

EXHIBIT 5

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

NASDAQ Options Market Rules

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Chapter XIV Index Rules

Sec. 1 No Change.

Sec. 2 No Change.

Supplementary Material to Section 2

01. The reporting authorities designated by the Exchange in respect of each index underlying an index options contract traded on the Exchange are as provided below.

Index Reporting Authority

Nasdaq 100 Index - The Nasdaq Stock Market

Mini Nasdaq 100 Index - The Nasdaq Stock Market

PHLX Oil Service SectorSM - The Nasdaq Stock Market

PHLX Semiconductor SectorSM - The Nasdaq Stock Market

PHLX Housing SectorTM - The Nasdaq Stock Market

Sec. 3 – Sec. 6 No Change.

Sec. 7 Position Limits for Industry and Micro-Narrow Based Index Options

(a) - (c) No Change.

(d) In determining compliance with this Section 7, option contracts on the following narrow-based (industry) indexes shall be subject to the following position limits:

(1) 54,000 contracts for options on the PHLX Oil Service Sector, PHLX Semiconductor Sector, and PHLX Housing Sector, if the Exchange determines, at the time of a review conducted pursuant to this Section 7, that any single underlying stock accounted, on average, for 30% or more of the index value during the 30-day period immediately preceding the review; or

(2) 72,000 contracts for options on the PHLX Oil Service Sector, PHLX Semiconductor Sector, and PHLX Housing Sector, if the Exchange determines, at the time of a review conducted pursuant to this Section 7, that any single underlying stock accounted, on average, for 20% or more of the index value or that any five underlying stocks together accounted, on average, for more than 50% of the index value, but that no single stock in the group accounted, on average, for 30% or more of the index value, during the 30-day period immediately preceding the review; or

(3) 94,500 contracts for options on the PHLX Oil Service Sector, PHLX Semiconductor Sector, and PHLX Housing Sector if the Exchange determines that the conditions specified above which would require the establishment of a lower limit have not occurred.

(e) The Exchange shall make the determinations required by subparagraph (d) of this Section 7 with respect to options on each industry index at the commencement of trading of such options on the Exchange and thereafter review the determination semi-annually on January 1 and July 1.

(1) If the Exchange determines, at the time of a semi-annual review, that the position limit in effect with respect to options on a particular industry index is lower than the maximum position limit permitted by the criteria set forth in subparagraph (d) of this Section 7, the Exchange may affect an appropriate position limit increase immediately. If the Exchange determines, at the time of a semi-annual review, that the position limit in effect with respect to options on a particular industry index exceeds the maximum position limit permitted by the criteria set forth in subparagraph (d) of this Section 7, the Exchange shall reduce the position limit applicable to such options to a level consistent with such criteria; provided, however, that such a reduction shall not become effective until after the expiration date of the most distantly expiring option series relating to such particular industry index, which is open for trading on the date of the review; and provided further that such a reduction shall not become effective if the Exchange determines, at the next succeeding semi-annual review, that the existing position limit applicable to such options is consistent with the criteria set forth in subparagraph (d) of this Section 7.

Sec. 8 - Sec. 10 No Change.

Sec. 11 Terms of Index Options Contracts

(a) General.

(1) Meaning of Premium Bids and Offers. Bids and offers shall be expressed in terms of dollars and cents per unit of the index.

(2) Exercise Prices. NOM shall determine fixed-point intervals of exercise prices for call and put options.

(3) Expiration Months. Index options contracts may expire at three (3)- month intervals or in consecutive months. NOM may list up to six (6) expiration months at any one time, but will not list index options that expire more than twelve (12) months out.

(4) "European-Style Exercise." The following European-style index options, some of which may be A.M.-settled as provided in paragraph (a)(5), are approved for trading on NOM:

(i) Nasdaq 100 Index.

(ii) Mini Nasdaq 100 Index.

(iii) PHLX Oil Service SectorSM.

(iv) PHLX Housing SectorTM.

(5) A.M.-Settled Index Options. The last day of trading for A.M.-settled index options shall be the business day preceding the last day of trading in the underlying securities prior to expiration. The current index value at the expiration of an A.M.-settled index option shall be determined, for all purposes under these Rules and the Rules of the Clearing Corporation, on the last day of trading in the underlying securities prior to expiration, by reference to the reported level of such index as derived from first reported sale (opening) prices of the underlying securities on such day, except that:

(i) In the event that the primary market for an underlying security does not open for trading on that day, the price of that security shall be determined, for the purposes of calculating the current index value at expiration, as set forth in Section 9(g) of this Chapter, unless the current index value at expiration is fixed in accordance with the Rules and By-Laws of the Clearing Corporation; and

(ii) In the event that the primary market for an underlying security is open for trading on that day, but that particular security does not open for trading on that day, the price of that security, for the purposes of calculating the current index value at expiration, shall be the last reported sale price of the security. The following A.M.-settled index options are approved for trading on NOM:

[(i)](A) Nasdaq 100 Index

[(ii)](B) Mini Nasdaq 100 Index

(C) PHLX Oil Service SectorSM.

(D) PHLX Semiconductor SectorSM.

(E) PHLX Housing SectorTM.

(b) No Change.

(c) Procedures for Adding and Deleting Strike Prices. The procedures for adding and deleting strike prices for index options are provided in Section 6 of Chapter IV of these Rules (Series of Options Contracts Open for Trading), as amended by the following:

(1) The interval between strike prices will be no less than \$5.00: provided, that in the case of the following classes of index options, the interval between strike prices will be no less than \$2.50:

(i) Nasdaq 100 Index, if the strike price is less than \$200.

(ii) Mini Nasdaq 100 Index, if the strike price is less than \$200.

(iii) PHLX Oil Service SectorSM, if the strike price is less than \$200.

(iv) PHLX Semiconductor SectorSM, if the strike price is less than \$200.

(v) PHLX Housing SectorTM, if the strike price is less than \$200.

(2) - (4) No Change.

(d) - (h) No Change.

(i) Notwithstanding any provisions in this Section 11, the interval between strike prices of series of options on the PHLX Oil Service SectorSM, PHLX Semiconductor SectorSM, and PHLX Housing SectorTM (individually the "\$1 Index" and together the "\$1 Indexes"), which may also be known as industry indexes, will be \$1 or greater, subject to following conditions:

(1) Initial Series. The Exchange may list series at \$1 or greater strike price intervals for each \$1 Index, and will list at least two strike prices above and two strike prices below the current value of each \$1 Index at about the time a series is opened for trading on the Exchange. The Exchange shall list strike prices for each \$1 Index that are within 5 points from the closing value of each \$1 Index on the preceding day.

(2) Additional Series. Additional series of the same class of each \$1 Index 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 each underlying \$1

Index moves substantially from the initial exercise price or prices. To the extent that any additional strike prices are listed by the Exchange, such additional strike prices shall be within thirty percent (30%) above or below the closing value of each \$1 Index. The Exchange may also open additional strike prices that are more than 30% above or below each current \$1 Index value provided that demonstrated customer interest exists for such series, as expressed by institutional, corporate or individual customers or their brokers. Market-Makers trading for their own account shall not be considered when determining customer interest under this provision. In addition to the initial listed series, the Exchange may list up to sixty (60) additional series per expiration month for each series in \$1 Indexes.

(3) The Exchange shall not list LEAPS on \$1 Indexes at intervals less than \$2.50.

(4) (i) Delisting Policy. With respect to each \$1 Index added pursuant to the above paragraphs, the Exchange will regularly review series that are outside a range of five (5) strikes above and five (5) strikes below the current value of each \$1 Index, and in each \$1 Index may delist series with no open interest in both the put and the call series having a: (A) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (B) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month.

(ii) Notwithstanding the above referenced delisting policy, customer requests to add strikes and/or maintain strikes in \$1 Index options eligible for delisting may be granted.

Sec. 12 – Sec.14 No Change.

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