

EXHIBIT 5

Proposed new text is underlined. Deleted text is [bracketed].

Phlx Option Rules

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Rule 1012. Series of Options Open for Trading

(a) –(d) No Change.

••• *Commentary:* -----

.01 - .04 No Change.

.05 (a) The interval of strike prices of series of options on individual stocks may be:

(i) (A) \$1 or greater ("\$1 strike prices") provided the strike price is \$50 or less, but not less than \$1. Except as provided in subparagraph (C) below, the listing of \$1 strike prices shall be limited to options classes overlying no more than 150 individual stocks (the "\$1 Strike Program") as specifically designated by the Exchange. The Exchange may list \$1 strike prices on any other option classes if those classes are specifically designated by other securities exchanges that employ a similar \$1 Strike Program under their respective rules.

(B) To be eligible for inclusion into the \$1 Strike Program, an underlying stock must close below \$50 in its primary market on the previous trading day.

After a stock is added to the \$1 Strike Program, the Exchange may list \$1 strike prices from \$1 to \$50 that are no more than \$5 from the closing price of the underlying on the preceding day, or no more than \$5 from the opening price of the underlying on its primary market to be added intraday. For example, if the underlying stock closes at \$13, the Exchange may list strike prices from \$8 to \$18. Also, for example, if the same issue were to open on its primary listing market the next day at \$22.10, the Exchange could immediately list strike prices from \$19 to \$27. In instances where the overnight price movement in the underlying security has left a discontinuity in \$1 strike prices, the Exchange may list all \$1 strikes between the previous day's close and the opening price on the primary listing market. For instance, an underlying issue that closes at \$14 may have \$1 strikes from \$9 to \$19. If the same issue opens on its primary listing market the next day at \$27.10, it may add \$21 and \$22, in addition to strikes from \$23 to \$32 (and in addition to the standard interval strike of \$20).

The Exchange may not list series with \$1 intervals within \$0.50 of an existing strike price in the same series, except that strike prices of \$2, \$3, \$4, \$5 and \$6 shall be permitted within \$0.50 of an existing strike price for classes also selected to participate in the \$0.50 Strike Program. In addition, the Exchange may not list series with \$2.50 intervals (e.g., \$12.50, \$17.50) below \$50 pursuant to this Rule for any issue included within the \$1 Strike Program. The Exchange may list one \$1 Strike option series strike above and below each standard \$5 strike interval that is more than \$5 from the price of the underlying security, with the strike being \$2 above the standard strike for each interval above the price of the underlying security, and \$2 below the standard strike, for each interval below the price of the underlying security, provided it meets the OLPP provisions in Commentary .10 of this Rule. For instance, if the underlying security was trading at \$19, the Exchange could list, for each month, the following strikes: \$3, \$5, \$8, \$10, \$13, \$14, \$15, \$16, \$17, \$18, \$19, \$20, \$21, \$22, \$23, \$24, \$25, \$27, \$30, \$32, \$35, and \$37. Additionally, the Exchange may not list long-term option series ("LEAPS(R)") at [~~\$1~~]~~\$2.50~~ strike price intervals for any option class selected for the \$1 Strike Program, except as provided in subparagraph (C) below.

For issues in the \$1 Strike Program, the Exchange may list one long-term option series strike between each standard \$5 strike interval, with the strike being \$2 above the standard strike for each interval above the price of the underlying security, and \$2 below the standard strike for each interval below the price of the underlying security. In addition, the Exchange may list the \$1 strike which is \$2 above the standard strike just below the underlying price at the time of listing, and may add additional long-term options series strikes as the price of the underlying security moves, consistent with the OLPP. For instance, if the underlying is trading at \$21.25, long-term strikes could be listed at \$15, \$18, \$20, \$22, \$25, \$27, and \$30. If the underlying subsequently moved to \$22, the \$32 strike could be added. If the underlying moved to \$19.75, the \$13, \$10, \$8, and \$5 strikes could be added.

Additional long-term option strikes may not be listed within \$1 of an existing strike until less than nine months to expiration.

A stock shall remain in the \$1 Strike Program until otherwise designated by the Exchange.

- (C) The Exchange may list \$1 strike prices up to \$5 in LEAPS(R) in up to 200 option classes on individual stocks. The Exchange may not list strike prices with \$1 intervals within \$0.50 on an existing \$2.50 strike price in the same series, except that strike prices of \$2 and \$3 shall be permitted within \$0.50 of a \$2.50 strike price for classes also selected to participate in the \$0.50 Strike Program.

(D) Delisting Policy. For options classes selected to participate in the \$1 Strike Program, the Exchange will, on a monthly basis, review series that were originally listed under the \$1 Strike Program with strike prices that are more than \$5 from the current value of an options class and delist those series with no open interest in both the put and the call series having a: (1) strike higher than the highest strike price with open interest in the put and/or call series for a given expiration month; and (2) strike lower than the lowest strike price with open interest in the put and/or call series for a given expiration month. If the Exchange identifies series for delisting pursuant to this policy, the Exchange shall notify other options exchanges with similar delisting policies regarding the eligible series for delisting, and shall work jointly with such other exchanges to develop a uniform list of series to be delisted so as to ensure uniform series delisting of multiply listed options classes.

Notwithstanding the above delisting policy, the Exchange may grant member requests to add strikes and/or maintain strikes in series of options classes traded pursuant to the \$1 Strike Program that are eligible for delisting.

(ii) \$0.50 or greater beginning at \$0.50 where the strike price is \$5.50 or less, but only for options classes whose underlying security closed at or below \$5.00 in its primary market on the previous trading day and which have national average daily volume that equals or exceeds 1000 contracts per day as determined by The Options Clearing Corporation during the preceding three calendar months. The listing of \$0.50 strike prices shall be limited to options classes overlying no more than 20 individual stocks (the "\$0.50 Strike Program") as specifically designated by the Exchange. The Exchange may list \$0.50 strike prices on any other option classes if those classes are specifically designated by other securities exchanges that employ a similar \$0.50 Strike Program under their respective rules. A stock shall remain in the \$0.50 Strike Program until otherwise designated by the Exchange.

(iii) (A) \$2.50 or greater where the strike price is \$25 or less: provided, however, that the Exchange may not list \$2.50 intervals below \$50 (e.g., \$12.50, \$17.50) for any class included within the \$1 Strike Program[if the addition of \$2.50 intervals would cause the class to have strike price intervals that are \$0.50 apart];

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