

**EXHIBIT 5****Nasdaq MRX, LLC  
RULES**

*New text is underlined; deleted text is in brackets.*

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**CHAPTER 7  
Doing Business On The Exchange**

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**Rule 702. Trading Halts**

(a) *Halts*. An Exchange official designated by the Board may halt trading in any stock option in the interests of a fair and orderly market.

(1) No change.

(i) – (iii) No Change.

(2) A designated Exchange official may halt trading (including a rotation) for a class or classes of options contracts whenever there is a halt of trading in an underlying security in one or more of the markets trading the underlying security. In such event, without the need for action by the Primary Market Maker, all trading in the effected class or classes of options may be halted. The Exchange shall disseminate through its trading facilities and over OPRA a symbol in respect of such class or classes of options indicating that trading has been halted, and a record of the time and duration of the halt shall be made available to vendors. No Member or person associated with a Member shall effect a trade on the Exchange in any options class in which trading has been halted under the provisions of this Rule during the time in which the halt remains in effect. During a halt, the Exchange will maintain existing orders on the book (but not existing quotes prior to the halt), accept orders and quotes, and process cancels and modifications, except existing quotes are cancelled.

(b) and (c) No change.

(d) This paragraph shall be in effect during a pilot period to coincide with the pilot period for the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS, as it may be amended from time to time (“LULD Plan”). Capitalized terms used in this paragraph shall have the same meaning as provided for in the LULD Plan. During a Limit State and Straddle State in the Underlying NMS stock:

(1) The Exchange will not open an affected option.

(2) Provided the Exchange has opened an affected option for trading, the Exchange shall reject Market Orders, as defined in Rule 715(a), and shall notify Members of the reason for such rejection. Market Orders exposed at the NBBO pursuant to Supplementary Material. 02 to ISE Rule 1901, pending in the System, will continue to be processed. If at the end of the exposure period the affected underlying is in a Limit or Straddle State, the Market Order will be cancelled. If the affected underlying is no longer in a Limit or Straddle State after the exposure period, the Market Order will be processed with normal handling.

(3) Provided the Exchange has opened an affected option for trading, the Exchange shall elect Stop Orders if the condition as provided in Rule 715(d) is met, and, because they become Market Orders, shall cancel them back and notify Members of the reason for such rejection.

(4) When the security underlying an option class is in a Limit State or Straddle State, the maximum quotation spread requirements for market maker quotes contained in Rule 803(b)(4) and the continuous quotation requirements contained in Rule 804(e) shall be suspended. The time periods associated with Limit States and Straddle States will not be considered by the Exchange when evaluating whether a market maker complied with the continuous quotation requirements contained in Rule 804(e).

### ***Supplementary Material to Rule 702***

.01 No change.

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### **[Rule 703A. Trading During Limit Up-Limit Down States in Underlying Securities**

(a) Definitions: For purposes of this Rule 703A:

(1) The term “limit up-limit down” shall mean the procedures applicable to the trading of equity securities that underlie options traded on the Exchange that prevent trades in individual equity securities from occurring outside of specified price bands.

(2) The term “Limit State” shall mean the condition when the national best bid or national best offer for an underlying security equals an applicable price band, as determined by the primary listing exchange for the underlying security.

(3) The term “Straddle State” shall mean the condition when the national best bid or national best offer for an underlying security is non executable, as determined by the primary listing exchange for the underlying security, but the security is not in a Limit State.

(b) Order Handling: When a security underlying an options class traded on the Exchange enters a Limit State or Straddle State, trading shall continue on the Exchange with the following modified order handling procedures:

(1) Market Orders. All incoming market orders will be automatically rejected during a Straddle State or Limit State, and all unexecuted market orders pending in the System will be automatically canceled upon the initiation of a Limit State or Straddle State.

(2) Stop Orders. Incoming stop orders will be automatically rejected during a Limit State or Straddle State, and all unexecuted stop orders pending in the System cannot be elected during a Limit State or Straddle State. Such order will be held until the end of a Limit State or Straddle State, at which point the order will become eligible to be elected if the market for the particular option contract reaches the specified contract price.

(c) Market Maker Obligations: When the security underlying an option class is in a Limit State or Straddle State, the maximum quotation spread requirements for market maker quotes contained in Rule 803(b)(5) and the continuous quotation requirements contained in Rule 804(e) shall be suspended. The time periods associated with Limit States and Straddle States will not be considered by the Exchange when evaluating whether a market maker complied with the continuous quotation requirements contained in Rule 804(e).]

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### **Rule 711. Acceptance of Quotes and Orders**

(a) All bids or offers made and accepted on the Exchange in accordance with the Rules shall constitute binding contracts, subject to applicable requirements of the Constitution and the Rules and the rules of the Clearing Corporation.

(b) A trade may be nullified if all parties participating in the trade agree to the nullification. In such case, one party must notify the Exchange and the Exchange promptly will disseminate the nullification to OPRA.

(c) Market Order Spread Protection. Market Orders will be rejected if the NBBO is wider than a preset threshold at the time the order is received by the trading system.

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### **Rule 713. Priority of Quotes and Orders**

(a) – (e) No change

#### ***Supplementary Material to Rule 713***

.01 No change.

.02 All-[o]Or-[n]None orders, as defined in Rule 715(c), [and minimum quantity orders, as defined in Rule 715(l), ]are contingency orders that have no priority on the book. Such orders are [maintained in the system and remain] available for execution after all other trading interest at the same price has been exhausted.

.03 – .04 No change.

#### **Rule 714. Automatic Execution of Orders**

Incoming orders that are executable against orders and quotes in the System will be executed automatically by the System subject to the following:

(a) No change.

(b) Other Order Protections. Subject to the NBBO price protection in (a) above, the following additional order protections are automatically enforced by the System:

(1) Acceptable Trade Range.[Price Level Protection. There is a limit on the number of price levels at which an incoming order to sell (buy) will be executed automatically when there are no bids (offers) from other exchanges at any price for the options series. Orders are executed at each successive price level until the maximum number of price levels is reached, and any balance is either handled by the Primary Market Maker pursuant to Rule 803(c)(1) (in the case of Priority Customer Orders) or canceled (in the case of Professional Orders). The number of price levels, which may be between one (1) and ten (10), is determined by the Exchange from time-to-time on a class-by-class basis.]

(i) The system will calculate an Acceptable Trade Range to limit the range of prices at which an order or quote will be allowed to execute. The Acceptable Trade Range is calculated by taking the reference price, plus or minus a value to be determined by the Exchange (i.e., the reference price - (x) for sell orders/quotes and the reference price + (x) for buy orders or quotes). Upon receipt of a new order or quote, the reference price is the NBB for sell orders/quotes and the NBO for buy orders/quotes. The Acceptable Trade Range will not be available for All-Or-None orders.

(ii) If an order or quote reaches the outer limit of the Acceptable Trade Range without being fully executed then any unexecuted balance will be cancelled.

(iii) There will be three categories of options for Acceptable Trade Range: (1) Penny Pilot Options trading in one cent increments for options trading at less than \$3.00 and increments of five cents for options trading at \$3.00 or more, (2) Penny Pilot Options trading in one-cent increments for all prices, and (3) Non-Penny Pilot Options.

(2) – (3) No change.

(c) and (d) No change.

### **Rule 715. Types of Orders**

(a) and (b) No change.

(c) *All-Or-None Orders*. An [a]All-[o]Or-[n]None order is a limit or market order that is to be executed in its entirety or not at all. An All-Or-None Order may only be entered as an Immediate-or-Cancel Order.

(d) – (p) No change.

(q) Reserved.[Minimum Quantity Order. A Minimum Quantity Order is an order that is initially available for partial execution only for a specified number of contracts or greater. A member may specify whether any subsequent executions of the order must also be for the specified number of contracts or greater, or if the balance may be executed as a regular order. If all executions are to be for the specified number of contracts or greater and the balance of the order after one or more partial execution(s) is less than the minimum, such balance is treated as all-or-none.]

(r) and (s) No change.

### ***Supplementary Material to Rule 715***

.01 No change.

.02 Cancel and Replace Orders shall mean a single message for the immediate cancellation of a previously received order and the replacement of that order with a new order. If the previously placed order is already filled partially or in its entirety, the replacement order is automatically canceled or reduced by the number of contracts that were executed. The replacement order will retain the priority of the cancelled order, if the order posts to the Order Book, provided the price is not amended, size is not increased, or in the case of Reserve Orders, size is not changed. If the replacement portion of a Cancel and Replace order does not satisfy the system's price or other reasonability checks (e.g. MRX Rule 710; MRX Rule 711(c); and MRX Rule 714(b)(2)) the existing order shall be cancelled and not replaced.

### **Rule 716. Block Trades**

(a) – (b) No change.

(c) *Block Order Mechanism*. The Block Order Mechanism is a process by which a Member can obtain liquidity for the execution of block-size orders.

(1) No change.

(2) No change.

(i) and (ii) No change.

(3) If a trading halt is initiated after an order is entered into the Block Order Mechanism, such auction will be automatically terminated without execution.

(d) **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) – (2) No change.

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

(i) – (iii) No change.

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

(e) **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) No change.

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

(i) – (iii) No change.

(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.

(3) No change.

***Supplementary Material to Rule 716***

.01 - .09 No change.

**Rule 717. Limitations on Orders**

(a) – (g) No change.

***Supplementary Material to Rule 717***

.01 – .03 No change.

.04 Reserved. [Non-marketable all-or-none limit orders and non-marketable minimum quantity orders shall be deemed “exposed” for the purposes of paragraphs (d) and (e) one second following a broadcast notifying market participants that such an order to buy or sell a specified number of contracts at a specified price either as all-or-none or with a specified minimum quantity has been received in the options series. For non-marketable minimum quantity orders, the broadcast will specify the minimum quantity that can be executed.]

.05 - .06 No change.

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

(a) – (c) No Change.

(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) – (4) No change.

(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.

***Supplementary Material to Rule 723***

.01 - .09 No change.

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**Chapter 8 Market Makers**

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**Rule 803. Obligations of Market Makers**

(a) and (b) No change.

(c) Reserved. *[Primary Market Makers.* In addition to the obligations contained in this Rule for market makers generally, for options classes to which a market maker is the appointed Primary Market Maker, it shall have the responsibility to:

(1) As soon as practical, address Priority Customer Orders that are not automatically executed pursuant to Rule 714(b)(1) in a manner consistent with its obligations under paragraph (b) of this Rule by either (i) executing all or a portion of the order at a price that at least matches the NBBO and that improves upon the Exchange's best bid (in the case of a sell order) or the Exchange's best offer (in the case of a buy order); or (ii) releasing all or a portion of the order for execution against bids and offers on the Exchange.

(2) Initiate trading in each series pursuant to Rule 701.]

(d) No change.

***Supplementary Material to Rule 803***

.01 and .02 No change

[.03 Any Member that is approved to act in the capacity of a Primary Market Maker may voluntarily act as a "Back-Up Primary Market Maker" in options series in which it is quoting as a Competitive Market Maker.

(a) A Back-Up Primary Market Maker assumes all of the responsibilities and privileges of a Primary Market Maker under the Rules with respect to any series in which the appointed Primary Market Maker fails to have a quote in the System.

(b) If more than one Competitive Market Maker that has volunteered to be a Back-Up Primary Market Maker is quoting in an options series at the time that a Primary Market Maker ceases quoting, the Competitive Market Maker with the largest offer at the lowest price in the series at that time will be chosen to be the Back-Up Primary Market Maker. In the event of a tie based on price and size, the Competitive Market Maker with time priority will be automatically chosen.

(c) The Back-Up Primary Market Maker is automatically restored to Competitive Market Maker status when the appointed Primary Market Maker initiates quoting in the series.]

**Rule 804. Market Maker Quotations**

(a) – (f) No change.

(g) *Automated Quotation Adjustments.*



(1) A market maker must provide parameters by which the Exchange will automatically remove a market maker's quotations in all series of an options class. If a market maker does not provide parameters then the Exchange will apply default parameters announced to members. The Exchange will automatically remove a market maker's quotation when, during a time period established by the market maker, the market maker exceeds: (i) the specified number of total contracts in the class, (ii) the specified percentage of the total size of the market maker's quotes in the class, (iii) the specified absolute value of the net between contracts bought and contracts sold in the class, or (iv) the specified absolute value of the net between (a) calls purchased plus puts sold in the class, and (b) calls sold plus puts purchased in the class.

(2) A market maker must provide a market wide parameter by which the Exchange will automatically remove a market maker's quotes in all classes when, during a time period established by the market maker, the total number of quote removal events specified in Rule 804(g)(1) exceeds the market wide parameter provided to the Exchange by the market maker. If a market maker does not provide parameters then the Exchange will apply default parameters announced to members.

(h) No change.

***Supplementary Material To Rule 804***

.01 and .02 No change.

**03. Anti-Internalization** - Notwithstanding Rule 804(d)(1) above, quotes and orders entered by Market Makers using the same member identifier will not be executed against quotes and orders entered on the opposite side of the market by the same market maker using the same member 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.

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**Rule 811. Directed Orders**

**Directed Order functionality will not be available as of a certain date in the third quarter of 2017 to be announced in a notice. The Exchange will recommence Directed Order functionality on MRX within one year from the date of the filing of SR-MRX-2017-02 to be announced in a separate notice.**

(a) – (e) No change.

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