EXHIBIT 5

Proposed new text is <u>underlined</u>. Proposed deleted text is [bracketed].

NASDAQ Options Market Rules

Chapter IV Securities Traded on NOM

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Sec. 6 Series of Options Contracts Open for Trading

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Supplementary Material to Section 6

.01   No Change.

.02 <u>*$1 Strike Price Interval Program:* </u>The interval between strike prices of series of options on individual stocks may be:

(a) $1.00 or greater [("$1 Strike Prices")]<u>strike price intervals</u> [provided]<u>where</u> the strike price is $50 or less, but not less than $1. Except as provided in subparagraph (c) below, the listing of $1 strike price[s]<u>intervals</u> shall be limited to option classes overlying no more than one hundred fifty (150) individual stocks (the "$1 Strike [Price] Program") as specifically designated by NOM. NOM may list $1 [Strike Prices]<u>strike price intervals</u> on any other option classes if those classes are specifically designated by other national securities exchanges that employ a similar $1 Strike [Price] Program under their respective rules. <u>If a class participates in the $1 Strike Program, $2.50 strike price intervals are not permitted between $1 and $50 for non-LEAPS and LEAPS.</u>

(b) <u>Initial and Additional Series. </u>To be eligible for inclusion into the $1 Strike [Price] Program, an underlying security must close below $50 in the primary market on the previous trading day.

After a security is added to the $1 Strike [Price] Program, NOM may list $1 [Strike Prices]<u>strike price intervals</u> from $1 to $50 [that are no more than $5 from the closing price of the underlying on the preceding day, or no more than $5 from the opening price of the underlying on its primary market to be added intraday. For example, if the underlying security closes at $13, NOM may list strike prices from $8 to $18. Also, for example, if the same issue were to open on its primary listing market the next day at $22.10, the Exchange could immediately list strike prices from $19 to $27. In instances where the overnight price movement in the underlying security has left a discontinuity in $1 strike prices, the Exchange may list all $1 strikes between the previous day's close and the opening price on the primary listing market. For instance, an underlying issue that closes at $14 may have $1 strikes from $9 to $19. If the same issue opens on its primary listing

market the next day at $27.10, it may add $21 and $22, in addition to strikes from $23 to $32 (and in addition to the standard interval strike of $20).

NOM may not list series with $1 intervals within $0.50 of an existing strike price in the same series, except that strike prices of $2, $3, $4, $5 and $6 shall be permitted within $0.50 of an existing strike price for classes also selected to participate in the $0.50 Strike Program. In addition, the Exchange may not list series with $2.50 intervals (e.g., $12.50, $17.50) below $50 pursuant to this Section 6 for any issue included within the $1 Strike Program. The Exchange may list one $1 Strike option series strike above and below each standard $5 strike interval that is more than $5 from the price of the underlying security, with the strike being $2 above the standard strike for each interval above the price of the underlying security, and $2 below the standard strike, for each interval below the price of the underlying security, provided it meets the OLPP provisions in Supplementary Material .06 to this Section 6. For instance, if the underlying security was trading at $19, the Exchange could list, for each month, the following strikes: $3, $5, $8, $10, $13, $14, $15, $16, $17, $18, $19, $20, $21, $22, $23, $24, $25, $27, $30, $32, $35, and $37. Additionally, for an option class selected for the $1 Strike [Price] Program, NOM may not list $2.50 strike price intervals on any series having greater than nine (9) months until expiration, except as provided in subparagraph (c) below.] according to the following parameters:

> (i) If the price of the underlying stock is equal to or less than $20, the Exchange may list series with an exercise price up to 100% above and 100% below the price of the underlying stock. However, the foregoing restriction shall not prohibit the listing of at least five (5) strike prices above and below the price of the underlying stock per expiration month in an option class. For example, if the price of the underlying stock is $2, the Exchange would be permitted to list the following series: $1, $2, $3, $4, $5, $6 and $7.
> (ii) If the price of the underlying stock is greater than $20, the Exchange may list series with an exercise price up to 50% above and 50% below the price of the underlying security up to $50.
> (iii) For the purpose of adding strikes under the $1 Strike Program, the "price of the underlying stock" shall be measured in the same way as "the price of the underlying security" is as set forth in .06(a) of Supplemental Material to Section 6.
> (iv) No additional series in $1 strike price intervals may be listed if the underlying stock closes at or above $50 in its primary market. Additional series in $1 strike price intervals may not be added until the underlying stock closes again below $50.
> (v) LEAPS. For [issues] stocks in the $1 Strike Program, the Exchange may list one [long-term option series] $1 strike price interval between each standard $5 strike interval, with the $1 strike price interval being $2 above the standard strike for each interval above the price of the underlying [security]stock, and $2 below the standard strike for each interval below the price of the underlying [security]stock ("$2 wings"). For example, if the price of the underlying stock is $24.50, the Exchange may list the following standard strikes in $5 intervals: $15, $20, $25, $30 and $35. Between these standard $5 strikes, the Exchange may list the following $2 wings: $18, $27 and $32.

In addition, the Exchange may list the $1 strike <u>price interval</u> which is $2 above the standard strike just below the underlying price at the time of listing[,]. <u>In the above example, since the standard strike just below the underlying price ($24.50) is $20, the Exchange may list a $22 strike.</u> [and] <u>The Exchange </u>may add additional long-term options series strikes as the price of the underlying [security]<u>stock</u> moves, consistent with the OLPP.[For instance, if the underlying is trading at $21.25, long-term strikes could be listed at $15, $18, $20, $22, $25, $27, and $30. If the underlying subsequently moved to $22, the $32 strike could be added. If the underlying moved to $19.75, the $13, $10, $8, and $5 strikes could be added.]

Additional long-term option strikes may not be listed within $1 of an existing strike until less than nine months to expiration.

A security shall remain in the $1 Strike [Price] Program until otherwise designated by NOM.

(c) The Exchange may list $1 strike prices up to $5 in any series having greater than nine (9) months until expiration (LEAPS(R)) in up to 200 option classes on individual stocks. The Exchange may not list <u>$1 </u>strike price[s with $1] intervals within $0.50 on an existing $2.50 strike price in the same [series]<u>expiration</u>, except that strike prices of $2 and $3 shall be permitted within $0.50 of a $2.50 strike price for classes also selected to participate in the $0.50 Strike Program.

(d) Delisting Policy. For options classes selected to participate in the $1 Strike Program, the Exchange will, on a monthly basis, review series that were originally listed under the $1 Strike Program with strike prices that are more than $5 from the current value of an options class and delist those series with no open interest in both the put and the call series having a: (i) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (ii) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month. If the Exchange identifies series for delisting pursuant to this policy, the Exchange shall notify other options exchanges with similar delisting policies regarding the eligible series for delisting, and shall work jointly with such other exchanges to develop a uniform list of series to be delisted so as to ensure uniform series delisting of multiply listed options classes.

Notwithstanding the above delisting policy, the Exchange may grant member requests to add strikes and/or maintain strikes in series of options classes traded pursuant to the $1 Strike Program that are eligible for delisting.

.03 - .07   No Change.

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