

**EXHIBIT 5**

Proposed new text is underlined. Deleted text is [bracketed].

**Phlx Option Rules**

\* \* \* \* \*

**Rule 1001. Position Limits**

No Change.

••• *Commentary:* -----

**.01 - .04** No Change.

**.05**

(a) – (b) No Change.

(c) *Foreign Currency Option Position Limits*

(i) The position limit shall be 300,000 contracts for options on the following foreign currency: the Mexican peso, the Brazilian real, the Chinese yuan, the Danish krone, the Norwegian krone, the Russian ruble, the South African rand, the South Korean won, the Swedish krona,

(ii) The position limit shall be 600,000 contracts for options on the following foreign currency: the British pound, the Swiss franc, the Canadian dollar, the Australian dollar, the Japanese yen, and the New Zealand dollar

(iii) The position limit shall be 1,200,000 contracts for options on the following foreign currency: the Euro.

(iv) However, if a foreign currency option (FCO or WCO) and a PHLX FOREX Option<sup>TM</sup> are listed on the same underlying currency (e.g. a Euro foreign currency option and a Euro PHLX FOREX Option), then the position for each such option on the same underlying currency will be aggregated for purposes of determining compliance with the position limit established in this rule.

**.06 – .10** No Change.

\* \* \* \* \*

**Rules Applicable to Trading of PHLX FOREX Options™ (Rules 1000C - 1009C)****Rule 1000C. Applicability of Rule 1000C Series – PHLX FOREX Options™**

Unless otherwise specified, the Rules in this Rule 1000C Series are applicable only to PHLX FOREX Options (as defined below). In addition, except to the extent that specific rules in this Series govern, or unless the context otherwise requires, the provisions of the Option Rules applicable to U.S. dollar-settled foreign currency options and of the By-Laws and all other Rules and Policies of the Board of Directors shall be applicable to the trading on the Exchange of PHLX FOREX Options.

**Rule 1001C. Definitions – PHLX FOREX Options™**

(a) The following terms as used in the Rules in this Section shall, unless the context otherwise indicates, have the meanings herein specified regarding PHLX FOREX Options.

(1) *PHLX FOREX Option* - The term "PHLX FOREX Option" means:

(i) a U.S. dollar-settled foreign currency option contract,

(ii) on the standard unit of an underlying currency that is the official medium of exchange of a sovereign government including the United States Government (e.g., the British pound, the Swiss franc, the Canadian dollar, the Australian dollar, the New Zealand dollar,) or the Euro, and

(iii) that uses the spot market price of the underlying currency for pricing and settlement.

(2) *Unit of Underlying Foreign Currency*—The term "unit of underlying foreign currency" in respect of PHLX FOREX Options means a single unit of the foreign currency (e.g., one British pound, one Swiss franc, one Canadian dollar, one Australian dollar, one Euro, or one New Zealand dollar).

**Rule 1002C. Series of PHLX FOREX Options™ Open for Trading**

(a) After a particular class of PHLX FOREX Options (call option contracts or put option contracts relating to a specific underlying foreign currency) has been approved for listing and trading on the Exchange, the Exchange shall from time to time open for trading series of options therein. Prior to the opening of trading in any series of options, the Exchange shall fix the expiration month and exercise price of option contracts included in each such series as follows:

(i) At the commencement of trading on the Exchange of a particular class of PHLX FOREX Options, the Exchange shall open a minimum of one expiration month and series for each class of options open for trading on the Exchange.

The exercise price of each series of PHLX FOREX Options opened for trading on the Exchange shall be fixed in terms of U.S. dollars per unit of the underlying currency at a

price per unit which is reasonably close to the current spot market price of the underlying foreign currency in the foreign exchange market at or before the time such series of options is first opened for trading on the Exchange.

(ii) Additional series of PHLX FOREX Options of the same class may be opened for trading on the Exchange when the Exchange deems it necessary to maintain an orderly market, to meet customer demand or when the market price of the underlying stock moves more than five strike prices from the initial exercise price or prices. The opening of a new series of options shall not affect the series of options of the same class previously opened. New series of options on an individual stock may be added until the beginning of the month in which the options contract will expire. Due to unusual market conditions, the Exchange, in its discretion, may add a new series of PHLX FOREX Options until five (5) business days prior to expiration.

(iii) The Exchange may list, with respect to any class of PHLX FOREX Options series, options having up to thirty-nine months from the time they are listed until expiration. There may be up to six additional expiration months. Strike price interval, bid/ask differential and continuity rules shall not apply to such options series until the time to expiration is less than nine months.

(b) For each expiration of PHLX FOREX Options, the Exchange may initially list exercise strike prices within a 40 percent band around the current spot market price for an underlying currency for a PHLX FOREX Option (the "spot market") at \$.0050 intervals. As the spot market moves, the Exchange may list new strike prices that, at the time of listing, do not exceed the spot market by more than 20 percent and are not less than the spot market by more than 20 percent.

For example, if at the time of initial listing, the spot market of the Euro is at \$1.000, the strike prices the Exchange will list for the PHLX FOREX Option will be \$.800 to \$1.20. If the spot market then moves to \$1.3050, the Exchange may list additional strikes at the following prices: \$1.045 to \$1.565.

### **Rule 1003C. Obligations and Quote Spread Parameters Applicable to PHLX FOREX Options<sup>TM</sup> Specialists and Registered Options Traders**

*Affirmative Obligations In Classes of PHLX FOREX Options Contracts to Which Assigned.* With respect to classes of option contracts to which a Specialist or Registered Option Trader (ROT) assignment extends, a Specialist and an ROT, whenever the ROT (except a Remote Streaming Quote Trader or RSQT) enters the trading crowd in other than a floor brokerage capacity or is called upon by an Options Exchange Official or a Floor Broker, to make a market, is expected to engage, to a reasonable degree under the existing circumstances, in dealing 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, a Specialist and an ROT is expected to perform the following activities in the course of maintaining a fair and orderly market:

(a) Quote Spread Parameters (Bid/Ask Differentials).

With respect to all PHLX FOREX Options, bidding and/or offering so as to create differences of no more than \$.0025 (expressed as \$.25) between the bid and the offer for each option contract for which the prevailing bid is less than \$.0200 (expressed as \$2.00); no more than \$.0040 (expressed as \$.40) where the prevailing bid is \$.0200 (expressed as \$2.00) or more but less than \$.0500 (expressed as \$5.00); no more than \$.0050 (expressed as \$.50) where the prevailing bid is \$.0500 (expressed as \$5.00) or more but less than \$.1000 (expressed as \$10.00); no more than \$.0080 (expressed as \$.80) where the prevailing bid is \$.1000 (expressed as \$10.00) or more but less than \$.2000 (expressed as \$20.00); and no more than \$.0100 (expressed as \$1.00) where the prevailing bid is \$.2000 (expressed as \$20.00).

(b) Electronic Quotations.

PHLX FOREX Options may be quoted electronically with a difference not to exceed \$.0500 (expressed as \$5.00) between the bid and offer regardless of the price of the bid. The bid/ask differentials set forth in this subparagraph (b) only applies to electronic quotations and only following the opening rotation in each security (i.e., the bid/ask differentials specified in subparagraph (a) above shall apply during opening rotation). Quotations provided in open outcry may not be made with bid/ask differentials set forth in this subparagraph (b) and instead must comply with the legal bid/ask differential requirements described in subparagraph (a) above and not in this sub-paragraph (b).

**Rule 1004C. Bids And Offers of PHLX FOREX Options™**

(a) Premiums. Except as provided in paragraph (b) and (c), all bids or offers made on the Floor for PHLX FOREX Option contracts shall be expressed in terms of U.S. dollars per unit of the underlying foreign currency.

For example, a bid of “.0325” (expressed as "3.25") for a premium on a \$1.70 strike price option on the British pound shall represent a bid to pay \$325 per option contract.

(b) Contract Adjustments. All bids or offers for an option contract for which the Options Clearing Corporation has established an adjusted unit of trading in accordance with paragraphs (c) and (d) of Section 11 of Article VI of the by-laws of the Options Clearing Corporation shall be expressed in terms of dollars per the appropriate fractional part of the total securities and/or other property constituting such adjusted unit of trading

(c) Spread Type Priority. When a member holding a hedge order, as defined in Rule 1066 and bidding or offering on the basis of a total credit or debit for the order has determined that the order may not be executed by a combination of transactions at or within the bids and offers established in the marketplace, then the order may be executed as a hedge order at the total credit or debit with one other member with priority over either the bid or the offer established in the marketplace that is not better than the bids or offers comprising such total credit or debit,

provided that, the member executes at least one option leg at a better price than established bid or offer for that option contract AND no option leg is executed at a price outside of the established bid or offer for that option contract.

**Rule 1005C. Minimum Increments of PHLX FOREX Options™**

(a) All PHLX FOREX Options where the underlying foreign currency is not the U.S. dollar (unless a PHLX FOREX Options pair) shall have a minimum increment of \$.0001 (which is expressed for trading as \$.01).

(b) However, different minimum increments for dealings in PHLX FOREX Option contracts may also be fixed by the Exchange from time to time for option contracts of a particular series.

**Rule 1006C. Closing Settlement Value of PHLX FOREX Options™**

U.S. dollar-settled foreign currency options are settled in U.S. dollars per unit of underlying currency.

(a) The closing settlement value for PHLX FOREX Options and for FLEX PHLX FOREX Options on the Australian dollar, the Euro, the British pound, the Canadian dollar, the Swiss franc, and the New Zealand dollar shall be the spot market price at 12:00:00 Eastern Time (noon) on the last trading day prior to expiration unless the Exchange determines to apply an alternative closing settlement value as a result of extraordinary circumstances.

(b) The Exchange shall disseminate the closing settlement value via an Options Trader Alert and such Options Trader Alert will also be made available on the Exchange's website.

(c) Neither the Exchange, nor any agent of the Exchange shall have any liability for damages, claims, losses or expenses caused by any errors, omissions, or delays in calculating or disseminating the current settlement value or the closing settlement value resulting from an act, condition, or cause beyond the reasonable control of the Exchange including but not limited to, an act of God; fire; flood; extraordinary weather conditions; war; insurrection; riot; strike; accident; action of government; communications or power failure; equipment or software malfunction; any error, omission, or delay in the reports of transactions in one or more underlying currencies or any error, omission or delay in the reports of the current settlement value or the closing settlement value by the Exchange.

**Rule 1007C FLEX - PHLX FOREX Options™**

The FLEX procedures set forth in Rule 1079 in respect of U.S. foreign currency options shall be applicable to PHLX FOREX Options.

**Rule 1008C Position Limits – PHLX FOREX Options™**

The position limit shall be 1,200,000 contracts for PHLX FOREX Options on the following underlying currency: the British pound, the Swiss franc, the Canadian dollar, the Australian dollar, the New Zealand dollar, and the Euro. However, if a PHLX FOREX Option and an FCO (WCO) are listed on the same underlying currency (e.g. a Euro PHLX FOREX Option and a Euro FCO (WCO)), then the position for each such option on the same underlying currency will be aggregated for purposes of determining compliance with the position limit established in this rule.

**Rule 1009C. Exercise Limits – PHLX FOREX Options™**

Exercise limits for options on PHLX FOREX Options shall be equivalent to the position limits prescribed in Rule 1008C.

\* \* \* \* \*

**Phlx Option Floor Broker Advices**

\* \* \* \* \*

**F-6 Option Quote Parameters**

No Change.

## Foreign Currency Options

When bidding and/or offering in U.S. dollar-settled foreign currency option issues, the following parameters should be utilized (i) on the opening and (ii) after the opening for those quoting verbally (in open outcry):

<i>Current Option Bid</i>	<i>Maximum Quote Spread</i>
Less than \$2.00	.25
\$2.00 to less than \$5.00	.40
\$5.00 to less than \$10.00	.50
\$10.00 to less than \$20.00	.80
\$20.00 and greater	1

After the opening, options trading on Phlx XL II may be quoted electronically with a difference not to exceed \$5 between the bid and offer regardless of the price of the bid. The \$5 bid/ask differentials only apply following the opening rotation in each security (i.e., the bid/ask differentials specified above shall apply during the opening). Quotations provided in open outcry may not be made with \$5 bid/ask differentials and instead must comply with the bid/ask differential requirements described above.

The bid/ask differential as stated above shall apply to all listed series, including the longest term, except for the two longest term series open for trading in the Euro options and long-term foreign currency options.

**PHLX FOREX Options™**

When bidding and/or offering in PHLX FOREX Options on issues, the following parameters should be utilized (i) on the opening and (ii) after the opening for those quoting verbally (in open outcry):

<i><u>Current Option Bid</u></i>	<i><u>Maximum Quote Spread</u></i>
<u>Less than \$.0200 (expressed as \$2.00)</u>	<u>.0025 (expressed as .25)</u>
<u>\$.0200 (expressed as \$2.00) to less than \$.0500 (expressed as \$5.00)</u>	<u>.0040 (expressed as .40)</u>
<u>\$.0500 (expressed as \$5.00) to less than \$.1000 (expressed as \$10.00)</u>	<u>.0050 (expressed as .50)</u>

\$.1000 (expressed as \$10.00) to less than \$.2000  
(expressed as \$20.00)

.0080 (expressed as .80)

\$.2000 (expressed as \$20.00) and greater

.0100 (expressed as 1)

After the opening, options trading on Phlx XL II may be quoted electronically with a difference not to exceed \$.0500 (expressed as \$5) between the bid and offer regardless of the price of the bid. The \$.0500 (expressed as \$5) bid/ask differentials only apply following the opening rotation in each security (i.e., the bid/ask differentials specified above shall apply during the opening). Quotations provided in open outcry may not be made with \$.0500 (expressed as \$5) bid/ask differentials and instead must comply with the bid/ask differential requirements described above.

The bid/ask differential as stated above shall apply to all listed series, including the longest term, except for the two longest term series open for trading in the Euro PHLX FOREX Options<sup>TM</sup> and long-term PHLX FOREX Options.

No Change.

\* \* \* \* \*

#### **F-15 Minor Infractions of Position/Exercise Limits and Hedge Exemptions**

(a) Minor violations of the Exchange's position and exercise limits (Exchange Rule 1001 - Position Limits, Exchange Rule 1002 - Exercise Limits, Exchange Rule 1001A - Position Limits, [and ]Exchange Rule 1002A - Exercise Limits, Exchange Rule 1008C - Position Limits PHLX FOREX Options<sup>TM</sup>, and Exchange Rule 1009C - Exercise Limits PHLX FOREX Options) which do not exceed such limits by more than 5% may result in the issuance of a fine in accordance with section (a) of the fine schedule below.

In addition, when a position limit exemption for a specific period has lapsed without the position either being brought into compliance or a new exemption granted, a fine in accordance with section (a) of the fine schedule below may be issued.

Other violations of the position and exercise limit are subject to review by the Business Conduct Committee in accordance with those procedures set forth under the Exchange's Disciplinary Rules.

(b) No Change.

#### **FINE SCHEDULE**

No Change.

\* \* \* \* \*