

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

**BATS BZX Exchange Fee Schedule**  
**Effective [December 1, 2011]January 3, 2012**

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The following is the Schedule of Fees (pursuant to Rule 15.1(a) and (c)) for BATS Exchange, Inc. (“BZX Exchange” or “BZX”). The Schedule of Fees is divided into Equities Pricing, Options Pricing and Physical Connection Charges.

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**Options Pricing:**

All references to “per contract” mean “per contract executed”

“ADV” means average daily volume calculated as the number of contracts added or removed, combined, per day on a monthly basis; routed contracts are not included in ADV calculation; with prior notice to the Exchange, a Member may aggregate ADV with other Members that control, are controlled by, or are under common control with such Member

“Customer” applies to any transaction identified by a Member for clearing in the Customer range at the Options Clearing Corporation (“OCC”), excluding any transaction for a “Professional” as defined in Exchange Rule 16.1

“Firm” applies to any transaction identified by a Member for clearing in the Firm range at the OCC

“High Water Mark” is defined as the greater of a Member’s Q4 2011 TCV or a Member’s highest monthly TCV on BATS Options thereafter

“Market Maker” applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC

“Professional” applies to any transaction identified by a Member as such pursuant to Exchange Rule 16.1

“TCV” means total consolidated volume calculated as the volume reported by all exchanges to the consolidated transaction reporting plan for the month for which the fees apply

**Fees for Accessing Liquidity for All Securities**

Professional, Firm and Market Maker orders:

\$0.44 charge per contract for a Professional, Firm or Market Maker order that removes liquidity from the BATS Options order book

Customer orders:

\$0.44 charge per contract for a Customer order that removes liquidity from the BATS Options order book and the Member does not qualify for a lower charge based on the Member's ADV

\$0.40 charge per contract for a Customer order that removes liquidity from the BATS Options order book where the Member has an ADV less than 0.30% of average TCV and also shows a minimum of 5 basis points TCV improvement over their previous High Water Mark<sup>4</sup>

[\$0.27]\$0.36 charge per contract for a Customer order that removes liquidity from the BATS Options order book where the Member has an ADV equal to or greater than 0.30% of average TCV

\$0.32 charge per contract for a Customer order that removes liquidity from the BATS Options order book where the Member has an ADV equal to or greater than 0.30% of average TCV but less than 1% of average TCV and also shows a minimum of 5 basis points TCV improvement over their previous High Water Mark<sup>4</sup>

\$0.28 charge per contract for a Customer order that removes liquidity from the BATS Options order book where the Member has an ADV equal to or greater than 1% of average TCV

[\$0.30 charge per contract for a Customer order that removes liquidity from the BATS Options order book and such Member does not qualify for a lower charge based on their ADV

\$0.42 charge per contract for a Professional, Firm or Market Maker order that removes liquidity from the BATS Options order book]

### **Liquidity Rebates for All Securities**

[\$0.30 rebate per contract for a Customer order that adds liquidity to the BATS Options order book]

#### Professional, Firm and Market Maker orders:

\$0.22 rebate per contract for a Professional, Firm or Market Maker order that adds liquidity to the BATS Options order book that is removed by a Customer order

\$0.32 rebate per contract for a Professional, Firm or Market Maker order that adds liquidity to the BATS Options order book that is removed by a Professional, Firm or Market Maker order

#### Customer orders:

\$0.30 rebate per contract for a Customer order that adds liquidity to the BATS Options order book and the Member does not qualify for a higher rebate based on their ADV

\$0.35 rebate per contract for a Customer order that adds liquidity to the BATS Options order book where the Member has an ADV less than 0.30% of average TCV and also shows a minimum of 5 basis points TCV improvement over their previous High Water Mark<sup>4</sup>

\$0.40 rebate per contract for a Customer order that adds liquidity from the BATS Options order book where the Member has an ADV equal to or greater than 0.30% of average TCV

\$0.41 rebate per contract for a Customer order that adds liquidity to the BATS Options order book where the Member has an ADV equal to or greater than 0.30% of average TCV but less than 1% of average TCV and also shows a minimum of 5 basis points TCV improvement over their previous High Water Mark<sup>4</sup>

\$0.42 rebate per contract for a Customer order that adds liquidity from the BATS Options order book where the Member has an ADV equal to or greater than 1% of average TCV

**NBBO Setter Liquidity Rebates for All Securities** (in addition to any other applicable liquidity rebates)

\$0.03 additional rebate per contract for a Professional, Firm or Market Maker order that adds liquidity to the BATS Options order book that sets a new national best bid or offer where the Member has an ADV less than 0.30% of average TCV and also shows a minimum of 5 basis points TCV improvement over their previous High Water Mark<sup>4</sup>

\$0.06 additional rebate per contract for [any] a Professional, Firm or Market Maker order that adds liquidity to the BATS Options order book that sets a new national best bid or offer where the [adding] Member has an ADV equal to or greater than 0.30% of average TCV but less than 1% of average TCV

\$0.08 additional rebate per contract for a Professional, Firm or Market Maker order that adds liquidity to the BATS Options order book that sets a new national best bid or offer where the Member has an ADV equal to or greater than 0.30% of average TCV but less than 1% of average TCV and also shows a minimum of 5 basis points TCV improvement over their previous High Water Mark<sup>4</sup>

\$0.10 additional rebate per contract for [any] a Professional, Firm or Market Maker order that adds liquidity to the BATS Options order book that sets a new national best bid or offer where the [adding] Member has an ADV equal to or greater than 1% of average TCV

<sup>4</sup>These rebates and fees constitute our “grow with us” pricing for Members that are increasing their trading activity.

**Quoting Incentive Program (“QIP”) Liquidity Rebates** (in addition to any other applicable liquidity rebates)

\$0.03 additional rebate per contract for a Customer order that adds liquidity to the BATS Options order book in options products in which Members meet one of the following quoting levels:

\$0.05 additional rebate per contract for [any] a Professional, Firm or Market Maker order that adds liquidity to the BATS Options order book in options products in which Members meet one of the following quoting levels:

- (1) BATS Options Market Makers that quote at the national best bid or offer 60% of the time for series trading between \$0.03 and \$5.00 for the front three (3) expiration months in that underlying for the month for which fees apply; or
- (2) All other BATS Options Members that quote at the national best bid or offer 70% of the time for series trading between \$0.03 and \$5.00 for the front three (3) expiration months in that underlying for the month for which fees apply.

**Standard Best Execution Routing or Destination Specific Routing (“BATS Options+”)**

Charge per contract for contracts executed using “CYCLE”, “RECYCLE”, “Parallel D”, “Parallel 2D”, or BATS Options+ routing:

		<b>Customer</b>	<b>Professional/ Firm/Market Maker</b>
AMEX BOX CBOE	ARCA (Classic issues) <sup>[4]5</sup> ISE (Classic issues) <sup>[4]5</sup> PHLX (Classic issues) <sup>[4]5</sup>	\$0.10	\$0.55
	ISE (Make/Take issues) <sup>[4]5</sup> PHLX (Make/Take issues) <sup>[4]5</sup>	\$0.30	\$0.55
C2 NOM ARCA (Make/Take issues) <sup>[4]5</sup>		\$0.50	\$0.55

**Directed ISO Fee**

\$0.60 charge per contract for orders executed at [member] Member directed destinations when bypassing the BATS Options order book

**Options Logical Port Fees**

- \$400.00 per month per logical port other than a Multicast PITCH Spin Server Port, GRP Port or logical port with bulk-quoting capabilities

- Multicast PITCH customers: 32 free Multicast PITCH Spin Server Ports and one free GRP Port; \$400.00 per month per additional set of 32 Multicast PITCH Spin Server Ports or additional GRP Port

- \$1,000.00 per month for any logical port with bulk-quoting capabilities; fees for logical ports with bulk-quoting capabilities will be waived for Members achieving QIP thresholds in more than 25 underlying securities

**Physical Connection Charges**<sup>[5]6</sup>:

- 1G physical ports: up to 4 pairs (primary and secondary data center) free of charge; \$2,500.00 per month for each additional single physical port
- 10G physical ports: \$2,500.00 per month for each single physical port

<sup>[4]5</sup> Pricing in Make/Take issues is for executions at the identified exchange under which “Post Liquidity” or “Maker” rebates (“Make”) are credited by that exchange and “Take Liquidity” or “Taker” fees (“Take”) are charged by that exchange. Pricing in Classic issues applies to all other executions at such exchanges.

<sup>[5]6</sup> The Exchange will pass-through in full any fees or costs in excess of \$1,000.00 incurred by the Exchange to complete a cross-connect.

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