

EXHIBIT 5

New text is underlined; deleted text is in brackets.

Nasdaq GEMX, LLC Rules

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General 4 [Regulation]Registration Requirements

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Options 3 Options Trading Rules

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Section 11. Auction Mechanisms

For purposes of this Rule, a "broadcast message" means an electronic message that is sent by the Exchange to all Members, and a "Response" means an electronic message that is sent by Members in response to a broadcast message. Also for purposes of this Rule, the time given to Members to enter Responses for any of the below auction mechanisms shall be designated by the Exchange via an Options Trader Alert, but no less than 100 milliseconds and no more than 1 second.

(a) **Block Order Mechanism.** The Block Order Mechanism is a process by which a Member can obtain liquidity for the execution of block-size orders. Block-size orders are orders for fifty (50) contracts or more.

(1) – (2) No change.

(i) Responses, orders, and quotes will be executed at a single block execution price that is the price for the block-size order at which the maximum number of contracts can be executed consistent with the Member's instruction. Bids (offers) on the Exchange at the time the block order is executed that are priced higher (lower) than the block execution price, as well as Responses that are priced higher (lower) than the block execution price, will be executed in full at the block execution price up to the size of the block order.

(ii) At the block execution price, Priority Customer Orders and Priority Customer Responses will be executed first [and] in price time priority, and then quotes, [Professional]non-Priority Customer Orders, and [Professional]non-Priority Customer Responses will participate in the execution of the block-size order based upon the percentage of the total number of contracts available at the block execution price that is represented by the size of the quote, [Professional]non-Priority Customer Order, or [Professional]non-Priority Customer Response.

(3) No change.

(b) **Facilitation Mechanism.** The Facilitation Mechanism is a process by which an Electronic Access Member can execute a transaction wherein the Electronic Access Member seeks to facilitate a block-size order it represents as agent, and/or a transaction wherein the Electronic Access Member solicited interest to execute against a block-size order it represents as agent. Electronic Access Members must be willing to execute the entire size of orders entered into the Facilitation Mechanism.

(1) Orders must be entered into the Facilitation Mechanism at a price that is (A) equal to or better than the NBBO on the same side of the market as the agency order unless there is a Priority Customer order on the same side Exchange best bid or offer, in which case the order must be entered at an improved price; and (B) equal to or better than the ABBO on the opposite side. Orders that do not meet these requirements are not eligible for the Facilitation Mechanism and will be rejected.

(2)[(1)] Upon the entry of an order into the Facilitation Mechanism, a broadcast message that includes the series, price and size of the Agency Order, and whether it is to buy or sell, will be sent and Members will be given an opportunity to enter Responses with the prices and sizes at which they want to participate in the facilitation of the order.

(3)[(2)] Responses may be priced at the price of the order to be facilitated or at a better price and [must not exceed]will only be considered up to the size of the order to be facilitated.

(4)[(3)] At the end of the period given for the entry of Responses, the facilitation order will be automatically executed.

(i) Unless there is sufficient size to execute the entire facilitation order at a better price, Priority Customer Orders and Priority Customer Responses to buy (sell)[bids (offers)] at the time the facilitation order is executed that are priced higher (lower) than the facilitation price will be executed at the facilitation price. [Professional]Non-Priority Customer Orders and non-Priority Customer Responses to buy (sell) and Market Maker quotes at the time the facilitation order is executed that are priced higher (lower) than the facilitation price will be executed at their stated price, thereby providing the order being facilitated a better price for the number of contracts associated with such higher bids (lower offers). The facilitation order will be cancelled at the end of the exposure period if an execution would take place at a price that is inferior to the best bid (offer) on Nasdaq GEMX.

(ii) The facilitating Electronic Access Member will [execute at least]be allocated up to forty percent (40%) (or such lower percentage requested by the Member) of the original size of the facilitation order, but only after better-priced Responses, orders and quotes, as well as Priority Customer Orders and Priority Customer Responses at the facilitation price, are executed in full at such price point. Thereafter, [Responses,] quotes, [and Professional]non-Priority Customer Orders,

and non-Priority Customer Responses at the facilitation price will participate in the execution of the facilitation order based upon the percentage of the total number of contracts available at the facilitation price that is represented by the size of the [Response, Professional Order or] quote, non-Priority Customer Order, or non-Priority Customer Response.

- (iii) Upon entry of an order into the Facilitation Mechanism, the facilitating Electronic Access Member can elect to automatically match the price and size of orders, quotes and responses received during the exposure period up to a specified limit price or without specifying a limit price. [In this case] If a Member elects to auto-match, the facilitating Electronic Access Member will be allocated [its full size] the aggregate size of all competing quotes, orders, and Responses at each price point, or at each price point [within its limit price] up to the specified limit price if a limit is specified, until a price point is reached where the balance of the order can be fully executed. At such price point, the facilitating Member shall be allocated [at least] up to forty percent (40%) (or such lower percentage requested by the Member) of the original size of the facilitation order, but only after Priority Customer Orders and Priority Customer Responses [interest] at such price point. Thereafter, all [other orders] non-Priority Customer Orders, non-Priority Customer Responses, and quotes at the price point will participate in the execution of the facilitation order based upon the percentage of the total number of contracts available at the facilitation price that is represented by the size of the [order] non-Priority Customer Order, non-Priority Customer Response or quote. An election to automatically match better prices cannot be cancelled or altered during the exposure period.

(5)[(iv)] If a trading halt is initiated after an order is entered into the Facilitation Mechanism, such auction will be automatically terminated without execution.

(c) Reserved.

(d) **Solicited Order Mechanism.** The Solicited Order Mechanism is a process by which an Electronic Access Member can attempt to execute orders of 500 or more contracts it represents as agent (the "Agency Order") against contra orders that it solicited. Each order entered into the Solicited Order Mechanism shall be designated as all-or-none.

(1) Orders must be entered into the Solicited Order Mechanism at a price that is equal to or better than the NBBO on both sides of the market; provided that, if there is a Priority Customer order on the Exchange best bid or offer, the order must be entered at an improved price. Orders that do not meet these requirements are not eligible for the Solicited Order Mechanism and will be rejected.

(2)[(1)] Upon entry of both orders into the Solicited Order Mechanism at a proposed execution price, a broadcast message that includes the series, price and size of the Agency Order, and whether it is to buy or sell, will be sent and Members will be

given an opportunity to enter Responses with the prices and sizes at which they would be willing to participate in the execution of the Agency Order.

(3)[(2)] At the end of the period given Members to enter Responses, the Agency Order will be automatically executed in full or cancelled.

(i) If at the time of execution there is insufficient size to execute the entire Agency Order at an improved price (or prices), the Agency Order will be executed against the solicited order at the proposed execution price so long as, at the time of execution: (A) the execution price is equal to or better than the best bid or offer on the Exchange, and (B) there are no Priority Customer Orders or Priority Customer Responses on the Exchange that are priced equal to the proposed execution price. If there are Priority Customer Orders or Priority Customer Responses on the Exchange on the opposite side of the Agency Order at the proposed execution price and there is sufficient size to execute the entire size of the Agency Order, the Agency Order will be executed against the bid or offer, and the solicited order will be cancelled. The aggregate size of all orders, quotes and Responses at the bid or offer will be used to determine whether the entire Agency Order can be executed. Both the solicited order and Agency Order will be cancelled if an execution would take place at a price that is inferior to the best bid or offer on the Exchange, or if there is a Priority Customer on the book at the proposed execution price but there is insufficient size on the Exchange to execute the entire Agency Order.

(ii) If at the time of execution there is sufficient size to execute the entire Agency Order at an improved price (or prices), the Agency Order will be executed at the improved price(s), subject to the condition in (i)(A), and the solicited order will be cancelled. The aggregate size of all orders, quotes and Responses at each price will be used to determine whether the entire agency order can be executed at an improved price (or prices).

(iii) When executing the Agency Order against the bid or offer in accordance with paragraph (i) above, or at an improved price in accordance with paragraph (ii) above, Priority Customer Orders and Priority Customer Responses will be executed first. [Professional]Non-Priority Customer Orders, non-Priority Customer Responses, and Market Maker quotes participate next in the execution of the Agency Order based upon the percentage of the total number of contracts available at the best price that is represented by the size of the [Professional]non-Priority Customer Order, non-Priority Customer Response, or Market Maker quote.

(4)[(iv)] If a trading halt is initiated after an order is entered into the Solicited Order Mechanism, such auction will be automatically terminated without execution.

(5)[(3)] Prior to entering Agency Orders into the Solicited Order Mechanism on behalf of a customer, EAMs must deliver to the customer a written notification informing

the customer that its order may be executed using the Exchange's Solicited Order Mechanism. Such written notification must disclose the terms and conditions contained in this Rule and must be in a form approved by the Exchange.

Supplementary Material to Options 3, Section 11

.01 It will be a violation of a Member's duty of best execution to its customer if it were to cancel a facilitation order to avoid execution of the order at a better price. The availability of the Facilitation Mechanism does not alter a Member's best execution duty to get the best price for its customer. Accordingly, while facilitation orders can be canceled during the time period given for the entry of Responses, if a Member were to cancel a facilitation order when there was a superior price available on the Exchange and subsequently re-enter the facilitation order at the same facilitation price after the better price was no longer available without attempting to obtain that better price for its customer, there would be a presumption that the Member did so to avoid execution of its customer order in whole or in part by other brokers at the better price. Additionally, any solicited contra orders entered by Members into the Facilitation Mechanism to trade against Agency Orders may not be for the account of an Exchange Market Maker that is assigned to the options class.

.02 No change.

.03 Under paragraph (d) above, Members may enter contra orders that are solicited. The Solicited Order Mechanism provides a facility for Members that locate liquidity for their customer orders. Members may not use the Solicited Order Mechanism to circumvent Exchange Options 3, Section 22(b[d]) limiting principal transactions. This may include, but is not limited to, Members entering contra orders that are solicited from (1) affiliated broker-dealers, or (2) broker-dealers with which the Member has an arrangement that allows the Member to realize similar economic benefits from the solicited transaction as it would achieve by executing the customer order in whole or in part as principal. Additionally, any solicited contra orders entered by Members to trade against Agency Orders may not be for the account of an Exchange Market Maker that is assigned to the options class.

.04 No change.

.05 Penny Prices. Orders and Responses may be entered into the Block Order Mechanism and receive executions at penny increments. Orders and quotes in the market that receive the benefit of the block execution price under paragraph (a)(2)(i) may also receive executions at penny increments.

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Section 13. 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.

- (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 Nasdaq GEMX 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 Nasdaq GEMX 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.

(c) Exposure Period. Upon entry of a Crossing Transaction into the Price Improvement Mechanism, a broadcast message that includes the series, price and size of the Agency Order, and whether it is to buy or sell, will be sent to all Members. This broadcast message will not be included in the Exchange's disseminated best bid or offer and will not be disseminated through OPRA.

- (1) The Exchange will designate via an Options Trader Alert a time of no less than 100 milliseconds and no more than 1 second for Members to indicate the size and price at which they want to participate in the execution of the Agency Order ("Improvement Orders").
- (2) Improvement Orders may be entered by all Members in one-cent increments at the same price as the Crossing Transaction or at an improved price for the Agency Order, and will only be considered [for any size] up to the size of the Agency Order.
- (3) During the exposure period, Improvement Orders may not be canceled, but may be modified to ([1]i) increase the size at the same price, or ([2]ii) improve the price of the Improvement Order for any size up to the size of the Agency Order.

(4) During the exposure period, responses (including the Counter-Side Order, Improvement Orders, and any changes to either) submitted by Members shall not be visible to other auction participants.

(5) The exposure period will automatically terminate (i) at the end of the time period designated by the Exchange pursuant to Options 3, Section 13(c)(1) above, (ii) upon the receipt of a market or marketable limit order on the Exchange in the same series, or (iii) upon the receipt of a non-marketable limit order in the same series on the same side of the market as the Agency Order that would cause the price of the Crossing Transaction to be outside of the best bid or offer on the Exchange.

(d) **Execution.** At the end of the exposure period the Agency Order will be executed in full at the best prices available, taking into consideration orders and quotes in the Exchange market, Improvement Orders, and the Counter-Side Order. The Agency Order will receive executions at multiple price levels if there is insufficient size to execute the entire order at the best price.

(1) At a given price, "Priority Customer Interest" (Priority Customer Orders and Improvement Orders from Priority Customers) is executed in full before "[Professional]non-Priority Customer Interest" ([Professional]non-Priority Customer Orders, Improvement Orders from non-Priority Customers and Market Maker quotes).

(2) After Priority Customer Interest at a given price, [Professional]non-Priority Customer Interest will participate in the execution of the Agency Order based upon the percentage of the total number of contracts available at the price that is represented by the size of such interest.

(3) In the case where the Counter-Side Order is at the same price as [Professional]non-Priority Customer Interest in (d)(2), the Counter-Side [o]Order will be allocated the greater of one (1) contract or forty percent (40%) (or such lower percentage requested by the Member) of the initial size of the Agency Order before [Professional]non-Priority Customer Interest is executed. Upon entry of Counter-Side [o]Orders, Members can elect to automatically match the price and size of orders, quotes and responses received during the exposure period up to a specified limit price or without specifying a limit price. [In this case] If a Member elects to auto-match, the Counter-Side [o]Order will be allocated the aggregate size of all competing quotes, orders and Improvement Orders [its full size] at each price point, or at each price point [within its limit price] up to the specified limit price if a limit is specified, until a price point is reached where the balance of the order can be fully executed. At such price point, the Counter-Side [o]Order shall be allocated the greater of one contract or forty percent (40%) (or such lower percentage requested by the Member) of the original size of the Agency Order, but only after Priority Customer Interest at such price point are executed in full. Thereafter, all [Professional]non-Priority Customer Interest at the price point will participate in the execution of the Agency Order based upon the percentage of the total number of

contracts available at the price that is represented by the size of the [Professional]non-Priority Customer Interest. An election to automatically match better prices cannot be cancelled or altered during the exposure period.

- (4) When a market order or marketable limit order on the opposite side of the market from the Agency Order ends the exposure period, it will participate in the execution of the Agency Order at the price that is mid-way between the best counter-side interest and the NBBO, so that both the market or marketable limit order and the Agency Order receive price improvement. Transactions will be rounded, when necessary, to the \$.01 increment that favors the Agency Order.
- (5) If a trading halt is initiated after an order is entered into the Price Improvement Mechanism, such auction will be automatically terminated without execution.

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Section 15. Simple Order Risk Protections

(a) No change.

(1) – (2) No change.

(3) The following are Market Maker risk protections on GEMX:

(A) **Anti-Internalization.** Quotes and orders entered by Market Makers will not be executed against quotes and orders entered on the opposite side of the market by the same Market Maker using the same Market Maker identifiers, or alternatively, if selected by the Member, the same Exchange account number or Member firm identifier. In such a case, the System will cancel the resting quote or order back to the entering party prior to execution. This functionality shall not apply in any auction or during an Opening Process.

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