November 2012 Supplement to Characteristics and Risks of Standardized Options

The February 1994 version of the booklet entitled *Characteristics and Risks of Standardized Options* (the "Booklet") is amended as provided below to accommodate the introduction of options originally listed to overlie less than 100 shares.

The following replaces Part II of the December 2009 Supplement:

1. *The fourth paragraph on page 19 of the Booklet is amended to read as follows:*

As a general rule, no adjustment is made for ordinary cash dividends or cash distributions. A cash dividend or distribution announced prior to February 1, 2009, will generally be considered "ordinary" unless it exceeds 10% of the aggregate market value of the underlying security outstanding as of the close of trading on the declaration date. The same rule will continue to apply on and after that date with respect to options series designated by OCC as "grandfathered" for purposes of this rule (*i.e.*, series opened prior to publication of the May 2007 Supplement that remain outstanding on February 1, 2009). In the case of all other options series, a cash dividend or distribution announced *on or after* February 1, 2009, will generally be considered "ordinary," regardless of size, if OCC believes that it was declared pursuant to a policy or practice of paying such dividends or distributions on a quarterly or other regular basis. No adjustment will normally be made for any cash dividend or distribution that amounts to less than $0.125 per underlying share. For contracts originally listed with a unit of trading larger than 100 shares, no adjustment normally would be made for any cash dividends or distributions that amount to less than $12.50 per contract. As an exception to the general rule, options on fund shares will generally be adjusted for capital gains distributions even if made on a regular basis, and adjustments may be made for certain other distributions in respect of fund shares in special circumstances described in OCC's rules, provided in each case that the amount of the adjustment would be $0.125 or more per fund share. Determinations whether to adjust for cash dividends or distributions not covered by the preceding rules, or when other special circumstances apply, are made on a case-by-case basis.

Dated: November 2012