

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

Rules of BATS Exchange, Inc.

* * *

CHAPTER XI. TRADING RULES

* * *

Rule 11.18. Trading Halts Due to Extraordinary Market Volatility

(a)-(c) (No changes.)

(d) Between 9:45 a.m. and 3:35 p.m., or in the case of an early scheduled close, 25 minutes before the close of trading, the Exchange shall immediately pause trading for 5 minutes in any Exchange-listed security, other than rights and warrants, when the price of such security moves a percentage specified below within a 5-minute period, as follows:

(1) The price move shall be 10% or more with respect to securities included in the S&P 500® Index, Russell 1000® Index, and a pilot list of Exchange Traded Products;

(2) The price move shall be 30% or more with respect to all NMS stocks not subject to sub-paragraph (d)(1) of this Rule with a price equal to or greater than \$1; and

(3) The price move shall be 50% or more with respect to all NMS stocks not subject to sub-paragraph (d)(1) of this Rule with a price less than \$1.

The determination that the price of a stock is equal to or greater than \$1 under sub-paragraph (2) above or less than \$1 under sub-paragraph (3) above shall be based on the closing price on the previous trading day, or, if no closing price exists, the last sale reported to the Consolidated Tape on the previous trading day.

At the end of the trading pause, the Exchange will re-open the security using the Halt Auction process set forth in Rule 11.23. In the event of a significant imbalance at the end of a trading pause, the Exchange may delay the re-opening of a security. The Exchange will issue a notification if it cannot resume trading for a reason other than a significant imbalance.

Price moves under this paragraph (d) will be calculated by changes in each consolidated last-sale price disseminated by a network processor over a five minute rolling period measured continuously. Only regular way in-sequence transactions qualify for use in calculations of price moves. The Exchange can exclude a transaction price from use if it concludes that the transaction price resulted from an erroneous trade. If a trading pause is triggered under this paragraph, the Exchange shall immediately notify the single plan processor responsible for consolidation of information for the security pursuant to Rule 603 of Regulation NMS under the Securities Exchange Act of 1934.

If a primary listing market other than the Exchange issues an individual stock trading pause in any of the Circuit Breaker Securities, as defined in Interpretation and Policy .05 of this Rule, the Exchange will pause trading in that security until trading has resumed on the primary listing market. If, however, trading has not resumed on the primary listing market and ten minutes have passed since the individual stock trading pause message has been received from the responsible single plan processor, the Exchange may resume trading in such stock.

(e) Limit Up-Limit Down Mechanism (operative as of April 8, 2013).

(1) Definitions.

(A) The term “Plan” or “Limit Up-Limit Down Plan” means the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act, as amended from time to time.

(B) All capitalized terms not otherwise defined in this paragraph (e) shall have the meanings set forth in the Plan or Exchange rules, as applicable.

(2) Exchange Participation in the Plan. The Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes procedures to address extraordinary volatility in NMS Stocks.

(3) Member Compliance. Members shall comply with the applicable provisions of the Plan.

(4) Exchange Compliance with the Plan. The System shall not display or execute buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the Plan.

(5) Re-pricing and Cancellation of Interest. Depending on a User’s instructions, the System shall re-price and/or cancel buy (sell) interest that is priced or could be executed above (below) the Upper (Lower) Price Band. When re-pricing resting orders because such orders are above (below) the Upper (Lower) Price Band, the Exchange will provide new timestamps to such orders. The Exchange will also provide new timestamps to resting orders at the less aggressive price to which such orders are re-priced. Any resting interest that is re-priced pursuant to this Rule shall maintain priority ahead of interest that was originally less aggressively priced, regardless of the original timestamps for such orders.

(A) Market Orders and IOC Orders. The System will only execute BATS market orders or IOC Orders at or within the Price Bands. If a Market Order or IOC Order cannot be fully executed at or within the Price Bands, the System shall cancel any unexecuted portion of the order without posting such order to the Exchange’s order book.

(B) Limit-priced Interest. Limit-priced interest will be cancelled if a User has entered instructions not to use the re-pricing process and such interest to

buy (sell) is priced above (below) the Upper (Lower) Price Band. If re-pricing is permitted based on a User's instructions, both displayable and non-displayable incoming limit-priced interest to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be re-priced to the Upper (Lower) Price Band. The System shall re-price resting limit-priced interest to buy (sell) to the Upper (Lower) Price Band if Price Bands move such that the price of resting limit-priced interest to buy (sell) would be above (below) the Upper (Lower) Price Band. If the Price Bands move again and the original limit price of displayed and re-priced interest is at or within the Price Bands and a User has opted into the Exchange's optional multiple price sliding process, as described in Rule 11.9(g), the System shall re-price such displayed limit interest to the most aggressive permissible price up to the order's limit price. All other displayed and non-displayed limit interest re-priced pursuant to this paragraph (e) will remain at its new price unless the Price Bands move such that the price of resting limit-priced interest to buy (sell) would again be above (below) the Upper (Lower) Price Band.

(C) Pegged Interest. Pegged interest to buy (sell) shall peg to the specified pegging price or the Upper (Lower) Price Band, whichever is lower (higher).

(D) Routable Orders. If routing is permitted based on a User's instructions, orders shall be routed away from the Exchange pursuant to Rule 11.13.

(E) Sell Short Orders. During a Short Sale Price Test, as defined in Rule 11.19(b)(2), Short Sale Orders priced below the Lower Price Band shall be re-priced to the higher of the Lower Price Band or the Permitted Price, as defined in Rule 11.9(g)(2)(A).

(F) Auction Orders. Eligible Auction Orders are not price slid or cancelled due to applicable Price Bands.

(6) Trading Pause. Securities shall remain subject to the requirements of paragraph (d) of this Rule until such securities become subject to the Plan. Once an NMS Stock is subject to the Plan, the security shall only be subject to a Trading Pause under the Plan consistent with paragraph (f) of this Rule.

(7) Trading Pause during a Straddle State. The Exchange may declare a Trading Pause for a NMS Stock listed on the Exchange when (i) the National Best Bid (Offer) is below (above) the Lower (Upper) Price Band and the NMS Stock is not in a Limit State; and (ii) trading in that NMS Stock deviates from normal trading characteristics.

(8) Re-opening of Trading following a Trading Pause. At the end of the Trading Pause, the Exchange shall re-open the security in a manner similar to the procedures set forth in Rule 11.23.

(f)[(e)] On the occurrence of any trading halt pursuant to this Rule, all outstanding orders in the System, other than Eligible Auction Orders, will be cancelled.

Interpretations and Policies:

.01-.05 (No changes.)

* * *