

EXHIBIT 5B



OCC BY-LAWS

Underlined text indicates new text

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THE OPTIONS CLEARING CORPORATION**BY-LAWS**

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Article VI**Clearance of Confirmed Trades**

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Adjustment Policies and Procedures**SECTION 11.**Reserved.

~~(a) Unless otherwise provided in the By-Laws or Rules of the Corporation, all adjustments to the terms of outstanding cleared contracts shall be made by the Corporation, which shall determine whether to make adjustments to reflect particular events in respect of an underlying interest, and the nature and extent of any adjustment, based on its judgment as to what is appropriate for the protection of investors and the public interest, taking into account such factors as fairness to holders and writers (or purchasers and sellers) of the affected contracts, the maintenance of a fair and orderly market in the affected contracts, consistency of interpretation and practice, efficiency of exercise settlement procedures, and the coordination with other clearing agencies of the clearance and settlement of transactions in the underlying interest. The Securities Committee shall be authorized to adopt statements of policy or interpretations having general application to specified types of events or specified kinds of cleared contracts. In making any adjustment determination, the Corporation shall apply the factors set forth in this Section 11 and the policies and interpretations of the Securities Committee in light of the circumstances known to it at the time such determination is made, subject to the discretion of the Corporation to depart from policy or precedent where the Corporation determines that unusual circumstances make such a departure appropriate.~~

~~(b) Every adjustment determination under the By-Laws or Rules of the Corporation shall be within the sole discretion of the Corporation and shall be conclusive and binding on all investors and not subject to review. If the Corporation does not learn, or does not learn in a timely manner, of an event for which the Corporation would have otherwise made an adjustment, the Corporation shall not be liable for any failure to make such adjustment or delay in making such adjustment.~~

~~(c) The composition and manner of acting of the Securities Committee and panels comprised of representatives of Securities Exchanges that have authority under the By-Laws and Rules to make certain determinations with respect to cleared contracts shall be as set forth below, unless otherwise provided in the By-Laws and Rules of the Corporation:~~

~~(1) The Securities Committee shall consist of one designated representative of each Securities Exchange and the Chief Executive Officer. The Chief Executive Officer shall not be a voting member of the Committee or of any panel except in the case of a tie vote, in which case the Chief Executive Officer shall have the right to cast a vote to break the tie and shall, for such purpose, be deemed to be a voting member.~~

~~(2) The vote of a majority of the voting members of the Securities Committee shall constitute the determination of the Securities Committee. With respect to a panel convened for the purpose of determining a required amount or value (other than as provided for in Article VI, Section 11A of the By Laws), a majority of the Securities Exchanges on which such cleared contract is open for trading shall constitute a quorum for purposes of acting.~~

~~(3) The Securities Committee or any panel may transact its business by telephone or such other means as may be designated by the Securities Committee from time to time.~~

~~(4) Notwithstanding the foregoing provisions of this Section 11 or any other requirements of the By Laws and Rules, the Chief Executive Officer may designate any other representative of the Corporation, and any representative of an Exchange may designate any other representative of such Exchange, to serve in his place at any meeting of the Securities Committee or of any panel. In the event of such designation, the designee shall, for the purposes of such meeting, have all of the powers and duties under this Section 11 of the person designating him. Neither the Corporation nor any Exchange shall designate to serve on any panel (i) any Exchange member or Clearing Member, or any director, officer, partner, or employee of any Exchange member or Clearing Member, or (ii) any person who, to the knowledge of the self regulatory organization designating such person, is the beneficial holder of a long or short position in the cleared contracts as to which such panel is to make a determination.~~

Adjustments for Stock Option Contracts

~~**SECTION 11A.** (a) Whenever there is a dividend, stock dividend, stock distribution, stock split, reverse stock split, rights offering, distribution, reorganization, recapitalization, reclassification or similar event in respect of any underlying security, or a merger, consolidation, dissolution or liquidation of the issuer of any underlying security, the number of option contracts, the unit of trading, the exercise price, and the underlying security, or any of them, with respect to all outstanding option contracts open for trading in that underlying security may be adjusted in accordance with this Section 11A.~~

~~(b) All adjustments hereunder shall be made by the Corporation in accordance with the policies and procedures set forth in Section 11.~~

~~(c) It shall be the general rule that there will be no adjustment to reflect (x) ordinary cash dividends or distributions or ordinary stock dividends or distributions (collectively, "ordinary distributions") by the issuer of the underlying security or (y) any cash dividend or distribution by the issuer of the underlying security if such dividend or distribution is less than \$0.125 per share provided that, in the case of a contract that is originally listed with a unit of trading larger than 100 shares, the applicable threshold shall be \$12.50 per contract.~~

~~(d) It shall be the general rule that in the case of:~~

~~(i) a stock dividend, stock distribution or stock split whereby a whole number of additional shares of the underlying security is issued with respect to each outstanding share, each option contract covering that underlying security shall be increased by the same number of additional option contracts as the additional number of shares issued with respect to each share of the underlying security, the exercise price per share in effect immediately prior to such event shall be proportionately reduced, and the unit of trading shall remain the same.~~

~~(ii) a stock dividend, stock distribution or stock split whereby other than a whole number of shares of the underlying security is issued in respect of each outstanding share, the exercise price in effect immediately prior to such event shall be proportionately reduced and the unit of trading shall be proportionately increased.~~

~~(iii) reverse stock splits, combinations of shares, or similar events, option contracts shall be adjusted solely for purposes of determining the property deliverable upon exercise of the option, by decreasing the unit of trading to reflect the number of shares eliminated. If an adjustment is made in accordance with the preceding sentence, the unit of trading for all such adjusted series of options shall remain unchanged for purposes of determining the aggregate exercise price of the option and for purposes of determining the premium for any such option purchased and sold.~~

~~(e) It shall be the general rule that in the case of any distribution made with respect to shares of an underlying security, other than ordinary distributions and other than distributions for which adjustments are provided in paragraph (d) of this Section 11A, if an adjustment is determined by the Corporation to be appropriate, (i) the exercise price in effect immediately prior to such event shall be reduced by the value per share of the distributed property, in which event the unit of trading shall not be adjusted, or (ii) the unit of trading in effect immediately prior to such event shall be adjusted so as to include the amount of property distributed with respect to the number of shares of the underlying security represented by the unit of trading in effect prior to such adjustment, in which event the exercise price shall not be adjusted. The Corporation shall, with respect to adjustments under this paragraph or any other paragraph of this Section 11A, have the authority to determine the value of distributed property.~~

~~(f) In the case of any event for which adjustment is not provided in any of the foregoing paragraphs of this Section 11A, the Corporation may make such adjustments, if any, with respect to the option contracts affected by such event as the Corporation determines.~~

~~(g) Adjustments pursuant to this Section 11A shall as a general rule become effective in respect of option contracts outstanding on the "ex-date" established by the primary market for the underlying security.~~

~~(h) It shall be the general rule that (1) all adjustments of the exercise price of an outstanding option contract shall be rounded to the nearest adjustment increment, (2) when an adjustment causes an exercise price to be equidistant between two adjustment increments, the exercise price shall be rounded up to the next highest adjustment increment, (3) all adjustments of the unit of trading shall be rounded down to eliminate any fraction, and (4) if the adjustment is made~~

~~pursuant to subparagraph (d)(ii) above and the unit of trading is rounded down to eliminate a fraction, the adjusted exercise price may be further adjusted, to the nearest adjustment increment, to reflect any diminution in the value of the option contract resulting from the elimination of the fraction, or if the adjustment is made pursuant to subparagraph (d)(iii) above and the unit of trading is rounded down to eliminate a fraction, the value of the fractional share so eliminated as determined by the Corporation shall be added to the unit of trading.~~

~~(i) Notwithstanding the general rules set forth in paragraphs (c) through (h) of this Section 11A or which may be set forth as interpretations and policies under this Section 11A, the Corporation shall have the power to make exceptions in those cases or groups of cases (which may include making exceptions for one or more series of flexibly structured options) in which, in applying the standards set forth in Section 11(a) hereof, the Corporation shall determine such exceptions to be appropriate. However, the general rules shall be applied unless the Corporation affirmatively determines to make an exception in a particular case or group of cases.~~

~~**... Interpretations and Policies:**~~

~~.01 Cash dividends or distributions (regardless of size) by the issuer of the underlying security which the Corporation believes to have been declared pursuant to a policy or practice of paying such dividends or distributions on a quarterly or other regular basis or which the Corporation believes represents an acceleration or deferral of such payments will, as a general rule, be deemed to be "ordinary cash dividends or distributions" within the meaning of paragraph (c) of Section 11A. Stock dividends or distributions by the issuer of the underlying security (i) in an aggregate amount per dividend or distribution which does not exceed 10% of the number of shares or other units of the underlying security outstanding as of the close of trading on the declaration date, and (ii) which the Corporation believes to have been declared pursuant to a policy or practice of paying such dividends or distributions on a quarterly basis or which the Corporation believes represents an acceleration or deferral of such payments will, as a general rule, be deemed to be "ordinary stock dividends or distributions" within the meaning of paragraph (c) of Section 11A. The Corporation will determine on a case-by-case basis whether other dividends or distributions are "ordinary distributions" or whether they are dividends or distributions for which an adjustment should be made. Where the Corporation determines to adjust for a dividend or distribution, the adjustment shall be made in accordance with paragraph (e) of Section 11A. Any issue as to whether a particular dividend or distribution was declared pursuant to a policy of paying such dividends or distributions on a quarterly or (where applicable) other regular basis shall be referred to the Corporation for a determination.~~

~~In making such determinations, the Corporation may take into account such factors as it deems appropriate, including, without limitation, the issuer's stated dividend payment policy, the issuer's characterization of a particular dividend or distribution as "regular," "special," "accelerated" or "deferred," whether the dividend can be differentiated from other dividends (if any) paid on a quarterly or other regular basis, and the issuer's dividend payment history. Normally, the Corporation shall classify a dividend or distribution as non-ordinary when it~~

~~believes that similar dividends or distributions will not be paid on a quarterly or other regular basis.~~

~~.02 Adjustments will not ordinarily be made to reflect the issuance of so-called “poison pill” rights that are not immediately exercisable, trade as a unit or automatically with the underlying security, and may be redeemed by the issuer. In the event such rights become exercisable, begin to trade separately from the underlying security, or are redeemed, the Corporation will determine whether an adjustment is appropriate.~~

~~.03 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 offer is for cash, securities or other property. This policy will apply without regard to 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.~~

~~.04 Adjustments will not be made to reflect changes in the capital structure of an issuer where all of the underlying securities outstanding in the hands of the public (other than dissenters’ shares) are not changed into another security, cash or other property. For example, adjustments will not be made merely to reflect the issuance (except as a distribution on an underlying security) of new or additional debt, stock, or options, warrants or other securities convertible into or exercisable for the underlying security, the~~

~~refinancing of the issuer’s outstanding debt, the repurchase by the issuer of less than all of the underlying securities outstanding, or the sale by the issuer of significant capital assets.~~

~~.05 When an underlying security is converted into a right to receive a fixed amount of cash, such as in a merger or a call or redemption of an entire class of index-linked securities, outstanding options will be adjusted to require the delivery upon exercise of cash in an amount per share or unit equal to the conversion or redemption price. As a result of such adjustment, the value of all outstanding in-the-money options will become fixed, and all at-the-money and out-of-the-money options will become worthless. No adjustment will ordinarily be made in the event of a call of less than an entire class of index-linked securities.~~

~~.06 In the case of a corporate reorganization, reincorporation or similar occurrence by the issuer of an underlying security which results in an automatic share-for-share exchange of shares in the issuer for shares in the resulting company, the options on the underlying security will ordinarily be adjusted to require delivery upon exercise of a like number of units of the shares of the resulting company. Because the securities are generally exchanged only on the books of the issuer and the resulting company, and are not generally exchanged physically, deliverable shares will ordinarily include certificates that are denominated on their face as shares in the original issuer, but which, as a result of the corporate transaction, represent shares in the resulting company.~~

~~.07 When an underlying security is converted in whole or in part into a debt security and/or a preferred stock, as in a merger, and interest or dividends on such debt security or preferred stock are payable in the form of additional units thereof, outstanding options that have been adjusted to call for delivery of such debt security or preferred stock shall be further adjusted, effective as of the ex-date for each payment of interest or dividends thereon, to call for delivery of the securities distributed as interest or dividends thereon.~~

~~.08 Notwithstanding Interpretation and Policy .01 under Section 11A of Article VI of the By-Laws, (i) distributions of short term or long term capital gains in respect of fund shares by the issuer thereof shall not, as a general rule, be deemed to be “ordinary distributions” within the meaning of paragraph (c) of Section 11A, and (ii) other distributions in respect of fund shares by the issuer thereof shall not, as a general rule, be deemed to be “ordinary distributions” within the meaning of paragraph (c) of this Section 11A if (x) the fund tracks the performance of an index that underlies a class of index options or index futures, and the distribution on the fund shares includes or reflects a dividend or other distribution on a portfolio security that resulted in an adjustment of the index divisor; or (y) the distribution on the fund shares includes or reflects a dividend or other distribution on a portfolio security (I) that results in an~~

~~adjustment of options on other fund shares pursuant to clause (ii)(x), or (II) that is not deemed an ordinary distribution under Interpretation .01 above. Adjustments of the terms of options on such fund shares for distributions described in clause (i) or (ii) above shall be made in accordance with paragraph (c) of Section 11A, unless the Corporation determines, on a case by case basis, not to adjust for such a distribution; provided, however, that no adjustment shall be made for any such distribution that is less than \$.125 per fund share and provided that, in the case of a contract that is originally listed with a unit of trading larger than 100 fund shares, the applicable threshold shall be \$12.50 per contract.~~

~~.09 Interest payments on index linked securities will, as a general rule, be deemed to be “ordinary cash dividends or distributions” within the meaning of paragraph (c) of this Section 11A.~~

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Article XI

Amendment of the By-Laws and the Rules

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Amendment of the By-Laws

SECTION 1. The By-Laws may be amended at any time by the Board of Directors upon the affirmative vote of two-thirds of the directors then in office (but not less than a majority of the number of directors fixed by these By-Laws); provided that Sections 2, 3 and 5 of Article II,

Article III, the first sentence of Section 10 of Article VI, ~~Sections 11 and 11A of Article VI,~~ Article VIIA, Article VIIB, Section 9 of Article IX, and this Section 1 of Article XI may not be amended by action of the Board of Directors without the approval of the holders of all of the outstanding Common Stock of the Corporation.

Amendment of the Rules

SECTION 2. The Rules may be amended at any time by the Board of Directors, a committee thereof as defined in Article III, Section 4, or an officer to whom the Board of Directors may from time to time delegate such authority; provided that any amendment of the introduction to Chapter X of the Rules, Rule 1002, Rule 1006, Rule 1009 and Rule 1010 shall require the affirmative vote of two-thirds of the directors then in office (but not less than a majority of the number of directors fixed by these By-Laws) and Chapter XXVIII may not be amended by action of the Board of Directors without the approval of the holders of all of the outstanding Common Stock of the Corporation.

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Article XII

Futures, Futures Options and Commodity Options

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~~Adjustments to Futures and Futures Options~~

~~SECTION 3. (a) Section 11 of Article VI of the By-Laws shall not apply to futures or futures options. Except as provided in paragraph (j) below, determinations as to whether and how to adjust the terms of futures and futures options to reflect events affecting underlying interests shall be made by the Corporation based on its judgment as to what is appropriate for the protection of investors and the public interest, taking into account such factors as fairness to the buyers and sellers of such futures and futures options, the maintenance of a fair and orderly market in futures on the underlying interest and options on such futures, consistency of interpretation and practice (including consistency with the actions of the Corporation in making adjustments to options on the same underlying interest), efficiency of settlement of delivery obligations arising from physically settled stock futures, and the coordination with other clearing agencies of the clearance and settlement of transactions in the underlying interest. The Corporation may, in addition to determining adjustments to futures and futures options on a case-by-case basis, adopt statements of policy or interpretations having general application to specified types of events. Except as provided in paragraph (j) below, every determination by the Corporation in respect of futures or futures options pursuant to this Section 3, or pursuant to Section 4 or Section 4A of this Article shall be within the sole discretion of the Corporation. Such determinations shall be conclusive and binding on all investors and not subject to review. The following paragraphs of this Section 3 apply to stock futures only. Special rules for adjustment of index futures and futures options and variance futures and futures options are set~~

~~out in Section 4. Special rules for adjustment of other cash settled futures are set out in Section 4A.~~

~~(b) Whenever there is a dividend, stock dividend, stock distribution, stock split, reverse stock split, rights offering, distribution, reorganization, recapitalization, reclassification or similar event in respect of any underlying security, or a merger, consolidation, dissolution or liquidation of the issuer of any underlying security, the number of stock futures, the unit of trading (or settlement price) and the underlying security, or any of them, with respect to all outstanding security futures open for trading in the underlying security may be adjusted in accordance with this Section 3. If the Corporation does not learn, or does not learn in a timely manner, of an event for which the Corporation would have otherwise made an adjustment, the Corporation shall not be liable for any failure to make such adjustment or delay in making such adjustment. In making any adjustment determination, the Corporation shall apply the factors set forth in this Section 4 in light of the circumstances known to it at the time such determination is made.~~

~~(c) Except as provided in paragraph (j) below, it shall be the general rule that there will be no adjustments to reflect ordinary cash dividends or distributions or ordinary stock dividends or distributions (collectively, "ordinary distributions") by the issuer of the underlying security.~~

~~(d) It shall be the general rule that in the case of:~~

~~(i) a stock dividend, stock distribution or stock split whereby a whole number of additional shares of the underlying security is issued with respect to each outstanding share, each stock future covering that underlying security shall be increased by the same number of additional stock futures as the additional number of shares issued with respect to each share of the underlying security, the last settlement price established immediately before such event shall be proportionately reduced, and the unit of trading shall remain the same.~~

~~(ii) a stock dividend, stock distribution or stock split whereby other than a whole number of shares of the underlying security is issued in respect of each outstanding share, the last settlement price established immediately before such event shall be proportionately reduced and the unit of trading shall be proportionately increased.~~

~~(iii) reverse stock splits, combinations of shares, or similar events, stock futures shall be adjusted solely for purposes of determining the property deliverable in respect of such futures contract, by decreasing the unit of trading to reflect the number of shares eliminated. If an adjustment is made in accordance with the preceding sentence, the unit of trading for all such adjusted futures contracts shall remain unchanged for purposes of determining the aggregate settlement value of the futures contract payable upon delivery and for purposes of determining the settlement value for any such futures contract purchased and sold.~~

~~(e) It shall be the general rule that in the case of any distribution made with respect to shares of an underlying security other than ordinary distributions and other than distributions for which adjustments are provided in paragraph (d) of this Section 3, if the Corporation determines that an adjustment to the terms of stock futures on such underlying security is appropriate, (i) the last settlement price established immediately before such event shall be reduced by the value per~~

~~share of the distributed property, in which event the unit of trading shall not be adjusted, or alternatively, (ii) the unit of trading in effect immediately before such event shall be adjusted so as to include the amount of property distributed with respect to the number of shares of the underlying security represented by the unit of trading in effect prior to such adjustment, in which event the settlement price shall not be adjusted. The Corporation shall, with respect to adjustments under this paragraph or any other paragraph of this Section 3, have the authority to determine the value of distributed property.~~

~~(f) In the case of any event for which adjustment is not provided in any of the foregoing paragraphs of this Section 3, the Corporation may make such adjustments, if any, with respect to the stock futures affected by such event as the Corporation determines.~~

~~(g) Adjustments pursuant to this Section 3 shall as a general rule become effective in respect of outstanding stock futures on the “ex date” established by the primary market for the underlying security.~~

~~(h) It shall be the general rule that (i) all adjustments of the settlement price of an outstanding stock future shall be rounded to the nearest adjustment increment, (ii) when an adjustment causes a settlement price to be equidistant between two adjustment increments, the settlement price shall be rounded up to the next highest adjustment increment, (iii) all adjustments of the unit of trading shall be rounded down to eliminate any fraction, and (iv) if the adjustment is made pursuant to subparagraph (d)(ii) above and the unit of trading is rounded down to eliminate a fraction, the adjusted settlement price may be further adjusted, to the nearest adjustment increment, to reflect any diminution in the value of the stock future resulting from the elimination of the fraction, or if the adjustment is made pursuant to subparagraph (d)(iii) above and the unit of trading is rounded down to eliminate a fraction, the value of the fractional share so eliminated as determined by the Corporation shall be added to the unit of trading.~~

~~(i) Notwithstanding the general rules set forth in paragraphs (c) through (h) and (j) of this Section 3 or which may be set forth as interpretations and policies under this Section 3, the Corporation shall have the power to make exceptions in those cases or groups of cases in which, in applying the standards set forth in paragraph (a) of this Section 3, the Corporation shall determine such exceptions to be appropriate.~~

~~However, the general rules shall be applied unless the Corporation affirmatively determines to make an exception in a particular case or group of cases.~~

~~(j) Notwithstanding the general rule set forth in paragraph (c), such security futures as may be designated by the Exchange on which such contracts are traded as subject to this paragraph (j) shall be adjusted for the aggregate amount of all cash dividends or distributions as reported by such Exchange to the Corporation. The settlement price of each such contract on the ex date shall be adjusted by such aggregate amount of such dividend or distribution, provided that (i) the Exchange has reported such information to the Corporation prior to the ex date in accordance with the Corporation’s requirements, or~~

~~(ii) the Exchange failed to provide the information on a timely basis or reported incorrect information to the Corporation, but provides such information or corrected information to the Corporation on the ex-date. The Corporation shall have no liability with respect to a dividend or distribution that has not been timely reported by the trading Exchange or for which such Exchange has reported incorrect information without making a timely subsequent correction.~~

~~**... Interpretations and Policies:**~~

~~.01 (a) Cash dividends or distributions by the issuer of the underlying security that the Corporation believes to have been declared pursuant to a policy or practice of paying such dividends or distributions on a quarterly or other regular basis or which the Corporation believes represents an acceleration or deferral of such payments will, as a general rule, be deemed to be "ordinary distributions" within the meaning of paragraph (c) of Section 3. The Corporation will determine on a case-by-case basis whether other dividends or distributions are "ordinary distributions" or whether they are dividends or distributions for which an adjustment should be made.~~

~~In making such determinations, the Corporation may take into account such factors as it deems appropriate, including, without limitation, the issuer's stated dividend payment policy, the issuer's characterization of a particular dividend or distribution as "regular," "special," "accelerated" or "deferred," whether the dividend can be differentiated from other dividends (if any) paid on a quarterly or other regular basis, and the issuer's dividend payment history. Normally, the Corporation shall classify a dividend or distribution as non-ordinary when it believes that similar dividends or distributions will not be paid on a quarterly or other regular basis.~~

~~(b) Stock dividends or distributions by the issuer of the underlying security that the Corporation believes to have been declared pursuant to a policy or practice of paying such dividends or distributions on a quarterly basis will, as a general rule, be deemed to be "ordinary distributions" within the meaning of paragraph (c) of Section 3. The Corporation will ordinarily adjust for other stock dividends and distributions.~~

~~(c) Where the Corporation determines to adjust for a cash or stock dividend or distribution, the adjustment shall be made in accordance with the applicable provisions of Section 3.~~

~~.02 Adjustments will ordinarily be made for rights distributions, except as provided below in the case of certain "poison pill" rights. When an adjustment is made for a rights distribution, the unit of trading in effect immediately prior to the distribution will ordinarily be adjusted to include the number of rights distributed with respect to the number of shares or other units of the underlying security comprising the unit of trading. If, however, the Corporation determines that the rights are due to expire before the time they could be exercised upon delivery under the futures contract, then delivery of the rights will not be required. Instead, the Corporation will ordinarily adjust the last settlement price established before the rights expire to reflect the value, if any, of the rights as determined by the Corporation in its sole discretion. Adjustments will not ordinarily be made to reflect the issuance of so-called "poison pill" rights that are not immediately exercisable, trade as a unit or automatically with the underlying security, and may be redeemed~~

by the issuer. In the event such rights become exercisable, begin to trade separately from the underlying security, or are redeemed, the Corporation will determine whether an adjustment is appropriate.

~~.03 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 offer is for cash, securities or other property. This policy will apply without regard to 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 stock futures 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.~~

~~.04 Adjustments will not be made to reflect changes in the capital structure of an issuer where all of the underlying securities outstanding in the hands of the public (other than dissenters' shares) are not changed into another security, cash or other property. For example, adjustments will not be made merely to reflect the issuance (except as a distribution on an underlying security) of new or additional debt, stock, or options, warrants or other securities convertible into or exercisable for the underlying security, the refinancing of the issuer's outstanding debt, the repurchase by the issuer of less than all of the underlying securities outstanding, or the sale by the issuer of significant capital assets.~~

~~.05 When an underlying security is converted into a right to receive a fixed amount of cash, such as in a merger or a call or redemption of an entire class of index-linked securities, outstanding stock futures will be adjusted to replace such underlying security with such fixed amount of cash as the underlying interest, and the unit of trading shall remain unchanged. No adjustment will ordinarily be made in the event of a call of less than an entire class of index-linked securities.~~

~~.06 In the case of a corporate reorganization, reincorporation or similar occurrence by the issuer of an underlying security which results in an automatic share-for-share exchange of shares in the issuer for shares in the resulting company, security futures on the underlying security will ordinarily be adjusted by replacing such underlying security with a like number of units of the shares of the resulting company.~~

Because the securities are generally exchanged only on the books of the issuer and the resulting company, and are not generally exchanged physically, deliverable shares will ordinarily include certificates that are denominated on their face as shares in the original issuer, but which, as a result of the corporate transaction, represent shares in the resulting company.

~~.07 When an underlying security is converted in whole or in part into a debt security and/or a preferred stock, as in a merger, and interest or dividends on such debt security or preferred stock are payable in the form of additional units thereof, outstanding stock futures that have been adjusted by replacing the original underlying security with the security into which the original underlying security has been converted shall be further adjusted, effective as of the ex-date for each payment of interest or dividends thereon, by increasing the unit of trading by the number of units of the new underlying security distributed as interest or dividends thereon.~~

~~.08 Notwithstanding Interpretation and Policy .01 above, (i) distributions of short-term and long-term capital gains in respect of fund shares by the issuer thereof shall not, as a general rule, be deemed to be “ordinary distributions” within the meaning of paragraph (c) of this Section 3 and (ii) other distributions in respect of fund shares by the issuer thereof shall not, as a general rule, be deemed to be “ordinary distributions” within the meaning of paragraph (c) of Section 3 if (x) the fund tracks the performance of an index that underlies a class of index options or index futures, and the distribution on the fund shares includes or reflects a dividend or other distribution on a portfolio security that resulted in an adjustment of the index divisor; or (y) the distribution on the fund shares includes or reflects a dividend or other distribution on a portfolio security (I) that results in an adjustment of stock futures on other fund shares pursuant to clause (ii)(x) or (II) that is not deemed an ordinary distribution under Interpretation .01 above.~~

~~Adjustments of the terms of stock futures on such fund shares for distributions described in clause (i) or (ii) above shall be made in accordance with paragraph (c) of this Section 3 unless the Corporation determines, on a case-by-case basis, not to adjust for such a distribution.~~

~~.09 Other than as provided for in the By-Laws and Rules, including in paragraph (j) of this Section 3, the Corporation will not adjust officially reported settlement prices, even if the information provided by the Exchange regarding dividends or distributions is subsequently found to have been erroneous, except in extraordinary circumstances. Such circumstances might be found to exist where, for example, the information initially provided by the Exchange is clearly erroneous or the Corporation otherwise learns of the error, and corrected information is promptly provided by the Exchange. In no event will a completed settlement be adjusted due to errors discovered after settlement.~~

~~.10 Interest payments on index-linked securities will, as a general rule, be deemed to be “ordinary cash dividends or distributions” within the meaning of paragraph (c) of this Section 3.~~

~~[Section 3 of this Article replaces Article VI, Section 11A of the By-Laws.]~~

~~Adjustments to Index Futures and Variance Futures and Options on Such Futures~~

SECTION 4. ~~(a) No adjustments will ordinarily be made in the terms of index futures or in the terms of variance futures that have an index as their reference variable in the event that securities, commodities, or other constituents are added to or deleted from the index or when the relative weight of one or more such constituents in the index is changed. However, if the Corporation shall determine in its sole discretion that any such addition, deletion or change causes significant discontinuity in the level of the index, the Corporation may adjust the terms of the affected index futures by adjusting the index multiplier with respect to such contracts or by taking such other action as the Corporation in its sole discretion deems fair to both the buyers and sellers of such contracts. Similarly, the Corporation may use its discretion to adjust variance futures if necessary to correct for any impact such an event could have on an underlying variance.~~

~~(b) If (i) an Exchange shall increase or decrease the multiplier for any index futures contract or variance futures contract, (ii) the reporting authority shall change the method of calculation of an index that is an underlying interest or reference variable 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 constituents in the index, or (iii) the Corporation shall substitute one index for another pursuant to paragraph (c) of this Section, the Corporation shall make such adjustments in the number of outstanding affected futures or the contract prices of such futures or such other adjustments, if any, as the Corporation in its sole discretion deems fair to both the buyers and the sellers of such contracts.~~

~~(c) In the event the Corporation determines that: (i) publication of an index that is an underlying interest or reference variable has been discontinued; (ii) such an index has been replaced by another index; or (iii) the composition or method of calculation of such an index is so materially changed since its selection as an underlying interest or reference variable that it is deemed to be a different index, the Corporation may substitute another index (a "successor index") as the underlying interest or reference variable. A successor index shall be reasonably comparable, as determined by the Corporation in its discretion, to the original index for which it is substituted. An index may be created specifically for the purpose of becoming a successor index. If the Corporation determines in its discretion not to substitute a successor index, the Corporation may terminate the futures contract and fix a final settlement price in accordance with Section 5 of this Article. Any outstanding options on a futures contract terminated in accordance with the preceding sentence will be automatically exercised if in the money based upon the final settlement price for the underlying future or will terminate if out of the money based upon such final settlement price.~~

~~(d) If a futures market or its reporting authority shall change the method of calculation of an underlying variance so as to create a discontinuity or change in the underlying variance that does not reflect a change in the variability of the reference variable, the Corporation shall make such adjustments in the number of outstanding affected variance futures or the contract prices of such futures or such other adjustments, if any, as the Corporation in its sole discretion deems fair to both the buyers and the sellers of such contracts.~~

~~(e)(i) In the event the Corporation, acting pursuant to paragraph (a) of this Section, adjusts an index futures contract or variance futures contract underlying a futures option, such futures option will ordinarily be adjusted to provide, upon exercise, for delivery of the futures contract as adjusted by the Corporation.~~

~~(ii) In the event the Corporation, acting pursuant to paragraph (b) or (d) of this Section, adjusts (A) the number of outstanding index futures or variance futures in a series of futures underlying a futures option, (B) the contract price of index futures or variance futures underlying a futures option, or (C) the index futures or variance futures underlying a futures option in any other manner, the futures option ordinarily will be adjusted in a manner corresponding to the adjustment in the underlying futures contract (e.g., if the number of outstanding index futures or variance futures in a series of futures underlying a futures option is adjusted, the number of futures options on the adjusted underlying index future or variance future will be similarly~~

~~adjusted; if the contract price of the underlying index future or variance future is adjusted, the exercise price of the futures options will be similarly adjusted; etc.);~~

~~[Section 4 of this Article replaces Article VI, Section 11 of the By-Laws.]~~

~~Adjustments to Other Cash-Settled Futures~~

~~SECTION 4A. (a) Cash-settled foreign currency futures. In the event that (i) the currency underlying a cash-settled foreign currency future is officially replaced by a new currency, or (ii) such currency's exchange rate or exchange characteristics with respect to other currencies are officially altered, the Corporation may adjust the underlying interest, unit of trading, settlement price or any other terms of futures affected by such event. The Corporation shall determine whether to make adjustments to reflect particular events, and the nature and extent of any such adjustment, based on its judgment as to what is appropriate for the protection of investors and the public interest, taking into account such factors as fairness to the buyers and sellers, the maintenance of a fair and orderly market in futures on the underlying interest, and consistency of interpretation and practice (including consistency with the actions of the Corporation in making adjustments to option contracts on the same underlying interest).~~

~~(b) Other cash-settled futures. In the case of any futures contract that does not require physical delivery of the underlying interest and that is not covered under Section 4 or 4A(a), the Corporation may adjust the underlying interest, unit of trading, settlement price or any other terms of such futures if the Corporation determines that an adjustment is appropriate to reflect the occurrence of an event affecting such underlying interest. The Corporation shall determine whether to make adjustments to reflect particular events, and the nature and extent of any such adjustment, based on its judgment as to what is appropriate for the protection of investors and the public interest, taking into account such factors as fairness to the buyers and sellers, the maintenance of a fair and orderly market in futures on the underlying interest, and consistency of interpretation and practice (including consistency with the actions of the Corporation in making adjustments to option contracts on the same underlying interest).~~

~~[Section 4A of this Article replaces Section 11A and the Interpretations and Policies promulgated thereunder, of Article VI of the By-Laws.]~~

~~... Interpretations and Policies:~~

~~.01 The Corporation will not ordinarily adjust the terms of cash-settled foreign currency futures in response to devaluations or revaluations of currencies underlying such futures.~~

* * *

Article XIV
Binary Options; Range Options

* * *

Adjustments of Event Options

SECTION 3. The listing Exchange is vested with complete discretionary authority to confirm adjustment events and make adjustments to event options in accordance with Exchange Rules, as they are interpreted by the Exchange. Adjustment determinations shall be reported to the Corporation by the Exchange. Every adjustment determination by the Exchange will be within its sole discretion and shall be conclusive and binding on all holders and writers and not subject to review. The Corporation shall not be responsible for any adjustment determination by the Exchange.

[Section 3 of this Article replaces ~~Section 11 and 11A of Article VI of the By-Laws~~ [Chapter XXVIII of the Rules.](#)]

Adjustments of Binary Options (other than Event Options) and Range Options for which the Underlying Interest is a Security or an Index of Securities

SECTION 3A. (a) Binary Options for which the Underlying Interest is an Equity Security. (1) Whenever there is a dividend, stock dividend, stock distribution, stock split, reverse stock split, rights offering, distribution, reorganization, recapitalization, reclassification or similar event in respect of any underlying equity security, or a merger, consolidation, dissolution or liquidation of the issuer of any underlying equity security, the number of option contracts, the exercise price, the exercise settlement amount, the underlying interest, the unit of trading, or any of them, with respect to all outstanding binary option contracts open for trading in that underlying equity security may be adjusted in accordance with this Section 3A(a).

(2) All adjustments under Section 3A(a) and 3A(b) shall be made by the Corporation in accordance with the policies and procedures set forth in ~~Section 11 of Article VI of the By-Laws~~ [Rule 2801 and Rule 2802.](#)

(a)3-(c) – [No change]

(d) Notwithstanding the general rules set forth in paragraphs (a) through (c) of this Section 3A or which may be set forth as interpretations and policies under this Section 3A, the Corporation shall have the power to make exceptions in those cases or groups of cases (which may include making exceptions for one or more series of flexibly structured options) in which, in applying the standards set forth in ~~Article VI, Section 11(a) of the By-Laws~~ [Rule 2801](#), the Corporation shall determine such exceptions to be appropriate. However, the general rules shall be applied unless the Corporation affirmatively determines to make an exception in a particular case or group of cases.

... Interpretations and Policies:

.01 [No change]

.02 Notwithstanding Interpretation and Policy .01, (i) distributions of short-term and long-term capital gains in respect of fund shares by the issuer thereof shall not, as a general rule, be deemed to be “ordinary distributions” within the meaning of Section 3A(a)(3) and (ii) other distributions in respect of fund shares by the issuer thereof shall not, as a general rule, be deemed to be “ordinary distributions” within the meaning of Section 3A(a)(3) if (x) the fund tracks the performance of an index that underlies a class of index options or index futures, and the distribution on the fund shares includes or reflects a dividend or other distribution on a portfolio security that resulted in an adjustment of the index divisor; or (y) the distribution on the fund shares includes or reflects a dividend or other distribution on a portfolio security (I) that results in an adjustment of options on other fund shares pursuant to clause (ii)(x) of this Interpretation or pursuant ~~to clause (ii)(x) of Interpretation .08 under Article VI, Section 11A of the By-Laws~~ to [Rule 2803\(c\)\(1\)\(iv\)](#) or (II) that is not deemed an ordinary distribution under Interpretation .01 above. Adjustments for distributions described in clause (i) or (ii) above to the terms of binary options that have such fund shares as their underlying security shall be made in accordance with Section 3A(a)(5), unless the Corporation determines, on a case-by-case basis, not to adjust for such a distribution; provided, however, that no adjustment shall be made for any such distribution where the amount of the adjustment would be less than \$.125 per fund share.

Adjustments of Binary Options (other than Event Options) and Range Options for which the Underlying Interest is a Commodity or an Index of Commodities

SECTION 3B.

(a) - (c) [Nochange]

(d) Notwithstanding the general rules set forth in paragraphs (a) through (c) of this Section 3B, the Corporation shall have the power to make exceptions to such rules in determining the appropriate adjustments to binary options or range options upon the occurrence of the events specified therein. ~~Section 11 of Article VI of the By-Laws~~ [Rule 2801 and Rule 2802](#) shall not apply to binary options or range options that are not traded on a Securities Exchange.

* * *

Article XV
Foreign Currency Options

* * *

Adjustments

SECTION 4. In the event that (i) a trading or an underlying currency is replaced by a new currency, or (ii) the exchange rate or exchange characteristics of a trading or underlying currency

with respect to other currencies are officially altered, the Corporation may adjust the exercise price, unit of trading, number of contracts of underlying currency, or other terms of option contracts affected by such event. The provisions of ~~Article VI, Section 11 of the By-Laws~~ [Rule 2801 and Rule 2802](#) shall apply equally to adjustments made by the Corporation pursuant to this Article XV, Section 4.

[Section 4 of this Article replaces ~~Chapter XXVIII of the Rules~~ [Section 11A](#), and the ~~Interpretations and Policies promulgated thereunder, of Article VI of the By-Laws.~~]

* * *

Article XVI Yield-Based Treasury Options

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Adjustments

SECTION 3. (a) Except as provided in this Section 3, ~~Section 11 of Article VI of the By-Laws~~ [Rule 2801 and Rule 2802](#) shall not apply to yield-based Treasury option contracts.

(b) - (c) [No change]

(d) Determinations with respect to adjustments pursuant to this Section shall be made by the Corporation as provided in ~~Article VI, Section 11 of the By-Laws~~ [Rule 2801 and Rule 2802](#).

[Section 3 of this Article supplements ~~Section 11 of Article VI of the By-Laws~~ [Rule 2801 and Rule 2802](#).]

Unavailability or Inaccuracy of Settlement Value of Underlying Yield

SECTION 4. (a) If the Corporation shall determine that the settlement value of the underlying yield for any series of yield-based Treasury options (the “affected series”) is unreported, inaccurate, unreliable, unavailable or inappropriate for purposes of calculating the exercise settlement amount for exercised contracts of the affected series, then, in addition to any other actions that the Corporation may be entitled Article XVI – Yield-Based Treasury Options 128 to take under the By-Laws and Rules, the Corporation shall be empowered to do any or all of the following:

(1) [No change]

(2) The Corporation may fix the exercise settlement amount for exercised contracts of an affected series. The exercise settlement amount shall be fixed by a panel consisting of two designated representatives of each Exchange on which the affected series is open for trading and the Chief Executive Officer. The panel shall fix the exercise settlement amount based on its judgment as to what is appropriate for the protection of investors and the public interest, taking

into account such factors as fairness to holders and writers of options of the affected series, the maintenance of a fair and orderly market in such affected series of options, consistency of interpretation and practice, and consistency with actions taken in related futures or other markets. Without limiting the generality of the foregoing, the panel may fix the exercise settlement amount using: (i) the reported value of the underlying yield at the close of regular trading hours (as determined by the Corporation) on the last preceding trading day for which such a value was reported by the reporting authority; (ii) the reported value of the underlying yield at the opening of regular trading hours (as determined by the Corporation) on the next trading day for which such an opening value is reported by the reporting authority; or (iii) a value for the underlying yield at such other time, or representing a combination or average of values at such time or times, as the Corporation deems appropriate. The provisions of ~~Article VI, Section 11(e) of the By-Laws~~ Rule 2802 with respect to the vote required to constitute the determination of a panel, the voting rights of members of such panels, the ability of such panels to conduct their business by telephone or other designated means, and the ability of the Chief Executive Officer and Exchange representatives to designate others to serve in their place on such panels shall apply equally to panels convened pursuant to this Section. Every determination of a panel convened pursuant to this Section shall be within the sole discretion of such panel and shall be conclusive and binding on all investors and not subject to review.

* * *

Article XVII

Index Options and Certain Other Cash-Settled Options

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Adjustments

~~SECTION 3. (a) Except in the case of flexibly structured options on fund shares that are cash settled, Section 11A of Article VI of the By-Laws shall not apply to cash settled option contracts.~~

~~(b) In the case of cash settled options that have a single commodity as their underlying interest, except as expressly provided otherwise in the By-Laws or Rules relating to a particular cleared contract, determinations as to whether and how to adjust the terms of such options to reflect events affecting the underlying interest shall be made by the Corporation based on its judgment as to what is appropriate for the protection of investors and the public interest, taking into account such factors as fairness to the buyers and sellers of such options, the maintenance of a fair and orderly market in such options and consistency of interpretation and practice.~~

~~(c) No adjustments will ordinarily be made in the terms of index option contracts in the event that index components are added to or deleted from the underlying index or reference index or when the relative weight of one or more such index components has changed. However, if the Corporation shall determine in its sole discretion that any such addition, deletion, or change~~

~~causes significant discontinuity in the level of the underlying index, the Corporation 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 Corporation in its sole discretion deems fair to both the holders and writers of such contracts.~~

~~(d) If an Exchange shall increase or decrease the index multiplier for any index option contract, or the reporting authority shall 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 securities, or the Corporation shall substitute one underlying index or reference index for another pursuant to paragraph (e) of this Section 3, the Corporation shall 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 Corporation in its sole discretion deems fair to both the holders and the writers of such options.~~

~~(e) In the event the Corporation determines that: (i) publication of an underlying index or reference index has been discontinued; (ii) an 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, the Corporation may substitute another index (a "successor index") as the underlying index or reference index. A successor index shall be reasonably comparable, as determined by the Corporation in its discretion, 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.~~

~~(f) In the event that the value of an underlying relative performance index falls below zero, any such negative value of the index will be deemed by the Corporation to be zero; provided, however, that if it is deemed impractical for systems reasons to have an index value of zero, then any index value of zero or below will be deemed to be an economically nominal positive number. Such an adjustment will have the effect of limiting the maximum exercise settlement amount for in-the-money put options on such indexes to the difference between the exercise price and the nominal positive number substituted for the actual index value (times the applicable multiplier).~~

~~(g) In the event that any individual reference security in an underlying relative performance index (as defined in the preceding paragraph) is eliminated as the result of a cash-out merger or other event, the reporting authority may cease to publish the index. In that case, the exercise settlement value of the options would become fixed based upon the last published value for the index, and the Exchange on which such options are traded may determine to accelerate the expiration date for such options (and, in the case of European-style options, their exercisability). The expiration date for such options will ordinarily be accelerated to fall on the next regularly scheduled expiration date for the same class of options or such other date as the Corporation may establish in consultation with the Exchange on which such options are traded.~~

~~(h) Except in the case of OTC index options or any of the events described in paragraphs (f) and (g) of this Section 3, determinations with respect to adjustments pursuant to this Section shall be~~

~~made by the Corporation. The provisions of Article VI, Section 11 of the By-Laws shall apply equally to adjustments made by the Corporation pursuant to this Article XVII, Section 3 and to adjustments made by the Corporation pursuant to Article VI, Section 11A for flexibly structured options on fund shares that are cash settled.~~

~~**... Interpretations and Policies:**~~

~~.01 For the elimination of doubt, all adjustments to the terms of outstanding cleared contracts in OTC index options shall be made by the Corporation in its sole discretion, based on its judgment as to what is appropriate for the protection of investors and the public interest, taking into account such factors as fairness to holders and writers (or purchasers and sellers) of the affected contracts, the maintenance of a fair and orderly market in the affected contracts, consistency of interpretation and practice (including consistency with adjustments to Exchange-listed index options on the same underlying interest), and efficiency of exercise settlement procedures.~~

~~[Section 3 of this Article replaces Section 11A of Article VI of the By-Laws.]~~

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Article XXII Cash-Settled Foreign Currency Options

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Adjustments

~~**SECTION 3.** In the event that (i) a trading or an underlying currency is replaced by a new currency, or (ii) the exchange rate or exchange characteristics of a trading or underlying currency with respect to other currencies are officially altered, the Corporation may adjust the exercise price, unit of trading, number of contracts, underlying currency, or other terms of option contracts affected by such event. The provisions of Article VI, Section 11 of the By-Laws shall apply equally to adjustments made by the Corporation pursuant to this Article XXII, Section 4.~~

~~[Section 3 of this Article replaces Section 11A, and the Interpretations and Policies promulgated thereunder, of Article VI of the By-Laws.]~~

~~**... Interpretations and Policies:**~~

~~.01 The Corporation will not ordinarily adjust the terms of cash settled foreign currency options in response to devaluations or revaluations of trading or underlying currencies.~~

Unavailability or Inaccuracy of Spot Price

SECTION 4. (a) If the Corporation shall determine that the spot price for the currency underlying any series of cash-settled foreign currency options (the “affected series”) is

unreported, inaccurate, unreliable, unavailable or inappropriate for purposes of calculating the exercise settlement amount for exercised contracts of the affected series, then, in addition to any other actions that the Corporation may be entitled to take under the By-Laws and Rules, the Corporation shall be empowered to do any or all of the following with respect to the affected series:

(1) [No change]

(2) The Corporation may fix the exercise settlement amount for exercised contracts of an affected series. The exercise settlement amount shall be fixed by a panel consisting of two designated representatives of each Exchange on which the affected series is open for trading and the Chief Executive Officer. The panel shall fix the exercise settlement amount based on its judgment as to what is appropriate for the protection of investors and the public interest, taking into account such factors as fairness to holders and writers of options of the affected series, the maintenance of a fair and orderly market in such affected series, consistency of interpretation and practice, and consistency with actions taken in related futures or other markets. Without limiting the generality of the foregoing, the panel may fix the exercise settlement amount using: (i) the reported price of the underlying currency at the close of regular trading hours for options on the affected series (as determined by the Corporation) on the last preceding trading day for which such a price was reported by the reporting authority; (ii) the reported price of the underlying currency at the opening of regular trading hours for options on the affected series (as determined by the Corporation) on the next trading day for which such a price is reported by the reporting authority; or (iii) the price of the underlying currency at such other time, or representing a combination or average of prices or quotations at such time or times, and reported in such manner, as the Corporation deems appropriate. The provisions of ~~Article VI, Section 11(e) of the By-Laws~~ [Rule 2802](#) with respect to the vote required to constitute the determination of a panel, the voting rights of members of such panels, the ability of such panels to conduct their business by telephone or other designated means, and the ability of the Chief Executive Officer and Exchange representatives to designate others to serve in their place on such panels shall apply equally to panels convened pursuant to this Section. Every determination of a panel convened pursuant to this Section shall be within the sole discretion of such panel and shall be conclusive and binding on all investors and not subject to review.

4(a)(3) – (b) [No Change]

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Article XXIV

Bounds

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Adjustments

SECTION 4. (a) The provisions of ~~Section 11 and Section 11A of Article VI of the By-Laws Rule 2801, Rule 2802 and Rule 2803, and the Interpretations and Policies following Section 11A,~~ shall apply to BOUNDS, subject to the provisions of this Section 4. For that purpose, the term “option contract” or “option” as used therein shall mean a BOUND, the term “exercise price” shall mean the “strike price” of a BOUND and the term “exercise settlement procedures” shall mean the expiration settlement procedures for BOUNDS. In addition to the actions provided for in paragraph (a) of ~~Article VI, Section 11A Rule 2803,~~ the expiration date of a BOUND contract may be adjusted as provided in paragraph (e) of this Section 4.

(b) - (c) [No change]

(d) If a distribution governed by the provisions of paragraph (e) of ~~Section 11A of Article VI of the By-Laws Rule 2803~~ is made with respect to shares of an underlying security, and BOUNDS of the affected class are adjusted by including the distributed property within the unit of trading covered by such BOUNDS, the “Closing Price” for such BOUND contract at expiration shall also include the value of the distributed property. If such distributed property is a security that is traded on a national securities exchange, then the value of the distributed security shall be determined in the same way that the Closing Price of any other underlying security would ordinarily be determined. In other cases, the Corporation shall use its discretion to determine how the current market value of the distributed property is to be fixed.

(e) [No change]

(f) The foregoing are general rules, and the Corporation shall have the same discretionary authority with respect to the adjustment of BOUNDS as it has with respect to adjustments of option contracts under ~~Article VI, Section 11 and Section 11A of the By-Laws~~ Rule 2801, Rule 2802 and Rule 2803.

[Section 4 of this Article supplements ~~Section 11A of Article VI of the By-Laws~~ Chapter XXVIII of the Rules.]

Unavailability of Closing Price

SECTION 6. (a) If the underlying security was not traded in the primary market on the business day preceding the expiration date, or if the Corporation determines that a closing price for the underlying security is unreported or otherwise unavailable, then, in addition to any other actions that the Corporation may be entitled to take under the By-Laws and Rules, the Corporation shall be empowered to do any or all of the following with respect to any series of BOUNDS affected by such event (“affected series”):

(1) [No change]

(2) The Corporation may fix the Closing Price for BOUNDS contracts of an affected series. The Closing Price shall be fixed by a panel consisting of two designated representatives of each Exchange on which the affected series is open for trading and the Chief Executive Officer. The panel shall fix the Closing Price based on its judgment as to what is appropriate for the protection of investors and the public interest, taking into account such factors as fairness to holders and writers of affected BOUNDS contracts, the maintenance of a fair and orderly market in such contracts, and consistency of interpretation and practice. Without limiting the generality of the foregoing, the panel may, if it deems such action appropriate for the protection of investors and the public interest, fix the closing price on the basis of the price at the close of trading on the last preceding trading day for which a Closing Price was reported by the primary market. The provisions of ~~Article VI, Section 11(e) of the By-Laws~~ [Rule 2802](#) with respect to the vote required to constitute the determination of a panel, the voting rights of members of such panels, the ability of such panels to conduct their business by telephone or other designated means, and the ability of the Chief Executive Officer and Exchange representatives to designate others to serve in their place on such panels shall apply equally to panels convened pursuant to this subparagraph. Every determination of a panel convened pursuant to this subparagraph shall be within the sole discretion of such panel and shall be conclusive and binding on all investors and not subject to review.

(b) [No change]

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Article XXVI Packaged Spread Options

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Adjustments

SECTION 3. ~~Section 3 of Article XVII of the By-Laws~~ [Rule 2804](#) shall apply to packaged spread options interpreting the term “index option” as used therein to include packaged spread options.