

**EXHIBIT 5**

*New text is underlined; deleted text is in brackets.*

**NASDAQ PHLX LLC Rules**

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**Options Rules**

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**Options 2 Options Market Participants**

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**Section 5. Electronic Market Maker Obligations and Quoting Requirements**

For purposes of this rule an "electronic Market Maker" shall mean an SQT, RSQT, Lead Market Maker (including Remote Lead Market Maker), Directed SQT and Directed RSQT who enters electronic quotations into the Exchange's System.

(a) and (b) No change.

(c) No change.

(1) No change.

(2) Two-Sided Quotes. An electronic Market Maker that enters a bid (offer) in a series of an option in which he is registered on Phlx must enter an offer (bid). These quotations must meet the legal quote width requirements specified in Options 2, Section 4(c).

(A) SQTs and RSQTs, associated with the same member organization, are collectively required to provide two-sided quotations in 60% of the cumulative number of seconds, or such higher percentage as Phlx may announce in advance, for which that member organization's assigned options series are open for trading. Notwithstanding the foregoing, a member organization shall not be required to make two-sided markets pursuant to this paragraph (c)(2) above in any Quarterly Option Series, any adjusted option series, and any option series with an expiration of nine months or greater for options on equities and exchange-traded funds ("ETFs") or with an expiration of twelve months or greater for index options.

(i) An adjusted option series is defined as an option series wherein one option contract in the series represents the delivery of other than 100 shares of underlying stock or Exchange-Traded Fund Shares ("Adjusted Options Series").

(B) Lead Market Makers (including Remote Lead Market Makers), associated with the same member organization, are collectively required to provide two-sided quotations in 90% of the cumulative number of seconds, or such higher percentage as Phlx may

announce in advance, for which that member organization's assigned options series are open for trading. Lead Market Makers shall be required to make two-sided markets pursuant to this rule in any Quarterly Option Series, any Adjusted Option Series, and any option series with an expiration of nine months or greater for options on equities and ETFs or with an expiration of twelve months or greater for index options.

(C) Directed SQTs and Directed RSQTs, associated with the same member organization, are collectively required to provide two-sided quotations in 90% of the cumulative number of seconds, or such higher percentage as Phlx may announce in advance, for which that member organization's assigned options series are open for trading. A member organization shall be considered directed in all assigned options once the member organization receives a Directed Order in any option in which they are assigned and shall be considered a Directed SQT or Directed RSQT until such time as the member organization notifies the Exchange that they are no longer directed. Notwithstanding the foregoing, a member organization shall not be required to make two-sided markets pursuant to this paragraph (c)(2) above in any Quarterly Option Series, any Adjusted Option Series, and any option series with an expiration of nine months or greater for options on equities and ETFs or with an expiration of twelve months or greater for index options.

(D) Specifically, the Exchange will calculate subparagraphs (A) - (C) above by (i) taking the total number of seconds the member organization disseminates quotes in each assigned options series, excluding Quarterly Option Series, any Adjusted Option Series, and any option series with an expiration of nine months or greater for options on equities and ETFs or with an expiration of twelve months or greater for index options for SQTs, RSQTs, Directed SQTs and Directed RSQTs; and (ii) dividing that time by the eligible total number of seconds each assigned option series is open for trading that day. Quoting is not required in every assigned options series. Compliance with this requirement is determined by reviewing the aggregate of quoting in assigned options series for the member organization.

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## Section 10. Directed Orders

(a) Lead Market Makers, RSQTs and SQTs may receive Directed Orders (as defined in this Rule) in accordance with the provisions of this rule.

(i) and (ii) No change.

(iii) When the Exchange's disseminated price is the NBBO, and the quotation disseminated by the Directed Lead Market Maker, RSQT, or SQT on the opposite side of the market from the Directed Order is inferior to the NBBO at the time of receipt of the Directed Order, the Directed Order shall be automatically executed and allocated to those quotations and orders at the NBBO in accordance with Options [10]3, Section 1[1]0(a)(1)[(C)].

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**Options 3 Options Trading Rules**

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**Section 13. Price Improvement XL ("PIXL")**

A member may electronically submit for execution an order it represents as agent on behalf of a Public Customer, broker-dealer, or any other entity ("PIXL Order") against principal interest or against any other order (except as provided in sub-paragraph (a)(6) below) it represents as agent (an "Initiating Order") provided it submits the PIXL Order for electronic execution into the PIXL Auction ("Auction") pursuant to this Rule. The execution of a PIXL Order that is comprised of a Public Customer order to buy and a Public Customer to sell at the same price and for the same quantity will be governed by Options 3, Section 13(a) and (f) ("Public Customer-to-Public Customer Cross Order").

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(c) The PIXL Auction may be used only where there is a genuine intention to execute a bona fide transaction. It will be considered a violation of this Rule and will be deemed conduct inconsistent with just and equitable principles of trade and a violation of [Options]General 9, Section 1(c) if an Initiating Member submits a PIXL Order (initiating an Auction) and also submits its own PAN response in the same Auction.

(d) A pattern or practice of submitting multiple orders in response to a PAN at a particular price point that exceeds, in the aggregate, the size of the PIXL Order, will be deemed conduct inconsistent with just and equitable principles of trade and a violation of [Options]General 9, Section 1(c).

(e) A pattern or practice of submitting unrelated orders or quotes that cross the stop price, causing a PIXL Auction to conclude before the end of the PIXL Auction period will be deemed conduct inconsistent with just and equitable principles of trade and a violation of [Options]General 9, Section 1(c). It will also be deemed conduct inconsistent with just and equitable principles of trade and a violation of [Options]General 9, Section 1(c) to engage in a pattern of conduct where the Initiating Member breaks up a PIXL Order into separate orders for the purpose of gaining a higher allocation percentage than the Initiating Member would have otherwise received in accordance with the allocation procedures contained in subparagraph (b)(5) above.

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**Section 26. Message Traffic Mitigation**

(a) The Exchange shall disseminate an updated bid and offer price, together with the size associated with such bid and offer, when:

- (1) the Exchange's disseminated bid or offer price increases or decreases;
- (2) the size associated with the Exchange's disseminated bid or offer decreases; or
- (3) the size associated with the Exchange's bid (offer) increases by an amount greater than or equal to a percentage (never to exceed 20%) of the size associated with previously disseminated bid (offer). Such percentage, which shall never exceed 20%, [~~shall~~will] be determined by the Exchange on an issue-by-issue basis [by the Exchange ]and posted on the Exchange's website[announced to membership via Exchange circular].

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