EXHIBIT 5

New text is underlined; deleted text is in brackets.

NASDAQ BX, Inc. Rules

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Options Rules

Options 1 General Provisions

Section 1. Definitions

(a) With respect to these BX Options Rules, the following terms shall have the meanings specified in this Rule. A term defined elsewhere in the Rules of the Exchange shall have the same meaning with respect to this Rule, unless otherwise defined below.

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(48) The term "Professional" means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). [A Participant or a Public Customer may, without limitation, be a Professional.] All Professional orders shall be appropriately marked by Participants.

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(49) The term "Public Customer" means a person or entity that is not a broker or dealer in securities and is not a Professional as defined within Options 1, Section 1(a)(48).

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Options 2 Options Market Participants

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Section 4. Obligations of Market Makers and Lead Market Makers
(a) – (e) No change.

(f) *Obligations in Appointed Classes*. With respect to each class of options in his or her appointment, an LMM is expected to engage, to a reasonable degree under the existing circumstances, in dealings for his own account when there exists, or it is reasonably anticipated that there will exist, a lack of price continuity, a temporary disparity between the supply of and demand for a particular option contract, or a temporary distortion of the price relationships between option contracts of the same class. Without limiting the foregoing, an LMM is expected to perform the following activities in the course of maintaining a fair and orderly market.

> (1) To compete with other LMMs and Market Makers to improve the market in all series of options classes to which the LMM is appointed.

(2) To make markets that will be honored for the number of contracts entered into the Trading System in all series of options classes within the LMM's appointment.

(3) To update market quotations in response to changed market conditions in all series of options classes within the LMM's appointment.

(4) [Options traded on the Trading System may be quoted with a difference not to exceed $5 between the bid and offer regardless of the price of the bid.]**Intra-Day Bid/Ask Differentials (Quote Spread Parameters)**. Options on equities (including Exchange-Traded Fund Shares), and on index options must be quoted with a difference not to exceed $5 between the bid and offer regardless of the price of the bid. However, respecting in-the-money series where the market for the underlying security is wider than $5, the bid/ask differential may be as wide as the spread between the national best bid and offer in the underlying security. The Exchange may establish differences other than the above for one or more series or classes of options.

[(5) BX Regulation may establish quote width differences other than as provided in subparagraph (iv) for one or more options series.]

[(6) In the event the bid/ask differential in the underlying security is greater than the bid/ask differential set forth in subsections (f)(4) and (5), the permissible price differential for any in-the-money option series may be identical to those in the underlying security market. In the case of the at-the-money and out-of-the-money series, BX Regulation may waive the requirements of subsections (f)(4) and (5) on a case-by-case basis when the bid/ask differential for the underlying security is greater than .50. In such instances, the bid/ask differentials for the at-the-money series and the out-of-the-money series may be half as wide as the bid/ask differential in the underlying security in the primary market. Exemptions from subsections (f)(4) and (5) are subject to Exchange review. BX Regulation must file a report with BX operations setting forth the time and duration of such exemptive relief and the reasons therefore.]

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Section 5. Market Maker Quotations

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(d) *Intra-day Quotes*. A Market Maker must enter bids and offers for the options to which it is registered, as follows:

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(2) **Intra-Day Bid/ask Differentials (Quote Spread Parameters)**. Options on equities (including Exchange-Traded Fund Shares), and on index options must be quoted with a difference not to exceed $5 between the bid and offer regardless of the price of the bid[, including before and during the opening]. However, respecting in-the-money series where the

market for the underlying security is wider than $5, the bid/ask differential may be as wide as the spread between the national best bid and offer in the underlying security. The Exchange may establish differences other than the above for one or more series or classes of options.

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Options 3 Options Trading Rules

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Section 5. Entry and Display of Orders

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(c) The System automatically executes eligible orders using the Exchange's displayed best bid and offer ("BBO") or the Exchange's non-displayed order book ("internal BBO") if the best bid and/or offer on the Exchange has been repriced pursuant to subsection (d) below.

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Section 7. Types of Orders and Quote Protocols
(a) The term "Order" shall mean a single order submitted to the System by a Participant that is eligible to submit such orders. The term "Order Type" shall mean the unique processing prescribed for designated orders that are eligible for entry into the System, and shall include:

(1) "Cancel-Replacement Order" [shall mean]is a single message for the immediate cancellation of a previously received order and the replacement of that order with a new order with new terms and conditions. If the previously placed order is already filled partially or in its entirety, the replacement order is automatically canceled or reduced by the number of contracts that were executed. [The replacement order will not retain the priority of the cancelled order except when the replacement order reduces the size of the order and all other terms and conditions are retained.] The replacement order will retain the priority of the cancelled order, if the order posts to the Order Book, provided the price is not amended, and the size is not increased. If the replacement portion of a Cancel-Replacement Order does not satisfy the System's price or other reasonability checks (e.g. Limit Order Price Protection and Market Order Spread Protection within Options 3, Section 15(a)(1) and (a)(2), respectively); the existing order shall be cancelled and not replaced.

(2) [Directed Order. The term]"Directed Order'[means]is an order to buy or sell which has been directed, provided it is properly marked as such, to a particular Market Maker ("Directed Market Maker"). Directed Orders are handled within the System pursuant to Options 3, Section 10. Directed Orders may be available only in certain options.

(3) "Limit Order[s]" [are]is an order[s] to buy or sell an option at a specified price or better. A marketable limit order is a limit order to buy (sell) at or above (below) the best offer (bid) on the Exchange. [A limit order is marketable when, for a limit order to buy, at

the time it is entered into the System, the order is priced at the current inside offer or higher, or for a limit order to sell, at the time it is entered into the System, the order is priced at the inside bid or lower.]

(4) "Minimum Quantity Order[s]" [are]is an order[s] that requires that a specified minimum quantity of contracts be obtained, or the order is cancelled. Minimum Quantity Orders are treated as having a time-in-force designation of Immediate or Cancel. Minimum Quantity Orders received prior to the opening cross or after market close will be rejected.

(5) "Market Order[s]" [are]is an order[s] to buy or sell at the best price available at the time of execution. Participants can designate that their Market Orders not executed after a pre-established period of time, as established by the Exchange, will be cancelled back to the Participant, once an option series has opened for trading. Market Orders on the Order Book would be immediately cancelled if an options series halted, provided the Participant designated the cancellation of Market Orders.

(6) "Intermarket Sweep Order" or "ISO" is a Limit Order that meets the requirements of Options 5, Section 1(8). Orders submitted to the Exchange as ISO are not routable and will ignore the ABBO and trade at allowable prices on the Exchange. ISOs may be entered on the Order Book or into the PRISM Mechanism pursuant to Options 3, Section 13(ii)(K). ISOs must have a time-in-force designation of Immediate-or-Cancel. ISO Orders may not be submitted during the opening.

[are limit orders that are designated as ISOs in the manner prescribed by BX and are executed within the System by Participants at multiple price levels without respect to Protected Quotations of other Eligible Exchanges as defined in Options 5, Section 1. ISOs may have any time-in-force designation except WAIT, are handled within the System pursuant to Options 3, Section 10 and shall not be eligible for routing as set out in Options 3, Section 19. ISOs with a time-in-force designation of GTC are treated as having a time-in-force designation of Day.

> (1) Simultaneously with the routing of an ISO to the System, one or more additional limit orders, as necessary, are routed by the entering party to execute against the full displayed size of any protected bid or offer (as defined in Options 5, Section 1) in the case of a limit order to sell or buy with a price that is superior to the limit price of the limit order identified as an intermarket sweep order (as defined in Options 5, Section 1). These additional routed orders must be identified as ISOs.]

[(7) "One-Cancels-the-Other Order" shall mean an order entered by a Market Maker that consists of a buy order and a sell order treated as a unit; the full execution of one of the orders causes the other to be canceled.]

([8]7) "All-or-None Order" [shall mean]is a market or limit order which is to be executed in its entirety or not at all. All-or-None Orders are treated as having a time-in-force

designation of Immediate or Cancel. All-or-None Orders received prior to the opening [cross] or after market close will be rejected.

(9) No change.

(10) "PRISM Order" is as described in Options 3, Section 13.

(11) "Customer Cross Order" is as described in Options 3, Section 12(a).

(b) The term "Time in Force" or "TIF" shall mean the period of time that the System will hold an order for potential execution, and shall include:

(1) No change.

(2) "Immediate-[O]or-Cancel" or "IOC" is a Market Order or Limit Order to be executed in whole or in part upon receipt. Any portion not so executed is cancelled.

 (A) Orders entered with a TIF of IOC are not eligible for routing.

 (B) IOC orders may be entered through FIX or SQF, provided that an IOC Order entered by a Market Maker through SQF is not subject to the Limit Order Price Protection or the Market Order Spread Protection in Options 3, Section 15(a)(1) and (a)(2), respectively;

 (C) Orders entered into the Price Improvement Auction ("PRISM") Mechanism are considered to have a TIF of IOC. By their terms, these orders will be: (1) executed after an exposure period, or (2) cancelled.

[shall mean for orders so designated, that if after entry into the System a marketable order (or unexecuted portion thereof) becomes non-marketable, the order (or unexecuted portion thereof) shall be canceled and returned to the entering participant. IOC Orders shall be available for entry from the time prior to market open specified by the Exchange on its website until market close and for potential execution from 9:30 a.m. until market close. IOC Orders entered between the time specified by the Exchange on its website and 9:30 a.m. Eastern Time will be held within the System until 9:30 a.m. at which time the System shall determine whether such orders are marketable.]

(3) "DAY" [shall mean for orders so designated,]is an order entered with a TIF of "Day" that expires at the end of the day on which it was entered, if not executed. All orders by their terms are Day Orders unless otherwise specified. Day orders may be entered through FIX[that if after entry into the System, the order is not fully executed, the order (or unexecuted portion thereof) shall remain available for potential display and/or execution until market close, unless canceled by the entering party, after which it shall be returned to the entering party. DAY Orders shall be available for entry from the time prior to market open specified by the Exchange on its website until market close and for potential execution from 9:30 a.m. until market close].

(4) "Good Til Cancelled" or "GTC" [shall mean for orders so designated,]is an order entered with a TIF of "GTC" that, if not fully executed, will remain available for potential display and/or execution unless cancelled by the entering party, or until the option expires, whichever comes first. GTC Orders shall be available for entry from the time prior to market open specified by the Exchange until market close. [that if after entry into System, the order is not fully executed, the order (or unexecuted portion thereof) shall remain available for potential display and/or execution unless cancelled by the entering party, or until the option expires, whichever comes first. GTC Orders shall be available for entry from the time prior to market open specified by the Exchange on its website until market close and for potential execution from 9:30 a.m. until market close.]

[(5) "WAIT" shall mean for orders so designated, that upon entry into the System, the order is held for one second without processing for potential display and/or execution. After one second, the order is processed for potential display and/or execution in accordance with all order entry instructions as determined by the entering party.]

(c) Routing Strategies. Orders may be entered on the Exchange with a routing strategy of FIND, SRCH or Do-Not-Route ("DNR") as provided in Options 5, Section 4 through FIX only.

([c]d) The term "Order Size" shall mean the number of contracts up to 999,999 associated with the Order.

([d]e) Entry and Display of Orders and Quotes. Participants may enter orders and quotes into the System as specified below.

(1) The Exchange offers Participants the following protocols for entering orders and quotes respectively:

(A) "**Financial Information eXchange**" or "**FIX**" is an interface that allows Participants and their Sponsored Customers to connect, send, and receive messages related to orders and auction orders and responses to and from the Exchange. Features include the following: (1) execution messages; (2) order messages; and (3) risk protection triggers and cancel notifications.

(B) "**Specialized Quote Feed**" or "**SQF**" is an interface that allows Market Makers to connect, send, and receive messages related to quotes, Immediate-or-Cancel Orders, and auction responses into and from the Exchange. Features include the following: (1) options symbol directory messages (e.g underlying instruments); (2) system event messages (e.g., start of trading hours messages and start of opening); (3) trading action messages (e.g., halts and resumes); (4) execution messages; (5) quote messages; (6) Immediate-or-Cancel Order messages; (7) risk protection triggers and purge notifications; (8) opening imbalance messages; (9) auction notifications; and (10) auction responses. The SQF Purge Interface only receives and notifies of purge request from the Market Maker. Market Makers may only enter interest into SQF in their assigned options series. Immediate-or-Cancel Orders entered into SQF are not subject to the Limit Order Price

<u>Protection or the Market Order Spread Protection in Options 3, Section 15(a)(1) and (a)(2), respectively.</u>

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Section 10. Order Book Allocation
(a) System Orders shall be executed through the BX Book Process set forth below:

   (1) No change.

      (A) No change.

      (B) Size Pro-Rata - The System shall execute trading interest within the System in price priority, meaning it will execute all trading interest at the best price level within the System before executing trading interest at the next best price. Within each price level, if there are two or more quotes or orders at the best price, trading interest will be executed based on the size of each Participant's quote or order as a percentage of the total size of all orders and quotes resting at that price. If the result is not a whole number, it will be rounded [down]up to the nearest whole number. [If there are residual contracts remaining after rounding, such contracts will be distributed one contract at a time to the remaining Participants in time priority.]

      (C) **Priority Overlays**

         (1) Priority Overlays Applicable to Price/Time Execution Algorithm: the Exchange may apply the following designated Participant priority overlays, when the Price/Time execution algorithm is in effect:

            (a) Public Customer Priority: the highest bid and lowest offer shall have priority except that Public Customer orders shall have priority over non-Public Customer orders at the same price. If there are two or more Public Customer orders for the same options series at the same price, priority shall be afforded to such Public Customer orders in the sequence in which they are received by the System. [For purposes of this Rule, a Public Customer order does not include a Professional Order.] Public Customer Priority is always in effect when the Price/Time execution algorithm is in effect.

            (b) Lead Market Maker ("LMM") Priority: An LMM may be assigned by the Exchange in each option class in accordance with Options 2, Section 3. LMM participant entitlements shall only be in effect when the Public Customer Priority Overlay is also in effect. After all Public Customer orders have been fully executed, upon receipt of an order, provided the LMM's bid/offer is at or improves on the Exchange's disseminated price, the LMM will be afforded a participation entitlement. The LMM shall not be entitled to receive a number of contracts that is greater than the displayed size associated with such LMM. LMM

participation entitlements will be considered after the [o]Opening [p]Process. The LMM participation entitlement is as follows:

(1) A BX Options LMM shall receive the greater of:

(a) – (d) No change.

(e) the Directed Market Maker ("DMM") participation entitlement, if any, set forth in subsection (C)(1)(c) below (if the order is a Directed Order and the LMM is also the DMM).

[If rounding would result in an allocation of less than one contract, a BX Options LMM shall receive one contract.] Rounding will be up [or down] to the nearest integer.

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(c) No change.

(1) and (2) No change.

(3) the LMM participation entitlement (if the DMM is also the LMM).

If there are multiple DMM quotes at the same price which are at or improve the better of the internal BBO or the NBBO when the Directed Order is received, the DMM participation entitlement shall apply only once to the DMM quote which has the highest time priority at the last price executed upon receipt of the Directed Order which is equal to or better than the better of the internal BBO or the NBBO. [If rounding would result in an allocation of less than one contract, the DMM shall receive one contract.] Rounding will be up [or down] to the nearest integer.

(d) and (e) No change.

(2) Priority Overlays Applicable to Size Pro-Rata Execution Algorithm: the Exchange may apply the following designated Participant priority overlays, when the Size Pro-Rata execution algorithm is in effect.

(i) Public Customer Priority: the highest bid and lowest offer shall have priority except that Public Customer orders shall have priority over non-Public Customer orders at the same price. If there are two or more Public Customer orders for the same options series at the same price, priority shall be afforded to such Public Customer orders in the sequence in which they are received by the System. [For purposes of this Rule, a Public Customer order does not include a Professional Order.] Public Customer Priority is always in effect when Size Pro-Rata execution algorithm is in effect.

(ii) LMM Priority: An LMM may be assigned by the Exchange in each option class in accordance with Options 2, Section 3. After all Public Customer orders have been fully executed, upon receipt of an order, provided the LMM's bid/offer is at or improves on the Exchange's disseminated price, the LMM will be afforded a participation entitlement. The LMM shall not be entitled to receive a number of contracts that is greater than the displayed size associated with such LMM. LMM participation entitlements will be considered after the [o]Opening [p]Process. The LMM participation entitlement is as follows: (1) A BX Options LMM shall receive the greater of:

(1) No change.

  (a) –(d) No change.

  (e) the DMM participation entitlement, if any, set forth in subsection (C)(2)(iii) below (if the LMM is also the DMM).

[If rounding would result in an allocation of less than one contract, a BX Options LMM shall receive one contract.] Rounding will be up [or down] to the nearest integer.

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(iii) No change.

  (1) and (2) No change.

  (3) the LMM participation entitlement (if the DMM is also the LMM).

  If there are multiple DMM quotes at the same price which are at or improve on the better of the internal BBO or the NBBO when the Directed Order is received, the DMM participation entitlement shall apply only to the DMM quote which has the highest time priority at the last price executed upon receipt of the Directed Order which is equal to or better than the better of the internal BBO or the NBBO; additional DMM quotes at such price will receive no further allocation of the Directed Order. [If rounding would result in an allocation of less than one contract, the DMM shall receive one contract.] Rounding will be up [or down] to the nearest integer.

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Section 12. [Reserved] Crossing Orders
(a) **Customer Cross Orders**. Public Customer-to-Public Customer Cross Orders are automatically executed upon entry provided that the execution is at or between the best bid and offer on the Exchange and (i) is not at the same price as a Public Customer Order on the

Exchange's limit order book and (ii) will not trade through the NBBO. Public Customer-to-Public Customer Cross Orders must be entered through FIX.

(1) Public Customer-to-Public Customer Cross Orders will be rejected if they cannot be executed.

(2) Public Customer-to-Public Customer Cross Orders may only be entered in the regular trading increments applicable to the options class under Options 3, Section 3.

(3) Options 3, Section 22(a)(1) applies to the entry and execution of Customer Cross Orders.

Section 13. Price Improvement Auction ("PRISM")

A Participant may electronically submit for execution an order it represents as agent on behalf of a Public Customer, broker dealer, or any other entity ("PRISM Order") against principal interest or against any other order (except as provided in sub-paragraph (i)(F) below) it represents as agent (an "Initiating Order") provided it submits the PRISM Order for electronic execution into the PRISM Auction ("Auction") pursuant to this Rule. [For purposes of this Rule, a Public Customer order does not include a Professional order.]

(i) Auction Eligibility Requirements. All options traded on the Exchange are eligible for PRISM. A Participant (the "Initiating Participant") may initiate an Auction provided all of the following are met:

(A) [i]If the PRISM Order is for less than 50 option contracts, and if the difference between the National Best Bid and National Best Offer ("NBBO") is $0.01, the Initiating Participant must stop the entire PRISM Order at [one minimum price improvement increment] $0.01 better than the NBBO on the opposite side of the market from the PRISM Order, and better than any limit order or quote on the limit order book on the same side of the market as the PRISM Order.

(B) If the PRISM Order is for the account of a Public Customer and such order is for 50 option contracts or more, or if the difference between the NBBO is greater than $0.01, the Initiating Participant must stop the entire PRISM Order at a price that is equal to or better than the NBBO on the opposite side of the market from the PRISM Order, provided that such price must be $0.01[at least one minimum trading increment specified in Options 3, Section 3 ("Minimum Increment")] better than any limit order or quote on the limit order book on the same side of the market as the PRISM Order.

(C) If the PRISM Order is for the account of a broker dealer or any other person or entity that is not a Public Customer and such order is for 50 option contracts or more, or if the difference between the NBBO is greater than $0.01, the Initiating Participant must stop the entire PRISM Order at a price that is the better of: (i) the BX BBO price improved by at least $0.01[the Minimum Increment] on the same side of the market as the PRISM

Order, or (ii) the PRISM Order's limit price (if the order is a limit order), provided in either case that such price is at or better than the NBBO.

(D) PRISM Orders that do not comply with the requirements of subparagraphs (A), (B), and (C) above are not eligible to initiate an Auction and will be immediately cancelled.

(E) PRISM Orders submitted at or before the opening of trading are not eligible to initiate an Auction and will be rejected.

(F) PRISM Orders submitted during the final two seconds of the trading session in the affected series are not eligible to initiate an Auction and will be immediately cancelled.

(G) An Initiating Order may not be a solicited order for the account of any BX Options Market Maker assigned in the affected series.

If any of the above criteria are not met, the PRISM Order will be rejected. [Pursuant to subparagraph (vi) below, the Exchange will allow a Public Customer PRISM Order to trade on either the bid or offer, if the NBBO is $0.01 wide, provided (1) the execution price is equal to or within the NBBO, (2) there is no resting customer at the execution price, and (3) $0.01 is the Minimum Price Variation (MPV) of the option.] The Exchange will continue to reject a PRISM Order to buy (sell) if the NBBO is only $0.01 wide and the Agency order is stopped on the bid (offer) if there is a resting order or quote on the bid (offer).

(ii) Auction Process. Only one Auction may be conducted at a time in any given series. Once commenced, an Auction may not be cancelled and shall proceed as follows:

(A) Auction Period and PRISM Auction Notification ("PAN").

(1) To initiate the Auction, the Initiating Participant must mark the PRISM Order for Auction processing, and specify either: (a) a single price at which it seeks to execute the PRISM Order (a "stop price"); (b) that it is willing to automatically match as principal or as agent on behalf of an Initiating Order the price and size of all PAN responses, and trading interest ("auto-match") in which case the PRISM Order will be stopped at the NBBO on the Initiating Order side; or (c) that it is willing to either: (i) stop the entire order at a single stop price and auto-match PAN responses and trading interest at a price or prices that improve the stop price to a specified price (a "No Worse Than" or "NWT" price); (ii) stop the entire order at a single stop price and auto-match all PAN responses and trading interest at or better than the stop price; or (iii) stop the entire order at the NBBO on the Initiating Order side, and auto-match PAN responses and trading interest at a price or prices that improve the stop price up to the NWT price. In all cases, if the BX BBO on the same side of the market as the PRISM Order represents a limit order or quote on the book, the stop price must be at least [one Minimum Increment]$0.01 or better than the booked limit order's limit price. Once the Initiating Participant has submitted a PRISM Order for processing pursuant to this subparagraph, such PRISM Order may not be modified or cancelled. Under any of the circumstances described in sub-paragraphs (a)-(c) above, the stop price or NWT price

may be improved to the benefit of the PRISM Order during the Auction, but may not be cancelled. Under no circumstances will the Initiating Participant receive an allocation percentage, at the final price point, of more than 50% with one competing quote, order or PAN response or 40% with multiple competing quotes, orders or PAN responses, except for rounding, when competing quotes, orders or PAN responses have contracts available for execution.

For purposes of this Rule, Surrender shall mean the target allocation percentage the contra-side requests to be allocated from 0% to 39%. If the Participant requests 40%, then the Participant would receive its full priority and trade allocation provisions that it would be entitled to pursuant to Section 13(ii)(E)(2)(a) and Section 13(ii)(F)(2)(a). When starting an Auction, the Initiating Participant may submit the Initiating Order with a percentage designation (a percentage from 0% up to 40% as noted above) of "Surrender"[with a designation of "surrender" to the other PRISM Participants ("Surrender")], which will result in the Initiating Participant being allocated its designated percentage [forfeiting the priority and trade allocation privileges which he is otherwise entitled to as per]pursuant to Section 13(ii)(E)(2)(a) and Section 13(ii)(F)(2)(a). If zero (0%)[Surrender] is specified, the Initiating Order will only trade if there is not enough interest available to fully execute the PRISM Order at prices which are equal to or improve upon the stop price. The Surrender function will never result in more than the maximum allowable allocation percentage to the Initiating Participant than that which the Initiating Participant would have otherwise received in accordance with the allocation procedures set forth in this Rule. Surrender will not be applied if both the Initiating Order and PRISM Order are Public Customer orders. Surrender information will not be available to other market participants and may not be modified.

(2) When the Exchange receives a PRISM Order for Auction processing, a PAN detailing the price, side, size, and options series of the PRISM Order will be sent over the BX Depth feed and the Exchange's Specialized Quote Feed.

(3) The Auction will last for a period of time, as determined by the Exchange and announced on the Nasdaq Trader website. The Auction period will be no less than one hundred milliseconds and no more than one second.

(4) Any person or entity may submit responses to the PAN, provided such response is properly marked specifying price, size and side of the market.

(5) PAN responses will not be visible to Auction participants, and will not be disseminated to OPRA.

(6) The minimum price increment for PAN responses and for an Initiating Participant's stop price and/or NWT price shall be $0.01[the minimum price improvement increment established pursuant to subparagraph (i)(A) above].

(7) A PAN response size <u>will be considered for any size up to the size of the PRISM Order.</u> [at any given price point may not exceed the size of the PRISM Order. A PAN response with a size greater than the size of the PRISM Order will be immediately cancelled].

(8) A PAN response must be equal to or better than the displayed NBBO at the time of receipt of the PAN response. PAN responses may be modified or cancelled during the Auction. A PAN response submitted with a price that is outside the NBBO will be [immediately cancelled]<u>rejected</u>.

(9) PAN responses on the same side of the market as the PRISM Order are considered invalid and will be [immediately cancelled]<u>rejected</u>.

(10) Multiple PAN responses from the same Participant may be submitted during the Auction. Multiple orders at a particular price point submitted by a Participant in response to a PAN may not exceed, in the aggregate, the size of the PRISM Order.

(B) Conclusion of Auction. The PRISM Auction shall conclude at the earlier to occur of (1) through (3) below, with the PRISM Order executing pursuant to paragraph (C)(1) or (C)(2) below if it concludes pursuant to (2) or (3) of this paragraph.

(1) The end of the Auction period;

(2) For a PRISM Auction any time the BX BBO crosses the PRISM Order stop price on the same side of the market as the PRISM Order;

(3) Any time there is a trading halt on the Exchange in the affected series.

(C) If the situations described in sub-paragraphs (B)(2) or (3) above occur, the entire PRISM Order will be executed at: (1) in the case of the BX BBO crossing the PRISM Order stop price, the best response price(s) or, if the stop price is the best price in the Auction, at the stop price, unless the best response price is equal to or better than the price of a limit order resting on the Order Book on the same side of the market as the PRISM Order, in which case the PRISM Order will be executed against that response, but at a price that is at least $0.01[the Minimum Increment] better than the price of such limit order at the time of the conclusion of the Auction; or (2) in the case of a trading halt on the Exchange in the affected series, the stop price, in which case the PRISM Order will be executed solely against the Initiating Order. Any unexecuted PAN responses will be cancelled.

(D) An unrelated market or marketable limit order (against the BX BBO) on the opposite side of the market from the PRISM Order received during the Auction will not cause the Auction to end early and will execute against interest outside of the Auction. If contracts remain from such unrelated order at the time the auction ends, they will be considered for participation in the order allocation process described in sub-paragraphs (E) and (F) below.

(E) Order Allocation - Size Pro-Rata. At the conclusion of the Auction, the PRISM Order will be allocated at the best price(s) as follows for underlying symbols which are designated as Size Pro-Rata, as described in Options 3, Section 10(a)(1)(C)(2) with the following priority:

(1) Public Customer orders shall have time priority at each price level. [For purposes of this Rule, a Public Customer order does not include a Professional order.]

(2) The Initiating Participant shall be allocated after Public Customer orders as follows:

(a) If the Initiating Participant selected the single stop price option of the PRISM Auction, PRISM executions will occur at prices that improve the stop price, and then at the stop price, with up to 40% (or such lower percentage requested by the Initiating Participant) of the [remaining contracts]initial size of the PRISM Order after Public Customer interest is satisfied being allocated to the Initiating Participant at the stop price. However, if only one other quote, order or PAN response matches the stop price, then the Initiating Participant may be allocated up to 50% of the contracts executed at such price, provided the Initiating Participant had not designated a percentage designation of "Surrender" when initiating the Auction. Remaining contracts shall be allocated, pursuant to Options 3, Section 13(ii)(E)(3) through (5) below, among remaining quotes, orders and PAN responses at the stop price. Thereafter, remaining contracts, if any, shall be allocated to the Initiating Participant. The allocation will account for Surrender, if applicable.

(b) If the Initiating Participant selected the auto-match option of the PRISM Auction the Initiating Participant shall be allocated an equal number of contracts as the aggregate size of all other quotes, orders and PAN responses at each price point until a price point is reached where the balance of the order can be fully executed, except that the Initiating Participant shall be entitled to receive up to 40% (multiple competing quotes, orders or PAN responses) or 50% (one competing quote, order or PAN response) of the [contracts remaining]initial size of the PRISM Order at the final price point (including situations where the stop price is the final price) after Public Customer interest has been satisfied but before remaining interest. If there are other quotes, orders and PAN responses at the final price point the contracts will be allocated to such interest pursuant to Options 3, Section 13(ii)(E)(3) through (5) below. Any remaining contracts shall be allocated to the Initiating Participant.

(c) If the Initiating Participant selected the "stop and NWT" option of the PRISM Auction, contracts shall be allocated as follows:

(i) first to quotes, orders and PAN responses at prices better than the NWT price (if any), beginning with the best price, pursuant to Options 3, Section 13(ii)(E)(3) through (5) below, at each price point;

(ii) next, to quotes, orders and PAN responses at prices at the Initiating Participant's NWT price and better than the Initiating Participant's stop price, beginning with the NWT price. The Initiating Participant shall be allocated an equal number of contracts as the aggregate size of all other quotes, orders and PAN responses at each price point, except that the Initiating Participant shall be entitled to receive up to 40% (multiple competing quotes, orders or PAN responses) or 50% (one competing quote, order or PAN response) of the [contracts remaining]initial size of the PRISM Order at the final price point (including situations where the final price is the stop price), after Public Customer interest has been satisfied but before remaining interest. In the case of an Initiating Order with a NWT price at the market, the Initiating Participant shall be allocated an equal number of contracts as the aggregate size of all other quotes, orders and PAN responses at all price points, except that the Initiating Participant shall be entitled to receive up to 40% (multiple competing quotes, orders or PAN responses) or 50% (one competing quote, order or PAN response) of the [contracts remaining]initial size of the PRISM Order at the final price point (including situations where the final price is the stop price), after Public Customer interest has been satisfied but before remaining interest. If there are other quotes, orders and PAN responses at the final price point the contracts will be allocated to such interest pursuant to Options 3, Section 13(ii)(E)(3) through (5) below. Any remaining contracts shall be allocated to the Initiating Participant.

(3) BX Options Market Makers that were at a price that is equal to the NBBO on the opposite side of the market from the PRISM Order at the time of initiation of the PRISM Auction ("Priority Market Makers") shall have priority up to their quote size in the NBBO which was present when the PRISM Auction was initiated ("Initial NBBO") at each price level at or better than such Initial NBBO after Public Customers and the Initiating Participant have received allocations. Priority Market Maker quotes and PAN responses will be allocated pursuant to the Size Pro-Rata algorithm set forth in Exchange Rules at Options 3, Section 10(1)(B). Priority Market Maker status is only valid for the duration of the particular PRISM auction.

(4) Non-Priority Market Makers and Priority Market Maker interest which exceeded their size in the Initial NBBO shall have priority at each price level at or better than the Initial NBBO after Public Customer, the Initiating Participant and Priority Market Makers have received allocations. Non-Priority Market Maker and Priority Market Maker interest which exceeded their size in the Initial NBBO will be allocated pursuant to the Size Pro-Rata algorithm set forth in Options 3, Section 10(1)(B).

(5) All other interest will be allocated, after subparagraph (ii)(E)(1) through (4) have been satisfied. Such interest will be allocated pursuant to the Size Pro-Rata algorithm set forth in Exchange Rules at Options 3, Section 10(1)(B).

(F) Order Allocation - Price/Time. At the conclusion of the Auction, the PRISM Order will be allocated at the best price(s) as indicated below for underlying symbols designated as Price/Time as described in Options 3, Section 10(1)(C)(1).

(1) Public Customer orders shall have time priority at each price level. [For purposes of this Rule, a Public Customer order does not include a Professional order.]

(2) Initiating Participant shall be allocated after Public Customer orders as follows:

(a) If the Initiating Participant selected the single stop price option of the PRISM Auction, PRISM executions will occur at prices that improve the stop price, and then at the stop price, with up to 40% (or such lower percentage requested by the Initiating Participant) of the [remaining contracts]initial size of the PRISM Order after Public Customer interest is satisfied being allocated to the Initiating Participant at the stop price. However, if only one other quote, order or PAN response matches the stop price, then the Initiating Participant may be allocated up to 50% of the contracts executed at such price, provided the Initiating Participant had not designated a percentage designation of "Surrender" when initiating the Auction. Remaining contracts shall be allocated pursuant to Options 3, Section 13(ii)(F)(3) through (4) below, among remaining quotes, orders and PAN responses at the stop price. Thereafter, remaining contracts, if any, shall be allocated to the Initiating Participant. The allocation will account for Surrender, if applicable.

(b) If the Initiating Participant selected the auto-match option of the PRISM Auction the Initiating Participant shall be allocated an equal number of contracts as the aggregate size of all other quotes, orders and PAN responses at each price point until a price point is reached where the balance of the order can be fully executed, except that the Initiating Participant shall be entitled to receive up to 40% (multiple competing quotes, orders or PAN responses) or 50% (one competing quote, order or PAN response) of the [contracts remaining]initial size of the PRISM Order at the final price point (including situations where the stop price is the final price), after Public Customer interest has been satisfied but before remaining interest. If there are other quotes, orders and PAN responses at the final price point the contracts will be allocated to such interest pursuant to Options 3, Section 13(ii)(F)(3) through (4) below. Any remaining contracts shall be allocated to the Initiating Participant.

(c) If the Initiating Participant selected the "stop and NWT" option of the PRISM Auction, contracts shall be allocated as follows:

(i) first to quotes, orders and PAN responses at prices better than the NWT price (if any), beginning with the best price, pursuant to Options 3, Section 13(ii)(F)(3) through (4) below, at each price point;

(ii) next, to quotes, orders and PAN responses at prices at the Initiating Participant's NWT price and better than the Initiating Participant's stop price, beginning with the NWT price. The Initiating Participant shall be allocated an equal number of contracts as the aggregate size of all other quotes, orders and PAN responses at each price point, except that the Initiating Participant shall be entitled to receive up to 40% (multiple competing quotes, orders or PAN responses) or 50% (one competing quote, order or PAN response) of the

[contracts remaining]initial size of the PRISM Order at the final price point (including situations where the final price is the stop price), after Public Customer interest has been satisfied but before remaining interest. In the case of an Initiating Order with a NWT price at the market, the Initiating Participant shall be allocated an equal number of contracts as the aggregate size of all other quotes, orders and PAN responses at all price points, except that the Initiating Participant shall be entitled to receive up to 40% (multiple competing quotes, orders or PAN responses) or 50% (one competing quote, order or PAN response) of the [contracts remaining]initial size of the PRISM Order at the final price point (including situations where the final price is the stop price), after Public Customer interest has been satisfied but before remaining interest. If there are other quotes, orders and PAN responses at the final price point the contracts will be allocated to such interest pursuant to Options 3, Section 13(ii)(F)(3) through (4) below. Any remaining contracts shall be allocated to the Initiating Participant.

(3) Priority Market Makers that were at a price that is equal to the NBBO on the opposite side of the market from the PRISM Order at the time of initiation of PRISM Auction shall have priority up to their quote size in the Initial NBBO at each price level better than the Initial NBBO, after Public Customers and the Initiating Participant have received allocations. Priority Market Maker interest at prices better than the Initial NBBO will be allocated pursuant to the Size Pro-Rata algorithm set forth in Exchange Rules at Options 3, Section 10(1)(B). Priority Market Maker interest at a price equal to or inferior to the Initial NBBO will not have priority over other participants and will be allocated pursuant to the Price/Time algorithm set forth in Exchange Rules at Options 3, Section 10(1)(A).

(4) All other interest will be allocated, after Options 3, Section 13(ii)(F)(1) through (3) have been satisfied. Such interest will be allocated pursuant to the Price/Time algorithm set forth in Exchange Rules at Options 3, Section 10(1)(A).

(G) A single quote, order or PAN response shall not be allocated a number of contracts that is greater than its size. [Residual odd lots will be allocated in time priority among interest with the highest priority.] Rounding [of the Initiating Participant] will be up [or down to the nearest integer, all other rounding is down] to the nearest integer. [If rounding would result in an allocation of less than one contract, then one contract will be allocated to the Initiating Participant only if the Initiating Participant did not otherwise receive an allocation.]

(H) If there are PAN responses that cross the [then-existing]NBBO at time of execution (provided such NBBO is not crossed), such PAN responses will be executed, if possible, at their limit price(s).

(I) If the execution price of the PRISM Auction would be [is] the same or better than [as that of] an order on the limit order book on the same side of the market as the PRISM Order, the PRISM Order may only be executed at a price, that is at least [one minimum trading increment] $0.01 better than the resting order's limit price. [or, if]If such resting

order's limit price is equal to or crosses the stop price, then the entire PRISM Order will trade at the stop price with all better priced interest being considered for execution at the stop price.

(J) Any unexecuted PAN responses will be cancelled.

(K) PRISM ISO Orders. A PRISM ISO Order is the transmission of two orders for crossing pursuant to this Rule without regard for better priced Protected Bids or Protected Offers (as defined in Options 5, Section 1) because the Participant transmitting the PRISM ISO to the Exchange has, simultaneously with the routing of the PRISM ISO, routed one or more ISOs, as necessary, to execute against the full displayed size of any Protected Bid or Protected Offer that is superior to the starting PRISM Auction price and has swept all interest in the Exchange's Order Book priced better than the proposed auction starting price. Any execution(s) resulting from such sweeps shall accrue to the PRISM Order. If a PRISM Auction is initiated for an order designated as a PRISM ISO Order, all executions which are at a price inferior to the Initial NBBO (on the contra-side of the PRISM Order) shall be allocated pursuant to the Size Pro-Rata execution algorithm, as described in Options 3, Section 10(a)(1)(C)(2), or Price/Time execution algorithm, as described in Options 3, Section 10 (a)(1)(C)(1), and the aforementioned priority in Options 3, Section 13(ii)(E) and (F) shall not apply, with the exception of allocating to the Initiating Participant which will be allocated in accordance with the priority as specified in Options 3, Section 13(ii)(E) and (F).

 (iii) – (v) No change.

[(vi) In lieu of the procedures in paragraphs (i) - (ii) above, an Initiating Participant may enter a PRISM Order for the account of a Public Customer paired with an order for the account of a Public Customer and such paired orders will be automatically executed without a PRISM Auction, provided there is not currently another auction in progress in the same series, in which case the orders will be cancelled. The execution price for such a PRISM Order must be expressed in the quoting increment applicable to the affected series. Such an execution may not trade through the NBBO or trade at the same price as any resting Public Customer order.

> (A) Options 3, Section 22 prevents a Participant from executing agency orders to increase its economic gain from trading against the order without first giving other trading interests on the Exchange an opportunity to either trade with the agency order or to trade at the execution price when the Participant was already bidding or offering on the book. However, the Exchange recognizes that it may be possible for a Participant to establish a relationship with a Public Customer or other person to deny agency orders the opportunity to interact on the Exchange and to realize similar economic benefits as it would achieve by executing agency orders as principal. It would be a violation of Options 3, Section 22 for a Participant to circumvent Options 3, Section 22 by providing an opportunity for (i) a Public Customer affiliated with the Participant, or (ii) a Public Customer with whom the Participant has an arrangement that allows the Participant to realize similar economic benefits from the transaction as the Participant would achieve by

executing agency orders as principal, to regularly execute against agency orders handled by the firm immediately upon their entry as PRISM Public Customer-to-Public Customer immediate crosses.]

(vi[i]) There will be no minimum size requirement for orders to be eligible for the Auction.

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Section 22. Limitations on Order Entry

(a) Limitations on Principal Transactions. With respect to orders routed to BX Options, Options Participants may not execute as principal orders they represent as agent unless (i) agency orders are first exposed on BX Options for at least one (1) second or (ii) the Options Participant has been bidding or offering on BX Options for at least one (1) second prior to receiving an agency order that is executable against such bid or offer [or] (iii) orders entered into BX PRISM pursuant to Options 3, Section 13; or (iv) the Participant utilizes a Customer Cross Order pursuant to Options 3, Section 12(a).

> (1) This Rule prevents Options Participants from executing agency orders to increase its economic gain from trading against the order without first giving other trading interest on BX Options an opportunity to either trade with the agency order or to trade at the execution price when the Options Participant was already bidding or offering on the book. However, the Exchange recognizes that it may be possible for an Options Participant to establish a relationship with a customer or other person to deny agency orders the opportunity to interact on BX Options and to realize similar economic benefits as it would achieve by executing agency orders as principal. It will be a violation of this Rule for an Options Participant to be a party to any arrangement designed to circumvent this Rule by providing an opportunity for a customer to regularly execute against agency orders handled by the Options Participant immediately upon their entry into BX Options. Further, it would be a violation of this Rule for an Options Participant to circumvent this Rule by providing an opportunity for (A) a Public Customer affiliated with the Participant, or (B) a Public Customer with whom the Participant has an arrangement that allows the Participant to realize similar economic benefits from the transaction as the Participant would achieve by executing agency orders as principal, to regularly execute against agency orders handled by the firm immediately upon their entry as Public Customer-to-Public Customer immediate crosses.

(b) No change.

(c) Limitations on Solicitation Orders. An Options Participant may not execute an order it represents as agent on BX Options against orders solicited from members and non-member broker-dealers, whether such solicited orders are entered into BX Options directly by the Options Participant or by the solicited party (either directly or through another Options Participant), if the Options Participant fails to expose orders on BX Options as required by this Rule unless (i) the unsolicited order is first exposed on the Exchange for at least one (1) second, [or] (ii) the Options Participant orders entered into BX PRISM pursuant to Options 3, Section 13; or (iii) the Participant utilizes a Customer Cross Order pursuant to Options 3, Section 12(a).

(d) No change.

Section 23. Data Feeds and Trade Information
(a) The following data feeds are offered by BX:

(1) **BX Depth of Market (BX Depth)** is a data feed that provides full order and quote depth information for individual orders and quotes on the BX Options book[,]and last sale information for trades executed on BX Options.[, and Order Imbalance Information as set forth in BX Options Rules Options 3, Section 8.] The data provided for each options series includes the symbols (series and underlying security), put or call indicator, expiration date, the strike price of the series, and whether the option series is available for trading on BX and identifies if the series is available for closing transactions only. The feed also provides order imbalances on opening/re-opening (size of matched contracts and size of the imbalance), auction and exposure notifications.

(2) **BX Top of Market (BX Top)** calculates and disseminates BX's best bid and offer [is a data feed that provides the BX Options Best Bid and Offer] and last sale information for trades executed on BX Options. The [data]feed also provides last trade information and [provided] for each options series includes the symbols (series and underlying security), put or call indicator, expiration date, the strike price of the series, and whether the option series is available for trading on BX and identifies if the series is available for closing transactions only.

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