

Note: Proposed new language is underlined. Proposed deletions are enclosed in [brackets].

## Rules of BATS Exchange, Inc.

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### CHAPTER XI. TRADING RULES

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#### Rule 11.23. Auctions.

(a) Definitions

(1) – (5) No change.

(6) The term “Collar Price Range” shall mean [the range from 10% of the Volume Based Tie Breaker below the ZBB to 10% of the Volume Based Tie Breaker above the ZBO. In the event that there is either no ZBB or ZBO for the security, the Collar Price Range shall be the range from 10% of the Volume Based Tie Breaker below the NBB to 10% of the Volume Based Tie Breaker above the NBO if there is at least one limit order on either the Continuous Book or the Auction Book. In the event that there is also either no NBB or NBO for the security or no limit orders on the Continuous Book and the Auction Book, the range from 10% above and below the price of the Final Last Sale Eligible Trade will be used.]the range from a set percentage below the Collar Midpoint (as defined below) to above the Collar Midpoint, such set percentage being dependant on the value of the Collar Midpoint at the time of the auction, as described below. The Collar Midpoint will be the Volume Based Tie Breaker for all applicable auctions, except for IPO Auctions in ETPs (as defined in Rule 11.8, Interpretation and Policy .02(d)(2)), for which the Collar Midpoint will be the issue price. Specifically, the Collar Price Range will be determined as follows: where the Collar Midpoint is \$25.00 or less, the Collar Price Range shall be the range from 10% below the Collar Midpoint to 10% above the Collar Midpoint; where the Collar Midpoint is greater than \$25.00 but less than or equal to \$50.00, the Collar Price Range shall be the range from 5% below the Collar Midpoint to 5% above the Collar Midpoint; and where the Collar Midpoint is greater than \$50.00, the Collar Price Range shall be the range from 3% below the Collar Midpoint to 3% above the Collar Midpoint.

(7) – (21) No change.

(22) The term “Regular Hours Only” or “RHO” shall mean a BATS order that is designated for execution only during Regular Trading Hours, which includes the Opening Auction, the Closing Auction, and IPO/Halt Auctions. Any portion of a market RHO order will be cancelled immediately following any auction in which it is not executed.

(b) *Opening Auction*

(1) No change.

(2) Opening Auction Process. The Exchange will conduct an Opening Auction for all BATS listed securities.

(A) No change.

(B) Determination of BATS Official Opening Price. The Opening Auction price will be established by determining the price level within the Collar Price Range that maximizes the number of shares executed between the Continuous Book and the Auction Book in the Opening Auction. In the event of a volume based tie at multiple price levels, the Opening Auction price will be the price closest to the Volume Based Tie Breaker. [In the event that at the time of the Opening Auction there are no limit orders on both the Continuous Book and the Auction Book, the Opening Auction will occur at the price of the Final Last Sale Eligible Trade]Where no limit orders from one or both sides (the buy side, the sell side, or both the buy and sell side) would participate in an Opening Auction, the Opening Auction will occur at the price of the Volume Based Tie Breaker. The Opening Auction price will be the BATS Official Opening Price. In the event that there is no Opening Auction for an issue, the BATS Official Opening Price will be the price of the Final Last Sale Eligible Trade, which will be the previous BATS Official Closing Price.

(C) No change.

(3) No change.

(c) *Closing Auction*

(1) No change.

(2) Closing Auction Process. The Exchange will conduct a Closing Auction for all BATS listed securities.

(A) No change.

(B) Determination of BATS Official Closing Price. The Closing Auction price will be established by determining the price level within the Collar Price Range that maximizes the number of shares executed between the Continuous Book and Auction Book in the Closing Auction. In the event of a volume based tie at multiple price levels, the Closing Auction price will be the price closest to the Volume Based Tie Breaker. [In the event that at the time of the Closing Auction there are no limit orders on both the Continuous Book and the Auction Book, the Closing Auction will occur at the price of the Final Last Sale Eligible Trade]Where no limit orders from one or both sides (the buy side, the sell side, or both the buy and sell side) would participate in a Closing Auction, the Closing Auction will occur at the price of the Volume Based Tie Breaker.

The Closing Auction price will be the BATS Official Closing Price. In the event that there is no Closing Auction for an issue, the BATS Official Closing Price will be the price of the Final Last Sale Eligible Trade.

(C) No change.

(3) No change

(d) *IPO and Halt Auctions.* For trading in a BATS listed security in an initial public offering (an “IPO”) or following a trading halt in that security, the Exchange will conduct an IPO or Halt Auction, as described below.

(1) No change.

(2) IPO and Halt Auction Process.

(A) Publication of BATS Auction Information. Coinciding with the beginning of the quotation only period for a security and updated every five seconds thereafter, the Reference Price, Indicative Price, Auction Only Price, and the lesser of Reference Buy Shares[,] and Reference Sell Shares associated with the IPO or Halt Auction will be disseminated via electronic means.

(B) No change.

(C) Determination of BATS IPO and Halt Auction Price. Orders will be executed at the price that maximizes the number of shares executed in the auction. For ETPs, orders will be executed at the price level within the Collar Price Range that maximizes the number of shares executed in the auction. In the event of a volume based tie at multiple price levels, the price level closest to the issuing price will be used for IPO Auctions and the price level closest to the Final Last Sale Eligible Trade will be used for Halt Auctions. [In the event that there are]Where no limit orders from one or both sides (the buy side, the sell side, or both the buy and sell side)[among the Eligible Auction Orders for]would participate in a Halt Auction, the Halt Auction will occur at the price of the Final Last Sale Eligible Trade. [In the event that]Where there are no limit orders from one or both sides (the buy side, the sell side, or both the buy and sell side) [among the Eligible Auction Orders for]would participate in an IPO Auction, the IPO Auction will occur at the issuing price. The IPO Auction price will be BATS Official IPO Opening Price.

(3) Transition to Normal Trading.

(A) If any orders are not executed in their entirety during the IPO or Halt Auction, then the remaining shares from such orders that are not automatically cancelled shall be executed in accordance with BATS Rule 11.13 after the completion of the IPO or Halt Auction.

(B) After the completion of the IPO or Halt Auction, the Exchange will open for trading in the security in accordance with Chapter 11 of BATS Rules.

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