

## EXHIBIT 5

(additions are underlined; deletions are [bracketed])

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**C2 Options Exchange, Incorporated  
Rules**

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**Rule 6.11. Openings (and sometimes Closings)**

(a) – (f) No change.

(g) *Matching Orders.*

(1) No change.

(2) *Exposed Orders.* All orders exposed pursuant to this Rule shall be exposed for a period of time designated by the Exchange which shall not exceed 1.5 seconds. Once an exposed order has received a response, a matching period begins which shall last for a period of time designated by the Exchange that shall not exceed 1 second. The size of a response may not exceed the size of the exposed order(s). In addition, any remaining balance of orders not executed after an exposure on the opening that are priced or would be executed at a price that is not within an acceptable tick distance from the initial exposure price will be cancelled. An “acceptable tick distance” shall be determined by the Exchange on a [series]class-by-[series]class and premium basis and shall be the same as the acceptable tick distance established under Rule 6.17(a)(2).

(h) – (j) No change.

... *Interpretations and Policies:*

**.01 – .03** No change.

**.04** *Opening Auction Exposure:* The Exchange may determine to expose orders at the opening via auction including under any of the scenarios described in paragraphs (f)(1)-(4) above. In such cases, the exposure process will be conducted via the Hybrid Agency Liaison (“HAL”) pursuant to Rule 6.18. Any remaining balance of orders not executed via HAL on the opening will be booked at their limit price to the extent consistent with Rule 6.10 except that any remaining balance of orders not executed via HAL on the opening that are priced, or would be executed at a price, that is not within an acceptable tick distance from the initial HAL price will be cancelled. An “acceptable tick distance” (“ATD”) shall be determined by the Exchange on a [series]class-by-[series]class and premium basis and shall be no less than 2 minimum increment ticks. When the HAL Opening Auction Exposure procedure is activated, the ATD will be the same as the ATD established under Rule 6.17(a)(2).

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**Rule 6.14. SAL**

This Rule governs the operation of the SAL system. SAL is a feature within the System that auctions marketable orders for price improvement over the NBBO.

(a) – (d) No change.

(e) Any order (or portion) that does not execute following the auction will be handled as set forth in Rule 6.17(a)(2)(C).

**. . . Interpretations and Policies:**

**.01 – .02** No change.

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**Rule 6.17. Price Check Parameters and Risk Controls**

The System's acceptance and execution of orders and quotes are subject to the price protection mechanisms and risk controls in this Rule 6.17 and otherwise set forth in the Rules. The Exchange may share any Participant-designated risk settings in the System with a Clearing Participant that clears Exchange transactions on behalf of the Participant.

(a) Market Width and Drill Through Parameters: [The Exchange will not automatically execute eligible orders that are marketable if]

(1) Market-Width Parameter[s]: The System will cancel an eligible market order if the width between the national best bid and national best offer is not within an acceptable price range ("APR"). [(as determined by t]The Exchange will determine the APR on a [series by series]class-by-class [and premium ]basis, which the Exchange will announce by Regulatory Circular and will be no less than: \$0.375 between the bid and offer for each option contract for which the bid is less than \$2, \$0.60 where the bid is at least \$2 but does not exceed \$5, \$0.75 where the bid is more than \$5 but does not exceed \$10, \$1.20 where the bid is more than \$10 but does not exceed \$20, and \$1.50 where the bid is more than \$20. [for market orders and/or marketable limit orders and announced to the Trading Permit Holders via Regulatory Circular), or]

(2) Drill-Through Parameter: [The execution would follow an initial partial execution on the Exchange and would be at a subsequent price that is not within an acceptable tick distance from the initial execution (as determined by the Exchange on a series by series and premium basis for market orders and/or marketable limit orders and announced to the Trading Permit Holders via Regulatory Circular).](A) If a buy (sell) order not exposed via HAL (pursuant to Rule 6.18) partially executes, and the System determines the unexecuted portion of the order would execute at a subsequent price higher (lower) than the price that is an acceptable tick distance ("ATD") above (below) the NBO (NBB) ("drill through price"), the System will not automatically execute that portion and will expose that portion via HAL at the better of the NBBO and the drill through price (if eligible for HAL). The Exchange will determine the ATD on a class and premium basis (which may be no less than two minimum increment ticks), which the Exchange will announce via Regulatory Circular.

(B) If a buy (sell) order is exposed via SAL or HAL (other than pursuant to subparagraph (A)) and, following the exposure period pursuant to Rule 6.14 or 6.18, respectively, the System determines the order (or any unexecuted portion) would execute at a price higher (lower) than the drill through price, the System will not automatically execute that order (or unexecuted portion).

(C) Any order (or portion) not executed pursuant to subparagraphs (A) or (B) above will rest in the book (based on the time at which it enters the book for priority purposes) for a time period in milliseconds (which the Exchange will determine and announce via Regulatory Circular and will not exceed three seconds) with a price equal to the drill through price (except orders (or any unexecuted portions) that by their terms cancel if they do not execute immediately (such as immediate-or-cancel, fill-or-kill, intermarket sweep, and market-maker trade prevention orders) will be cancelled). If any order (or any unexecuted portion) does not execute during that time period, the System cancels it.

(D) Notwithstanding subparagraphs (A) to (C), if the System determines a buy (sell) order (or any unexecuted portion) not eligible for SAL or HAL pursuant to Rule 6.14 or 6.18, respectively, would execute at a subsequent price higher (lower) than the drill through price, the System will cancel the order (or any executed portion).

(E) This subparagraph (a)(2) does not apply to executions of orders following an exposure via HAL at the open, which are subject to the drill through protection in Rule 6.11(g)(2) and Interpretation and Policy .04.

(b) Limit Order Price Parameters: [The Exchange will not accept for execution eligible limit orders if]The System rejects back to a Participant an order to buy (sell) at more than an acceptable tick distance above (below) if:

(1) prior to the opening of a series (including during any pre-opening period and opening rotation),[before a series is opened following a halt), the order is to buy at more than an acceptable tick distance above] (A) the last disseminated NBO (NBB) if a series is open on another exchange(s), or (B) the Exchange's previous day's closing[e] price, if a series is not yet open on any other exchange; if the NBBO is locked, crossed or unavailable; or if there is no NBO (NBB) and the previous day's closing price is greater (less) than or equal to the NBB (NBO). However, this does not apply to orders of Exchange Market-Makers or away Market-Makers, or to Intermarket Sweep Orders ("ISOs"); if there is no NBO (NBB) and the Exchange's previous day's closing price is less (greater) than the NBB (NBO); or if there is no NBBO and no Exchange previous day's closing price[or the order is to sell at more than an acceptable tick distance below the Exchange's previous day's close (as determined by the Exchange on a series by series and premium basis and announced to the Trading Permit Holders via Regulatory Circular)]; [or ]

(2) [once a series has opened, the order is to buy at more than an acceptable tick distance above]intraday, (A) the last disseminated NBO (NBB) or (B) the Exchange's best offer

(bid), if the NBBO is locked, crossed or unavailable. However, this does not apply if there is no NBBO and no BBO; or [Exchange offer or the order is to sell at more than an acceptable tick distance below the disseminated Exchange bid (as determined by the Exchange on a series by series and premium basis and announced to the Trading Permit Holders via Regulatory Circular).]

(3) during a halt (including during any pre-opening period or opening rotation prior to re-opening following the halt), the last disseminated NBO (NBB). However, this does not apply to a buy (sell) order if the NBBO is locked, crossed or unavailable; to ISOs; or if there is no NBO (NBB).

For purposes of this paragraph (b): An “acceptable tick distance” (which is referred to as an “ATD”), as determined by the Exchange on a class-by-class and premium basis and announced to Participants via Regulatory Circular, shall be no less than two minimum increment ticks for simple orders. [Paragraph (b)(1) is not applicable to limit orders of Exchange Market-Makers or away Market-Makers or Intermarket Sweep Orders (“ISOs”) as ISOs cannot be entered prior to the opening on the System. Paragraph (b)(2) is applicable to ISOs for all classes where the limit order price parameter is activated.] The Exchange may determine to apply a different ATD to orders entered during the pre-opening, a trading rotation, or a trading halt. The checks in subparagraphs (1) through (3) do not apply to orders with a stop contingency. The limit order price parameter will take precedence over another price check parameter to the extent that both are applicable to an incoming limit order.[on a class by class basis and announce via Regulatory Circular whether to apply paragraph (b)(1) and/or (b)(2) to immediate-or-cancel orders if doing so would be necessary or appropriate in furtherance of the interests of investors and the promotion of fair and orderly markets.] The Exchange may determine to widen or narrow the ATDs with respect to particular order types, in the interests of fair and orderly markets or, in furtherance of the objectives of the Options Order Protection and Locked/Crossed Market Plan, as announced via Regulatory Circular.

(c) For purposes of paragraphs (a) and (b) of this Rule[.],

[(1) An “acceptable price range” (“APR”) shall be determined by the Exchange on a series by series and premium basis and shall be no less than: \$0.375 between the bid and offer for each option contract for which the bid is less than \$2, \$0.60 where the bid is at least \$2 but does not exceed \$5, \$0.75 where the bid is more than \$5 but does not exceed \$10, \$1.20 where the bid is more than \$10 but does not exceed \$20, and \$1.50 where the bid is more than \$20. An “acceptable tick distance” (“ATD”) for the drill through price parameter shall be no less than 2 minimum increment ticks. An ATD for the limit order price parameter shall be no less than 5 minimum increment ticks.]

[(2)] The senior official in the Help Desk may grant intra-day relief by widening or inactivating one or more of the applicable APR and/or ATD parameter settings in the interest of a fair and orderly market[.], which the Exchange will [(A) Notification of intra-day relief will be] announce[d] via electronic message to Trading Permit Holders that request to receive such messages. Such intra-day relief will not extend beyond the trade day on which it is granted, unless a determination to extend such relief is

announced to Trading Permit Holders via Regulatory Circular. The Exchange will make and keep records to document all determinations to grant intra-day relief under this Rule, and shall maintain those records in accordance with Rule 17a-1 under the Exchange Act. [(B) ]The Exchange will periodically review determinations to grant intra-day relief for consistency with the interest of a fair and orderly market.

[If an execution is suspended because the market width APR has not been met, the order will be cancelled.

If an execution is suspended because executing the remaining portion of an order would exceed the drill through ATD, then such remaining portion will be cancelled.

If a limit order is not accepted for execution because the limit order price ATD has not been met, the order will be returned to the order entry firm. The limit order price parameter will take precedence over another price check parameter to the extent that both are applicable to an incoming limit order.]

(d) *Put Strike Price and Call Underlying Value Checks.*

[(i)1] The System rejects back to the Participant a quote or buy [limit ]order for:

(A) a put if the price of the quote bid or a buy limit order, or the price at which a buy market order (or any remaining size after partial execution), is [equal to or ]greater than or equal to the strike price of the option; or

(B) a call if the price of the quote bid or a buy limit order, or the price at which a buy market order (or any remaining size after partial execution) would execute, is [equal to or ]greater than or equal to the consolidated last sale price of the underlying security, with respect to equity and ETF options, or the last disseminated value of the underlying index, with respect to index options.

If the System rejects a Market-Maker's quote pursuant to either check in the above subparagraphs, the System cancels any resting quote of the Market-Maker in the same series.

[(ii)2] The Exchange may determine not to apply to a class either the put check in subparagraph [(i)1](A) or the call check in subparagraph [(i)1](B) above if a senior official at the Exchange's Help Desk determines the applicable check should not apply in the interest of maintaining a fair and orderly market, which the Exchange will announce by electronic message to Trading Permit Holders that request to receive such messages. The call check in subparagraph [(i)1](B) above does not apply to adjusted classes or if market data for the underlying is unavailable. The checks in subparagraphs (1)(A) and (B) do not apply to market orders executed during an opening rotation.

[(iii)3] No change.

[(iv)4] The checks in subparagraph [(i)1] above apply to pairs of orders submitted to AIM or SAM. If the System rejects either order in the pair pursuant to the applicable

check, then the System also cancels the paired order. Notwithstanding the foregoing, with respect to an AIM order that instructs the System to process the agency order as an unpaired order if an AIM auction cannot be initiated, if the System rejects the agency order pursuant to the applicable check, then the System also rejects the contra-side order; however, if the System rejects the contra-side order pursuant to the applicable check, the System still accepts the agency order if it satisfies the applicable check.

(e) *Quote Inverting NBBO Check*. If C2 is at the NBO (NBB), the System rejects a quote back to a Market-Maker if the quote bid (offer) crosses the NBO (NBB) by more than a number of ticks specified by the Exchange (which will be no less than three minimum increment ticks and announced to Participants by Regulatory Circular). If C2 is not at the NBO (NBB), the System rejects a quote back to a Market-Maker if the quote bid (offer) locks or crosses the NBO (NBB). If the System rejects a Market-Maker's quote pursuant to this check, the System also cancels any resting quote of the Market-Maker in the same series.

(i)1) When a series is open for trading, [I]f the NBBO is unavailable, locked or crossed, then this check compares the quote to the BBO (if available). If the BBO is also unavailable, then the System does not apply this check to incoming quotes.

(ii)2) Prior to the opening of a series (including during any pre-opening period and opening rotation), the System does not apply this check to incoming quotes if the series is not open on another exchange.

(3) During a trading halt, [The Exchange may determine]the System does not [to ]apply this check to [a]incoming quotes[ entered during the pre-opening, a trading rotation, or a trading halt, which the Exchange will announce to Participants by Regulatory Circular].

(4) [Additionally, a]A senior official at the Exchange's Help Desk may determine to not apply this check in the interest of maintaining a fair and orderly market.

(iii)(f) Execution of Quotes That Lock or Cross NBBO. If the System accepts a quote that locks or crosses the NBBO, the System executes the quote bid (offer) against quotes and orders in the Book at a price(s) that is the same or better than the best price disseminated by an away exchange(s) up to the size available on the Exchange and either ([A]1) cancels any remaining size of the quote, if the price of the quote locks or crosses the price disseminated by the away exchange(s) or ([B]2) books any remaining size of the quote, if the price of the quote does not lock or cross the price of the away exchange(s). If the NBBO is locked, crossed or unavailable, then the System does not apply this check to incoming quotes. Additionally, a senior official at the Exchange's Help Desk may determine not to apply this check in the interest of maintaining a fair and orderly market.

(g) Order Entry, Execution and Price Parameter Rate Checks. (1) Each Participant must provide to the Exchange parameters for an acronym or, if the Participant requests, a login, for each of the following rate checks. The System counts each of the following over rolling time intervals, which the Exchange will set and announce via Regulatory Circular:

(A) the total number of orders (of all order types) and auction responses entered and accepted by the System (“orders entered”);

(B) the total number of contracts (from orders and auction responses) executed on the System, which does not count stock contracts executed as part of stock-option orders (“contracts executed”);

(C) the total number of orders the System books or cancels (except orders (or any unexecuted portions) that by their terms cancel if they do not execute immediately (such as immediate-or-cancel, fill-or-kill, intermarket sweep, and market-maker trade prevention orders)) pursuant to the drill through price check parameter in subparagraph (a)(2) of this Rule (“drill through events”); and

(D) the total number of orders the System cancels due to the limit order price parameter in paragraph (b) of this Rule and in Rule 6.13, Interpretation and Policy .04(f) and (g) (“price reasonability events”).

(2) When the System determines the orders entered, contracts executed, drill through order events or price reasonability events within the applicable time interval exceeds a Participant’s parameter, the System (A) rejects all subsequent incoming orders and quotes, (B) cancels all resting quotes (if the acronym or login is for a Market-Maker), and (C) for the orders entered and contracts executed checks, if the Participant requests, cancels resting orders (either all orders, orders with time-in-force of day, or orders entered on that trading day) for the acronym or login, as applicable.

(3) The System will not accept new orders or quotes from a restricted acronym or login, as applicable, until the Exchange receives the Participant’s manual notification (in a form and manner determined by the Exchange, which will be announced by Regulatory Circular) to reactivate its ability to send orders and quotes for the acronym or login. While an acronym or login is restricted, a Participant may continue to interact with orders entered prior to its acronym or login becoming restricted, including receiving trade execution reports and canceling resting orders.

(h) Maximum Contract Size. The System rejects a Participant’s incoming order or quote (including both sides of a two-sided quote) if its size exceeds the maximum contract size designated by the Participant. Each Participant must provide a maximum contract size for each of simple orders, complex orders (the contract size for which equals the contract size of the largest option leg of the order) and quotes applicable to an acronym or, if the Participant requests, a login.

(1) If a Participant enters an order or quote to replace a resting order or update a resting quote, respectively, and the System rejects the incoming order or quote because it

exceeds the applicable maximum contract size, the System also cancels the resting order or any resting quote in the same series.

(2) This check also applies to pairs of orders submitted to AIM or SAM order. If the System rejects either order in the pair, then the System also rejects the paired order. Notwithstanding the foregoing, with respect to an A:AIR order, if the System rejects the Agency Order, then the System rejects the contra-side order; however, if the System rejects the contra-side order, the System still accepts the Agency Order.

(i) Kill Switch. (1) A Participant may send a message to the System to, or contact the Exchange Help Desk to request that the Exchange, cancel all its resting quotes (if the acronym or login is for a Market-Maker), resting orders (either all orders, orders with time-in-force of day, or orders entered on that trading day), or both, for an acronym or login. The System will send a Participant an automated message when it has processed a kill switch request for an acronym or login.

(2) Once a Participant initiates the kill switch for an acronym or login, the System rejects all subsequent incoming orders and quotes for the acronym or login, as applicable. The System will not accept new orders or quotes from a restricted acronym or login until the Exchange receives the Participant's manual notification (in a form and manner determined by the Exchange, which will be announced by Regulatory Circular) to reactivate its ability to send orders and quotes for the acronym or login. While an acronym or login is restricted, a Participant may continue to interact with orders entered prior to its acronym or login becoming restricted, including receiving trade execution reports and canceling resting orders.

### **Rule 6.18. HAL**

This Rule governs the operation of the HAL system. HAL is a feature within the System that provides automated order handling in designated classes for qualifying electronic orders that are not automatically executed by the System.

(a) *HAL Eligibility.* The Exchange shall designate eligible order size, eligible order type, eligible order origin code (*i.e.*, public customer orders, non-Market Maker broker-dealer orders, and Market Maker broker-dealer orders), and classes in which HAL shall be activated. HAL shall automatically process upon receipt:

(i) – (ii) No change.

(iii) an order (or any unexecuted portion) submitted to HAL [as a result of the price check parameters of] pursuant to Rule 6.17(a)(2)(A).

(b) *Order Handling and Responses.* Upon receipt by HAL, the System will immediately expose electronically [O]orders at the NBBO price, if [that are] received [by HAL] pursuant to subparagraphs (a)(i) through (ii), or at the better of the NBBO and the drill through price (as defined in Rule 6.17(a)(2)(A)), if received pursuant to subparagraph (a)(iii)[above shall immediately upon receipt be electronically exposed at the NBBO price]. The exposure shall be for a period of time determined by the Exchange on a class-by-class basis, which period of time shall not exceed 1 second.

All Trading Permit Holders may submit responses to the exposure message during the exposure period.

Responses (i) must be priced equal to or better than the Exchange's best bid/offer; (ii) must be limited to the size of the order being exposed; and (iii) may be cancelled and/or replaced any time during the exposure period.

(c) *Allocation of Exposed Orders.* Any responses priced at the prevailing NBBO or better shall immediately trade against the order (on a first come, first served basis). At the conclusion of the exposure period, the Exchange will evaluate all remaining responses as well as the disseminated best bid/offer on other exchanges and execute any remaining portion of the exposed order to the fullest extent possible at the best price(s) by first executing against responses (pursuant to the matching algorithm in effect for the class except that the participation entitlement and market turner status shall not apply to responses), and, second, routing Immediate-or-Cancel ("IOC") ISOs to other exchanges. Any portion of a routed IOC ISO that returns unfilled shall trade against the Exchange's best bid/offer unless another exchange is quoting at a better price in which case new IOC ISOs shall be generated and routed to trade against such better prices. Any executions at the Exchange's best bid/offer will first trade against interest that was resting at the price at the time the exposed order was received, and any remaining balance will trade against all new interest at that price (in both cases pursuant to the matching algorithm for that class). All executions on the Exchange pursuant to this paragraph shall comply with Rule 6.81. Executions will be subject to the price check parameter[s] set forth in Rule 6.17(a)(2) when such price check functionality is enabled, and any unexecuted portion of an order that does not execute following the exposure period will be handled as set forth in Rule 6.17(a)(2)(C).

(d) No change.

*... Interpretations and Policies:*

**.01 – .02** No change.

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**Rule 8.12. Quote Risk Monitor Mechanism**

Each Market-Maker who is obligated to provide and maintain continuous electronic quotes pursuant to Rule 8.5, or the Participant organization with which the Market-Maker is associated, [may]must establish parameters for an acronym or firm, as applicable, for each function below by which the Exchange will activate the Quote Risk Monitor ("QRM") Mechanism. The functionality of the QRM Mechanism that is available to Market-Makers includes, for each such option class in which the Market-Maker is engaged in trading: (i) a maximum number of contracts for such option class (the "Contract Limit") and a rolling time period in milliseconds within which such Contract Limit is to be measured (the "Measurement Interval"); (ii) a maximum cumulative percentage that the Market-Maker is willing to trade (the "Cumulative Percentage Limit"), where the cumulative percentage is the sum of the percentages of the original quoted size of each size of each series that traded, and a Measurement Interval; and (iii) the maximum number of series for which either side

of the quote is fully traded (the “Number of Series Fully Traded”) and a Measurement Interval. [This functionality is optional and Market-Makers are not required to set parameters for the aforementioned QRM Mechanism functions.]

When the Exchange determines that the Market-Maker has traded at least the Contract Limit or Cumulative Percentage Limit for such option class during any rolling Measurement Interval, or has traded at least the Number of Series Fully Traded on an option class during any rolling Measurement Interval, the QRM Mechanism shall cancel all electronic quotes being disseminated with respect to that Market-Maker in that option class and any other classes with the same underlying security until the Market-Maker refreshes those electronic quotes. Such action by the Exchange is referred to herein as a QRM Incident. Once the QRM Mechanism is triggered, all counters that determine whether the QRM Mechanism is triggered and a QRM Incident occurs will be reset for all classes for which quotes were canceled for all parties for whom such quotes were canceled.

A Market-Maker or a Participant organization may also specify a maximum number of QRM Incidents on an Exchange-wide basis. When the Exchange determines that such Market-Maker or Participant organization has reached its QRM Incident limit during any rolling Measurement Interval, the QRM Mechanism shall cancel all of the Market-Maker’s or Participant organization’s electronic quotes and Market-Maker orders resting in the Book in all option classes on the Exchange and prevent the Market-Maker or Participant organization from sending additional quotes or orders to the Exchange until the Market-Maker or Participant organization reactivates its ability to send quotes or orders in a manner prescribed by the Exchange. Once the QRM Mechanism is triggered and quotes and orders are cancelled, all counters that determine whether the QRM Mechanism is triggered and a QRM Incident occurs will be reset for all parties for whom the QRM Mechanism was triggered and for all classes for which quotes and orders were canceled. If the Exchange cancels all of the Market-Maker’s or Participant organization’s electronic quotes and Market-Maker orders resting in the Book, and the Market-Maker or Participant organization does not reactivate its ability to send quotes or orders, the block will be in effect only for the trading day that the Market-Maker or Participant organization reached its QRM Incident limit. [Market-Makers and Participant organizations are not required to set parameters for the Exchange-wide QRM.]

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