

adjustment panel determines that any such addition, deletion, or change causes significant discontinuity in the level of the underlying index or reference index, the panel may adjust the terms of the affected index option contracts by adjusting the index multiplier and/or exercise price with respect to such contracts or by taking such other action as the panel deems fair to both the holders and writers of such contracts.

If the option market on which an option series is traded should increase or decrease the index multiplier for any index option contract, or the reporting authority should change the method of calculation of an underlying index or reference index so as to create a discontinuity or change in the level of the index that does not reflect a change in the prices or values of the index components, or a successor index (as defined in the paragraph below) should be substituted for an underlying index or reference index, the adjustment panel may make such adjustments in the number of outstanding affected options or the exercise prices of such options or such other adjustments, if any, as the panel deems fair to both the holders and the writers of such options.

The adjustment panel may substitute another index (a successor index) for an underlying index or reference index in the event the panel determines that: (i) publication of the underlying index or reference index has been discontinued; (ii) the underlying index or reference index has been replaced by another index; or (iii) the composition or method of calculation of an underlying index or reference index is so materially changed since its selection as an underlying index or reference index that it is deemed to be a different index. A successor index will be reasonably comparable to the original underlying index or reference index for which it substitutes. An index may be created specifically for the purpose of becoming a successor index.

The adjustment panel's determinations shall be conclusive, binding on all investors, and not subject to review.

13. *The paragraph that was added immediately following the caption "Special Risks of Index Options" on page 73 of the Booklet by the December 2009 Supplement is replaced by the following:*

The risks described in paragraphs 1 through 10 on pages 73 through 78 of this booklet relate primarily to options on stock indexes. The risks described in paragraph 11 relate to options on implied volatility indexes. The risks described in paragraphs 12 through 14 relate to options on variability indexes, strategy-based indexes or relative performance indexes. The risks described in paragraph 15 relate to delayed start options. The risk described in paragraph 16 relates to dividend index options, and the risks described in paragraphs 17 relate to relative performance options.