

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

Rules of BATS Exchange, Inc.

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Rule 11.23. Auctions

(a) Definitions

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(11) The term “Late-Limit-On-Close” or “LLOC” shall mean a BATS limit order that is designated for execution only in the Closing Auction. To the extent a LLOC bid or offer received by the Exchange has a limit price that is more aggressive than the [ZBB or ZBO]NBB or NBO, the price of such bid or offer is adjusted to be equal to the [ZBB or ZBO]NBB or NBO, respectively, at the time of receipt by the Exchange. Where the [ZBB or ZBO]NBB or NBO becomes more aggressive, the limit price of the LLOC bid or offer will be adjusted to the more aggressive price, only to the extent that the more aggressive price is not more aggressive than the original User entered limit price. The limit price will never be adjusted to a less aggressive price. [In the event that there is no ZBBO, the NBBO will be used to constrain the limit price.]If there is [also]no NBB[O] or NBO, the LLOC bid or offer, respectively, will assume its entered limit price.

(12) The term “Late-Limit-On-Open” or “LLOO” shall mean a BATS limit order that is designated for execution only in the Opening Auction. To the extent a LLOO bid or offer received by the Exchange has a limit price that is more aggressive than the [ZBB or ZBO]NBB or NBO, the price of such bid or offer is adjusted to be equal to the [ZBB or ZBO]NBB or NBO, respectively, at the time of receipt by the Exchange. Where the [ZBB or ZBO]NBB or NBO becomes more aggressive, the limit price of the LLOO bid or offer will be adjusted to the more aggressive price, only to the extent that the more aggressive price is not more aggressive than the original User entered limit price. The limit price will never be adjusted to a less aggressive price. [In the event that there is no ZBBO, the NBBO will be used to constrain the limit price.]If there is [also]no NBB[O] or NBO, the LLOO bid or offer, respectively, will assume its entered limit price. Notwithstanding the foregoing, a LLOO order entered during the Quote-Only Period of an IPO will be converted to a limit order with a limit price equal to the original User entered limit price and any LLOO orders not executed in their entirety during the IPO Auction will be cancelled upon completion of the IPO Auction.

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(20) The term “Reference Price Range” shall mean the range from the [ZBB to the ZBO for a particular security. In the event that there is either no ZBB or ZBO for the security, the]NBB to the NBO for a particular security[will be used 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 price of the Final Last Sale Eligible Trade will be used.

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(23) The term “Volume Based Tie Breaker” shall mean the midpoint of the [ZBBO]NBBO for a particular security where the NBBO is a Valid NBBO. [In the event that there is either no ZBB or ZBO for the security, the NBBO will be used 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] A NBBO is a Valid NBBO where: (i)[no] there is both a NBB [or]and NBO for the security; (ii)[or] the NBBO is not crossed; and (iii) the midpoint of the NBBO is less than the Maximum Percentage away from both the NBB and the NBO. The Maximum Percentage will be determined by the Exchange and will be published in a circular distributed to Members with reasonable advance notice prior to initial implementation and any change thereto.[no limit orders on the Continuous Book and the Auction Book] Where the NBBO is not a Valid NBBO, the price of the Final Last Sale Eligible Trade will be used.

[(24) The term “ZBB” or “BATS Best Bid” shall mean the highest displayed price in the Continuous Book. The term “ZBO” or “BATS Best Offer” shall mean the lowest displayed price in the Continuous Book. The term “ZBBO” shall mean BATS Best Bid or BATS Best Offer.]

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(b) Opening Auction

(1) (No changes.)

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

(A) (No changes.)

(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 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.[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.

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(c) Closing Auction

(1) (No changes.)

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

(A) (No changes.)

(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.[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.

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(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 changes.)

(2) IPO and Halt Auction Process.

(A)-(B) (No changes.)

(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.[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 Halt Auction, the Halt Auction will occur at the price of the Final Last Sale Eligible Trade. Where there are 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 IPO Auction, the IPO Auction will occur at the issuing price.] The IPO Auction price will be BATS Official IPO Opening Price.

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(e) Volatility Closing Auction. Where a security is halted between 3:50 p.m. and 4:00 p.m. pursuant to Rule 11.18 or the Quote-Only Period of a Halt Auction for a security halted before 3:50 p.m. pursuant to Rule 11.18 would otherwise be extended by the Exchange after 3:50 p.m., no Closing Auction or Halt Auction for the security will occur. Instead, the Exchange will conduct a Volatility Closing Auction at 4:00 p.m. as described below.

(1) (No changes.)

(2) Volatility Closing Auction Process.

(A) (No changes.)

(B) Determination of Closing Price. 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 Final Last Sale Eligible Trade will be used for Volatility Closing Auctions.[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 Volatility Closing Auction, the Volatility Closing Auction will occur at the price of the Final Last Sale Eligible Trade.] The Volatility Closing Auction price will be the BATS Official Closing Price.

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