

**EXHIBIT 5**

New language  
[deleted language]

**Boston Options Exchange Group LLC**

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**Chapter V. Doing Business on BOX**

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**Sec. 18 The Price Improvement Period (“PIP”)**

(a) The execution of price improvement transactions via the BOX market is permitted under certain circumstances subject to the procedures detailed in Sections 18, 19 and 29 of this Chapter V. In compliance with these procedures, price improvement transactions for Customer Orders may be consummated with the Options Participant who submits the order, with other Options Participants, Improvement Orders or "Unrelated Orders".

*Note:* For purposes of Sections 18, 19 and 29 of this Chapter V, an "Unrelated Order" shall be defined as a non-Improvement Order entered into the BOX market during a PIP or a Universal Price Improvement Period (“UPIP”).

(b) Options Participants must ensure that, when executing Customer Orders by way of the Price Improvement Period, they comply with all the procedures set forth in these Rules for such transactions; that they act with due skill, care and diligence, and that the interests of their Customers are not prejudiced.

(c) An OFP may not execute as principal an order it represents as agent unless it complies with the provisions of Section 17 of this Chapter V or the OFP sends the agency order to the PIP process pursuant to the rules described below.

(d) An Options Participant must not use the PIP system to create a misleading impression of market activity (i.e., the facilities may be used only where there is a genuine intention to execute a bona fide transaction).

(e) Options Participants, both OFPs and Market Makers, (“Initiating Participants”) executing agency orders may designate BOX-Top Orders, Market Orders, and marketable limit Customer Orders for price improvement and submission to the PIP. Customer Orders designated for the PIP (PIP Orders) shall be submitted to BOX with a matching contra order, the "Primary Improvement Order", equal to the full size of the PIP Order. The Primary Improvement Order shall be on the opposite side of the market than that of the PIP Order and represents either: (i) a single price (“Single-Priced Primary

Improvement Order”) that is equal to or better than that of the NBBO at the time of the commencement of the PIP; or (ii) an auto-match submission that will automatically match both the price and size of all competing quotes and orders at any price level achieved during the PIP or only up to a limit price (“Max Improvement Primary Improvement Order”). Either [T]the Single-Priced Primary Improvement Order or the Max Improvement Primary Improvement Order will designate the PIP auction start price (“PIP Start Price”), which shall be equal to or better than the NBBO at the time of commencement of the PIP. BOX will commence a PIP by broadcasting a message to Participants that (1) states that a Primary Improvement Order has been processed; (2) contains information concerning series, size, PIP Start [p]Price and side of the market, and; (3) states when the PIP will conclude (“PIP Broadcast”).

- i. The PIP shall be one (1) second, commencing upon the dissemination of the PIP Broadcast. At the commencement of the PIP, all quotes and orders on the BOX Book prior to the PIP Broadcast that are equal to or better than (a) the Single-Priced Primary Improvement Order price or (b) the PIP Start Price of a Max Improvement Primary Improvement Order, [(i.e. the PIP start price)], except any proprietary quote or order from the [Options Participant who submitted the Primary Improvement Order] Initiating Participant, will be immediately executed against the PIP Order in price/time priority. Such proprietary quote or order shall not be executed against the PIP Order during or at the conclusion of the PIP.

During the PIP, Order Flow Providers and Market Makers (except for the [Order Flow Provider or Market Maker that submits the relevant Primary Improvement Order] Initiating Participant) may submit competing orders, “Improvement Orders,” for their own account. Order Flow Providers may submit Improvement Orders for the account of a Public Customer under any type of instruction they wish to accept. Order Flow Providers may also provide access to the PIP on behalf of a Public Customer in the form of a CPO or for any account except Market Maker (as set forth in subparagraph (g) below). An Improvement Order submitted to the PIP for the account of a Public Customer, including a CPO or an AAO, must be identified as a Public Customer Order. Option Participants who submit Improvement Orders for a PIP, including CPOs and AAOs, shall be deemed “PIP Participants” for that specific PIP only, and may continually submit competing Improvement Orders during that PIP. During the PIP, Improvement Orders shall be disseminated solely to Option Participants.

- ii. The [Options Participant who submitted the Primary Improvement Order] Initiating Participant is not permitted to cancel or to modify the size of its Single-Priced Primary Improvement Order or the PIP

Order at any time during the PIP, and may modify only the price of its Single-Priced Primary Improvement Order by improving it. The subsequent price modifications to a Single-Priced Primary Improvement Order are treated as new Improvement Orders for the sake of establishing priority in the PIP process. The Initiating Participant is not permitted to cancel or to modify the Max Improvement Primary Improvement Order, including the PIP Start Price, the designated limit price or the size.

Options Participants that are permitted to submit Improvement Orders (as set forth in subparagraph i. above) may: (1) submit competing Improvement Order(s) for any size up to the size of the PIP Order; (2) submit competing Improvement Order(s) for any price equal to or better than the PIP Start Price [Primary Improvement Order]; (3) improve the price of their Improvement Order(s) at any point during the PIP; and (4) decrease the size of their Improvement Order(s) only by improving the price of that order. Improvement Orders may be submitted in one-cent increments.

- iii. At the conclusion of the PIP, the PIP Order shall be matched against the best prevailing quote(s) or order(s) on BOX (except any pre-PIP Broadcast proprietary quote or order from the Initiating Participant [Options Participant who submitted the Primary Improvement Order]), in accordance with price/time priority as set forth in Section 16 of this Chapter V, whether Improvement Order(s), including CPO, AAOs, or Unrelated Order(s) received by BOX during the PIP (excluding Unrelated Orders that were immediately executed during the interval of the PIP). Such Unrelated Orders may include agency orders on behalf of Public Customers, market makers at away exchanges and non-BOX Participant broker-dealers, as well as non-PIP proprietary orders submitted by Option Participants.
- iv. The only exceptions to time priority are: (1) no order for a non-market maker broker-dealer account of an Options Participant may be executed before all Public Customer order(s), whether an Improvement Order, including a CPO or an AAO, or unrelated, and all non-BOX Participant broker-dealer order(s) at the same price have been filled; (2) as provided in paragraph (f) of this Section 18; and (3) as provided in paragraphs (b) and (c) of Section 19 below. Any portion of an Improvement Order left unfilled shall be cancelled.

(f) The Initiating Participant [PIP Participant who submitted the PIP Order to the PIP process for price improvement] retains certain priority and trade allocation privileges upon conclusion of the PIP, as follows:

- i. In instances in which [the] a Single-Priced Primary Improvement Order, as modified (if at all), is matched by or matches any competing Improvement Order(s) and/or non-Public Customers unrelated order(s) at any price level, the Initiating Participant [PIP Participant] retains priority for only forty percent (40%) of the original size of the PIP Order, notwithstanding the time priority of the Primary Improvement Order, competing Improvement Order(s) or non- Public Customer unrelated order(s). The Initiating Participant [PIP Participant who submitted the PIP Order to the PIP process] will receive additional allocation only after all other orders have been filled at that price level.
  - ii. In instances in which a Max Improvement Primary Improvement Order is submitted by the Initiating Participant, the Initiating Participant shall be allocated its full size at each price level, except where restricted by the designated limit price and subject to the limitations in paragraph f(iii) of this Section 18, until a price level is reached where the balance of the PIP Order can be fully executed. Only at such price level will the Initiating Participant retain priority for only forty percent (40%) of the remaining size of the PIP Order.
- [ii]iii. The Primary Improvement Order shall yield priority to certain competing orders in the following circumstances:
1. When a[n] Single-Priced or Max Improvement Primary Improvement [o]Order for the proprietary account of an OFP is matched by or matches any competing Public Customer order(s), whether an Improvement Order, including a CPO, an AAO, or Unrelated Order(s), or any non-BOX Participant broker-dealer order(s) at any price level, it shall yield priority to them, including any priority provided pursuant to subparagraph f(i) or f(ii), above.
  2. When the unmodified Single-Priced Primary Improvement Order for the account of a Market Maker is matched by any competing Public Customer order(s), whether an Improvement Order, including a CPO, an AAO, or Unrelated Order(s), or any non-BOX Participant broker-dealer order(s) at the initial PIP price level, it shall yield priority to all competing Public Customer order(s) or non-BOX Participant broker-dealer order(s), including any priority provided pursuant to subparagraph f(i) or f(ii),

above.

3. When the Max Improvement or the modified Single-Priced Primary Improvement Order for the account of a Market Maker matches any competing Public Customer order(s), whether an Improvement Order, including a CPO, an AAO, or Unrelated Order, or any non-BOX Participant broker dealer order(s) at subsequent price levels, it shall yield priority to all competing Public Customer order(s) or non-BOX Participant broker-dealer order(s), including any priority provided pursuant to subparagraph f(i) or f(ii), above.

[iii]iv. In all cases in which the Primary Improvement Order has priority pursuant to the provisions of (i), [and] (ii) or (iii), above, it shall be entitled to a trade allocation of at least one (1) contract.

*Note:* It shall be considered conduct inconsistent with the just and equitable principles of trade for any Initiating [Options] Participant to engage in a pattern of conduct where the Initiating [Options] Participant submits Primary Improvement Orders into the PIP process for 2 contracts or less for the purpose of manipulating the PIP process in order to gain a higher allocation percentage than the Initiating [Options] Participant would have otherwise received in accordance with the allocation procedures set forth in this Section 18.

(g) In addition to Improvement Orders submitted on behalf of Public Customers, OFPs may provide access to the PIP on behalf of a customer that is not a broker-dealer (i.e. Public Customer) in the form of a Customer PIP Order ("CPO") provided that:

- i. The terms of each CPO shall include a price stated in rounded five cent or ten cent increments, as appropriate, ("standard tick") at which the order shall be placed in the BOX Book ("BOX Book Reference Price") as well as a specific price stated in one cent increments ("penny tick") at which the Public Customer wishes to participate in any PIPs ("CPO Auction Reference Price") that may occur while his order is on the BOX Book and displayed at the BOX Book Reference Price;
- ii. The terms of each CPO shall include a specific order size ("CPO Total Size"). The number of contracts that may be entered into a PIP must be no greater than the lesser of (a) the CPO Total Size remaining on the BOX Book or (b) the size of the Primary Improvement Order submitted to the PIP;
- iii. In order for the CPO to be eligible for participation in a PIP in the subject options series, the BOX Book Reference Price for a CPO at

the time a PIP commences must be equal to the best BOX price (i.e. the BBO).

- iv. The CPO may only participate in a PIP on the same side of the market as the Primary Improvement Order.
- v. Upon initiation of a PIP for which a CPO is eligible to participate pursuant to paragraphs (i)-(iv) above, the OFP who submitted the CPO to the BOX Book must submit a CPO to the PIP at a price which is better than the BOX Book Reference Price and at any price level up to the CPO Auction Reference Price. At any time during the PIP, the OFP may modify the price of the CPO submitted to the PIP to any price level up to the CPO Auction Reference Price.

(h) Reserved.

(i) In cases where an unrelated order is submitted to BOX on the same side as the PIP Order, such that it would cause an execution to occur prior to the end of the PIP, the PIP shall be deemed concluded and the PIP Order shall be matched pursuant to paragraph (e)(iii) of this Section 18, above.

Specifically, the submission to BOX of a BOX-Top Order or Market Order on the same side as a PIP Order will prematurely terminate the PIP when, at the time of the submission of the BOX-Top Order or Market Order, the best Improvement Order is equal to or better than the NBBO on the same side of the market as the best Improvement Order. The submission to BOX of a Limit Order on the same side as a PIP Order will prematurely terminate the PIP if at the time of submission:

- i. the Buy (Sell) Limit Order price is equal to or higher (lower) than the National Best Offer (Bid) and either
  - a. the BOX Best Offer (Bid) is equal to the National Best Offer (Bid); or
  - b. the BOX Best Offer (Bid) is higher (lower) than the National Best Offer (Bid) and the price of the best Improvement Order is equal to or lower (higher) than the National Best Offer (Bid); or
- ii. the Buy (Sell) Limit Order price is lower (higher) than the National Best Offer (Bid) and its limit price equals or crosses the price of the best Improvement Order.

Following the execution of the PIP Order, any remaining Improvement Orders are cancelled and the BOX-Top Order, Market Order, or Limit Order is filtered pursuant to Section 16(b) of this Chapter V.

In cases where an unrelated order is submitted to BOX on the opposite side of the PIP Order, such that it would cause an execution to occur prior to the end of the PIP as set forth below, the unrelated order shall be immediately executed against the PIP Order up to the lesser of (a) the size of the PIP Order, or (b) the size of the unrelated order, at a price equal to either (i) one penny better than the NBBO, if the best BOX price on the opposite side of the market from the unrelated order is equal to the NBBO at the time of execution, or (ii) the NBBO. The remainder of the unrelated order, if any, shall be filtered pursuant to Section 16(b) of this Chapter V. The remainder of the PIP Order, if any, shall be executed at the conclusion of the PIP auction pursuant to Paragraph (e)(iii) of this Section 18, above. Following the execution of the PIP Order, any remaining Improvement Orders are cancelled.

Specifically, a BOX-Top Order or a Market Order on the opposite side of a PIP Order will immediately execute against the PIP Order when, at the time of the submission of the BOX-Top Order or Market Order, the best Improvement Order does not cross the NBBO on the same side of the market as the PIP Order. The submission to BOX of a Limit Order on the opposite side of a PIP Order will immediately execute against a PIP Order when the Sell (Buy) Limit Order price is equal to or crosses the National Best Bid (Offer) and;

- i. the BOX Best Bid (Offer) is equal to the National Best Bid (Offer);  
or
- ii. the BOX Best Bid (Offer) is lower (higher) than the National Best Bid (Offer) and neither the best Improvement Order nor BOX Best Offer (Bid) is equal to or crosses the National Best Bid (Offer).

It shall be considered conduct inconsistent with just and equitable principles of trade for any Participant to enter unrelated orders into BOX for the purpose of disrupting or manipulating the PIP process.

(j) Improvement Orders, including CPOs and AAOs, must be submitted in increments no smaller than one penny (\$.01). Improvement Orders, including CPOs, will be displayed to BOX Options Participants, but will not be disseminated to OPRA.

(k) Improvement Orders may not be executed unless the price is equal to or better than the NBBO at the commencement of the PIP, except in the following circumstances:

- i. Where an Options Official determines that quotes from one or more particular markets in one or more classes of options are not reliable, the Options Official may direct the senior person in charge of BOX's Market Control Center to exclude the unreliable quotes from the Improvement Period determination of the NBBO in the particular option class(es). The Options Official may determine quotes in one or more particular options classes in a market are not reliable only in the following circumstances:

- 1) Quotes Not Firm: A market's quotes in a particular options class are not firm based upon direct communication to the Exchange from the market or the dissemination through OPRA of a message indicating that disseminated quotes are not firm;
  - 2) Confirmed Quote Problems: A market has directly communicated to the Exchange or otherwise confirmed that the market is experiencing systems or other problems affecting the reliability of its disseminated quotes.
- ii. The away options exchange posting the NBBO is conducting a trading rotation in that options class.

### **Supplementary Material to Section 18**

.01 During the extended Pilot Period, there will be no minimum size requirement for Customer Orders to be eligible for the PIP process. During this extended Pilot Period, BOX will continue to submit certain data, periodically as required by the Commission, to provide supporting evidence that, among other things, there is meaningful competition for all size PIP orders, that there is significant price improvement for all orders executed through the PIP, and that there is an active and liquid market functioning on BOX outside of the PIP mechanism. Any data which is submitted to the Commission by BOX will be provided on a confidential basis. The Pilot Period shall expire on July 17, 2010.

.02 A PIP will not run simultaneously with another PIP or UPIP in the same series, nor will PIPs or UPIPs interact, queue or overlap in any manner. Any request to initiate a PIP while a PIP/UPIP is already in progress in the same series will be rejected. Any order which would otherwise meet the price conditions to initiate a UPIP which is received while a PIP is underway for the same series will be considered as an Unrelated Order pursuant to paragraph (i) above.

.03 The Trading Host will not accept Improvement Orders that lock or cross the BOX Book on the same side of the market as the PIP Order.

.04 The time priority given to a CPO or an AAO in a PIP will be the order receipt time of the submission of the CPO or AAO.