

Exhibit 5

New text is underlined; deleted text is in brackets.

**NASDAQ OMX PHLX Rules
Rules of the Exchange**

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Rule 1079. FLEX Index, Equity and Currency Options

A Requesting Member shall obtain quotes and execute trades in certain non-listed FLEX options at the specialist post of the non-FLEX option on the Exchange. The term “FLEX option” means a FLEX option contract that is traded subject to this Rule. Although FLEX options are generally subject to the Rules in this section, to the extent that the provisions of this Rule are inconsistent with other applicable Exchange Rules, this Rule takes precedence with respect to FLEX options.

(a) Characteristics:

(1) Underlying interest —

- (A) any index upon which options currently trade on the Exchange. The applicable index multiplier shall be the same multiplier, in the case of U.S. dollar-denominated FLEX index options, that applies to non-FLEX index options on the same underlying index;
- (B) any security which is options-eligible pursuant to Rule 1009; or
- (C) any foreign currency which is options-eligible pursuant to Rule 1009 and which underlies non-FLEX U.S. dollar-settled foreign currency options that are trading on the Exchange.

(2) Type—put, call or hedge order (as defined in Rule 1066);

(3) Exercise price—

- (A) with respect to FLEX index options, may be specified in terms of a specific index value number, a percentage of the index value calculated as of the open or close of trading on the Exchange on the trade date, or a method for fixing such number;
- (B) with respect to FLEX equity options, may be specified in terms of a specific dollar amount rounded to the nearest \$.10 or a percentage of the underlying security rounded to the nearest minimum increment; or
- (C) with respect to FLEX currency options, may be specified in terms of a specific dollar amount rounded to the nearest hundredth of a dollar.

(4) Quote format—

- (A) in the case of FLEX index options and equity options, a bid and/or offer in the form of a decimal price (*e.g.* .10 or .25), pursuant to Rule 1034, a specific dollar amount, or a percentage of the underlying equivalent value, in the case of FLEX index options, or security, in the case of FLEX equity options, rounded to the nearest minimum increment; or
- (B) in the case of FLEX currency options, in the form of dollars per unit of underlying foreign currency in the minimum increments set forth for U.S. dollar settled foreign currency options in Rule 1034(a).
- (5) Exercise style—American or European in the case of FLEX index options and FLEX equity options, and European only in the case of FLEX U. S. dollar-settled foreign currency options;
- (6) Expiration date—
- (A) any month, business day and year within five years for FLEX index options and within three years for FLEX currency options, except that (i) a FLEX index option that expires on or within two business days prior or subsequent to a third Friday-of-the-month expiration day for a non-FLEX option (except quarterly expiring index options) or underlying currency may only have an exercise settlement value on the expiration date determined by reference to the reported level of the index as derived from the opening prices of the component securities ("a.m. settlement") and (ii) all FLEX currency options will expire at 11:59 p.m. eastern time on their designated expiration date; or
- (B) any month, business day and year within three years for FLEX equity options, provided, however, that a Requesting Member may request a longer term to a maximum of five years, and upon the assessment of the Regulatory staff that sufficient liquidity exists among FLEX equity participants, such request may be granted. Regulatory staff are Exchange employees responsible for, among other things, assessing that sufficient liquidity exists among FLEX equity participants requesting a term exceeding three years to a maximum of five years. The Exchange may also designate other qualified Exchange employees to assist the Regulatory staff as the need arises.
- (C) Provided the options on an underlying security or index are otherwise eligible for FLEX trading, FLEX options shall be permitted in puts and calls that do not have the same exercise style, same expiration date and same exercise price as non-FLEX options that are already available for trading on the same underlying security or index. FLEX options shall also be permitted before the options are listed for trading as non-FLEX options. Once and if the option series are listed for trading as non-FLEX options, then (i) all existing open positions established under the FLEX trading procedures shall be fully fungible with transactions in the respective non-FLEX option series, and (ii) any further trading in the series would be as non-FLEX options subject to the non-FLEX trading procedures and Rules. However, in the event the Non-FLEX

series is added intra-day, a position established under the FLEX trading procedures would be permitted to be closed using the FLEX trading procedures for the balance of the trading day on which the Non-FLEX series is added against another closing only FLEX position. For such FLEX series, the Exchange will make an announcement that the FLEX series is now restricted to closing transactions; a FLEX Request for Quotes ("RFQ") may not be disseminated for any order representing a FLEX series having the same terms as a Non-FLEX series, unless such FLEX Order is a closing order (and it is the day the Non-FLEX series has been added); and only responses that close out an existing FLEX position are permitted. Any transactions in a restricted series that occur that do not conform to these requirements will be nullified by the Exchange.

(7) Requesting quotes—to request a quote in FLEX options, an RFQ shall be submitted pursuant to paragraph (b) of this Rule;

(8) Minimum size—

(A) **Opening**—If there is no open interest in the particular series when an RFQ is submitted, the minimum size of an RFQ is:

(i) except as provided in Commentary .01 below, \$10 million underlying equivalent value, respecting FLEX market index options, and \$5 million underlying equivalent value respecting FLEX industry index options;

(ii) except as provided in Commentary .01 below, the lesser of 250 contracts or the number of contracts overlying \$1 million in the underlying securities, with respect to FLEX equity options; and

(iii) 50 contracts in the case of FLEX currency options.

(B) **Opened**—If there is open interest, the minimum size of an RFQ is:

(i) respecting FLEX index options, \$1 million underlying equivalent value, or the remaining size on a closing transaction, whichever is less;

(ii) respecting FLEX equity options, the lesser of 100 contracts or the number of contracts overlying \$1 million of the underlying securities in the case of an opening transaction, or 25 contracts or the remaining size in the case of a closing transaction, whichever is less; or

(iii) respecting FLEX currency options, 25 contracts, or the remaining size on a closing transaction, whichever is less.

(C) **Responsive**—The minimum value size for a responsive quote, other than an assigned ROT or assigned Specialist, is (includes non-assigned ROTs and a non-assigned Specialist):

(i) respecting FLEX index options, \$1 million underlying equivalent value respecting index options, or the remaining size on a closing transaction, whichever is less. However, an assigned ROT and assigned Specialist are required to respond with at least \$10 million underlying equivalent value respecting FLEX market index options, and \$5 million underlying equivalent value respecting FLEX industry index options or Alpha Index options, or the size amount requested in the RFQ, whichever is less;

(ii) respecting FLEX equity options, 25 contracts, or the remaining size on a closing transaction, whichever is less. However, an assigned ROT and assigned Specialist are required to respond with at least 250 contracts, or the size amount requested in the RFQ, whichever is less; or

(iii) respecting FLEX currency options, 50 contracts, or the remaining size on a closing transaction, whichever is less. However, an assigned ROT and assigned Specialist are required to respond with at least 250 contracts, or the size amount requested in the RFQ, whichever is less.

(D) "Underlying equivalent value" means the aggregate value of a FLEX index option (index multiplier times the current index value) multiplied by the number of FLEX index options.

(9) Settlement

(A) respecting FLEX index options, the settlement value may be specified as the index value reported at the: (i) close (P.M.-settled); (ii) opening (A.M.-settled) of trading on the Exchange, or (iii) as an average over a specified period of time, within parameters established by the Exchange. American style index options exercised prior to the expiration date can only settle based on the closing value on the exercise date. FLEX index options are settled in U.S. dollars; or

(B) The settlement value for FLEX options on the Australian dollar, the Euro, the British pound, the Canadian dollar, the Swiss franc, the Japanese yen, the Mexican peso, the Brazilian real, the Chinese yuan, the Danish krone, the New Zealand dollar, the Norwegian krone, the Russian ruble, the South African rand, the South Korean won, and the Swedish krona shall be the Exchange Spot Price at 12:00:00 Eastern Time (noon) on expiration day, unless the Exchange determines to apply an alternative closing settlement value as a result of extraordinary circumstances. FLEX currency options are settled in U.S. dollars. FLEX currency options will cease trading at 10:15 a.m. eastern time on their designated expiration date.

(10) Requesting Member—a member of the Exchange qualified to trade FLEX options pursuant to paragraph (c) of this Rule who initiates an RFQ for a FLEX option.

(11) Request for Quotes—the term “Request for Quotes” means the initial request supplied by a Requesting Member to initiate FLEX bidding and offering.

(12) Request Response Time—the term “Request Response Time” means the minimum period of time established by the Exchange, during which Exchange members participating in FLEX options may provide FLEX Quotes in response to a Request for Quotes.

(13) FLEX Quote - the term “FLEX Quote” means (i) FLEX bids and offers entered by Specialists and Registered Options Traders and (ii) orders to purchase and orders to sell FLEX Options entered by Floor Brokers, in each case in response to a Request for Quotes.

(14) BBO—the term “BBO” means the best bid or offer, or both, as applicable, entered in response to a Request for Quotes.

(15) BBO Improvement Interval—the term “BBO Improvement Interval” means the minimum period of time, to be established by the Exchange, during which members may submit FLEX Quotes to meet or improve the BBO established during the Request Response Time.

(b) Procedure for Quoting and Trading FLEX Options. FLEX options will not be continuously quoted and series are not pre-established. The Exchange's electronic quoting and trading system will not be available for FLEX options. The variable terms of FLEX options shall be established through the process described in this Rule. All transactions must be in compliance with Section 11(a) of the Securities Exchange Act of 1934 and the rules promulgated thereunder, which may include yielding priority to customer orders.

(1) Requesting Quotations. The Requesting Member may initiate a Request-for-Quote (“RFQ”) by [first announcing all of the following contract terms to the trading crowd of the non-FLEX option and then submitting an RFQ ticket to that specialist post: (1) underlying index, security or foreign currency, (2) type, size and crossing intention (3) in the case of FLEX index options and FLEX equity options, exercise style, (4) expiration date, (5) exercise price, and, (6) respecting index options, the settlement value.] submitting to the FLEX Specialist an RFQ utilizing for that purpose the forms, formats and procedures established by the Exchange. Thereafter, on receipt of an RFQ in proper form, the assigned FLEX Specialist [or Requesting Member] shall cause the terms and specifications of the RFQ to be immediately announced at the post. Such communication shall be disseminated as an administrative text message through the Options Price Reporting Authority (“OPRA”).

(2) Responses. Members may enter at the FLEX post FLEX Quotes responsive to each Request for Quotes. FLEX Quotes must be entered during the Request Response Time. [Following the RFQ announcement, a preset response time will begin, during which members may provide responsive quotes. The response time, between two and 15 minutes, will be determined by the Exchange.] Each FLEX Quote shall refer to a reference indicator as the Exchange determines appropriate from time to time. All FLEX Quotes [During the response time, members may provide responsive quotes to the RFQ, which] may be entered, modified or withdrawn at any point during the request

[during such] response time. At the expiration of the Request Response Time, the BBO shall be identified in accordance with the price and time priority principles set forth by the Exchange. [Each assigned ROT and assigned Specialist who responds is required to respond with a market of the minimum size, but is not required to provide continuous quotes or a minimum bid-offer differential (quotation spread parameters).]

- (3) **Determining the BBO.]Formation of Contracts Following the Process of Initial Quotes.** At the expiration of the Request [r]Response [t]Time, the BBO shall be displayed on such market data systems as are available. If the Requesting Member has not indicated an intention to cross or act as principal with respect to any part of the FLEX trade, the member shall promptly accept or reject the displayed BBO: provided, however, that if such a Requesting Member either rejects the BBO or is given a BBO for less than the entire size requested, all FLEX participating members other than the Requesting Member will have an opportunity during the BBO Improvement Interval in which to match, or improve, (as applicable), the BBO. At the expiration of any such BBO Improvement Interval, the Requesting Member must promptly accept or reject the BBO(s). If the Requesting Member has indicated an intention to cross or act as principal with respect to any part of the FLEX trade, acceptance of the displayed BBO shall be automatically delayed until the expiration of the BBO Improvement Interval. Prior to the BBO Improvement Interval, the Requesting Member must indicate at the post the price at which the member expects to trade. In these circumstances, the Requesting Member may participate with all other FLEX-participating members in attempting to improve or match the BBO during the BBO Improvement Interval. At expiration of the BBO Improvement Interval, the Requesting Member must promptly accept or reject the BBO(s). The Requesting Member has no obligation to accept any FLEX bid or offer. Whenever, following the completion of FLEX bidding and offering responsive to a given RFQs, the Requesting Member rejects the BBO or the BBO size exceeds the FLEX transaction size indicated in the RFQs, members may accept the entire order or the unfilled balance of the BBO. [assigned Specialist, or if none, the Requesting Member shall determine the best bid and offer ("BBO"), based on price, but not time or size. However, where two or more bids/offers are at parity, bids/offers submitted by an assigned Specialist, assigned ROT or customer will have priority over bids/offers submitted by non-assigned ROTs and by controlled accounts as defined in Rule 1014(g)(i). The BBO shall be disseminated with reference to the corresponding RFQ.]
- (4) **Priority.** The highest bid shall have priority, but where the two or more best bids are submitted at the same price, the bid(s) submitted first in time will have priority. The lowest offer shall have priority, but where the two or more best offers are submitted at the same price, the offer(s) submitted first in time will have priority.
- (5) **BBO Improvement Interval.** [If the Requesting Member rejects the BBO or the BBO is for less than the entire size requested, the BBO Improvement Interval provides a two minute time period during which the BBO may be matched or improved. An assigned ROT or assigned Specialist who responded with a market during the response time may immediately join any new BBO. The new BBO shall be determined, and disseminated with reference to the corresponding RFQ.] In the case of FLEX equity options only and

notwithstanding Rule 1079(b)(4), whenever the Requesting Member has indicated an intention to cross or act as principal on the trade and has matched or improved the BBO during the BBO Improvement Interval, the Requesting Member will be permitted to execute the contra side of the trade that is the subject of the RFQs, to the extent of at least 40% of the trade, provided the order is a public customer order or an order respecting the Requesting Member's firm proprietary account. Notwithstanding the foregoing, all market participants may effect crossing transactions.

[(5) **Trading.** A trade in FLEX options cannot be executed until the end of the response time or BBO Improvement Interval. Once the response time or Improvement Interval ends, the Requesting Member is given the first opportunity to trade on the market, by voicing a bid/offer in the trading crowd. The Requesting Member has no obligation to accept any bid or offer for a FLEX option. If the Requesting Member rejects the BBO or the BBO size exceeds the entire size requested, another member may promptly accept such BBO or the unfilled balance of the BBO.]

[(A) RFQ Remains Open—Once the BBO is established and no trade has occurred, the RFQ remains open during that trading day, such that a member may re-quote the market with respect to the open RFQ, as opposed to submitting an additional RFQ. An assigned ROT or assigned Specialist who responded to the open RFQ during the response time or BBO Improvement Interval may immediately join the re-quoted market, thus matching for parity purposes. The original Requesting Member is not given the first opportunity to trade on the re-quoted market, nor is the re-quoting member. If a trade occurs, that RFQ is no longer open and a new RFQ is required.]

[(B) FLEX Book—The Specialist in the listed non-FLEX equity, index or U.S. dollar-settled foreign currency option, whether or not assigned in FLEX options, must accept FLEX orders on the FLEX book after completion of the RFQ process. Only customer day limit orders may be placed on the FLEX index, equity or U.S. dollar-settled foreign currency option book. Booked orders expire at the end of each trading day. The limit price and size must be written on the RFQ ticket and submitted for dissemination. In order to trade with the book, an executing member must quote the market and announce the trade.]

[(C) Acceptance of a bid/offer creates a binding contract under Exchange Rules.]

[(6) **Crossing.** Whenever a Requesting Member intends to cross, after the BBO is determined, with or without a BBO Improvement Interval, the Requesting Member, having announced an intention to cross, must bid and offer at or better than the BBO.]

[(A) **At the BBO.** If the Requesting Member's bid/offer is at the BBO, the Requesting Member may execute 25% or a fair split, whichever is greater, of the contra-side of the order that is the subject of the RFQ. The remainder of the contra-side is split in accordance with the parity/priority provision of subparagraph (3) above.]

[(B) **Improves the BBO.** If the Requesting Member's bid/offer improves the existing BBO, an assigned ROT or assigned Specialist who responded with a market during the response time or BBO Improvement Interval, may immediately join the Requesting Member's improved bid or offer, thus matching for parity purposes. However, the Requesting Member may execute 25% or a fair split, whichever is greater, of the contra-side of the order that is the subject of the RFQ. The remainder of the contra-side is split in accordance with the parity/priority provision of sub-paragraph (3) above.]

[(C) Broker-dealer crosses and solicited orders, as defined in Rule 1064, are not eligible for the split afforded by sub-paragraphs (A) and (B) above, and instead, are, after the announcement of an intention to cross, executable in accordance with sub-paragraph (5) above.]

[(7)6] **Reporting Requirements.** RFQs, responsive quotes and completed trades will be promptly reported to OPRA and disseminated as an administrative text message.

[(8)7] **Trading Rotations.** There will be no trading rotations in FLEX options, either at the opening or at the close of trading.

[(9)8] **Hours of Trading.** FLEX options trading must be effected during the hours established by the Exchange. Such hours shall be within regular Exchange trading hours (for the non-FLEX option) on each business day, except that the Exchange in its discretion may determine at any time to narrow or expand FLEX trading hours to encompass, but not exceed, the trading hours of the non-FLEX option.

(c) Who May Trade FLEX Options.

(1) **Assigned ROTs and Assigned Specialists.** An ROT or Specialist may apply on a form prescribed by the Exchange to be assigned in FLEX options. At least two members shall be assigned to each FLEX option. Only the Specialist in the non-FLEX option may be the assigned Specialist in that FLEX option ("FLEX Specialist"). The provisions of Rule 1014(c) regarding market making obligations shall be applicable to assigned ROTs and assigned Specialists, such that a market must be provided in any FLEX option when requested by an Options Exchange Official.

(2) **Financial Requirements.** An assigned ROT in FLEX index options shall be required to maintain a minimum of \$100,000 in net liquid assets. An assigned Specialist in FLEX index options shall be required to maintain a minimum of \$1,000,000 in net capital. Floor Brokers shall be required to maintain a minimum of \$50,000 in net capital to qualify to trade FLEX options. Each such assigned ROT, assigned Specialist or Floor Broker shall immediately inform the Exchange upon failure to be in compliance with such requirements. The Exchange may waive the financial requirements of this Rule in unusual circumstances.

- (3) **Letters of Guarantee.** No ROT or Specialist shall effect any FLEX option unless a Letter of Guarantee has been issued by a clearing member organization and filed with the Exchange pursuant to Rule 703 specifically accepting financial responsibility for all FLEX option transactions made by such person and such letter has not been revoked.

(d) **Position Limits.**

- (1) FLEX index options shall be subject to a separate position limit of 200,000 contracts on the same side of the market 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 Rule 1001A(b)(i); the same number of contracts respecting Alpha Index options that would apply to such Alpha Index options if they were not FLEX; the same number of contracts respecting MSCI EM Index options that would apply to such MSCI EM Index options if they were not FLEX; and the same number of contracts respecting MSCI EAFE Index options that would apply to such MSCI EAFE Index options if they were not FLEX. Reduced value or mini-size FLEX index option contracts shall be aggregated with full value or full-size FLEX index option contracts and counted by the amount by which they equal a full value contract (e.g. ten (10) one tenth (1/10th) value contracts equal one (1) full value contract). Positions in P.M.-settled FLEX index options shall be aggregated with positions in quarterly expiring options listed pursuant to Rule 1101A(b)(iv) on the same underlying index, if the FLEX index option expires at the close of trading on or within two business days of the last day of trading in each calendar quarter. However, except as provided in subsection (4) of this section (d), positions in FLEX index options shall otherwise not be taken into account when calculating position limits for non-FLEX index options. There shall be no position limits for full value options on the Russell 2000[®] Index ("Full Value Russell 2000[®] Options") and for one tenth (1/10th) value options on the Russell 2000[®] Index ("Reduced Value Russell 2000[®] Options"). There shall be no position limits for full value options on the Nasdaq 100 Index ("Full Value Nasdaq 100 Options") and for the reduced value options on the Nasdaq 100 Index ("Reduced Value Nasdaq 100 Options"). Options on the Full Value and Reduced Value Russell Indexes for the following products (collectively "Russell U.S. Indexes"): Russell 3000[®] Index, Russell 3000[®] Value Index, Russell 3000[®] Growth Index, Russell 2500[™] Index, Russell 2500[™] Value Index, Russell 2500[™] Growth Index, Russell 2000[®] Value Index, Russell 2000[®] Growth Index, Russell 1000[®] Index, Russell 1000[®] Value Index, Russell 1000[®] Growth Index, Russell Top 200[®] Index, Russell Top 200[®] Value Index, Russell Top 200[®] Growth Index, Russell MidCap[®] Index, Russell MidCap[®] Value Index, Russell MidCap[®] Growth Index, Russell Small Cap Completeness[®] Index, Russell Small Cap Completeness[®] Value Index and Russell Small Cap Completeness[®] Growth Index, are subject to an aggregate position limit of 50,000 contracts on the same side of the market, provided that no more than 30,000 of such contracts are in the nearest expiration month series.
- (2) FLEX equity options shall not be subject to a separate FLEX position limit. Except as provided in subsection (4) of this section (d), 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.

However, each member or member organization (other than a Specialist or ROT) that maintains a position on the same side of the market in excess of the standard limit under Rule 1001 for non-FLEX equity options of the same class on behalf of its own account or for the account of a customer shall report information on the FLEX equity option position, positions in any related instrument, the purpose or strategy for the position and the collateral used by the account. This report shall be in the form and manner prescribed by the Exchange. In addition, whenever the Exchange determines that a higher margin requirement is necessary in light of the risks associated with a FLEX equity option position in excess of the standard limit for non-FLEX equity options of the same class, the Exchange may consider imposing additional margin upon the account maintaining such under-hedged position. Additionally, it should be noted that the clearing firm carrying the account will be subject to capital charges under SEC rule 15c3-1 to the extent of any margin deficiency resulting from the higher margin requirement.

(3) Positions in FLEX currency options will be aggregated with positions in non-FLEX U.S. dollar-settled foreign currency option contracts for purposes of determining compliance with the position limits established by Rule 1001.

(4) As long as the options positions remain open, positions in FLEX index options that expire on a third Friday-of-the-month shall be aggregated with positions in non-FLEX index options on the same underlying security ("comparable non-FLEX index options"), positions in FLEX equity options that expire on a third Friday-of-the-month shall be aggregated with positions in non-FLEX equity options on the same underlying security ("comparable non-FLEX equity options"), and shall be subject to the position and exercise limits set forth in this Rule 1079, and 1001, 1002, 1001A, and 1002A, as applicable.

(e) Exercise Limits. In determining compliance with Rules 1002 and 1002A, exercise limits for FLEX options shall be equivalent to position limits established in this Rule. Positions in FLEX options shall not be taken into account when calculating exercise limits for non-FLEX options, except as provided in paragraph (d) above. The minimum exercise size shall be the lesser of \$1 million underlying equivalent value for FLEX index options, and 25 contracts for FLEX equity and currency options, or the remaining size of the position.

(f) FLEX equity and currency options shall be subject to the exercise-by-exception procedure of Rule 805 of [t]The Options Clearing Corporation.

••• *Commentary:* -----

.01 Notwithstanding subparagraphs (a)(8)(A)(i) and (a)(8)(A)(ii) above, for a pilot period ending March 28, 2014, there shall be no minimum value size requirements for FLEX options.

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OPTION FLOOR PROCEDURE ADVICES AND ORDER & DECORUM REGULATIONS

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F. MISCELLANEOUS

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[F-28 Trading FLEX Index, Equity and Currency Options

A Requesting Member shall obtain quotes and execute trades in non-listed FLEX options at the Specialist post of the non-FLEX option on the Exchange, pursuant to Rule 1079. FLEX options will not be continuously quoted and series are not pre-established. The variable terms of FLEX options shall be established through the process described in the Rule. All transactions must be in compliance with Section 11 of the Securities and Exchange Act of 1934 and the Rule promulgated thereunder, which may include yielding priority to customer orders.

(1) Requesting Quotations. The Requesting Member may initiate a Request-for-Quote (RFQ) by first announcing all of the following contract terms to the trading crowd of the non-FLEX option and then submitting an RFQ ticket to the trading crowd of the non-FLEX option and then submitting an RFQ ticket to that Specialist post:

- (1) underlying index, security or foreign currency,
- (2) type,
- (3) exercise style,
- (4) expiration date,
- (5) exercise price, and, respecting index options,
- (6) settlement value and
- (7) the currency.

Thereafter, on receipt of an RFQ in proper form, the Requesting Member shall cause the terms of the RFQ to be disseminated as an administrative text message through the Options Price Reporting Authority ("OPRA").

(2) Responses. Following the RFQ announcement, a preset response time will begin, during which members may provide responsive quotes. The response time, between two and 15 minutes, will be determined by the Exchange. During the response time, members may provide responsive quotes to the RFQ, which may be entered, modified or withdrawn during such response time. Each assigned ROT and assigned Specialist who responds is required to respond

with a market of the minimum size, but is not required to provide continuous quotes or a minimum bid-offer differential (quotation spread parameters).

(3) Determining the BBO. At the end of the response time, the assigned Specialist, or if none, the Requesting Member, shall determine the best bid and offer ("BBO"), based on price, but not time or size. However, where two or more bids/ offers are at parity, bids/offers submitted by an assigned Specialist, assigned ROT or customer will have priority over bids/offers submitted by non/assigned ROTs and by controlled accounts as defined in Rule 1014(g)(i). The BBO shall be disseminated with reference to the corresponding RFQ.

(4) BBO Improvement Interval. If the Requesting Member rejects the BBO or the BBO is for less than the entire size requested, the BBO Improvement Interval provides a two minute time period during which the BBO may be matched or improved. An assigned ROT or assigned Specialist who responded with a market during the response time may immediately join any new BBO. The new BBO shall be determined, and disseminated with reference to the corresponding RFQ.

(5) Trading. A trade in FLEX options cannot be executed until the end of the response time or BBO Improvement Interval. Once the response time or Improvement Interval ends, the Requesting Member is given the first opportunity to trade on the market, by voicing a bid/offer in the trading crowd. The Requesting Member has no obligation to accept any bid or offer for a FLEX option. If the Requesting Member rejects the BBO or the BBO size exceeds the entire size requested, another member may promptly accept such BBO or the unfilled balance of the BBO.

(A) RFQ Remains Open—Once the BBO is established and no trade has occurred, the RFQ remains open during that trading day, such that a member may re-quote the market with the respect to the open RFQ, as opposed to submitting an additional RFQ. An assigned ROT or assigned Specialist who responded to the open RFQ during the response time or BBO Improvement Interval may immediately join the re-quoted market, thus matching for parity purposes. The Requesting Member is not given the first opportunity to trade on the re-quoted market, nor is the re-quoting member. If a trade occurs, that RFQ is no longer open and a new RFQ is required.

(B) FLEX Book—The Specialist in the listed non-FLEX equity, index or U.S. dollar-settled foreign currency option, whether or not assigned in FLEX options, must accept FLEX orders on the FLEX book after completion of the RFQ process. Only customer day limit orders may be placed on the FLEX index, equity or U.S. dollar-settled foreign currency option book. Booked orders expire at the end of each trading day. The limit price and size must be written on the RFQ trade ticket and submitted for dissemination. In order to trade with the book, an executing member must quote the market and announce the trade.

(C) Acceptance of a bid/offer creates a binding contract under this Exchange Rule.

(6) Crossing. Whenever a Requesting Member intends to cross, after the BBO is determined, with or without a BBO Improvement Interval, the Requesting Member, having announced an intention to cross, must bid and offer at or better than the BBO.

(A) At the BBO. If the Requesting Member's bid/offer is at the BBO, the Requesting Member may execute 25% or a fair split, whichever is greater, of the contra-side of the order that is the subject of the RFQ. The remainder of the contra-side is split in accordance with the parity/priority provision of sub-paragraph (3) above.

(B) Improves the BBO. If the Requesting Member's bid/offer improves the existing BBO, an assigned ROT or assigned Specialist who responded with a market during the response time or BBO Improvement Interval, may immediately join the Requesting Member's improved bid or offer, thus matching for parity purposes. However, the Requesting Member may execute 25% or a fair split, whichever is greater, of the contra-side of the order that is the subject of the RFQ. The remainder of the contra-side is split in accordance with the parity/priority provision of subparagraph (3) above.

(C) Broker-dealer crosses and solicited orders, as defined in Rule 1064, are not eligible for the split afforded by sub-paragraphs (A) and (B) above, and instead, are, after the announcement of an intention to cross, executable in accordance with sub-paragraph (5) above.

For additional provisions governing FLEX options, see Rule 1079.]

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