

**EXHIBIT 5.C**

[New text is underscored and the deleted text is in brackets.]

## PROPOSED PCXE RULES

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**Rule 3.2 Equity Committees**

Rules 3.2(a) – 3.2(b)(2)(A) – No Change

(B) *Nomination, Appointment and Election.*

(i) *Nomination.* Sixty-five days prior to the expiration of the term of its members, the Nominating Committee shall publish a slate of six eligible nominees to fill the positions during the next annual term of the Nominating Committee. ETP Holders in good standing may submit a petition to the Corporation in writing to nominate additional eligible candidates to fill the ETP positions during the next annual term, and upon written petition of at least 10 percent of ETP Holders in good standing on or before the forty-fifth day preceding the expiration of the existing term such person(s) shall also be nominated by the Nominating Committee; provided, however that no ETP Holder, either alone or together with other ETP Holders who are deemed its affiliates (as such term is defined in Rule 12b-2 under the Exchange Act), may account for more than 50% of the signatories to the petition endorsing a particular petition nominee for the ETP Holders' position on the Nominating Committee.

(ii) – No Change

(iii) *Election.* In the event that ETP Holders, or allied persons of an ETP Holders, are nominated by the Nominating Committee pursuant to petition by the ETP Holders, and there are more than six nominees to fill the ETP Holders positions on the Nominating Committee, the Nominating Committee shall submit the nominees to the ETP Holders, collectively for election. Each ETP Holder in good standing shall be permitted to vote for up to six nominees and the six nominees receiving the most votes shall fill the ETP positions as members during the next annual term of the Nominating Committee; provided, however that no ETP Holder, either alone or together with other ETP Holders who are deemed its affiliates, may account for more than 20% of the votes cast for a particular nominee for the ETP Holders' position on the Nominating Committee. Tie votes shall be decided by the Board of Directors at its first meeting following the election.

(iv)– No Change

(C) *Representatives to the Board of Directors of the Corporation and the Board of Governors of the Pacific Exchange, Inc.*

(i) *Nomination.* Sixty-five days prior to the expiration of the term of its Directors, the Nominating Committee shall publish the names of two (2) ETP Holders, or persons affiliated with such Holders (in any combination) as its nominees for the Board of Directors of the Corporation and one ETP Holder, or allied person of an ETP Holder, as nominee for the Board of Governors of the Pacific Exchange, Inc. The nominee for the Board of Governors may be a person nominated to the Board of Directors. ETP Holders in good standing may submit a petition to the Corporation in writing to nominate additional eligible candidates to fill ETP positions during the next term, and upon written petition of at least 10 percent of ETP Holders in good standing on or before the forty-fifth day preceding the expiration of the existing term such person(s) shall also be nominated by the Nominating Committee; provided, however, that no ETP Holder, either alone or together with other ETP Holders who are deemed its affiliates, may account for more than 50% of the signatories to a petition endorsing a particular petition nominee for the ETP Holders' position on the Board of Directors of the Corporation or the Board of Governors of the Pacific Exchange, Inc.

(ii) *Selection of Nominees.* In the event that ETP positions are nominated by the Nominating Committee pursuant to petition by the ETP Holders, and there are three or more nominees for the Board of Directors or two or more nominees for the Board of Governors, the Nominating Committee shall submit the contested nomination(s) to the ETP Holders for selection. Each ETP Holder in good standing may select two nominees for contested seats on the Board of Directors and one nominee for contested seats on the Board of Governors; provided, however that no ETP Holder, either alone or together with other ETP Holders who are deemed its affiliates, may account for more than 20% of the votes cast for a particular nominee for the ETP Holders' position the Board of Directors of the Corporation or the Board of Governors of the Pacific Exchange, Inc. With respect to contested positions, the two nominees for the Board of Directors and the nominee for the Board of Governors selected by the most ETP Holders shall be submitted by the Nominating Committee to the Board of Directors of the Corporation or the Board of Governors of the Pacific Exchange, Inc., as the case may be. Similarly, the Nominating Committee shall submit uncontested nominees to the Board of Directors of the Corporation or the Board of Governors of the Pacific Exchange, Inc., as the case may be. Tie votes shall be decided by the respective Board at its first meeting following the election.

Rule 3.2(b)(3) – 3.2(c) – No Change

### **Rule 3.10 Certain Relationships**

(a) Unless approved by the Securities and Exchange Commission, no ETP Holder shall be affiliated (as such term is defined in Rule 12b-2 under the Exchange Act) with NYSE Group, Inc. (or any successors thereto) or any of its affiliated entities.

(b) Unless approved by the Securities and Exchange Commission, neither NYSE Group, Inc. nor any of its affiliates (as such term is defined in Rule 12b-2 under the Exchange Act) shall hold, directly or indirectly, any ownership interest in any ETP Holder.

(c) Any person who fails to meet the requirements of this Rule 3.10 shall not be eligible to become an ETP Holder. Any failure by an ETP Holder to comply with this Rule 3.10 shall be subject to the disciplinary actions prescribed by Rule 11.2(a)(2)(v).

### **Rule 11.2 Procedures for Suspension**

Rule 11.2(a) – 11.2(a)(2)(iv) – No Change

(v) suspend all trading rights and privileges of an ETP Holder for failure to comply with Rule 3.10; provided that, in the event of circumstances contemplated by this Rule 11.2(a)(2)(v), the Corporation shall: (1) provide notice to the applicable ETP Holder within five business days of learning of the events contemplated by this Rule 11.2(a)(2)(v); (2) allow the applicable ETP Holder fifteen calendar days to cure any such failure to comply contemplated by this Rule 11.2(a)(2)(v); (3) in the event that the applicable ETP Holder does not cure such failure to comply within such fifteen calendar day cure period, schedule a hearing to occur within thirty calendar days following the expiration of such fifteen calendar day cure period; and (4) render its decision as to the suspension of all trading rights and privileges of the applicable ETP Holder no later than ten calendar days following the date of such hearing.

Rule 11.2(b) – 11.2(c) – No Change