EXHIBIT 5

New language
[deleted language]

BOX OPTIONS EXCHANGE LLC

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Rule 100, Definitions
(a) With respect to these Rules, the following terms shall have the meanings specified in this Rule 100. A term defined elsewhere in these Rules shall have the same meaning with respect to this Rule 100 Series, unless otherwise defined below.

> **(1)** through **(49)** No change.

> **(50)** The term **"Professional"** means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). All Professional orders shall be appropriately marked by Participants. A Professional will be treated in the same manner as a broker-dealer for purposes of Rules 7150 and 7245.

> **(51)** through **(69)** No change.

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Rule 7000, Access to and Conduct on the BOX Market

(a) through **(b)** No change.

(c) Activities that shall violate the provisions of paragraph (b) include, but are not limited to, the following:

> **(1)** through **(5)** No change.

> **(6)** effecting transactions that are manipulative as provided in Rules 3040 through 3090, and Rule[s] 7140, and [7150(g)] IM-7150-2;

> **(7)** through **(8)** No change.

(d) through **(e)**No change.

*   *   *   *   *
Rule 7130, Execution and Price/Time Priority

(a) No Change

(b) *Filtering of BOX In-Bound Orders.*

(1) through **(3)** No change.

(4) Notwithstanding the foregoing, if an Order is submitted while a PIP is in progress, and the Order is in the same series and on the opposite side of the Customer Order submitted to the PIP (the "PIP Order"), under the circumstances set forth in Rule 7150([i]j), the Order will be immediately executed against the PIP Order up to the lesser of (a) the size of the PIP Order, or (b) the size of the Order, at a price equal to either (i) one penny better than the NBBO, if the best BOX price on the opposite side of the market from the Unrelated Order or Legging Order is equal to the NBBO at the time of execution, or (ii) the NBBO. The remainder of the Order, if any, continues to be filtered as set forth in this Rule 7130(b).

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Rule 7150, Price Improvement Period ("PIP")

(a) For purposes of this Rule 7150[and Rule 7160],

(1) an "Unrelated Order" shall be defined as a non-Improvement Order entered into the BOX market during a PIP; and

(2) Professionals are treated as provided in Rule 100(a)(50).

(b) The execution of price improvement transactions via the BOX market is permitted under certain circumstances subject to the procedures detailed within Rule[s] 7150[and 7160]. In compliance with these procedures, price improvement transactions for Customer Orders may be consummated with the Options Participant who submits the order, with other Options Participants, Improvement Orders or "Unrelated Orders."

(c) When executing Customer Orders by way of the PIP, Options Participants must ensure that they comply with all the procedures set forth in these Rules for such transactions; that they act with due skill, care and diligence; and that the interests of their Customers are not prejudiced.

(d) An OFP may not execute as principal an order it represents as agent unless it complies with the provisions of Rule 7140 or the OFP sends the agency order to the PIP process pursuant to the provisions of this Rule 7150.

(e) An Options Participant must not use the PIP system to create a misleading impression of market activity (i.e., the facilities may be used only where there is a genuine intention to execute a bona fide transaction).

(f) Options Participants, both OFPs and Market Makers, ("Initiating Participants") executing agency orders may designate Market Orders, and marketable limit Customer Orders for price improvement and submission to the PIP. Customer Orders designated for the PIP ("PIP Orders") shall be submitted to BOX with a matching contra order ("Primary Improvement Order") equal to the full size of the PIP Order. The Primary Improvement Order shall be on the opposite side of the market than that of the PIP Order and represents either: (1) a single price ("Single-Priced

Primary Improvement Order") that is equal to or better than that of the National Best Bid Offer ("NBBO") at the time of the commencement of the PIP; or (2) an auto-match submission that will automatically match both the price and size of all competing quotes and orders at any price level achieved during the PIP or only up to a limit price ("Max Improvement Primary Improvement Order"). Either the Single-Priced Primary Improvement Order or the Max Improvement Primary Improvement Order will designate the PIP auction start price ("PIP Start Price"), which shall, on the opposite side of the PIP Order, be equal to or better than the NBBO and, on the same side of the PIP Order, be equal to or better than NBBO, provided that, if BBO is equal to NBBO, then the PIP Start Price must also be better than BBO on the same side at the time of commencement of the PIP. BOX will commence a PIP by broadcasting a message via the HSVF (the "PIP Broadcast") that: (1) states that a Primary Improvement Order has been processed; (2) contains information concerning series, size, PIP Start Price, and side of market; and (3) states when the PIP will conclude.

> **(1)** The PIP shall be one hundred milliseconds, commencing upon the dissemination of the PIP Broadcast. At the conclusion of the PIP, the PIP Order shall be executed as set forth in paragraphs (f)(3), (f)(4), (g), (h), and (j) below.

> During the PIP, OFPs and Market Makers (except for the Initiating Participant) may submit competing orders ("Improvement Orders") for their own account. OFPs may submit Improvement Orders for the account of a Public Customer under any type of instruction they wish to accept. [OFPs may also provide access to the PIP on behalf of a Public Customer in the form of a Customer PIP Order ("CPO") or for any account except Market Maker (as set forth in 7150(h) below).] An Improvement Order submitted to the PIP for the account of a Public Customer[, including a CPO,] must be identified as a Public Customer Order. Options Participants who submit Improvement Orders for a PIP[, including CPOs,] shall be deemed "PIP Participants" for that specific PIP only, and may continually submit competing Improvement Orders during that PIP. During the PIP, the Primary Improvement Order and Improvement Orders shall not be broadcast via the HSVF [but] and will not be disseminated through OPRA.

> **(2)** The Initiating Participant is not permitted to cancel or to modify the size of its Single-Priced Primary Improvement Order or the PIP Order at any time during the PIP, and may modify only the price of its Single-Priced Primary Improvement Order by improving it. [The subsequent price modifications to a Single-Priced Primary Improvement Order are treated as new Improvement Orders for the sake of establishing priority in the PIP process.] The Initiating Participant is not permitted to cancel or modify the Max Improvement Primary Improvement Order, including the PIP Start Price, the designated limit price or the size.

> Options Participants that are permitted to submit Improvement Orders (as set forth in 7150(f)(1) above) may: (i) submit competing Improvement Order(s) for any size up to the size of the PIP Order; (ii) submit competing Improvement Order(s) for any price equal to or better than the PIP Start Price; (iii) improve the price of their Improvement Order(s) at any point during the PIP; and (iv) [decrease the size of]at any time, up to the end of the

PIP, cancel their Improvement Order(s)[only by improving the price of that order]. Improvement Orders may be submitted in one-cent increments.

(3) At the conclusion of the PIP, the PIP Order shall be matched against the best prevailing quote(s) or order(s) on BOX (except any pre-PIP Broadcast proprietary quote or order from the Initiating Participant), in accordance with [price/time] the PIP matching priority as set forth below in [Rule 7130] Rule 7150(g), whether Improvement Order(s)[, including CPO(s)], Legging Order(s), or Unrelated Order(s) received by BOX during the PIP (excluding all Legging Orders and Unrelated Orders that were immediately executed during the interval of the PIP). Such Legging Orders and Unrelated Orders may include agency orders on behalf of Public Customers, market makers at away exchanges and non-BOX Options Participant broker-dealers, as well as non-PIP proprietary orders submitted by Options Participants. A Legging Order is executed only after all other executable orders and quotes, including the Primary Improvement Order, at the same price are executed in full.

(4) [The only exceptions to time priority are:

(i) no order for a non-market maker broker-dealer account of an Options Participant may be executed before all Public Customer order(s), whether an Improvement Order, including a CPO, or an Unrelated Order, and all non-BOX Options Participant broker-dealer order(s) at the same price have been filled. Provided however, that all quotes and orders on the BOX Book prior to the PIP Broadcast, excluding any proprietary quote or order from the Initiating Participant, will be filled in time priority before any other order at the same price;

(ii) as provided in 7150(g); and

(iii) as provided in 7160(b) and 7160(c).] Any portion of an Improvement Order left unfilled shall be cancelled.

(g) At the end of the PIP, the PIP Order will be matched with opposite side competing orders and quotes in price priority. If the total quantity of orders, quotes, Improvement Orders, Legging Orders and the Primary Improvement Order is equal to or less than the quantity of the PIP Order at a given price level, all orders at the price will be filled and the balance of the PIP Order will be executed at the next best price. If the total quantity of orders, quotes, Improvement Orders, Legging Orders and the Primary Improvement Order is greater than the quantity of the PIP Order at a given price level, the allocation will be as follows:

(1) PUBLIC CUSTOMER ALLOCATION: All orders, other than Legging Orders and the Primary Improvement Order, for the account of Public Customers, whether Improvement Orders or Unrelated Orders, including quotes and orders on the BOX Book prior to the PIP Broadcast, will be allocated for execution against the PIP Order first. Where there are multiple such orders for the account of Public Customers at same price, the trade allocation will be by time priority.

If, at the end of the Public Customer allocation, there remains any unallocated quantity of the PIP Order, the balance will be allocated as described in (g)(2) below.

(2) PRIMARY IMPROVEMENT ORDER ALLOCATION: After the Public Customer allocation, the applicable trade allocation described in Rule 7150(h) below will be allocated to the Primary Improvement Order. If the Primary Improvement Order has designated a PIP Surrender Quantity, the Primary Improvement Order allocation will be reduced, if necessary, in accordance with the PIP Surrender Quantity. The balance will be allocated as described in (g)(3) below.

(3) MARKET MAKER ALLOCATION: After the Primary Improvement Order allocation, any remaining unallocated quantity of the PIP Order will be allocated to orders and quotes, including Improvement Orders and quotes and orders on the BOX Book prior to the PIP Broadcast, for the account of Market Makers. Where there are orders/quotes for the accounts of more than one Market Maker at the same price, the trade allocation to each Market Maker will follow the formula below:

Allocation to Market Maker = B * C

> Where:
>
> B = (quantity of contracts for the Market Maker at the price level/total quantity of contracts for all Market Makers at the price level)
> C = remaining quantity of the PIP Order to be allocated
>
> Note that, if:
>
> > (i) the quantity of contracts for the Market Maker order in B is greater than the original quantity of the PIP Order, the Market Maker's quantity will be capped at the size of the original PIP Order for purposes of calculating B;
> >
> > (ii) the trade allocation for a Market Maker would result in a fraction of a contract, it will be rounded down; and
> >
> > (iii) the trade allocation for a Market Maker would be greater than the quantity of the Market Maker order/quote at the price level, the Market Maker's trade allocation will not exceed the size of the Market Maker order/quote at the price level.

If, at the end of the Market Maker allocation, there remains any unallocated quantity of the PIP Order, the balance will be allocated as described in (g)(4) below.

(4) REMAINING ORDERS ALLOCATION: After the Market Maker allocation, any remaining unallocated quantity of the PIP Order will be allocated to any remaining orders, other than Legging Orders and Market Maker orders, including orders for the account of Professionals and orders on the BOX Book prior to the PIP Broadcast, not receiving allocation in (g)(1) through (3) above. Where there are more than one remaining unallocated orders, including Improvement Orders, at the same price, the trade allocation to each such order will follow the formula below.

Allocation to order = B * C

Where:

B = (quantity of contracts for the order at the price level/total quantity of contracts for all remaining orders at the price level)
C = remaining quantity of PIP Order to be allocated

Note that, if:

(i) the quantity of contracts for the order in B is greater than the original quantity of the PIP Order, the quantity of contracts for the order will be capped at the size of the original PIP Order for purposes of calculating B;

(ii) the trade allocation would result in a fraction of a contract, it will be rounded down; and

(iii) the trade allocation for an order/quote would be greater than the quantity of the order/quote at the price level, the trade allocation will not exceed the size of the order/quote at the price level.

If, at the end of the remaining orders allocation, there remains any unallocated quantity of the PIP Order, the balance will be allocated as described in (g)(5) below.

(5) ADDITIONAL ALLOCATION: The balance of the PIP Order will be allocated to all remaining quotes and orders, if any, other than Legging Orders and the Primary Improvement Order. The allocation method will be to allocate one contract of the PIP Order per quote/order in sequence until each remaining quote/order has received one contract or until the PIP Order is fully allocated. Allocation sequence among quotes/orders in this step will be in order of size with the largest remaining quote/order allocated first. Where two or more such quotes/orders are the same size, trade allocation sequence will be by time priority. If, at the end of the additional allocation, there remains any unallocated quantity of the PIP Order, the balance will be allocated as described in (g)(6) below.

(6) LEGGING ORDER ALLOCATION: If, after the allocation of all orders, quotes and Improvement Orders in (g)(1) through (5) above, there remains any unallocated quantity of

the PIP Order, to the extent of any Surrender Quantity, allocation will be made to any Legging Orders at the same price in time priority. If, at the end of the Legging Order allocation, there remains any unallocated quantity of the PIP Order, the balance will be allocated to the Primary Improvement Order regardless of any applicable PIP Surrender Quantity.

([g]h) Subject to the allocation of orders for the account of Public Customers as provided in Rule 7150(g)(1), t[T]he Initiating Participant retains certain [priority and] trade allocation privileges upon conclusion of the PIP, as follows:

(1) In instances in which a Single-Priced Primary Improvement Order[, as modified (if at all),] is matched by or matches any competing Improvement Orders and/or non-Public Customers' Unrelated Orders at [any] the final price level, the Initiating Participant retains priority for [only] up to forty percent (40%) of the [original] remaining size of the PIP Order[, notwithstanding the time priority of the Primary Improvement Order, competing Improvement Order(s) or non-Public Customer Unrelated Order(s)] after Public Customer orders are satisfied. However, if only one competing order matches the Initiating Participant's Single-Priced Primary Improvement Order at the final price level, then the Initiating Participant may retain priority for up to fifty percent (50%) of the [original] remaining size of the PIP Order after Public Customer orders are satisfied. Neither Public Customer orders nor Legging Orders will be considered when determining whether the Initiating Participant retains 40% or 50%.[The Initiating Participant will receive additional allocation only after all other orders have filled at that price level.]

(2) In instances in which a Max Improvement Primary Improvement Order is submitted by the Initiating Participant, the Initiating Participant shall be allocated its full size at each price level, except where restricted by the designated limit price[and subject to the limitations in 7150(g)(3) below], until a price level is reached where the balance of the PIP Order can be fully executed. [Only a]At such price level, [will] the Initiating Participant will be entitled to receive up to [retain priority for only] forty percent (40%) of the remaining size of the PIP Order after Public Customer orders are satisfied. However, if only one competing order matches the Initiating Participant's Max Improvement Primary Improvement Order at the final price level, then the Initiating Participant may retain priority for up to fifty percent (50%) of the remaining size of the PIP Order after Public Customer orders are satisfied. Neither Public Customer orders nor Legging Orders will be considered when determining whether the Initiating Participant retains 40% or 50%.

(3) [The Primary Improvement Order follows in time priority all quotes and orders on the BOX Book prior to the PIP Broadcast that are equal to the (A) Single-Priced Primary Improvement Order price; or (B) execution price of a Max Improvement Primary Improvement Order that results in the balance of the PIP Order being fully executed, except any proprietary quote or order from the Initiating Participant. Such p]Proprietary quotes or orders from the Initiating Participant at the Primary Improvement Order price shall not be executed against the PIP Order during or at the conclusion of the PIP.

(4) [The Primary Improvement Order shall yield priority to certain competing orders in the following circumstances:

(i) When a Single-Priced or Max Improvement Primary Improvement Order for the proprietary account of an OFP is matched by or matches any competing Public Customer order(s), whether an Improvement Order, including a CPO, or Unrelated Order(s), or any

non-BOX Options Participant broker-dealer order(s) at any price level, it shall yield priority to them, including any priority provided pursuant to 7150(g)(1) or (2) above.

(ii) When the unmodified Single-Priced Primary Improvement Order for the account of a Market Maker is matched by any competing Public Customer order(s), whether an Improvement Order, including a CPO, or Unrelated Order, or any non-BOX Options Participant broker-dealer order(s) at the initial PIP price level, it shall yield priority to all competing Public Customer order(s) or non-BOX Options Participant broker-dealer order(s), including any priority provided pursuant to 7150(g)(1) or (2) above.

(iii) When the Max Improvement or the modified Single-Priced Primary Improvement Order for the account of a Market Maker matches any competing Public Customer order(s), whether an Improvement Order, including a CPO, or Unrelated Order, or any non-BOX Options Participant broker-dealer order(s) at subsequent price levels, it shall yield priority to all competing Public Customer order(s) or non-BOX Options Participant broker-dealer order(s), including any priority provided pursuant to 7150(g)(1) or (2) above.

(5)] In all cases in which the Primary Improvement Order has priority pursuant to the provisions of 7150([g]h)(1)[,]or 7150([g]h)(2)[, or 7150(g)(3)] it shall be entitled to a trade allocation of at least one (1) contract.

([6]5)(i) At its option, the Initiating Participant may designate a lower amount for which it retains certain priority and trade allocation privileges upon the conclusion of the PIP auction than it is entitled to pursuant to the provisions of 7150([g]h)(1) or 7150([g]h)(2), above. When starting a PIP, the Initiating Participant may submit to BOX the Primary Improvement Order with a designation of the total amount of the PIP Order it is willing to "surrender" to the other PIP Participants ("PIP Surrender Quantity"). Under no circumstances will the Initiating Participant receive an allocation percentage of more than 50% with one competing order or 40% with multiple competing orders. Neither Public Customer orders nor Legging Orders will be considered when determining whether the Initiating Participant retains 40% or 50%. The PIP Surrender Quantity function will never result in more than the maximum allowable allocation percentage to the Initiating Participant than that which the Initiating Participant would have otherwise received in accordance with the allocation procedures set forth in this Rule 7150.

(ii) Upon the conclusion of the PIP auction, when the Trading Host determines the priority and trade allocation amounts for the Initiating Participant pursuant to 7150([g]h)(1) or 7150([g]h)(2), above, the Trading Host will automatically adjust the trade allocations to the other PIP Participants, according to the priority set forth in 7150(g)[(f)(3) and 7150(f)(4))] above, up to the PIP Surrender Quantity. The Primary Improvement Order shall be allocated the remaining size of the PIP Order above the PIP Surrender Quantity, if any, pursuant to 7150(g)[(1) or 7150(g)(2),] above. If the aggregate size of other PIP Participants' contra orders is not equal to or greater than the PIP Surrender Quantity, then the remaining PIP Surrender Quantity shall be left unfilled and the Primary Improvement Order shall be allocated the remaining size of the PIP Order pursuant to 7150([g]h)(1) or 7150([g]h)(2) above.

[(**h**) In addition to Improvement Orders submitted on behalf of Public Customers, OFPs may provide access to the PIP on behalf of a customer that is not a broker-dealer (*i.e.,* Public Customer) in the form of a Customer PIP Order ("CPO") provided that:

(1) The terms of each CPO shall include a price stated in rounded five cent or ten cent increments ("Standard Tick"), as appropriate, at which the order shall be placed in the BOX Book ("BOX Book Reference Price") as well as a specific price stated in one cent increments ("Penny Tick") at which the Public Customer wishes to participate in any PIPs ("CPO Auction Reference Price") that may occur while his order is on the BOX Book and displayed at the BOX Book Reference Price;

(2) The terms of each CPO shall include a specific order size ("CPO Total Size"). The number of contracts that may be entered into a PIP must be no greater than the lesser of (a) the CPO Total Size remaining on the BOX Book, or (b) the size of the Primary Improvement Order submitted to the PIP.

(3) In order for the CPO to be eligible for participation in a PIP in the subject options series, the BOX Book Reference Price for a CPO at the time a PIP commences must be equal to the best BOX price (*i.e.,* the BBO).

(4) The CPO may only participate in a PIP on the same side of the market as the Primary Improvement Order.

(5) Upon initiation of a PIP for which a CPO is eligible to participate pursuant to 7150(h)(1) - (4) above, the OFP who submitted the CPO to the BOX Book must submit a CPO to the PIP at a price which is better than the BOX Book Reference Price and at any price level up to the CPO Auction Reference Price. At any time during the PIP, the OFP may modify the price of the CPO submitted to the PIP to any price level up to the CPO Auction Reference Price.]

(i) In cases where an Unrelated Order is submitted to BOX on the same side as the PIP Order, or a Legging Order is generated during the PIP on the BOX Book on the same side as the PIP Order, such that either would cause an execution to occur prior to the end of the PIP, the PIP shall be deemed concluded and the PIP Order shall be matched pursuant to 7150(g)[(f)(3)]. Specifically, the submission to BOX of a Market Order on the same side as a PIP Order will prematurely terminate the PIP when, at the time of the submission of the Market Order, the best Improvement Order is equal to or better than the NBBO on the same side of the market as the best Improvement Order. The submission to BOX of an executable Limit Order or generation of an executable Legging Order on the same side as a PIP Order will prematurely terminate the PIP if at the time of submission:

(1) the Buy (Sell) Limit Order or Legging Order price is equal to or higher (lower) than the National Best Offer (Bid) and either:

(i) the BOX Best Offer (Bid) is equal to the National Best Offer (Bid); or

(ii) the BOX Best Offer (Bid) is higher (lower) than the National Best Offer (Bid) and the price of the best Improvement Order is equal to or lower (higher) than the National Best Offer (Bid); or

(2) the Buy (Sell) Limit Order or Legging Order price is lower (higher) than the National Best Offer (Bid) and its limit price equals or crosses the price of the best Improvement Order.

Following the execution of the PIP Order, any remaining Improvement Orders are cancelled and the Market Order or Limit Order is filtered pursuant to Rule 7130(b).

(j) In cases where an Unrelated Order is submitted to BOX, or a Legging Order is generated on the BOX Book on the opposite side of the PIP Order, such that it would cause an execution to occur prior to the end of the PIP as set forth in this 7150(j), the Unrelated Order or Legging Order shall be immediately executed against the PIP Order up to the lesser of: (A) the size of the PIP Order; or (B) the size of the Unrelated Order or Legging Order, at a price equal to either: (i) one penny better than the NBBO, if the best BOX price on the opposite side of the market from the Unrelated Order or Legging Order is equal to the NBBO at the time of execution; or (ii) the NBBO. The remainder of the Unrelated Order or Legging Order, if any, shall be filtered pursuant to Rule 7130(b). The remainder of the PIP Order, if any, shall be executed at the conclusion of the PIP auction pursuant to 7150[(f)(3)](g). Following the execution of the PIP Order, any remaining Improvement Orders are cancelled. Specifically, a Market Order on the opposite side of a PIP Order will immediately execute against the PIP Order when, at the time of the submission of the Market Order, the best Improvement Order does not cross the NBBO on the same side of the market as the PIP Order. The submission to BOX of an executable Limit Order or generation of an executable Legging Order on the opposite side of a PIP Order will immediately execute against a PIP Order when the Sell (Buy) Limit Order price is equal to or crosses the National Best Bid (Offer), and:

(1) the BOX Best Bid (Offer) is equal to the National Best Bid (Offer); or

(2) the BOX Best Bid (Offer) is lower (higher) than the National Best Bid (Offer) and neither the best Improvement Order nor BOX Best Offer (Bid) is equal to or crosses the National Best Bid (Offer).

(k) Improvement Orders[, including CPOs,] must be submitted in increments no smaller than one penny ($.01). Improvement Orders[, including CPOs,] will <u>not</u> be broadcast via the HSVF, [but] <u>and</u> will not be disseminated to OPRA.

(l) Improvement Orders may not be executed unless the price is equal to or better than the NBBO at the commencement of the PIP, except in the following circumstances:

(1) Where an Exchange Official determines that quotes from one or more particular markets in one or more classes of options are not reliable, the Exchange Official may direct the senior person in charge of the BOX MOC to exclude the unreliable quotes from the Improvement Period determination of the NBBO in the particular option class(es). The Exchange Official may determine quotes in one or more particular options classes in a market are not reliable only in the following circumstances:

(i) Quotes Not Firm: A market's quotes in a particular options class are not firm based upon direct communication to the Exchange from the market or the dissemination through OPRA of a message indicating that disseminated quotes are not firm;

(ii) Confirmed Quote Problems: A market has directly communicated to the Exchange or otherwise confirmed that the market is experiencing systems or other problems affecting the reliability of its disseminated quotes.

(2) The away options exchange posting the NBBO is conducting a trading rotation in that options class.

IM-7150-1 through **IM-7150-4**   **No Change.**

[**IM-7150-5**

The time priority given to a CPO in a PIP will be the order receipt time of the submission of the CPO.]

<p style="text-align:center">*   *   *   *   *</p>

<p style="text-align:center">Rule 7160, <u>Reserved</u> [Market Maker Prime</p>

(a) At the commencement of each PIP, a single Market Maker Prime may be designated for that PIP only. In order to qualify as the Market Maker Prime for a particular PIP, a Market Maker who is participating in a PIP must satisfy the following criteria:

(1) The Market Maker must have a quote at the moment the PIP commences that is equal to the NBBO on the same side of the market as the Primary Improvement Order.

(2) The Market Maker's quote must represent an order in the BOX Book with the best price/time priority.

(3) The Market Maker Prime must not have submitted the Primary Improvement Order to commence the relevant PIP.

(b) The Improvement Order of the Market Maker Prime shall have partial priority over all other Market Maker Improvement Orders, CPOs, PPOs and Unrelated Orders at the same limit price in the same PIP, pursuant to paragraph (c) of this Rule 7160. This priority will only apply if a Market Maker Prime enters an Improvement Order during the PIP, and will not apply to the quote of the Market Maker Prime outside of the PIP process.

(c) An Improvement Order of the Market Maker Prime will have a guaranteed trade allocation of at least one-third of any portion of a PIP Order remaining at the Improvement Order's limit price which has not been previously allocated, in accordance with the allocation provisions set forth in Rule 7150, to the Options Participant who submitted the Primary Improvement Order.

(d) A Market Maker Prime who cancels his quote during the PIP retains his status as Market Maker Prime for that PIP. Consequently, if the Market Maker Prime subsequently enters an Improvement Order at the best limit price during the PIP, the Market Maker Prime will have priority over all other Market Maker Improvement Orders and Unrelated Orders entered at the same limit price as his Improvement Order.

(e) If a Market Maker Prime changes his quote during the PIP and does not enter an Improvement Order into the PIP process, the Market Maker Prime does not retain his status as the Market Maker Prime for that PIP. Consequently, subsequent trade matching during the remainder of that PIP will follow the normal PIP priority rules as set forth in Rule 7150, and the Market Maker Prime's modified quote will be treated as an Unrelated Order.]

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Rule 7245, Complex Order Price Improvement Period ("COPIP")

(a) For purposes of this Rule 7245,

(1) an "Improvement Order" shall be defined as a competing Complex Order submitted to BOX by an OFP or Market Maker during a COPIP;

(2) an "Unrelated Order" shall be defined as a non-Improvement Order entered on BOX during a COPIP or BOX Book Interest during a COPIP; [and]

(3) "BOX Book Interest" shall be defined as bids and offers on the BOX Book for the individual legs of a Strategy; and

(4) Professionals are treated as provided in Rule 100(a)(50).

(b) The execution of COPIP transactions on BOX is permitted under certain circumstances subject to the procedures detailed within Rule 7245. In compliance with these procedures, price improvement transactions for Customer Orders that are Complex Orders may be consummated with the Options Participant who submits the Complex Order, with other Options Participants, Improvement Orders or Unrelated Orders.

(c) When executing Customer Complex Orders by way of the COPIP, Options Participants must ensure that they comply with all the procedures set forth in these Rules for such transactions; that they act with due skill, care and diligence; and that the interests of their Customers are not prejudiced.

(d) An OFP may not execute, as principal, an order it represents as agent unless it complies with the provisions of Rule 7140 or the OFP sends the agency order to the COPIP process pursuant to the provisions of this Rule 7245.

(e) An Options Participant must not use the COPIP process to create a misleading impression of market activity (i.e., the facilities may be used only where there is a genuine intention to execute a bona fide transaction).

(f) Options Participants, both OFPs and Market Makers, ("Initiating Participants") executing agency orders may designate Complex Orders that are marketable Limit Orders or Market Orders for price improvement and submission to the COPIP. Complex Orders designated for the COPIP ("COPIP Orders") shall be submitted to BOX with a matching contra order ("Primary Improvement Order") equal to the full size of the COPIP Order. The Primary Improvement Order shall be on the opposite side of the market than that of the COPIP Order and represents either: (1) a single price ("Single-Priced Primary Improvement Order") that is equal to or better than cNBBO, cBBO (each as defined in Rule 7240(a)) and BBO on the Complex Order Book for the Strategy at the time of the commencement of the COPIP; or (2) an auto-match submission that will automatically match both the price and size of all competing orders, including Improvement Orders and Unrelated Orders, at any price level achieved during the COPIP or only up to a limit price ("Max Improvement Primary Improvement Order"). Either the Single-Priced Primary Improvement Order or the Max Improvement Primary Improvement Order will designate the COPIP auction start price ("COPIP Start Price"), which shall, on the opposite side of the COPIP Order, be equal to or better than [cNBBO, cBBO and BBO] the best of the BBO on the Complex Order Book for the Strategy, the cNBBO, and the cBBO and, on the same side of the COPIP Order, be equal to or better than the cNBBO. In addition to the foregoing requirements, if the better of the BBO on the Complex Order Book for the Strategy and the cBBO is equal to or better than cNBBO on the same side of the COPIP Order, the COPIP Start Price must also be better than the better of the BBO on the Complex Order Book for the Strategy and the cBBO on the same side on the Complex Order Book for the Strategy at the time of commencement of the COPIP. BOX will commence a COPIP by broadcasting a message via the HSVF (the "COPIP Broadcast") that: (1) states that a Primary Improvement Order has been processed; (2) contains information concerning Strategy identifier, size, COPIP Start Price, and side of market; and (3) states when the COPIP will conclude.

> (1)   The COPIP shall be one hundred milliseconds, commencing upon the dissemination of the COPIP Broadcast. At the conclusion of the COPIP, the COPIP Order shall be executed as set forth in Rules 7245(f)(3), 7245(g), 7245(h) and 7245(i) below.

> During a COPIP, OFPs and Market Makers (except for the Initiating Participant) may submit Improvement Orders for their own account. OFPs may submit Improvement Orders for the account of a Public Customer under any type of instruction they wish to accept. An Improvement Order submitted to the COPIP for the account of a Public Customer must be identified as a Public Customer Order. Options Participants who submit Improvement Orders for a COPIP shall be deemed "COPIP Participants" for that specific COPIP only, and may continually submit competing Improvement Orders during that COPIP. During the COPIP, the Primary Improvement Order and Improvement Orders shall not be broadcast via the HSVF [but] and will not be disseminated through OPRA.

(2)   The Initiating Participant is not permitted to cancel or to modify the size of its Single-Priced Primary Improvement Order or the COPIP Order at any time during a COPIP, and may modify only the price of its Single-Priced Primary Improvement Order by improving it.   [The subsequent price modifications to a Single-Priced Primary Improvement Order are treated as new Improvement Orders for the sake of establishing priority in the COPIP process.] The Initiating Participant is not permitted to cancel or modify the Max Improvement Primary Improvement Order, including the COPIP Start Price, the designated limit price or the size.

Options Participants that submit Improvement Orders (as set forth in Rule 7245(f)(1) above) may: (i) submit competing Improvement Order(s) for any size up to the size of the COPIP Order; (ii) submit competing Improvement Order(s) for any price equal to or better than the COPIP Start Price; (iii) improve the price of their Improvement Order(s) at any point during the COPIP; and (iv)[decrease the size of] at any time, up to the end of the COPIP, cancel their Improvement Order(s) [only by improving the price of the Complex Order]. Improvement Orders may be submitted in one-cent increments.

(3)   At the conclusion of a COPIP, the COPIP Order shall execute against the best prevailing order(s) on BOX (except any pre-COPIP Broadcast proprietary order from the Initiating Participant), in accordance with [price/time]the COPIP matching priority as set forth below in Rule 7245(g), whether Improvement Order(s), including Unrelated Order(s) received by BOX during the COPIP (excluding all Unrelated Orders that were immediately executed during the interval of the COPIP). Such Unrelated Orders may include agency orders on behalf of Public Customers, market makers at away exchanges and non-BOX Options Participant broker-dealers, as well as non-COPIP proprietary orders submitted by Options Participants. Any portion of an Improvement Order left unfilled shall be cancelled. [Notwithstanding the foregoing, the following exceptions to the priority set forth above in this paragraph (3) shall apply:

         (i) At the same price, BOX Book Interest has execution priority over Complex Orders;

         (ii) no Complex Order for a non-market maker broker-dealer account of an Options Participant may be executed before all Public Customer Complex Order(s), whether Improvement Order(s) or non-Improvement Order(s) and all non-BOX Options Participant broker-dealer Complex Order(s) at the same price have been filled; provided however, that all Complex Orders on the Complex Order Book prior to the COPIP Broadcast, excluding any proprietary order(s) from the Initiating Participant, will be filled in time priority before any other Complex Order at the same price; and

         (iii) as provided in Rule 7245(g).]

(g) At the end of the COPIP, the COPIP Order will be matched with opposite side competing orders in price priority. If the total quantity of orders, Improvement Orders, BOX Book Interest

and the Primary Improvement Order is equal to or less than the quantity of the COPIP Order at a given price level, all orders at the price will be filled and the balance of the COPIP Order will be executed at the next best price. If the total quantity of orders, Improvement Orders, BOX Book Interest and the Primary Improvement Order is greater than the quantity of the COPIP Order at a given price level, the allocation will be as follows:

(1)   BOX BOOK INTEREST ALLOCATION: BOX Book Interest will be allocated for execution against the COPIP Order in priority over Complex Orders and in time priority. If, after the BOX Book Interest allocation, there remains any unallocated quantity of the COPIP Order, the balance will be allocated as described in (g)(2) below

(2)   PUBLIC CUSTOMER ALLOCATION: After the BOX Book Interest allocation, Complex Orders, other than the Primary Improvement Order, for the account of Public Customers, including Improvement Orders and orders on the Complex Order Book prior to the COPIP Broadcast, will be allocated for execution against the COPIP Order in priority over other Complex Orders. Where there are multiple such Complex Orders for the account of Public Customers at the same price, the trade allocation will be by time priority.

If, at the end of the Public Customer allocation, there remains any unallocated quantity of the COPIP Order, the balance will be allocated as described in (g)(3) below.

(3)   PRIMARY IMPROVEMENT ORDER ALLOCATION: After the Public Customer allocation, the applicable trade allocation described in Rule 7245(h) below will be allocated to the Primary Improvement Order. If the Primary Improvement Order has designated a COPIP Surrender Quantity, the Primary Improvement Order allocation will be reduced, if necessary, in accordance with the COPIP Surrender Quantity. The balance will be allocated as described in (g)(4) below.

(4)   MARKET MAKER ALLOCATION: After the Primary Improvement Order allocation, any remaining unallocated quantity of the COPIP Order will be allocated to Complex Orders, including Improvement Orders and orders on the Complex Order Book prior to the COPIP Broadcast, for the account of Market Makers. Where there are Complex Orders for the accounts of more than one Market Maker at the same price, the trade allocation to each such Market Maker will follow the formula below:

Allocation to Market Maker = B * C

Where;

B = (quantity of Strategies for the Market Maker at the price level/total quantity of Strategies for all Market Makers at the price level)
C = remaining quantity of the COPIP Order to be allocated

Note that, if:

(i) the quantity of Strategies for the Market Maker order in B is greater than the original quantity of the COPIP Order, the Market Maker's quantity will be capped at the size of the original COPIP Order for purposes of calculating B;

(ii) the trade allocation for a Market Maker would result in a fraction of a Strategy, it will be rounded down; and

(iii) the trade allocation for a Market Maker would be greater than the quantity of the Market Maker order at the price level, the Market Maker's trade allocation will not exceed the size of the Market Maker order at the price level.

If, at the end of the Market Maker allocation, there remains any unallocated quantity of the COPIP Order, the balance will be allocated as described in (g)(5) below.

(5)   REMAINING COMPLEX ORDERS ALLOCATION: After the Market Maker allocation, any remaining unallocated quantity of the COPIP Order will be allocated to any remaining Complex Orders, other than Market Maker orders, including orders for the account of Professionals and orders on the Complex Order Book prior to the COPIP Broadcast, not receiving allocation in (g)(1) through (4) above. Where there are more than one remaining unallocated Complex Orders, including Improvement Orders, at the same price, the trade allocation to each such Complex Order will follow the formula below.

Allocation to Complex Order = B * C

Where;

B = (quantity of Strategies for the Complex Order at the price level/total quantity of Strategies for all remaining Complex Orders at the price level)
C = remaining quantity of COPIP Order to be allocated

Note that, if:

(i) the quantity of Strategies for the Complex Order in B is greater than the original quantity of the COPIP Order, the quantity of Strategies for the Complex Order will be capped at the size of the original COPIP Order for purposes of calculating B;

(ii) the trade allocation would result in a fraction of a Strategy, it will be rounded down; and

(iii) the trade allocation for a Complex Order would be greater than the quantity of Strategies for the Complex Order at the price level, the trade allocation will not exceed the quantity of Strategies for the Complex Order at the price level.

If, at the end of the remaining Complex Orders allocation, there remains any unallocated quantity of the COPIP Order, the balance will be allocated as described in (g)(6) below.

(6)   ADDITIONAL ALLOCATION: The balance of the COPIP Order will be allocated to all remaining orders, if any, other than the Primary Improvement Order. The allocation method will be to allocate one Strategy of the COPIP Order per order in sequence until each remaining order has received one Strategy or until the COPIP Order is fully allocated. Allocation sequence among orders in this step will be in order of size with the largest remaining order allocated first. Where two or more such orders are the same size, trade allocation sequence will be by time priority. If, at the end of the additional allocation, there remains any unallocated quantity of the COPIP Order, the balance will be allocated to the Initiating Participant regardless of any applicable COPIP Surrender Quantity.

([g]h) Subject to the [execution]allocation of BOX Book Interest and orders for the account of Public Customers as provided in Rule 7245[(f)(3)(i)](g)(1) and (2), the Initiating Participant retains certain [priority and] trade allocation privileges upon conclusion of a COPIP, as follows:

(1) In instances in which a Single-Priced Primary Improvement Order[, as modified (if at all),] is matched by or matches any Complex Order(s) [or BOX Book Interest] at [any] the final price level, the Initiating Participant retains priority for up to forty percent (40%) of the [original] remaining size of the COPIP Order[, notwithstanding the time priority of the Primary Improvement Order or Complex Order(s)] after BOX Book Interest and Public Customer orders are satisfied. However, if only one Complex Order [or BOX Book Interest] matches [or is better than] the Initiating Participant's Single-Priced Primary Improvement Order at the final price level, then the Initiating Participant may retain priority for up to fifty percent (50%) of the [original] remaining size of the COPIP Order after BOX Book Interest and Public Customer orders are satisfied. Neither Public Customer orders nor BOX Book Interest will be considered when determining whether the Initiating Participant retains 40% or 50%. [The Initiating Participant will

receive additional allocation only after all other Complex Orders have been filled at that price level.]

(2) In instances in which a Max Improvement Primary Improvement Order is submitted by the Initiating Participant, the Initiating Participant shall be allocated its full size at each price level, except where restricted by the designated limit price[and subject to the limitations in Rule 7245(g)(3) below], until a price level is reached where the balance of the COPIP Order can be fully executed. [Only a]At such price level, [will] the Initiating Participant will be entitled to receive [retain priority for] up to forty percent (40%) of the remaining size of the COPIP Order after BOX Book Interest and Public Customer orders are satisfied. However, if only one competing Complex Order [or BOX Book Interest] matches the Initiating Participant's Max Improvement Primary Improvement Order at the final price level, then the Initiating Participant may retain priority for up to fifty percent (50%) of the remaining size of the COPIP Order after BOX Book Interest and Public Customer orders are satisfied. Neither Public Customer orders nor BOX Book Interest will be considered when determining whether the Initiating Participant retains 40% or 50%.

(3) [The Primary Improvement Order follows in time priority all Complex Orders on the Complex Order Book prior to the COPIP Broadcast that are equal to the (A) Single Priced Primary Improvement Order price; or (B) execution price of a Max Improvement Primary Improvement Order that results in the balance of the COPIP Order being fully executed, except any proprietary order(s) from the Initiating Participant. Such p]Proprietary order(s) from the Initiating Participant at the Primary Improvement Order price shall not be executed against the COPIP Order during or at the conclusion of the COPIP.

(4) [The Primary Improvement Order shall yield priority to certain competing Complex Orders in the following circumstances:

(i) When a Single-Priced or Max Improvement Primary Improvement Order for the proprietary account of an OFP is matched by or matches any competing Public Customer Complex Order(s), whether Improvement Order(s), Unrelated Order(s) or any non-BOX Options Participant broker-dealer Complex Order(s) at any price level, it shall yield priority to them, including any priority provided pursuant to Rule 7245(g)(1) or (2) above.

(ii) When an unmodified Single-Priced Primary Improvement Order for the account of a Market Maker is matched by any competing Public Customer Complex Order(s), whether Improvement Order(s), Unrelated Order(s) or any non-BOX Options Participant broker-dealer Complex Order(s) at the initial COPIP price level, it shall yield priority to them, including any priority provided pursuant to Rule 7245(g)(1) or (2) above.

(iii) When a Max Improvement or a modified Single-Priced Primary Improvement Order for the account of a Market Maker matches any competing Public Customer Complex Order(s), whether Improvement Order(s), Unrelated Order(s) or any non-BOX Options Participant broker-dealer Complex Order(s) at subsequent price levels, it shall yield priority to them, including any priority provided pursuant to Rule 7245(g)(1) or (2) above.

(5)]   When the Primary Improvement Order receives a trade allocation pursuant to the provisions of Rule 7245([g]h)(1), (2) or (3), it shall be entitled to a trade allocation of at least one (1) Strategy.

([6]5)(i) At its option, the Initiating Participant may designate a lower amount for which it retains certain priority and trade allocation privileges upon the conclusion of the COPIP auction than it is entitled to pursuant to the provisions of Rule 7245([g]h)(1) or (2) above. When starting a COPIP, the Initiating Participant may submit to BOX the Primary Improvement Order with a designation of the total amount of the COPIP Order it is willing to "surrender" to the other COPIP Participants ("COPIP Surrender Quantity"). Under no circumstances will the Initiating Participant receive an allocation percentage preference of more than 50% with one competing order[, including counting BOX Book Interest as a competing order,] or 40% with multiple competing orders[, including counting BOX Book Interest as a competing order]. Neither Public Customer orders nor BOX Book Interest will be considered when determining whether the Initiating Participant retains 40% or 50%. The COPIP Surrender Quantity function will not result in more than the maximum allowable allocation percentage to the Initiating Participant than that which the Initiating Participant would have otherwise received in accordance with the allocation procedures set forth in this Rule 7245.

(ii) Upon the conclusion of the COPIP auction, when the Trading Host determines the priority and trade allocation amounts for the Initiating Participant pursuant to Rule 7245([g]h)(1) or (2) above, the Trading Host will automatically adjust the trade allocations to the other COPIP Participants, according to the priority set forth in Rule 7245[(f)(3)](g) above, up to the COPIP Surrender Quantity. The Primary Improvement Order shall be allocated the remaining size of the COPIP Order above the COPIP Surrender Quantity, if any, pursuant to Rule 7245(g)[(1) or (2)] above. If the aggregate size of other COPIP Participants' contra Complex Orders is not equal to or greater than the COPIP Surrender Quantity, then the remaining COPIP Surrender Quantity shall be left unfilled and the Primary Improvement Order shall be allocated the remaining size of the COPIP Order pursuant to Rule 7245([g]h)(1) or (2) above.

([h]i)In cases where an Unrelated Order is submitted to BOX on the same side as the COPIP Order such that it would cause an execution to occur prior to the end of the COPIP, the COPIP shall be deemed concluded and the COPIP Order shall be matched pursuant to Rule 7245(f)(3) and (g)[, including paragraph (i) thereof]. Specifically, the submission to BOX of a Market Complex Order on the same side as a COPIP Order will prematurely terminate the COPIP when, at the time of the submission of such orders, the best Complex Order or BOX Book Interest is equal to or better than the cNBBO on the opposite side of the COPIP Order. The submission to

BOX of executable BOX Book Interest or an executable Limit Complex Order on the same side as a COPIP Order will prematurely terminate the COPIP if, (i) at the time of submission of the Limit Complex Order, the Limit Complex Order price is equal to or better than cNBBO, and BBO on the Complex Order Book or cBBO is equal to or better than the cNBBO, on the opposite side of the market or (ii) at the time of submission of the BOX Book Interest, the BOX Book Interest is executable against the Complex Order Book. Following the conclusion of the COPIP, any remaining Improvement Orders are cancelled, any remaining non-Improvement Orders are filtered pursuant to Rule 7240(b)(3)(iii) and any remaining BOX Book Interest is filtered pursuant to Rule 7130(b).

([i]j)   Cases where an Unrelated Order is submitted to BOX on the opposite side of the COPIP Order.

> (1) In cases where an Unrelated Order that is a non-Improvement Order is submitted to BOX on the opposite side of the COPIP order, such that it would cause an execution to occur prior to the end of the COPIP, the non-Improvement Order shall be immediately executed against the COPIP Order up to the lesser of: (A) the size of the COPIP Order or (B) the size of the non-Improvement Order, at a price equal to either: (i) at least one penny better than the cBBO, if the cBBO on the opposite side of the market from the non-Improvement Order is equal to or better than the cNBBO at the time of execution; or (ii) the cNBBO. Specifically, a Market Complex Order on the opposite side of a COPIP Order will immediately execute against the COPIP Order when, at the time of the submission of such Complex Order, the best Improvement Order does not cross the cNBBO on the same side of the market as the COPIP Order. The submission to BOX of an executable Limit Complex Order on the opposite side of a COPIP Order will immediately execute against a COPIP Order when the Limit Complex Order price is equal to or crosses any of the cNBBO, cBBO or BBO on the Complex Order Book for the Strategy.

> (2) In cases where an Unrelated Order that is BOX Book Interest is generated on the opposite side of the COPIP order, such that it would cause an execution to occur prior to the end of the COPIP, the BOX Book Interest shall be immediately executed against the COPIP Order up to the lesser of: (A) the size of the COPIP Order or (B) the size of the BOX Book Interest, at a price equal to the BOX Book Interest price.

> (3) The remainder of the Unrelated Order, if any, shall be executed pursuant to Rule 7240(b)(3). The remainder of the COPIP Order, if any, shall be executed at the conclusion of the COPIP pursuant to 7245(f)(3). Following the conclusion of the COPIP, any remaining Improvement Orders are cancelled.

([j]k) Improvement Orders must be submitted in increments no smaller than one penny. Improvement Orders will not be broadcast via the HSVF, [but] and will not be disseminated to OPRA.

([k]l)   Improvement Orders may not be executed unless the price is equal to or better than the cNBBO at the commencement of the COPIP, except in the following circumstances:

(1) Where an Exchange Official determines that quotes from one or more particular markets in one or more classes of options are not reliable, the Exchange Official may direct the senior person in charge of the BOX MOC to exclude the unreliable quotes from the Improvement Period determination of the cNBBO for Complex Order Strategies of which such option class(es) are a component. The Exchange Official may determine quotes in one or more particular options classes in a market are not reliable only in the following circumstances:

(i) Quotes Not Firm: A market's quotes in a particular options class are not firm based upon direct communication to the Exchange from the market or the dissemination through OPRA of a message indicating that disseminated quotes are not firm;

(ii) Confirmed Quote Problems: A market has directly communicated to the Exchange or otherwise confirmed that the market is experiencing systems or other problems affecting the reliability of its disseminated quotes.

(2) Where the away options exchange posting orders on a single option series comprising the cNBBO is conducting a trading rotation in that options class.

IM-7245-1 through **IM-7245-4**   No Change.

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