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

Rules of BATS Y-Exchange, Inc.

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CHAPTER XI.   TRADING RULES

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Rule 11.9.   Orders and Modifiers

(No change.)

(a)-(b) (No change.)

(c)   *Other Types of Orders.*

(1)-(8)

(9)   *Mid-Point Peg Order.* A limit order that after entry into the System, the price of the order is automatically adjusted by the System in response to changes in the NBBO to be pegged to the mid-point of the NBBO, or, alternatively, pegged to the less aggressive of the midpoint of the NBBO or one minimum price variation inside the same side of the NBBO as the order. Mid-Point Peg Orders are not eligible for routing pursuant to Rule 11.13(a)(2), and are not displayed on the Exchange, unless the User elects to route the order pursuant to the RMPT Routing Option defined in Rule 11.13(a)(3)([J]Q). A new timestamp is created for the order each time it is automatically adjusted.

(10)-(11)   (No change.)

(12)   [*Destination Specific Order.* A market or limit order that instructs the System to route the order to a specified away trading center or centers, after exposing the order to the BATS Book. Destination Specific Orders that are not executed in full after routing away are processed by the Exchange as described below in Rule 11.13(a)(2).](Reserved.)

(13)   [*Modified Destination Specific Order.* A market or limit order that instructs the System to route the order to a specified away trading center or centers, as approved by the Exchange from time to time, without first exposing the order to the BATS Book. Modified Destination Specific Orders that are not executed in full after routing away receive a new timestamp upon return to the Exchange and are processed by the Exchange as described below in Rule 11.13(a)(2).](Reserved.)

(14)-(19) (No change.)

(d)   *Intermarket Sweep Orders*.

[(1)]   (No change.)

[(2)   The term "Directed Intermarket Sweep Order" ("Directed ISO") shall mean, for any order so designated, an ISO entered by a User that bypasses the System and is immediately routed by the Exchange to an away trading center specified by the User for execution. It is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS relating to Intermarket Sweep Orders.]

(e)-(g) (No change.)

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Rule 11.13.   Order Execution

(No change.)

(a)   Execution and Routing.

(1)-(2) (No change.)

(3)   *Routing Options*. The System provides a variety of routing options. Routing options may be combined with all available order types and times-in-force, with the exception of order types and times-in-force whose terms are inconsistent with the terms of a particular routing option. The System will consider the quotations only of accessible markets. The term "System routing table" refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. The Exchange reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. The System routing options are:

(A)   [(Reserved.)

(B)]   Parallel D. Parallel D is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. The System may route to multiple destinations at a single price level simultaneously through Parallel D routing.

[(C)](B)   Parallel 2D. Parallel 2D is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. The System may route to multiple destinations and at multiple price levels simultaneously through Parallel 2D routing.

[(D)](C)   Parallel T. Parallel T is a routing option under which an order checks the System for available displayed shares and then is sent to destinations

on the System routing table. Pursuant to Parallel T, orders route only to Protected Quotations and only for displayed size. The System may route to multiple destinations and at multiple price levels simultaneously through Parallel T routing.

[(E)](D) DRT. DRT is a routing option in which the entering firm instructs the System to route to alternative trading systems included in the System routing table. Unless otherwise specified, DRT can be combined with and function consistent with all other routing options.

[(F)](E) ["]Destination Specific [Orders].[," "Modified Destination Specific Orders" and "Directed ISO" orders are routed orders described in Rule 11.9.] Destination Specific is a routing option under which an order checks the System for available shares and then is sent to an away trading center or centers specified by the User.

(F) Directed ISO. Directed ISO is a routing option under which an ISO entered by a User bypasses the System and is sent by the System to an away trading center specified by the User. It is the entering Member's responsibility, not the Exchange's responsibility, to comply with the requirements of Regulation NMS relating to Intermarket Sweep Orders.

(G) Other Routing Strategies. The following[TRIM and TRIM2] are routing options under which an order checks the System for available shares and then is sent to destinations on the applicable System routing table. The entering User may select either Route To Improve ("RTI") or Route To Fill ("RTF") with any order designated pursuant to routing strategies (i) or (ii) below. RTI may route to multiple destinations at a single price level simultaneously while RTF may route to multiple destinations and at multiple price levels simultaneously.

> (i) ROUT
> (ii) ROUX
> (iii) ROUZ
> (iv) TRIM
> (v) TRIM2
> (vi) SLIM

(H) [SLIM is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table.] Post to Away. In addition to instructions to cancel an order back to a User or post to the BATS Book following the routing process, as set forth above, a User may elect the Post to Away routing option. Post to Away is a routing option that routes the remainder of a routed order to and posts such order on the order book of a destination on the System routing table as specified by the User. Post to Away can be combined with the following routing strategies: ROUT, ROUX, ROUZ, INET, RDOT, RDOX, ROLF, IOCM and ICMT.

(I) SWP. SWP is a routing option under which an order checks the System for available displayed shares and then is sent to destinations on the System routing table. Pursuant to SWP, orders route only to Protected Quotations and only for displayed size. The System may route to multiple destinations and at multiple price levels simultaneously through SWP routing. The Exchange offers two forms of SWP routing, SWPA and SWPB. A SWPA order will be routed to destinations on the System routing table even if at the time of entry there is an insufficient share quantity in the SWPA order to fulfill the displayed size of all Protected Quotations. In contrast, the entire SWPB order will be cancelled back to a User immediately if at the time of entry there is an insufficient share quantity in the SWPB order to fulfill the displayed size of all Protected Quotations. In connection with the Limit Up-Limit Down Plan described in Rule 11.18(e) below, the System will immediately cancel orders utilizing an SWP routing strategy when an order to buy utilizing an SWP routing strategy has a limit price that is greater than the Upper Price Band or if a sell order utilizing an SWP routing strategy has a limit price that is less than the Lower Price Band.

(J)   INET. INET is a routing option under which an order checks the System for available shares and then is sent to Nasdaq. If shares remain unexecuted after routing, they are posted on the Nasdaq book, unless otherwise instructed by the User.

(K)   RDOT. RDOT is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. If shares remain unexecuted after routing, they are sent to the NYSE and can be re-routed by the NYSE. If shares remain unexecuted after routing, they are posted to the NYSE, unless otherwise instructed by the User.

(L)   RDOX. RDOX is a routing option under which an order checks the System for available shares, is then sent to the NYSE and can be re-routed by the NYSE. If shares remain unexecuted after routing, they are posted on the NYSE book, unless otherwise instructed by the User.

(M)   ROLF. ROLF is a routing option under which an order checks the System for available shares and then is sent to LavaFlow ECN. If shares remain unexecuted after routing they are cancelled, unless otherwise instructed by the User.

(N)   ROOC. ROOC is a routing option for orders that the entering firm wishes to designate for participation in the opening, re-opening (following a halt, suspension, or pause), or closing process of a primary listing market (BATS BZX, NYSE, Nasdaq, NYSE MKT, or NYSE Arca) if received before the opening/re-opening/closing time of such market. The ROOC routing option does not currently route to the re-opening process for BATS BZX. If shares remain unexecuted after attempting to execute in the opening, re-opening, or closing process, they are either posted to the BATS Book, executed, or routed to destinations on the System routing table.

(O)   IOCM. IOCM is a routing option under which an order checks the System for available shares and then is sent as a MidPoint Match order with a Time-in-Force of IOC to EDGX.

(P)   ICMT. ICMT is a routing option under which an order checks the System for available shares, then is sent to destinations on the System routing table and then is sent as a MidPoint Match order with a Time-in-Force of IOC to EDGX.

[(J)](Q) RMPT. RMPT is a routing option under which a Mid-Point Peg Order checks the System for available shares and any remaining shares are then sent to destinations on the System routing table that support midpoint eligible orders. If any shares remain unexecuted after routing, they are posted on the BATS Book as a MidPoint Peg Order, unless otherwise instructed by the User.

(4)   (No change.)

(b)-(e) (No change.)

Interpretations and Policies

.01   (No change.)

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