



# THE OPTIONS CLEARING CORPORATION

#26642

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**DATE:** NOVEMBER 20, 2009

**SUBJECT:** CF INDUSTRIES HOLDINGS, INC. - FURTHER EXTENDED  
EXCHANGE OFFER (ELECTION)  
OPTION SYMBOLS: CF/CJW/GYW (10)/XCX (11)/KDJ (12)  
FUTURES SYMBOL: CF1C  
DATE: 12/18/09 (FORMERLY 11/18/09)

CF Industries Holdings, Inc. ("CF") is the subject of a Revised/Extended Offer to Exchange ("The Offer"), as described below:

**PURCHASER:** North Acquisition Co., a wholly owned subsidiary of Agrium Inc. ("AGU")

**SECURITY TO BE PURCHASED:** CF Industries Holdings, Inc. ("CF") Common Shares

**QUANTITY:** All CF Industries Holdings, Inc. ("CF") Common Shares (including the Associated Rights)

**EXCHANGE TERMS:** See Below

**EXPIRATION:** 12:00 midnight, New York City Time, on Friday, December 18, 2009, unless extended (formerly November 18, 2009)

**EXCHANGE AGENT:** BNY Mellon Shareowner Services

**GUARANTY PERIOD:** \* Three (3) New York Stock Exchange ("NYSE") Trading Days

\*Under the terms of this Offer, shares not immediately available may nevertheless be tendered provided they are tendered under a properly executed "Notice of Guaranteed Delivery," and valid delivery is subsequently made within the specified "guaranty period." Call option holders anticipating using this method to tender shares must exercise no later than the expiration date December 18, 2009, unless this date is extended. Holders of long, physically-settled security futures contracts can tender shares only if their long futures contracts mature on or before the expiration date of the Offer. In all cases it is the sole responsibility of the person tendering to comply with all terms and conditions of the Offer.

## **EXCHANGE TERMS**

CF Industries Holdings, Inc. ("CF") Common Shareholders may elect to exchange each CF Common Share for:

- (a) **\$45.00** in cash (formerly \$40.00) and one (1) Agrium Inc. ("AGU") Common Share ("Mixed Consideration"), **not subject to proration**, or
- (b) **\$92.99** in cash (formerly \$85.20) ("Cash Consideration"), **subject to proration**, or
- (c) **1.9377** Agrium Inc. ("AGU") Common Shares (formerly 1.8850 Agrium Inc.) ("All-Stock Consideration"), **subject to proration**.

Cash will be paid in lieu of fractional AGU Shares.

It is the intention of Agrium Inc. to subsequently effect a merger after the Offer is completed. The merger will be subject to the same terms as the Offer.

THE FOREGOING IS AN UNOFFICIAL SUMMARY OF THE TERMS OF THE AMENDED EXCHANGE OFFER, PREPARED BY OCC FOR THE CONVENIENCE OF CLEARING MEMBERS. OCC ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. CLEARING MEMBERS SHOULD REFER TO THE OFFERS TO EXCHANGE DATED MARCH 30, 2009 AND MAY 14, 2009 FOR THE AUTHORITATIVE DESCRIPTION OF THE OFFER AND ALL ITS TERMS AND CONDITIONS.

## **DELIVERY SETTLEMENT AND PROTECT PROVISIONS**

Option contracts which are exercised, and physically-settled security futures contracts which mature, will require the settlement of all component securities included in the contract deliverable at the time of the futures contract maturation or option contract exercise, including rights, warrants, or similar instruments. Additional entitlements (such as due bills, eligibility to participate in tender offers, elections, etc.) may also automatically attach to securities deliverable upon physically-settled futures contract maturity or option exercise. Conversely, securities not included in the contract deliverable at the time of the option exercise or futures contract maturity, or other entitlements not associated with the underlying deliverable securities, may preclude holders of long futures contracts from realizing the benefit of such entitlements. For example, if a physically-settled security futures underlying security is the subject of a tender offer, exchange offer, or similar event which expires *before* the futures contract reaches its maturity, the securities due to long futures holders upon maturity *will not* be eligible for participation in the tender/exchange offer. Conversely, if such tender offer, exchange offer or similar event expires *after* the futures contract matures, securities deliverable to long futures holders *will* be eligible for participation in these events.

Except in unusual cases, securities deliverable as a result of equity option exercise or the maturity of physically-settled security futures are settled through National Securities Clearing Corporation ("NSCC").

Rights and obligations of Members with respect to securities settling at NSCC as a result of an option exercise or assignment or a physically-settled security future delivery or receipt obligation are governed by the rules of NSCC. NSCC has its own rules which enable purchasers of securities to protect themselves for value which may be lost if timely delivery is

not made to them of securities subject to specific deadlines, such as the expiration of a tender offer, rights subscription, election, or similar event. These rules are generally called "protect" or "liability notice" procedures, and are intended to protect purchasers by binding the delivering parties to liability if such value is lost because timely delivery is not effected. Purchasers of securities must observe the rules and procedures of NSCC to avail themselves of such "protect" provisions of NSCC. Questions regarding these provisions should be addressed to NSCC.

## **SPECIAL RISKS**

Writers of call options and holders of short positions in physically-settled security futures at maturity who are uncovered with respect to deliverable securities subject to deadlines or cut-off times (such as expirations of tender offers, rights subscriptions, elections, or similar events) should be aware of a risk associated with the timing of their possible assignments or physically-settled security futures delivery obligations: Equity option exercise settlement and settlement of physically-settled security futures delivery obligations normally occurs 3 business days after the option exercise date or the security-futures maturity date. An uncovered call writer or uncovered short futures holder who has an obligation to deliver, and who waits until after assignment or futures maturity to effect purchase of the underlying security, may not be able to effect timely delivery by a regular-way purchase (3 business-day settlement) or call option exercise (3 business-day settlement after exercise). Such uncovered writer or short futures holder may nevertheless be subject to liability under the "protect" provisions of NSCC (see above) with respect to his delivery obligation, because he cannot make timely delivery. Additionally, Cash Markets (same-day, or less-than-3-business-day settlement) may not be available, or may be expensive for buyers of the underlying security.

## **SHORT TENDERING**

Questions concerning compliance with the SEC's "Short Tendering Rule" - SEC Rule 14e-4 should be addressed to the Exchange specified by each Clearing Member as their "Designated Examining Authority". Members are also referred to the SEC for questions concerning SEC Rule 14e-4.

## **POSSIBLE DELAYED SETTLEMENT**

After the Offer expires, it is possible CF Common Stock may begin to trade on a when-distributed basis on the NYSE. Should this occur, OCC may delay settlement of CF/CJW/GYW/XCX/KDJ options exercise until a settlement date for when-distributed trades is determined.

## **ADJUSTMENT POLICY FOR TENDER OFFERS**

Interpretation .03 to Article VI, Section 11 of OCC's By-Laws states:

Adjustments will not be made to reflect a tender offer or exchange offer to the holders of the underlying security whether such offer is made by the issuer of the underlying security or by a third person or whether the price of the underlying security may be favorably or adversely affected by the offer or whether the offer may be deemed to be "coercive". Outstanding options ordinarily will be adjusted to reflect a merger, consolidation or similar event that becomes effective following the completion of a tender offer or exchange offer.

As a result, CF options and futures will not be adjusted to reflect the expiration of this Offer. **A contract adjustment to CF options and futures would be contemplated when and if the intended subsequent merger with Agrium Inc. is actually consummated.**

THE FOREGOING IS BASED ON THE INFORMATION AVAILABLE AT THIS TIME. THE DETERMINATION TO ADJUST, OR NOT ADJUST, AND THE EXTENT OF ANY ADJUSTMENT ARE SUBJECT TO CHANGE AS ADDITIONAL INFORMATION BECOMES AVAILABLE OR IF THERE ARE MATERIAL CHANGES TO THE TERMS OF THIS OFFER.

CATEGORY: CONTRACT ADJUSTMENTS

SUB: CATEGORY: EXCHANGE OFFER

**For questions regarding this memo, call 1-888-OPTIONS or email [options@theocc.com](mailto:options@theocc.com).**