

**EXHIBIT 5**

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

**Nasdaq PHLX LLC Rules**

\* \* \* \* \*

**Options Rule**

\* \* \* \* \*

**Options 3 Options Trading Rules**

\* \* \* \* \*

**Section 8. Options Opening Process**

\* \* \* \* \*

(k) **Price Discovery Mechanism.** If the Exchange has not opened pursuant to paragraphs (f) or (i) above, after the OQR calculation in paragraph (j), the Exchange will conduct the following Price Discovery Mechanism.

\* \* \* \* \*

(C) Next, provided the option series has not opened pursuant to (k)(B) above, the System will:

\* \* \* \* \*

(5) **Forced Opening.** After all additional Imbalance Messages have occurred pursuant to paragraph (4) above, the System will open the series by executing as many contracts as possible by routing to away markets at prices better than the Exchange Opening Price for their disseminated size, trading available contracts on the Exchange at the Exchange Opening Price bounded by OQR (without trading through the limit price(s) of interest within OQR which is unable to be fully executed at the Opening Price), and routing contracts to away markets at prices equal to the Exchange Opening Price at their disseminated size. In this situation, the System will price any contracts routed to away markets at the better of the Exchange Opening Price or the order's limit price. Any unexecuted interest from the imbalance not traded or routed will be cancelled back to the entering participant if they remain unexecuted and priced through the Opening Price[, unless the member that submitted the original order has instructed the Exchange in writing to reenter the remaining size, in which case the remaining size will be automatically submitted as a new order]. All other interest will be eligible for trading after opening, if consistent with the member's instructions.

\* \* \* \* \*

## Section 9. Trading Halts

\* \* \* \* \*

(f) During a halt, the Exchange will maintain existing orders on the book (but not existing quotes), accept orders and quotes, and process cancels and modifications. During a halt, existing quotes are cancelled and auction orders and auction responses, as well as Crossing Orders, are rejected.

\* \* \* \* \*

## Section 10. Electronic Execution Priority and Processing in the System

(a) Execution Algorithm - The Exchange will apply a Size Pro-Rata execution algorithm to electronic orders, unless otherwise specified. 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. If the result is not a whole number, it will be rounded up to the nearest whole number. Size Pro-Rata Priority shall mean that resting orders and quotes in the order book are prioritized according to price. If there are two or more resting orders or quotes at the same price, the System allocates contracts from an incoming order or quote to resting orders and quotes beginning with the resting order or quote displaying the largest size proportionally according to displayed size, based on the total number of contracts displayed at that price. If there are still contracts to be allocated after the displayed size of all orders at that price has been executed, the remaining size from the incoming order will be allocated proportionally against non-displayed interest according to remaining total size of each resting order at such price, beginning with the order which has the largest total size remaining.

(1) Priority Overlays Applicable to Size Pro-Rata Execution Algorithm: the Exchange will apply the following designated market participant priority overlays. No participant shall be entitled to receive a number of contracts that is greater than the displayed size that is associated with their quotation or order.

\* \* \* \* \*

**(B) Enhanced Lead Market Maker Priority:** A Lead Market Maker may be assigned by the Exchange in each option class in accordance with Options 2, Section 12. After all Public Customer orders have been fully executed, provided the Lead Market Maker's quote is at the better of the internal PBBO or the NBBO the Lead Market Maker may be afforded a participation entitlement. The Lead Market Maker shall not be entitled to receive a number of contracts that is greater than the displayed size associated with such Lead Market Maker. The Lead Market Maker shall be entitled to receive the allocation described in this paragraph (a)(1)(B)(i), unless the order is a Directed Order and the Lead Market Maker is not the Directed Market Maker.

\* \* \* \* \*

When the Lead Market Maker is also the Directed Market Maker the Lead Market Maker/Directed Market Maker does not participate in the below Market Maker Priority at (a)(i)(E).

\* \* \* \* \*

## Section 14. Complex Orders

\* \* \* \* \*

(c) *Applicability of Exchange Rules.* Except as otherwise provided in this Rule, complex strategies shall be subject to all other Exchange Rules that pertain to orders and quotes generally.

\* \* \* \* \*

(2) *Complex Order.* Complex strategies will not be executed at prices inferior to the best net price achievable from the best Exchange bids and offers for the individual legs. Notwithstanding the provisions of Options 3, Section 10:

(i) [a ]Complex Options Strategies may be executed at a total credit or debit price with one other member organization without giving priority to bids or offers established on the Exchange that are no better than the bids or offers in the individual options series comprising such total credit or debit; provided, however, that if any of the bids or offers established on the Exchange consist of a Public Customer Order, the price of at least one leg of the complex strategy must trade at a price that is better than the corresponding bid or offer on the Exchange by at least one minimum trading increment for the series as defined in Options 3, Section 3.

\* \* \* \* \*

(d) *Execution of Complex Strategies.* Complex strategies will be executed without consideration of any prices that might be available on other exchanges trading the same options contracts. Complex strategies are not executable unless all of the terms of the strategy can be satisfied and the options legs can be executed at prices that comply with the provisions of paragraph (c)(2) above. Complex strategies, other than those that are executed as crossing transactions pursuant to Options 3, Sections 12 and 13, are automatically executed as follows:

\* \* \* \* \*

(2) Complex Options Orders will be executed at the best net price available from Complex Order Exposure pursuant to Supplementary Material .01 to this Rule, executable Complex Orders on the Complex Order Book, and bids and offers for the individual options series; provided that at each price, executable Complex Options Orders will be automatically executed first against executable bids and offers on the Complex Order book prior to legging in the single leg order book. Notwithstanding the foregoing, executable Complex Options Orders will execute against Public Customer interest on the single leg book at the same price before executing against the Complex Order Book. Thus, Public Customer

Orders on the single leg order book shall retain priority and will execute prior to any other Complex Order or non-Public Customer single leg interest at the same price. Stock Option Orders and Stock Complex Orders will be executed at the best net price available from Complex Order Exposure pursuant to Supplementary Material .01 to this Rule and executable Complex Orders on the Complex Order Book. The Exchange may designate on a class basis whether bids and offers at the same price on the Complex Order Book will be executed:

- (i) in time priority; or
- (ii) pro-rata based on size according to Options 3, Section 10(a)(1)(A), (E) and (F).

\* \* \* \* \*

## **Options 5 Order Protection and Locked Cross Markets**

\* \* \* \* \*

### **Section 4. Order Routing**

(a) Phlx offers two routing strategies, FIND and SRCH. Each of these routing strategies will be explained in more detail below. An order may in the alternative be marked Do Not Route or "DNR". The Exchange notes that for purposes of this rule the System will route FIND and SRCH Orders with no other contingencies. Immediate or Cancel ("IOC") Orders will be cancelled immediately if not executed, and will not be routed. The System checks the Order Book for available contracts for potential execution against the FIND or SRCH orders. After the System checks the Order Book for available contracts, orders are sent to other available market centers for potential execution. For purposes of this rule, the Phlx's best bid or offer or "PBBO" does not include Stop Orders which have not been triggered. The "internal PBBO" shall refer to the actual better price of an order resting on Phlx's Order Book, which is not displayed, but available for execution, excluding Stop Orders which have not been triggered. For purposes of this rule, a Route Timer shall not exceed one second and shall begin at the time orders are accepted into the System, and the System will consider whether an order can be routed at the conclusion of each Route Timer. Finally, for purposes of this rule, "exposure" or "exposing" an order shall mean a notification sent to participants with the price, size, and side of interest that is available for execution. An order exposure alert is sent if the order size is modified. Exposure notifications will be sent to participants in accordance with the routing procedures described in Options 5, Section 4(a)(iii) below except if an incoming order is joining an already established PBBO price when the ABBO is locked or crossed with the PBBO, in which case such order will join the established PBBO price and no exposure notification will be sent. For purposes of this rule Phlx's opening process is governed by Options 3, Section 8 and includes an opening after a trading halt ("Opening Process").

\* \* \* \* \*

(iii) The following order types are available:

\* \* \* \* \*

(B) *FIND Order*. A FIND Order is an order that is: (i) routable at the conclusion of an Opening Process; and (ii) routable upon receipt during regular trading, after an option series is open. FIND Orders submitted after an Opening Process initiate their own Route Timers and are routed in the order in which their Route Timers end. FIND Orders that are not marketable with the ABBO upon receipt will be treated as DNR for the remainder of the trading day.

\* \* \* \* \*

- (2) Generally, a FIND Order will be included in the displayed BBO at its limit price, unless the FIND Order locks or crosses the ABBO, in which case it will be entered into the order book at the ABBO price and displayed one MPV inferior to the ABBO. If there exists a locked ABBO when the FIND Order is entered into the order book the FIND Order will be entered into the order book at the ABBO price and displayed one MPV inferior to the ABBO. If during a [r]Route [t]Timer, ABBO markets move such that the FIND Order is no longer marketable against the ABBO nor marketable against the PBBO, the FIND Order will post at its limit price. If the FIND Order is locked or crossed by away quotes, it will route at the completion of the route timer. If the ABBO worsens but remains better than the PBBO, the FIND Order will reprice and be re-exposed at the new price(s) without interrupting the route timer. If, during the route timer, any new interest arrives opposite the FIND Order that is equal to or better than the ABBO price, the FIND Order will trade against such new interest at the ABBO price, unless the ABBO is improved to a price which crosses the FIND Order's already displayed price, in which case the incoming order will execute at the previous ABBO price as the away market crossed a displayed price.
- (3) A FIND Order received after an Opening Process that is not marketable against the PBBO or the ABBO will be entered into the Order Book at its limit price. The FIND Order will be treated as DNR for the remainder of the trading day, even in the event that there is a new Opening [Price]Process after a trading halt.
- (4) A FIND Order received after an Opening Process that is marketable against the [internal] PBBO when the ABBO is inferior to the [internal]PBBO will be traded at the Exchange at or better than the PBBO price. If the FIND Order has size remaining after exhausting the PBBO, it may: (1) trade at the next PBBO price (or prices) if the order price is locking or crossing that price (or prices) up to and including the ABBO price, (2) be entered into the Order Book at its limit price, or (3) if locking or crossing the ABBO, be entered into the Order Book at the ABBO price and displayed one MPV away from the ABBO. The FIND Order will be treated as DNR for the remainder of the trading day, even in the event that there is a new Opening [Price]Process after a trading halt.

- (5) A FIND Order received after an Opening Process that is marketable against the [internal] PBBO when the ABBO is equal to the [internal] PBBO will be traded at the Exchange at the [internal] PBBO. If the FIND Order has size remaining after exhausting the PBBO, it will initiate a Route Timer, and expose the FIND Order at the ABBO to allow market participants an opportunity to interact with the remainder of the FIND Order. During the Route Timer, the FIND Order will be included in the PBBO at a price one MPV away from the ABBO. If, during the Route Timer, any new interest arrives opposite the FIND Order that is equal to or better than the ABBO price, the FIND Order will trade against such new interest at the ABBO price. If during the Route Timer, the ABBO markets move such that the FIND Order is no longer marketable against the ABBO, it may: (i) trade at the next PBBO price (or prices) if the FIND Order price is locking or crossing that price (or prices), and/or (ii) be entered into the Order Book at its limit price if not locking or crossing the PBBO.

\* \* \* \* \*

- (7) A FIND Order received after an Opening Process that is marketable against the ABBO when the ABBO is better than the [internal] PBBO will initiate a Route Timer, and expose the FIND Order at the ABBO to allow participants and other market participants an opportunity to interact with the FIND Order.

\* \* \* \* \*

(C) *SRCH Order.* A SRCH Order is a Public Customer and Professional order that is routable at any time. A SRCH Order on the Order Book during an Opening Process (including a re-opening following a trading halt), whether it is received prior to an Opening Process or it is a GTC SRCH Order from a prior day, may be routed as part of an Opening Process. Orders initiate their own Route Timers and are routed in the order in which their Route Timers end.

\* \* \* \* \*

- (5) A SRCH Order received after an Opening Process that is marketable against the PBBO when the ABBO is equal to the [internal] PBBO will be traded on the Exchange at the [internal] PBBO price. If the SRCH Order has size remaining after exhausting the PBBO, it will initiate a Route Timer and expose the SRCH Order at the ABBO to allow participants and other market participants an opportunity to interact with the remainder of the SRCH Order. During the Route [t]Timer, the SRCH Order will be included in the PBBO at a price one MPV away from the ABBO.

- (6) If, at the end of the Route Timer pursuant to subparagraph ([4]5) above, the SRCH Order is still marketable with the ABBO, the SRCH Order will route to an away market up to a size equal to the lesser of either: (1) the away markets' size, or (2) the remaining size of the SRCH Order. If the SRCH Order [is] still has remaining size after routing, it may: (i) trade at the next PBBO price (or prices) if the order price is locking or crossing that price (or prices) up to the ABBO price, and/or (ii) be entered into the order book at its limit price if not locking or crossing the PBBO or the ABBO.

\* \* \* \* \*

(8) If, at the end of the Route Timer pursuant to subparagraph (7) above, the ABBO is still the best price and is marketable with the SRCH Order, the order will route to the away market(s) whose disseminated price(s) is better than the PBBO, up to a size equal to the lesser of either: (i) the away markets' size, or (ii) the remaining size of the SRCH Order. If the SRCH Order still has remaining size after such routing, it may: (1) trade at the next PBBO price (or prices) if the order price is locking or crossing that price (or prices) up to the ABBO price, and/or (2) be entered into the Order Book at its limit price if not locking or crossing the PBBO or the ABBO[including].

\* \* \* \* \*

## Options 8 Floor Trading

\* \* \* \* \*

## Section 2. Definitions

\* \* \* \* \*

(a) The following terms as used in the Rules shall, unless the context otherwise indicates, have the meanings herein specified:

\* \* \* \* \*

(10) **Remote FBMS Transaction.** The term "Remote FBMS Transaction" is a transaction effected by a Floor Broker, while not physically present on the Trading Floor, by submitting limit, market or stop orders pursuant to Options 8, Section 28(g), Customer Cross Orders pursuant to Options 8, Section 30(f), Complex Customer Cross Orders pursuant to Options 8, Section 30(g), and Floor Qualified Contingent Cross Orders pursuant to Options 8, Section 30(e) to the electronic order book, through FBMS. In order to conduct Remote FBMS Transactions, unless exempt from such requirements in accordance with Supplementary Material .01 to Options 10, Section 5 or Phlx General 4, Rule 1230, Floor Brokers are subject to the following regulatory requirements: (1) compliance with branch office requirements as described in Supplementary Material .01 to Options 10, Section 5, as well as supervision of such branch office as described in Phlx General 9, Section 20; and (2) compliance with applicable registration requirements described in Phlx General 4. All uses of FBMS involving open outcry must be conducted while physically present on the Trading Floor.

\* \* \* \* \*

## Section 30. Crossing, Facilitation and Solicited Orders

\* \* \* \* \*

(f) Customer Cross Orders. 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.

(1) Customer Cross Orders will be automatically canceled if they cannot be executed.

(2) 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(b)(1) applies to the entry and execution of Customer Cross Orders.

(g) *Complex Customer Cross Orders.* Complex Orders may be entered as Customer Cross Orders, as defined in Options 8, Section 32(g). Such orders will be automatically executed upon entry so long as: (i) the price of the transaction is at or within the best bid and offer for the same complex strategy on the Complex Order Book; (ii) there are no Public Customer Complex Orders for the same strategy at the same price on the Complex Order Book; and (iii) the options legs can be executed at prices that comply with the provisions of Options 3, Section 14(c)(2). Only Complex Customer Cross Orders with a conforming ratio as defined in Options 1, Section 1(b)(13) will be accepted. Complex Customer Cross Orders will be rejected if they cannot be executed. Options 8, Section 22(b)(1) applies to Complex Customer Cross Orders.

(1) Floor Brokers may only submit Complex Customer Cross Orders with a stock/ETF component if such orders comply with the Qualified Contingent Trade Exemption from Rule 611(a) of Regulation NMS. Floor Brokers submitting such orders with a stock/ETF component represent that such orders comply with the Qualified Contingent Trade Exemption. Members of FINRA or The Nasdaq Stock Market ("Nasdaq") are required to have a Uniform Service Bureau/Executing Broker Agreement ("AGU") with Nasdaq Execution Services, LLC ("NES") in order to trade orders containing a stock/ETF component; firms that are not members of FINRA or Nasdaq are required to have a Qualified Special Representative ("QSR") arrangement with NES in order to trade orders containing a stock/ETF component.

(2) Where one component of a Complex Customer Cross Order is the underlying security, the Exchange shall electronically communicate the underlying security component of a Complex Customer Cross Order to NES, its designated broker-dealer, for immediate execution. Such execution and reporting will not occur on the Exchange and will be handled by NES pursuant to applicable rules regarding equity trading. The execution price must be within a certain price from the current market, as determined by the Exchange. If the stock price is not within these parameters, the Complex Customer Cross Order is not executable.

(3) When the short sale price test in Rule 201 of Regulation SHO is triggered for a covered security, NES will not execute a short sale order in the underlying



covered security component of a Complex Customer Cross Order if the price is equal to or below the current national best bid. However, NES will execute a short sale order in the underlying covered security component of a Complex Customer Cross Order if such order is marked “short exempt,” regardless of whether it is at a price that is equal to or below the current national best bid. If NES cannot execute the underlying covered security component of a Complex Customer Cross Order in accordance with Rule 201 of Regulation SHO, the Exchange will cancel back the Complex Customer Cross Order to the entering Member. For purposes of this paragraph, the term “covered security” shall have the same meaning as in Rule 201(a)(1) of Regulation SHO.

\* \* \* \* \*

## **Section 32. Types of Floor-Based (Non-System) Orders**

\* \* \* \* \*

**(f) Customer Cross Order.** A Customer Cross Order is comprised of a Public Customer Order to buy and a Public Customer Order to sell at the same price and for the same quantity. Such orders will trade in accordance with Options 8, Section 30(f).

**(g) Complex Customer Cross Order.** A Complex Customer Cross Order is comprised of a Priority Customer Complex Order to buy and a Priority Customer Complex Order to sell at the same price and for the same quantity. Such orders will trade in accordance with Options 8, Section 30(g).

**([f]h) Multi-leg Orders.** A multi-leg order is any spread type order (including a spread, straddle and combination order) for the same account or tied hedge order as defined below:

**([g]i) FLEX Option.** A FLEX Option is as described in Options 8, Section 34. FLEX Options are not eligible for entry by a member for execution through FBMS.

**([h]j) Routing order types.** In the System, the following order types will be available and governed by Options 5, Section 4: DNR (do not route), FIND and SRCH.

**([i]k)** For options on foreign currencies, a multi-spread transaction consisting of spread, straddle or combination orders may be executed. A multi-spread transaction combines any two spread type orders for the same account as defined in Options 8, Section 32(e), a permissible multi-spread transaction combines any of the following: a two-way transaction with another two-way transaction of the same spread type; a three-way transaction with another three-way transaction of the same spread type; or a two-way transaction with a three-way transaction of the same spread type. In addition, a multi-spread transaction includes the combination of a spread type order with a ratio spread type order. The ratio between the spread type order and the ratio spread type order comprising the multi-spread transaction may range from one-to-one to three-to-one, which will be determined by the Exchange.

\* \* \* \* \*

**Section 34. FLEX Index, Equity, and Currency Options**

\* \* \* \* \*

**(i) Position Limits.**

\* \* \* \* \*

(2) FLEX Index Options shall be subject to a separate position limit for broad-based FLEX Index Options, in the aggregate, of 200,000 contracts on the same side of the market, except that there shall be no position limits for FLEX NDX or XND [respecting market index options; 36,000, 48,000, or 60,000 contracts respecting industry index options, depending on the position limit tier determined pursuant to Options 4A, Section 6(b)(i)]. FLEX Index Options shall otherwise be subject to the same position limits governing index options as provided for within Options 4A, Section 6. FLEX Equity Options shall not be subject to a separate FLEX position limit. Except as provided in subsection (3) of this section (i), positions in FLEX Equity Options shall not be taken into account when calculating position limits for non-FLEX Equity Options, or FLEX or non-FLEX Index Options.

\* \* \* \* \*