursday February 19, 2004	Strike Price Codes
\$ 55.00	\$ 36.625	A
\$ 60.00	\$ 40.00	H
\$ 65.00	\$ 43.375	B
\$ 67.50	\$ 45.00	I
\$ 70.00	\$ 46.625	D
\$ 72.50	\$ 48.375	E
\$ 75.00	\$ 50.00	J
\$ 77.50	\$ 51.625	F
\$ 80.00	\$ 53.375	G
\$ 82.50	\$ 55.00	K
\$ 85.00	\$ 56.625	C
\$ 87.50	\$ 58.375	R

PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS OPTION CLASS ARE ADVISED OF THIS NOTICE.

For further information, please contact your local CDCC office.

Michel Favreau
Senior Vice-President and
Chief Clearing Officer