

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

### **Rules of BATS Exchange, Inc.**

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#### **Rule 8.15 Imposition of Fines for Minor Violation(s) of Rules**

(a) In lieu of commencing a disciplinary proceeding as described in Rules 8.1 through 8.13, the Exchange may, subject to the requirements set forth in this Rule, impose a fine[, not to exceed \$2,500,] on any Member, associated person of a Member, or registered or non-registered employee of a Member, for any violation of a Rule of the Exchange, which violation the Exchange shall have determined is minor in nature. The Exchange may, if no exceptional circumstances are present, impose a fine based upon a determination that there exists a pattern or practice of violative conduct. The Exchange also may aggregate similar violations generally if the conduct was unintentional, there was no injury to public investors, or the violations resulted from a single systemic problem or cause that has been corrected. Any fine imposed pursuant to this Rule that does not exceed \$2,500 and is not contested shall not be publicly reported, except as may be required by Rule 19d-1 under the Act or as may be required by any other regulatory authority.

(b)-(e) (No changes.)

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#### **Rule 25.3 Penalty for Minor Rule Violations**

The following BATS Options rule and policy violations may be determined by the Exchange to be minor in nature. If so, the Exchange may, with respect to any such violation, proceed under Rule 8.15 (Imposition of Fines for Minor Violation(s) of Rules) and impose the fine set forth below. The Exchange is not required to proceed under said Rules as to any rule violation and may, whenever such action is deemed appropriate, commence a disciplinary proceeding under Chapter VIII (Discipline) rules as to any such violation. A subsequent violation is calculated on the basis of a rolling 24-month period (“Period”).

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

(d) Continuous Quotes

Violations of Rule 22.6(d) regarding Market Maker continuous bids and offers shall be subject to the fines listed below.[ Violations of the rule that continue over consecutive trading days will be subject to a separate fine, pursuant to this paragraph (d), for each day during which the violation occurs and is continuing up to a limit of fifteen consecutive trading days. In calculating fine thresholds for each Market Maker, all violations occurring within the Period in any of the Market Makers registered series are to be added together.]

<b>Number of Violations Within</b>	<b>Fine Amount</b>
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<b>One Period*</b>	
1	Letter of Caution
[2 or more]	[\$300 per day]
<u>2</u>	<u>\$1,000</u>
<u>3</u>	<u>\$2,500</u>
<u>4</u>	<u>\$5,000</u>
<u>5 or more</u>	<u>Formal Disciplinary Action</u>

\* Violations occurring during a calendar month are aggregated and sanctioned as a single offense.

(e) - (f) (No changes.)

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