

**EXHIBIT 5**

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

**Phlx Rules of Board of Governors**

\* \* \* \* \*

**Rule 501. Specialist Appointment**

(a) –(e) No Change.

(f) An options specialist currently operating from the Exchange's physical trading floor or a[A] Remote Streaming Quote Trader ("RSQT"), as defined in Rule 1014, may submit an application as described above to be [an ]approved in one or more classes as a Remote [s]Specialist [unit for certain option allocations] as defined in Rule 1020(a)(ii).

(i) In making a determination regarding the application of an options specialist currently operating from the Exchange's physical trading floor that requests authorization to operate as a Remote Specialist, the Exchange will evaluate whether the change is in the best interest of the Exchange and may consider information that it believes will be of assistance to it. Factors to be considered may include, but are not limited to, any one or more of the following: performance, operational capacity of the Exchange or options specialist, efficiency, number and experience of personnel of the options specialist who will be performing functions related to the trading of the applicable securities, number of securities involved, number of ROTs and SQTs affected and trading volume of the securities.

(ii) A Remote Specialist does not need to meet the assistant specialist staffing requirement pursuant to paragraph (d) or the back-up specialist unit requirement pursuant to paragraph (b) of this rule.

[Upon application by a qualified RSQT, the Exchange will approve such organization as an approved remote specialist unit ("Remote Specialist"). A Remote Specialist may function as a specialist unit in one or more options if the Exchange determines that it cannot allocate such options to a non-remote specialist (that is, a floor based specialist). A Remote Specialist may not have a physical presence on an Exchange floor and does not need to meet the assistant specialist staffing requirement pursuant to paragraph (d) or the back-up specialist unit requirement pursuant to paragraph (b) of this rule.

(ii) A Remote Specialist shall be accessible to Exchange staff and members during all trading hours for the product(s) allocated to such specialist and shall provide

Exchange staff and members with telephonic and/or electronic communication access to such specialist and/or associated staff at all times during trading hours.

(iii) A Remote Specialist has all the rights and obligations of a specialist, unless Exchange rules provide otherwise.]

••• *Commentary:* -----

.01 No Change.

\* \* \* \* \*

### Phlx Option Rules

\* \* \* \* \*

#### Rule 1020. Registration and Functions of Options Specialists

(a) (i) No member shall act as an options specialist (to include a Remote Specialist as defined in Rule 1020(a)(ii)) in any option unless such member is registered as an options specialist in such option by the Exchange pursuant to Rule 501 and such registration may be revoked or suspended at any time by the Exchange.

(ii) A Remote Specialist is an options specialist in one or more classes that does not have a physical presence on an Exchange floor and is [a qualified RSQT ]approved by the Exchange [to function as a specialist in one or more options ]pursuant to Rule 501.

(iii) A Remote Specialist has all the rights and obligations of an options specialist, unless Exchange rules provide otherwise.

(iv) A Remote Specialist shall be accessible to Exchange staff and members during all trading hours for the product(s) allocated to such specialist and shall provide Exchange staff and members with telephonic and/or electronic communication access to such specialist and/or associated staff at all times during trading hours.

(v) A Remote Specialist can have a Designee in a physical trading crowd during trading hours. The Designee may trade in open outcry in the option classes allocated to the Remote Specialist, but the Remote Specialist shall not receive a participation entitlement under Rule 1014(g)(v) with respect to orders represented by the Designee in open outcry.

(A) A Designee is an individual who is approved by the Exchange for the time period specified by the Exchange to represent a Remote Specialist in its capacity as a Remote Specialist. The Exchange may require specified supervision of a Designee and/or limit a Designee's authority to represent a Remote Specialist.

(B) A Designee must be a member of the Exchange, an affiliate of the Remote Specialist, and a registered Remote Options Trader pursuant to the rules of the Exchange.

The Exchange shall have the discretion to permit an individual who is not affiliated with a Remote Specialist to act as a Designee for the Remote Specialist on an emergency basis, provided that the individual satisfies the other requirements of subparagraph (a)(v)(B) of this Rule.

(C) A Designee may not trade as a Market-Maker in securities allocated to the Remote Specialist unless the Designee is acting on behalf of the Remote Specialist in its capacity as a Remote Specialist.

(b) – (h)                      No Change.

\* \* \* \* \*