



#39041

**DATE:** MAY 27, 2016

**SUBJECT:** CANADIAN NATURAL RESOURCES LIMITED - DISTRIBUTION  
OPTION SYMBOL: CNQ  
NEW SYMBOL: CNQ1  
FUTURES SYMBOLS: CNQ1C/CNQ1D  
NEW SYMBOLS: CNQ2C/CNQ2D  
DATE: 6/1/16

**CONTRACT ADJUSTMENT - OPTIONS**

EFFECTIVE DATE: June 1, 2016

OPTION SYMBOL: CNQ changes to CNQ1

STRIKE PRICES: No Change

NUMBER OF CONTRACTS: No Change

MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 30 yields \$3,000)

NEW DELIVERABLE PER CONTRACT

- 1) 100 Canadian Natural Resources Limited (CNQ) Common Shares
- 2) The USD cash equivalent of 2 (0.02 x 100) PrairieSky Royalty Ltd. Common Shares

CUSIP: CNQ: 136385101

**PRICING**

Until the USD cash equivalent of the PrairieSky Royalty Ltd. shares is determined, the underlying price for CNQ1 will be determined as follows:

$$\text{CNQ1} = \text{CNQ}$$

**DELAYED SETTLEMENT**

The CNQ component of the CNQ1 deliverable will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash component of the CNQ1 deliverable until the USD cash equivalent of PrairieSky Royalty Ltd. shares is determined. Upon determination of the USD cash equivalent of PrairieSky Royalty Ltd. shares is determined, OCC will require Put exercisers and Call assignees to deliver the appropriate cash amount.

## **CONTRACT ADJUSTMENT - FUTURES**

EFFECTIVE DATE:	June 1, 2016
FUTURES SYMBOLS:	CNQ1C changes to CNQ2C CNQ1D changes to CNQ2D
SETTLEMENT PRICES:	No Change
NUMBER OF CONTRACTS:	No Change
MULTIPLIER:	100 (e.g., a premium of 1.50 yields \$150)
NEW DELIVERABLE PER CONTRACT	1) 100 Canadian Natural Resources Limited (CNQ) Common Shares 2) The USD cash equivalent of 2 (0.02 x 100) PrairieSky Royalty Ltd. Common Shares
CUSIP:	CNQ: 136385101

## **PRICING**

Until the USD cash equivalent of the PrairieSky Royalty Ltd. shares is determined, the underlying price for the CNQ2C/CNQ2D Futures contract deliverables, expressed in term of current market value, would be calculated as follows:

$$\text{CNQ2D} = \text{CNQ}$$

Please note that the valuation would apply only to the CNQ2C/CNQ2D deliverables in terms of current market value of the deliverable securities. The resulting price would not be equivalent to the daily settlement price of a futures contract month, whose determination would include cost of money carrying charges, adjustment for dividends, and other factors.

## **DELAYED SETTLEMENT**

The CNQ component of the CNQ2C/CNQ2D deliverables will settle through National Securities Clearing Corporation (NSCC). OCC will delay settlement of the cash component of the CNQ2C/CNQ2D deliverables until the USD cash equivalent of PrairieSky Royalty Limited shares is determined. Upon determination of the USD cash equivalent amount, OCC will require delivery of the cash amount.

## **BACKGROUND**

Canadian Natural Resources Limited (CNQ) has announced a distribution of PrairieSky Royalty Ltd. Common Shares. The distribution ratio is 0.02 of a PrairieSky Royalty Ltd. share for each CNQ share held. The record date is June 3, 2016; the payable date is June 6, 2016. The New York Stock Exchange (NYSE) has set June 1, 2016, as the ex-distribution date for this distribution.

**Note:** PrairieSky Royalty Ltd. Common Shares trade on the Toronto Stock Exchange and do not trade on a U.S. exchange. Consequently, a USD cash equivalent for the PrairieSky Royalty Ltd. shares will be determined and included in the CNQ1 option and CNQ2C/CNQ2D futures deliverables.

## **DISCLAIMER**

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to

investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by a panel of The OCC Securities Committee pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The adjustment panel is comprised of representatives from OCC and each exchange which trades the affected option. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

**ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.**

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email [investorservices@theocc.com](mailto:investorservices@theocc.com). Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email [memberservices@theocc.com](mailto:memberservices@theocc.com).