

**EXHIBIT 5**

Deleted text is [bracketed]. New text is underlined.

**INTERNATIONAL SECURITIES EXCHANGE RULES**

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**Chapter 7 Doing Business on the Exchange**

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**723. Price Improvement Mechanism for Crossing Transactions**

(a) The Price Improvement Mechanism is a process by which an Electronic Access Member can provide price improvement opportunities for a transaction wherein the Electronic Access Member seeks to facilitate an order it represents as agent, and/or a transaction wherein the Electronic Access Member solicited interest to execute against an order it represents as agent (a “Crossing Transaction”).

(b) Crossing Transaction Entry. A Crossing Transaction is comprised of the order the Electronic Access Member represents as agent (the “Agency Order”) and a counter-side order for the full size of the Agency Order (the “Counter-Side Order”). The Counter-Side Order may represent interest for the Member’s own account, or interest the Member has solicited from one or more other parties, or a combination of both.

For the period beginning January 19, 2017 until a date specified by the Exchange in a Regulatory Information Circular, which date shall be no later than July 15, 2017, the following provisions shall be in effect:

(1) If the Agency Order is for less than 50 option contracts, and if the difference between the National Best Bid and National Best Offer (“NBBO”) is \$0.01, the Electronic Access Member shall not enter a Crossing Transaction unless such Crossing Transaction is entered at one minimum price improvement increment better than the NBBO on the opposite side of the market from the Agency Order and better than the limit order or quote on the ISE order book on the same side of the Agency Order. Failure to provide such price improvement will subject the Electronic Access Member to the fines set forth in Rule 1614(d)(4).

(1)2) If the Agency Order is for 50 option contracts or more, or if the difference between the NBBO is greater than \$0.01, [A]a Crossing Transaction must be entered only at a price that is equal to or better than the [national best bid or offer (“]NBBO[”)] and better than the limit order or quote on the ISE order book on the same side of the Agency Order.

([2]3) The Crossing Transaction may be priced in one-cent increments.

([3]4) The Crossing Transaction may not be canceled, but the price of the Counter-Side Order may be improved during the exposure period.

After the date specified by the Exchange in a Regulatory Information Circular, which date shall be no later than July 15, 2017, the following provisions shall be in effect:

(1) If the Agency Order is for less than 50 option contracts, and if the difference between the National Best Bid and National Best Offer (“NBBO”) is \$0.01, the Crossing Transaction must be entered at one minimum price improvement increment better than the NBBO on the opposite side of the market from the Agency Order and better than the limit order or quote on the ISE order book on the same side of the Agency Order.

(2) If the Agency Order is for 50 option contracts or more, or if the difference between the NBBO is greater than \$0.01, a Crossing Transaction must be entered only at a price that is equal to or better than the national best bid or offer (“NBBO”) and better than the limit order or quote on the ISE order book on the same side of the Agency Order.

(3) The Crossing Transaction may be priced in one-cent increments.

(4) The Crossing Transaction may not be canceled, but the price of the Counter-Side Order may be improved during the exposure period.

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### ***Supplementary Material to Rule 723***

.01 - .02 No Change.

.03 [Initially, and for at least a Pilot Period expiring on January 18, 2017, t]There will be no minimum size requirements for orders to be eligible for the Price Improvement Mechanism. [During the Pilot Period, the Exchange will submit certain data, periodically as required by the Commission, to provide supporting evidence that, among other things, there is meaningful competition for all size orders within the Price Improvement Mechanism, that there is significant price improvement for all orders executed through the Price Improvement Mechanism, and that there is an active and liquid market functioning on the Exchange outside of the Price Improvement Mechanism. Any raw data which is submitted to the Commission will be provided on a confidential basis.]

.04 No Change.

[.05 Paragraphs (c)(5) and (d)(4) will be effective for a Pilot Period expiring on January 18, 2017. During the Pilot Period, the Exchange will submit certain data relating to the frequency with which the exposure period is terminated by unrelated orders. Any raw data which is submitted to the Commission will be provided on a confidential basis.]

.0[6]5 No Change.

.0[7]6 No Change.

.0[8]7 Reserved.

.0[9]8 No Change.

.1[0]9 No Change.

.1[1]0 No Change.

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**Chapter 16 Discipline**

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**Rule 1614. Imposition of Fines for Minor Rule Violations**

(a) - (c) No change.

(d) *Violations Subject to Fines.* The following is a list of the rule violations subject to, and the applicable sanctions that may be imposed by the Exchange pursuant to, this Rule:

(1) – (3) No change.

(4) [Reserved.] **Violations of Rule 723 (Price Improvement Mechanism for Crossing Transactions).**

For the period beginning January 19, 2017 until a date specified by the Exchange in a Regulatory Information Circular, which date shall be no later than September 15, 2017, the following provision shall be in effect:

Any Member who enters an order into PIM for less than 50 contracts, while the National Best Bid or Offer spread is \$0.01, must provide price improvement of at least one minimum price improvement increment better than the NBBO on the opposite side of the market from the Agency Order, which increment may not be smaller than \$0.01. Failure to provide such price improvement will subject Members to the fines listed below.

Offense	Sanction
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<u>2<sup>nd</sup> Offense</u>	<u>\$500</u>
<u>3<sup>rd</sup> Offense</u>	<u>\$1,000</u>
<u>4<sup>th</sup> Offense</u>	<u>\$2,500</u>
<u>Subsequent Offenses</u>	<u>Formal Disciplinary Action</u>

The Exchange will review violations on a monthly cycle to assess these violations.

(5) – (11) No change.

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