

Exhibit 5A

Proposed new language is underlined; proposed deletions are marked by [brackets].

BATS BZX EXCHANGE, INC.

RULES OF BATS BZX EXCHANGE, INC.

CHAPTER I. ADOPTION, INTERPRETATION AND APPLICATION OF RULES, AND DEFINITIONS

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Rule 1.5. Definitions

(No change).

(a) - (d) (No change).

(e) [BATS]BZX Book

The term “[BATS]BZX Book” shall mean the System’s electronic file of orders.

(f) - (j) (No change).

(k) Exchange

The term “Exchange” shall mean [BATS]Bats BZX Exchange, Inc., a registered national securities exchange.

(l) - (aa) (No change).

(bb) Top of Book

The term “Top of Book” shall mean the best-ranked order to buy (or sell) in the [BATS]BZX Book as ranked pursuant to Rule 11.8.

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CHAPTER II. MEMBERS OF THE EXCHANGE

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Rule 2.3. Member Eligibility

Except as hereinafter provided, any registered broker or dealer which is a member of another registered national securities exchange or association (other than or in addition to the Exchange’s affiliates, [BATS Y-]Bats BYX Exchange, Inc., Bats EDGA Exchange, Inc., or Bats EDGX

Exchange, Inc.) or any person associated with such a registered broker or dealer shall be eligible to be, and to remain, a Member of the Exchange.

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Rule 2.10. No Affiliation between Exchange and any Member

Without the prior approval of the Commission, the Exchange or any entity with which it is affiliated shall not, directly or indirectly, acquire or maintain an ownership interest in a Member. In addition, without the prior approval of the Commission, a Member shall not be or become an affiliate of the Exchange, or an affiliate of any affiliate of the Exchange. The term affiliate shall have the meaning specified in Rule 12b-2 under the Act. Nothing in this Rule 2.10 shall prohibit a Member or its affiliate from acquiring or holding an equity interest in [BATS]Bats Global Markets, Inc. that is permitted by the ownership and voting limitations contained in the Certificate of Incorporation and By-Laws of [BATS]Bats Global Markets, Inc. In addition, nothing in this Rule 2.10 shall prohibit a Member from being or becoming an affiliate of the Exchange, or an affiliate of any affiliate of the Exchange, solely by reason of such Member or any officer, director, manager, managing member, partner or affiliate of such Member being or becoming either (a) a Director (as such term is defined in the By-Laws of the Exchange) pursuant to the By-Laws of the Exchange, or (b) a Director serving on the Board of Directors of [BATS]Bats Global Markets, Inc.

Rule 2.11. [BATS]Bats Trading, Inc. as Outbound Router

(a) For so long as [BATS]Bats Trading, Inc. (“[BATS]Bats Trading”) is affiliated with the Exchange and is providing outbound routing of orders from the Exchange to other securities exchanges, facilities of securities exchanges, automated trading systems, electronic communications networks or other brokers or dealers (collectively, “Trading Centers”) (such function of [BATS]Bats Trading is referred to as the “Outbound Router”), each of the Exchange and [BATS]Bats Trading shall undertake as follows:

(1) The Exchange will regulate the Outbound Router function of [BATS]Bats Trading as a facility (as defined in Section 3(a)(2) of the Act), subject to Section 6 of the Act. In particular, and without limitation, under the Act, the Exchange will be responsible for filing with the Commission rule changes and fees relating to the [BATS]Bats Trading Outbound Router function and [BATS]Bats Trading will be subject to exchange non-discrimination requirements.

(2) FINRA, a self-regulatory organization unaffiliated with the Exchange or any of its affiliates, will carry out oversight and enforcement responsibilities as the designated examining authority designated by the Commission pursuant to Rule 17d-1 of the Act with the responsibility for examining [BATS]Bats Trading for compliance with applicable financial responsibility rules.

(3) A Member's use of [BATS]Bats Trading to route orders to another Trading Center will be optional. Any Member that does not want to use [BATS]Bats Trading may use other routers to route orders to other Trading Centers.

(4) [BATS]Bats Trading will not engage in any business other than (a) its Outbound Router function, (b) its Inbound Router function as described in Rule 2.12, (c) its usage of an error account in compliance with paragraph (a)(7) below, and (d) any other activities it may engage in as approved by the Commission.

(5) The Exchange shall establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the Exchange and its facilities (including [BATS]Bats Trading), and any other entity, including any affiliate of [BATS]Bats Trading, and, if [BATS]Bats Trading or any of its affiliates engages in any other business activities other than providing routing services to the Exchange, between the segment of [BATS]Bats Trading or its affiliate that provides the other business activities and the routing services.

(6) The Exchange or [BATS]Bats Trading may cancel orders as either deems to be necessary to maintain fair and orderly markets if a technical or systems issue occurs at the Exchange, [BATS]Bats Trading, or a routing destination. The Exchange or [BATS]Bats Trading shall provide notice of the cancellation to affected Members as soon as practicable.

(7) [BATS]Bats Trading shall maintain an error account for the purpose of addressing positions that are the result of an execution or executions that are not clearly erroneous under Rule 11.17 and result from a technical or systems issue at [BATS]Bats Trading, the Exchange, a routing destination, or a non-affiliate third-party Routing Broker that affects one or more orders ("Error Positions").

(A) (No change).

(B) Except as provided in Rule 2.11(a)(7)(C), [BATS]Bats Trading shall not (i) accept any positions in its error account from an account of a Member; or (ii) permit any Member to transfer any positions from the Member's account to [BATS]Bats Trading's error account.

(C) If a technical or systems issue results in the Exchange not having valid clearing instructions for a Member to a trade, [BATS]Bats Trading may assume that Member's side of the trade so that the trade can be automatically processed for clearance and settlement on a locked-in basis.

(D) In connection with a particular technical or systems issue, [BATS]Bats Trading or the Exchange shall either (1) assign all resulting Error Positions to Members in accordance with paragraph (i) below, or (2) have all resulting Error Positions liquidated in accordance with subparagraph (ii) below.

Any determination to assign or liquidate Error Positions, as well as any resulting assignments, shall be made in a nondiscriminatory fashion.

(i) [BATS]Bats Trading or the Exchange shall assign all Error Positions resulting from a particular technical or systems issue to the Members affected by that technical or systems issue if [BATS]Bats Trading or the Exchange:

1) - 3) (No change).

(ii) If [BATS]Bats Trading or the Exchange is unable to assign all Error Positions resulting from a particular technical or systems issue to all of the affected Members in accordance with subparagraph (D) above, or if [BATS]Bats Trading or the Exchange determines to cancel all orders affected by the technical or systems issue in accordance with subparagraph (a)(6) above, then [BATS]Bats Trading shall liquidate any applicable Error Positions as soon as practicable. In liquidating such Error Positions, [BATS]Bats Trading shall:

1) (No change).

2) Establish and enforce policies and procedures that are reasonably designed to restrict the flow of confidential and proprietary information between the third-party broker-dealer and [BATS]Bats Trading/the Exchange associated with the liquidation of the Error Positions.

(E) [BATS]Bats Trading and the Exchange shall make and keep records to document all determinations to treat positions as Error Positions and all determinations for the assignment of Error Positions to Members or the liquidation of Error Positions, as well as records associated with the liquidation of Error Positions through the third-party broker-dealer.

(b) The books, records, premises, officers, agents, directors and employees of [BATS]Bats Trading as a facility of the Exchange shall be deemed to be the books, records, premises, officers, agents, directors and employees of the Exchange for purposes of, and subject to oversight pursuant to, the Act. The books and records of [BATS]Bats Trading as a facility of the Exchange shall be subject at all times to inspection and copying by the Exchange and the Commission. Nothing in these Rules shall preclude officers, agents, directors or employees of the Exchange from also serving as officers, agents, directors and employees of [BATS]Bats Trading.

Rule 2.12. [BATS]Bats Trading, Inc. as Inbound Router

(a) For so long as the Exchange is affiliated with [BATS Y-]Bats BYX Exchange, Inc., Bats EDGA Exchange, Inc. or Bats EDGX Exchange Inc., (each, a “[BATS]Bats Exchange”), and [BATS]Bats Trading, Inc. in its capacity as a facility of each [BATS]Bats Exchange is utilized for the routing of orders from each [BATS]Bats Exchange to the Exchange, (such function of [BATS]Bats Trading, Inc. is referred to as the “Inbound Router”), the Exchange undertakes as follows:

(1) The Exchange shall (A) enter into a plan pursuant to Rule 17d-2 under the Exchange Act with a non-affiliated self-regulatory organization (“SRO”) to relieve the Exchange of regulatory responsibilities for [BATS]Bats Trading, Inc. with respect to rules that are common rules between the Exchange and the non-affiliated SRO, and (B) enter into a regulatory services contract with a non-affiliated SRO to perform regulatory responsibilities for [BATS]Bats Trading, Inc. for unique Exchange rules.

(2) The regulatory services contract in paragraph 2.12(a)(1) shall require the Exchange to provide the non-affiliated SRO with information, in an easily accessible manner, regarding all exception reports, alerts, complaints, trading errors, cancellations, investigations, and enforcement matters (collectively “Exceptions”) in which [BATS]Bats Trading, Inc. is identified as a participant that has potentially violated Exchange or SEC Rules, and shall require that the non-affiliated SRO provide a report, at least quarterly, to the Exchange quantifying all Exceptions in which [BATS]Bats Trading, Inc. is identified as a participant that has potentially violated Exchange or SEC Rules.

(3) The Exchange, on behalf of the holding company indirectly owning the Exchange and [BATS]Bats Trading, Inc., shall establish and maintain procedures and internal controls reasonably designed to ensure that [BATS]Bats Trading, Inc. does not develop or implement changes to its system on the basis of non-public information regarding planned changes to Exchange systems, obtained as a result of its affiliation with the Exchange, until such information is available generally to similarly situated Users of the Exchange in connection with the provision of inbound order routing to the Exchange.

(4) [BATS]Bats BZX Exchange, Inc. may furnish to [BATS]Bats Trading, Inc. the same information on the same terms that [BATS]Bats BZX Exchange, Inc. makes available in the normal course of business to any other User.

(b) Provided the above conditions are complied with, and provided further that [BATS]Bats Trading, Inc. operates as an outbound router on behalf of each [BATS]Bats Exchange on the same terms and conditions as it does for the Exchange, and in accordance with the Rules of each [BATS]Bats Exchange, [BATS]Bats Trading, Inc. may provide inbound routing services to the Exchange from each [BATS]Bats Exchange.

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CHAPTER VIII. DISCIPLINE

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

(a) (e) (No change).

Interpretations and Policies

(No change).

(a) - (g) (No change).

(h) Rules contained in the Rules applicable to [BATS]BZX Options, as set forth in Rule 25.3 (Penalty for Minor Rule Violations).

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CHAPTER XI. TRADING RULES

Rule 11.1. Hours of Trading and Trading Days

(a) Orders may be entered into the System from 6:00 a.m. until 8:00 p.m. Eastern Time. Orders entered between 6:00 a.m. and 8:00 a.m. Eastern Time are not eligible for execution until the start of the Pre-Opening Session or Regular Trading Hours, depending on the Time in Force selected by the User. The Exchange will not accept the following orders prior to 8:00 a.m. Eastern Time: [BATS]BZX Post Only Orders, Partial Post Only at Limit Orders, ISOs, [BATS]BZX market orders with a Time in Force other than Regular Hours Only, Minimum Quantity Orders that also include a Time in Force of Regular Hours Only, and all orders with a Time in Force of IOC or FOK. At the commencement of the Pre-Opening Session, orders entered between 6:00 a.m. and 8:00 a.m. Eastern Time will be handled in time sequence, beginning with the order with the oldest time stamp, and will be placed on the [BATS]BZX Book, routed, cancelled, or executed in accordance with the terms of the order. Orders may be executed on the Exchange or routed away from the Exchange during Regular Trading Hours and during the Pre-Opening and After Hours Trading Sessions.

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Rule 11.8. Obligations of Market Makers

(a) - (c) (No change).

(d) Quotation Requirements and Obligations

(1) Continuous, Two-Sided Quote Obligation. For each security in which a Member is registered as a Market Maker, the Member shall be willing to buy and sell such security for its own account on a continuous basis during Regular Trading Hours and shall enter and maintain a two-sided trading interest (“Two-Sided Obligation”) that is identified to the Exchange as the interest meeting the obligation and is displayed in the Exchange’s System at all times. Interest eligible to be considered as part of a Market Maker’s Two-Sided Obligation shall have a displayed quotation size of at least one normal unit of trading (or a larger multiple thereof); provided, however, that a Market Maker may augment its Two-Sided Obligation size to display limit orders priced at the same price as the Two-Sided Obligation. Unless otherwise designated, a “normal unit of trading” shall be 100 shares. After an execution against its Two-Sided Obligation, a Market Maker must ensure that additional trading interest exists in the System to satisfy its Two-Sided Obligation either by immediately entering new interest to comply with this obligation to maintain continuous two-sided quotations or by identifying existing interest on the [BATS]BZX Book that will satisfy this obligation.

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Rule 11.9. Orders and Modifiers

(No change).

(a) General Order Types

(1) (No change).

(2) [BATS]BZX Market Order. An order to buy or sell a stated amount of a security that is to be executed at the NBBO when the order reaches the Exchange. [BATS]BZX market orders shall not trade through Protected Quotations. A [BATS]BZX market order that is designated as [BATS]BZX Only with a time-in-force of Day will be cancelled if, when reaching the Exchange, it cannot be executed on the System in accordance with Rule 11.13(a)(1) unless the reason that such [BATS]BZX market order cannot be executed is because it is entered into the System and the NBO (NBB) is greater (less) than the Upper (Lower) Price Band, in which case such order will be posted by the System to the [BATS]BZX Book, displayed at the Upper (Lower) Price Band, and re-priced as set forth in Rule 11.18(e)(5)(B). A [BATS]BZX market order to sell with a time-in-force of Day that is marked short that cannot be executed because of the existence of a Short Sale Circuit Breaker will be posted by the System to the [BATS]BZX Book subject to the price sliding process as set forth in paragraph (g) below. A [BATS]BZX market order will default to a time-in-force of Day unless otherwise specified by a User. A [BATS]BZX market order that is designated as [BATS]BZX

Only with a time-in-force other than Day will be cancelled if, when reaching the Exchange, it cannot be executed on the System in accordance with Rule 11.13(a)(4). [BATS]BZX market orders that are designated as [BATS]BZX Post Only are rejected. [BATS]BZX market orders that are not designated as [BATS]BZX Only and that cannot be executed in accordance with Rule 11.13(a)(4) on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 11.13(b). Any portion of a [BATS]BZX market order that would execute at a price more than \$0.50 or 5 percent worse than the NBBO at the time the order initially reaches the Exchange, whichever is greater, will be cancelled. [BATS]BZX market orders are not eligible for execution during the Pre-Opening Session or the After Hours Trading Session.

(b) Time-in-Force. Orders must have one of the following time-in-force terms.

(1) Immediate-or-Cancel (“IOC”) Order. A limit order that is to be executed in whole or in part as soon as such order is received. The portion not executed immediately on the Exchange or another trading center is treated as cancelled and is not posted to the [BATS]BZX Book. IOC limit orders that are not designated as “[BATS]BZX Only” and that cannot be executed in accordance with Rule 11.13(a)(4) on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 11.13(b).

(2) - (6) (No change).

(7) Regular Hours Only (“RHO”). A limit or market order that is designated for execution only during Regular Trading Hours, which includes the Opening Auction, the Closing Auction, and IPO/Halt Auctions for [BATS]BZX-listed securities and the Opening Process for non-[BATS]BZX-listed securities (as such terms are defined in Rule 11.23 and 11.24). Any portion of a market RHO order will be cancelled immediately following any auction in which it is not executed.

(c) Other Types of Orders.

(1) - (3) (No change).

(4) [BATS]BZX Only Order. An order that is to be ranked and executed on the Exchange pursuant to Rule 11.12 and Rule 11.13(a)(4) or cancelled, without routing away to another trading center. A [BATS]BZX Only Order will be subject to the price sliding process as set forth in paragraph (g) below unless a User has entered instructions not to use the price sliding process.

(5) Minimum Quantity Order. A limit order to buy or sell that will only execute if a specified minimum quantity of shares can be obtained. Orders with a specified minimum quantity will only execute against multiple, aggregated orders if such executions would occur simultaneously. The Exchange will only honor a specified

minimum quantity on [BATS]BZX Only Orders that are non-displayed or IOCs and will disregard a minimum quantity on any other order.

(6) [BATS]BZX Post Only Order. An order that is to be ranked and executed on the Exchange pursuant to Rule 11.12 and Rule 11.13(a)(4) or cancelled, as appropriate, without routing away to another trading center except that the order will not remove liquidity from the [BATS]BZX Book, other than as described below. A [BATS]BZX Post Only Order will remove contra-side liquidity from the [BATS]BZX Book if the order is an order to buy or sell a security priced below \$1.00 or if the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the [BATS]BZX Book and subsequently provided liquidity, including the applicable fees charged or rebates provided. To determine at the time of a potential execution whether the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the [BATS]BZX Book and subsequently provided liquidity, the Exchange will use the highest possible rebate paid and highest possible fee charged for such executions on the Exchange. A [BATS]BZX Post Only Order will be subject to the price sliding process as set forth in paragraph (g) below unless a User has entered instructions not to use the price sliding process.

(7) Partial Post Only at Limit Order. An order that is to be ranked and executed on the Exchange pursuant to Rule 11.12 and Rule 11.13(a)(4) or cancelled, as appropriate, without routing away to another trading center except that the order will only remove liquidity from the [BATS]BZX Book under the following circumstances:

(A) A Partial Post Only at Limit Order will remove liquidity from the [BATS]BZX Book up to the full size of the order if, at the time of receipt, it can be executed at prices better than its limit price (i.e., price improvement).

(B) Regardless of any liquidity removed from the [BATS]BZX Book under the circumstances described in paragraph (A) above, a User may enter a Partial Post Only at Limit Order instructing the Exchange to also remove liquidity from the [BATS]BZX Book at the order's limit price up to a designated percentage of the remaining size of the order after any execution pursuant to paragraph (A) above ("Maximum Remove Percentage") if, after removing such liquidity at the order's limit price, the remainder of such order can then post to the [BATS]BZX Book. If no Maximum Remove Percentage is entered, such order will only remove liquidity to the extent such order will obtain price improvement as described in paragraph (A) above.

A Partial Post Only at Limit Order will be subject to the price sliding process as set forth in paragraph (g) below unless a User has entered instructions not to use the price sliding process.

(8) - (9) (No change).

(10) Discretionary Order. A limit order with a displayed or non-displayed ranked price and size and an additional non-displayed “discretionary price”. The discretionary price is a non-displayed upward offset at which a User is willing to buy, if necessary, or a non-displayed downward offset at which a User is willing to sell, if necessary. A Discretionary Order is available for execution against opposing limit orders at its displayed or ranked price or within the discretionary range (i.e., at the discretionary price or at a price that is between the displayed or non-displayed ranked price and the discretionary price). Discretionary Orders will be executed at a price that uses the minimum amount of discretion necessary to execute the order against an incoming order. To the extent a Discretionary Order’s displayed or non-displayed ranked price is equal to an incoming [BATS]BZX Post Only Order or Partial Post Only at Limit Order that does not remove liquidity on entry pursuant to Rule 11.9(c)(6) or Rule 11.9(c)(7), respectively, the Discretionary Order will remove liquidity against such incoming order. Any contra-side order that executes against a resting Discretionary Order at its displayed or non-displayed ranked price or that contains a time-in-force of IOC or FOK and a price in the discretionary range will remove liquidity against the Discretionary Order. Any contra-side order with a time-in-force other than IOC or FOK and a price in the discretionary range but not at the displayed or non-displayed ranked price will be posted to the [BATS]BZX Book and then the Discretionary Order will remove liquidity against such posted order. A Discretionary Order that is eligible for routing away pursuant to Rule 11.13(b) will be routed away from the Exchange at its full discretionary price.

(11) - (16) (No change).

(17) Stop Order. A Stop Order is an order that becomes a [BATS]BZX market order when the stop price is elected. A Stop Order to buy is elected when the consolidated last sale in the security occurs at, or above, the specified stop price. A Stop Order to sell is elected when the consolidated last sale in the security occurs at, or below, the specified stop price.

(18) (No change).

(19) Supplemental Peg Order. A non-displayed limit order that posts to the [BATS]BZX Book, and thereafter is eligible for execution at the NBB for buy orders and NBO for sell orders against routable orders that are equal to or less than the aggregate size of the Supplemental Peg Order interest available at that price. Supplemental Peg Orders are passive, resting orders on the [BATS]BZX Book and do not take liquidity. A User may specify a minimum execution quantity for a Supplemental Peg Order. A minimum execution quantity on a Supplemental Peg Order will no longer apply where the number of shares remaining after a partial execution are less than the minimum execution quantity. Supplemental Peg Orders are eligible for execution in a given

security during the Pre-Opening Session, Regular Trading Hours, and After Hours Trading Session. Supplemental Peg Orders are not eligible for execution in the Opening Process. A Supplemental Peg Order does not execute at a price that is inferior to a Protected Quotation, and is not permitted to execute if the NBBO is locked or crossed. Any and all remaining, unexecuted Supplemental Peg Orders are cancelled at the conclusion of the After Hours Trading Session.

(d) - (e) (No change).

(f) (No change).

(1) MTP Cancel Newest (“MCN”). An incoming order marked with the “MCN” modifier will not execute against opposite side resting interest marked with any MTP modifier originating from the same Unique Identifier. The incoming order marked with the MCN modifier will be cancelled back to the originating User(s). The resting order marked with an MTP modifier will remain on the [BATS]BZX Book.

(2) MTP Cancel Oldest (“MCO”). An incoming order marked with the “MCO” modifier will not execute against opposite side resting interest marked with any MTP modifier originating from the same Unique Identifier. The resting order marked with the MTP modifier will be cancelled back to the originating User(s). The incoming order marked with the MCO modifier will remain on the [BATS]BZX Book.

(3) MTP Decrement and Cancel (“MDC”). An incoming order marked with the “MDC” modifier will not execute against opposite side resting interest marked with any MTP modifier originating from the same Unique Identifier. If both orders are equivalent in size, both orders will be cancelled back to the originating User(s). If the orders are not equivalent in size, the equivalent size will be cancelled back to the originating User(s) and the larger order will be decremented by the size of the smaller order, with the balance remaining on the [BATS]BZX Book. Notwithstanding the foregoing, unless a User instructs the Exchange not to do so, both orders will be cancelled back to the originating User(s) if the resting order is marked with any MTP modifier other than MDC and the incoming order is smaller in size than the resting order.

(4) - (5) (No change).

(g) (No change).

(1) (No change).

(A) An order eligible for display by the Exchange that, at the time of entry, would create a violation of Rule 610(d) of Regulation NMS by locking or crossing a Protected Quotation of an external market will be ranked at the locking price in the [BATS]BZX Book and displayed by the System at one minimum price variation below the current NBO (for bids) or to one minimum price

variation above the current NBB (for offers) (“display-price sliding”). A User may elect to have the System only apply display-price sliding to the extent a display-eligible order at the time of entry would create a violation of Rule 610(d) of Regulation NMS by locking a Protected Quotation of an external market. For Users that select this order handling, any order will be cancelled if, upon entry, such order would create a violation of Rule 610(d) of Regulation NMS by crossing a Protected Quotation of an external market.

(B) - (C) (No change).

(D) Any display-eligible [BATS]BZX Post Only Order that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 11.9(c)(6) or cancelled. Any display-eligible Partial Post Only at Limit Order that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 11.9(c)(7) or cancelled. Depending on User instructions, a display-eligible [BATS]BZX Post Only Order or Partial Post Only at Limit Order that locks or crosses a Protected Quotation displayed by an external market upon entry will be subject to the display-price sliding process described in this paragraph (g)(1). In the event the NBBO changes such that a [BATS]BZX Post Only Order subject to display-price sliding would be ranked at a price at which it could remove displayed liquidity from the [BATS]BZX Book, the order will be executed as set forth in Rule 11.9(c)(6) or cancelled.

(E) [BATS]BZX Post Only Orders will be permitted to post and be displayed opposite the ranked price of orders subject to display-price sliding. In the event an order subject to display-price sliding is ranked on the [BATS]BZX Book with a price equal to an opposite side order displayed by the Exchange, it will be subject to processing as set forth in Rule 11.13(a)(4)(D).

(2) Price Adjust.

(A) - (C) (No change).

(D) Any display-eligible [BATS]BZX Post Only Order that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 11.9(c)(6) or cancelled. Any display-eligible Partial Post Only at Limit Order that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 11.9(c)(7) or cancelled. Depending on User instructions, a display-eligible [BATS]BZX Post Only Order or Partial Post Only at Limit Order that locks or crosses a Protected Quotation displayed by an external market upon entry will be subject to the Price Adjust process described in this paragraph (g)(2). In the event the NBBO changes such that a [BATS]BZX Post Only Order subject to the Price Adjust process

would be ranked at a price at which it could remove displayed liquidity from the [BATS]BZX Book, the order will be executed as set forth in Rule 11.9(c)(6) or cancelled.

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Rule 11.12. Priority of Orders

(a) Ranking. Orders of Users shall be ranked and maintained in the [BATS]BZX Book based on the following priority:

(1) - (3) (No change).

(4) In the event an order has been cancelled or replaced in accordance with Rule 11.9(e) above, such order only retains time priority if such modification involves a decrease in the size of the order, a change to Max Floor of a Reserve Order, a change to the stop price of a Stop Order or Stop Limit Order or a change in position from sell long to sell short or vice-versa. Any other modification to an order, including an increase in the size of the order and/or price change, will result in such order losing time priority as compared to other orders in the [BATS]BZX Book and the timestamp for such order being revised to reflect the time of the modification.

(5) - (7) (No change).

(b) Dissemination. The best-ranked order(s) to buy and the best-ranked order(s) to sell that are displayable in the [BATS]BZX Book and the aggregate displayed size of such orders associated with such prices shall be collected and made available to quotation vendors for dissemination pursuant to the requirements of Rule 602 of Regulation NMS.

Rule 11.13. Order Execution and Routing

(No change).

(a) Execution Against [BATS]BZX Book.

For purposes of this Rule 11.13 any order falling within the parameters of this paragraph shall be referred to as “executable”. An order will be cancelled back to the User if, based on market conditions, User instructions, applicable Exchange Rules and/or the Act and the rules and regulations thereunder, such order is not executable, cannot be routed to another Trading Center pursuant to Rule 11.13(b) below and cannot be posted to the [BATS]BZX Book.

(1) - (3) (No change).

(4) *Execution against [BATS]BZX Book.* An incoming order shall first attempt to be matched for execution against orders in the [BATS]BZX Book, as

described below, unless the User instructs the System to bypass the [BATS]BZX Book and route the order to an away Trading Center, in accordance with Exchange Rules.

(A) Buy Orders. An incoming order to buy will be automatically executed to the extent that it is priced at an amount that equals or exceeds any order to sell in the [BATS]BZX Book and is executable, as defined above. Such order to buy shall be executed at the price(s) of the lowest order(s) to sell having priority in the [BATS]BZX Book.

(B) Sell Orders. An incoming order to sell will be automatically executed to the extent that it is priced at an amount that equals or is less than any other order to buy in the [BATS]BZX Book and is executable, as defined above. Such order to sell shall be executed at the price(s) of the highest order(s) to buy having priority in the [BATS]BZX Book.

(C) Consistent with Rule 11.9, based on User instructions, certain orders are permitted to post and rest on the [BATS]BZX Book at prices that lock contra-side liquidity, provided, however, that the System will never display a locked market. Subject to sub-paragraph (D) below, if an incoming order, pursuant to paragraph (A) or (B) above, would execute at the price of a displayed order on the same side of the market, such order will be cancelled or posted to the [BATS]BZX Book and ranked in accordance with Rule 11.12.

(D) (No change).

(b) (No change).

(1) Orders Eligible for Routing. An order marked “short” when a short sale price test restriction is in effect is not eligible for routing by the Exchange. If an order is ineligible for routing due to a short sale price test restriction and such order is an IOC or a market order, then the order will be cancelled. If an order is ineligible for routing due to a short sale price test restriction and such order is a limit order, the Exchange will post the unfilled balance of the order to the [BATS]BZX Book, subject to the price sliding process as defined in paragraph (g) of Rule 11.9.

(2) (No change).

(A) (No change).

(B) post the unfilled balance of the order to the [BATS]BZX Book, subject to the price sliding process as defined in paragraph (g) of Rule 11.9;

(C) repeat the process described in paragraph (a)(4) above and this paragraph (b)(2) by executing against the [BATS]BZX Book and/or routing orders to other Trading Centers until the original, incoming order is executed in

its entirety or, if not executed in its entirety and a limit order, post the unfilled balance of the order in the [BATS]BZX Book if the order's limit price is reached;

(D) repeat the process described in paragraph (a)(4) above and this paragraph (b)(2) by executing against the [BATS]BZX Book and/or routing orders to other Trading Centers, provided that the System will check the [BATS]BZX Book for liquidity at the order's limit price only one time pursuant to paragraph (a)(4), then route orders at that limit price to other Trading Centers pursuant to this paragraph (b)(2), and then cancel any unfilled balance of the order back to User; or

(E) (No change).

(3) (No change).

(A) - (F) (No change).

(G) Other Routing Strategies. The following are routing options under which an order checks the System for available shares if so instructed by the entering User 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. In connection with routing strategy (vii) below, a User may designate that an order first routes to [BATS Y-]Bats BYX Exchange, Inc., checks the System for available shares, and then routes to other destinations on the System routing table.

(i) - (vii) (No change).

(H) Post to Away. In addition to instructions to cancel an order back to a User or post to the [BATS]BZX 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, and RDOX.

(I) - (L) (No change).

(M) A User may designate their order for participation in the reopening (following a halt, suspension, or pause) of a primary listing market other than the Exchange (NYSE, Nasdaq, NYSE MKT, or NYSE Arca) if received before the reopening time of such market. If shares remain unexecuted after attempting to

execute in the re-opening process, they are either posted to the [BATS]BZX Book, executed, or routed to destinations on the System routing table.

(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 other than the Exchange (NYSE, Nasdaq, NYSE MKT, or NYSE Arca) if received before the opening/re-opening/closing time of such market. If shares remain unexecuted after attempting to execute in the opening, re-opening, or closing process, they are either posted to the [BATS]BZX Book, executed, or routed to destinations on the System routing table.

(O) ALLB. ALLB is a routing option under which an order checks the System for available shares and is then sent to [BATS Y-]Bats BYX Exchange, Inc., Bats EDGA Exchange, Inc., and/or Bats EDGX Exchange, Inc. in accordance with the System routing table. If shares remain unexecuted after routing, they are posted on the [BATS]BZX Book, unless otherwise instructed by the User.

(4) (No change).

(A) Aggressive. To the extent the unfilled balance of a routable order has been posted to the [BATS]BZX Book pursuant to paragraph (b)(2) above, should the order subsequently be locked or crossed by another accessible Trading Center, the System shall route the order to the locking or crossing Trading Center if the User has selected the Aggressive Re-Route instruction. Any routable non-displayed limit order posted to the [BATS]BZX Book that is locked or crossed by another accessible Trading Center will be automatically routed to the locking or crossing Trading Center.

(B) Super Aggressive. To the extent the unfilled balance of a routable order has been posted to the [BATS]BZX Book pursuant to paragraph (b)(2) above, should the order subsequently be locked or crossed by another accessible Trading Center, the System shall route the order to the locking or crossing Trading Center if the User has selected the Super Aggressive Re-Route instruction. A User may instruct the Exchange to apply the Super Aggressive Re-Route instruction solely to routable orders posted to the [BATS]BZX Book with remaining size of less than one round lot.

(C) Re-Route Against Incoming Orders. Consistent with the Super Aggressive Re-Route instruction described above, when any order with a Super Aggressive Re-Route instruction is locked by an incoming [BATS]BZX Post Only Order or Partial Post Only at Limit Order that does not remove liquidity pursuant to Rule 11.9(c)(6) or Rule 11.9(c)(7), respectively, the Re-Route order is

converted to an executable order and will remove liquidity against such incoming order. Notwithstanding the foregoing, if an order that does not contain a Super Aggressive Re-Route instruction maintains higher priority than one or more Super Aggressive Re-Route eligible orders, the Re-Route eligible order(s) with lower priority will not be converted, as described above, and the incoming [BATS]BZX Post Only Order or Partial Post Only at Limit Order will be posted or cancelled in accordance with Rule 11.9(c)(6) or Rule 11.9(c)(7) above.

(5) Priority of Routed Orders. Orders that have been routed by the System to other markets are not ranked and maintained in the [BATS]BZX Book pursuant to Rule 11.12(a), and therefore are not available to execute against incoming orders pursuant to paragraph (a) above. Once routed by the System, an order becomes subject to the rules and procedures of the destination market including, but not limited to, short-sale regulation and order cancellation. Requests from Users to cancel their orders while the order is routed away to another trading center and remains outside the System shall be processed, subject to the applicable trading rules of the relevant trading center. If a routed order is subsequently returned, in whole or in part, that order, or its remainder, shall receive a new timestamp reflecting the time of its return to the System. Following the routing process described above, unless the terms of the order direct otherwise, any unfilled portion of the order originally entered into the System shall be ranked in the [BATS]BZX Book in accordance with the terms of such order under Rule 11.12 and such order shall be eligible for execution under this Rule 11.13.

(c) - (d) (No change).

(e) Market Access. In addition to the Exchange Rules regarding routing to away trading centers, [BATS]Bats Trading, as defined in Rule 2.11, has, pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate the financial and regulatory risks associated with providing the Exchange's Members with access to such away trading centers. Pursuant to the policies and procedures developed by [BATS]Bats Trading to comply with Rule 15c3-5, if an order or series of orders are deemed to be erroneous or duplicative, would cause the entering Member's credit exposure to exceed a preset credit threshold, or are non-compliant with applicable pre-trade regulatory requirements (as defined in Rule 15c3-5), [BATS]Bats Trading will reject such orders prior to routing and/or seek to cancel any orders that have been routed.

* * * * *

Rule 11.14. Trade Execution and Reporting

(a) Executions occurring as a result of orders matched against the [BATS]BZX Book shall be reported by the Exchange to an appropriate consolidated transaction reporting system to the extent required by the Act and the rules and regulations thereunder. Executions occurring as a result of orders routed away from the System shall be reported to an appropriate consolidated

transaction reporting system by the relevant reporting trading center. The Exchange shall promptly notify Users of all executions of their orders as soon as such executions take place.

* * * * *

Rule 11.18. Trading Halts Due to Extraordinary Market Volatility

(No change).

(a) - (d) (No change).

(e) Limit Up-Limit Down Mechanism

(1) - (4) (No change).

(5) (No change).

(A) Market Orders, FOK Orders and IOC Orders. The System will only execute [BATS]BZX market orders, FOK Orders or IOC Orders at or within the Price Bands. If a [BATS]BZX market order with a time-in-force other than Day, FOK 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. A [BATS]BZX market order to buy (sell) with a time-in-force of Day that is posted to the [BATS]BZX Book and displayed at the Upper (Lower) Price Band will be re-priced and displayed at the Upper (Lower) Price Band if Price Bands move such that the price of the resting market order to buy (sell) would be above (below) the Upper (Lower) Price Band or if the Price Bands move such that the order is no longer posted and displayed at the most aggressive permissible price. The System shall re-price such displayed interest to the most aggressive permissible price until the order is executed in its entirety or cancelled.

(B) - (F) (No change).

(6) - (8) (No change).

(f) On the occurrence of any trading halt pursuant to this Rule, except where a User has designated that its orders be cancelled, all outstanding orders in the System will remain on the [BATS]BZX Book.

* * * * *

Rule 11.22. Data Products

(No change).

(a) - (h) (No change).

(i) [BATS]Bats Auction Feed. The [BATS]Bats Auction Feed is an uncompressed data product that provides information regarding the current status of price and size information related to auctions conducted by the Exchange.

(j) [BATS]Bats Aggregated Market (“[BATS]Bats One”) Feed. The [BATS]Bats One Feed is a data feed that contains the aggregate best bid and offer of all displayed orders for securities traded on the Exchange and its affiliated exchanges. The [BATS]Bats One Feed also contains the individual last sale information for the Exchange and each of its affiliated exchanges and consolidated volume for all listed equity securities. The [BATS]Bats One Feed also consists of Symbol Summary, Market Status, Retail Liquidity Identifier (on behalf of [BATS-Y]Bats BYX Exchange, Inc., an affiliated exchange of the Exchange), Trading Status, and Trade Break messages. [BATS]Bats One Feed recipients may also elect to receive aggregated two-sided quotations from the Exchange and each of its affiliated exchanges for five (5) price levels.

(k) (No change).

(l) IPO Auction Viewer. IPO Auction Viewer is a data feed that is available to designated associated persons of a Member that is acting as the Stabilizing Agent for an IPO Security. Beginning with the start of the Quote Only Period and updated every five seconds thereafter till the completion of the IPO Auction for an IPO Security, IPO Auction Viewer will provide aggregated buying and selling interest information for the IPO Security, reflecting all orders on the [BATS]BZX Book, and consisting of the aggregate size of all orders at each permissible price level. Access to IPO Auction Viewer shall terminate immediately upon the completion of the IPO Auction for the IPO Security.

(1) (No change).

(2) Definitions

(A) “IPO Security” is a [BATS]BZX listed security in an initial public offering for which the initial pricing procedures described in Rule 11.23(d) are available.

* * * * *

Rule 11.23. Auctions

(a) Definitions

(1) The term “Auction Book” shall mean all Eligible Auction Orders on the [BATS]BZX Book.

(2) (No change).

(3) The term “[BATS]BZX Official Closing Price” shall mean the price disseminated to the consolidated tape as the market center closing trade.

(4) The term “[BATS]BZX Official IPO Opening Price” shall mean the price disseminated to the consolidated tape as the market center opening trade for an initial public offering of a [BATS]BZX listed security.

(5) The term “[BATS]BZX Official Opening Price” shall mean the price disseminated to the consolidated tape as the market center opening trade.

(6) (No change).

(7) The term “Continuous Book” shall mean all orders on the [BATS]BZX Book that are not Eligible Auction Orders.

(8) (No change).

(9) The term “Final Last Sale Eligible Trade” shall mean the last trade occurring during Regular Trading Hours on the Exchange if the trade was executed within the last one second prior to either the Closing Auction or, for Halt Auctions, trading in the security being halted. Where the trade was not executed within the last one second, the last trade reported to the consolidated tape received by [BATS]BZX Exchange during Regular Trading Hours and, where applicable, prior to trading in the security being halted will be used. If there is no qualifying trade for the current day, the [BATS]BZX Official Closing Price from the previous trading day will be used.

(10) (No change).

(11) The term “Late-Limit-On-Close” or “LLOC” shall mean a [BATS]BZX 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 NBB or NBO, the price of such bid or offer is adjusted to be equal to the NBB or NBO, respectively, at the time of receipt by the Exchange. Where the 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. If there is no NBB 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]BZX 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 NBB or NBO, the price of such bid or offer is adjusted to be equal to the NBB or NBO, respectively, at the time of receipt by the Exchange. Where the 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. If there is no NBB 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.

(13) The term “Limit-On-Close” or “LOC” shall mean a [BATS]BZX limit order that is designated for execution only in the Closing Auction.

(14) The term “Limit-On-Open” or “LOO” shall mean a [BATS]BZX limit order that is designated for execution only in the Opening Auction. Notwithstanding the foregoing, a LOO order entered during the Quote-Only Period of an IPO will be converted to a limit order and any LOO orders not executed in their entirety during the IPO Auction will be cancelled upon completion of the IPO Auction.

(15) The term “Market-On-Close” or “MOC” shall mean a [BATS]BZX market order that is designated for execution only in the Closing Auction.

(16) The term “Market-On-Open” or “MOO” shall mean a [BATS]BZX market order that is designated for execution only in the Opening Auction. Notwithstanding the foregoing, a MOO order entered during the Quote-Only Period of an IPO will be converted to a market order and any MOO orders not executed in their entirety during the IPO Auction will be cancelled upon completion of the IPO Auction.

(17) - (23) (No change).

(b) Opening Auction

(1) (No change).

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

(A) Publication of [BATS]BZX Auction Information. Beginning at 9:28 a.m. and updated every five seconds thereafter, the Reference Price, Indicative Price, Auction Only Price, Reference Buy Shares, and Reference Sell Shares associated with the Opening Auction will be disseminated via electronic means.

(B) Determination of [BATS]BZX 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. The Opening Auction price will be the [BATS]BZX Official Opening Price. In the event that there is no Opening

Auction for an issue, the [BATS]BZX Official Opening Price will be the price of the Final Last Sale Eligible Trade, which will be the previous [BATS]BZX Official Closing Price.

(C) Execution Priority. MOO and market RHO orders have priority over all other Opening Auction Eligible Orders. To the extent there is executable contra side interest, such MOO and market RHO orders will execute at the [BATS]BZX Official Opening Price in accordance with time priority. After the execution of all MOO and market RHO orders, the remaining orders priced at or more aggressively than the [BATS]BZX Official Opening Price on the Auction Book and the Continuous Book will be executed on the basis of price priority. Equally priced trading interest shall execute in time priority in the following order:

(i) – (iii) (No change).

(3) (No change).

(c) Closing Auction

(1) (No change).

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

(A) Publication of [BATS]BZX Auction Information. Beginning at 3:55 p.m. and updated every five seconds thereafter, the Reference Price, Indicative Price, Auction Only Price, Reference Buy Shares, and Reference Sell Shares associated with the Closing Auction will be disseminated via electronic means.

(B) Determination of [BATS]BZX 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. The Closing Auction price will be the [BATS]BZX Official Closing Price. In the event that there is no Closing Auction for an issue, the [BATS]BZX Official Closing Price will be the price of the Final Last Sale Eligible Trade.

(C) Execution Priority. MOC orders have priority over all other Closing Auction Eligible Orders. To the extent there is executable contra side interest, such MOC orders will be executed at the [BATS]BZX Official Closing Price according to time priority. After the execution of all MOC orders, the remaining orders priced at or more aggressively than the [BATS]BZX Official

Closing Price on the Auction Book and the Continuous Book will be executed on the basis of price priority. Equally priced trading interest shall execute in time priority in the following order:

(i) – (iii) (No change).

(3) (No change).

(d) IPO and Halt Auctions. For trading in a [BATS]BZX 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 change).

(2) (No change).

(A) Publication of [BATS]BZX Auction Information. Coinciding with the beginning of the quotation only period for a security and updated every five seconds thereafter, the Reference Price, Indicative Price, Auction Only Price, and the lesser of Reference Buy Shares and Reference Sell Shares associated with the IPO or Halt Auction will be disseminated via electronic means.

(B) (No change).

(C) Determination of [BATS]BZX 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. The IPO Auction price will be [BATS]BZX Official IPO Opening Price.

(3) (No change).

(A) If any orders are not executed in their entirety during the IPO or Halt Auction, then the remaining shares from such orders that are not automatically cancelled shall be executed in accordance with [BATS]Rule 11.13 after the completion of the IPO or Halt Auction.

(B) After the completion of the IPO or Halt Auction, the Exchange will open for trading in the security in accordance with Chapter 11 of [BATS]the Exchange’s Rules.

(e) (No change).

(1) (No change).

(2) (No change).

(A) Publication of [BATS]BZX Auction Information. Coinciding with the beginning of the Quote-Only Period for a security and updated every five seconds thereafter, the Reference Price, Indicative Price, Auction Only Price, and the lesser of Reference Buy Shares and Reference Sell Shares associated with the Volatility Closing Auction will be disseminated via electronic means.

(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. The Volatility Closing Auction price will be the [BATS]BZX Official Closing Price.

(C) Execution Priority. Market orders have priority over all other Volatility Closing Auction Eligible Orders. To the extent there is executable contra side interest, such market orders will be executed at the [BATS]BZX Official Closing Price according to time priority. After the execution of all market orders, the remaining orders priced at or more aggressively than the [BATS]BZX Official Closing Price will be executed on the basis of price/time priority

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Rule 11.24. Opening Process for Non-[BATS]BZX-Listed Securities

(a) (No change).

(1) All non-RHO orders and ISOs designated RHO entered between 9:30 a.m. Eastern Time and the completion of the Opening Process may execute against eligible Pre-Opening Session contra-side interest resting on the [BATS]BZX Book. Any unexecuted portion of an ISO that is designated RHO will be converted into a non-ISO and be queued for participation in the Opening Process.

(2) All orders that are designated as RHO may participate in the Opening Process except [BATS]BZX Post Only Orders, ISOs not modified by Rule 11.24(a)(1) above, and Minimum Quantity Orders. Limit orders with a Reserve Quantity may participate to the full extent of their displayed size and Reserve Quantity. Discretionary Orders may participate only up to their ranked price for buy orders or down to their ranked price for sell orders. The discretionary range of such orders will not be eligible for participation in the Opening Process. All Pegged Orders and Mid-Point Peg Orders,

as defined in Rule 11.9(c)(8) and (9), will be eligible for execution in the Opening Process based on their pegged prices.

(3) (No change).

(b) Performing the Opening Process. The Exchange will attempt to perform the Opening Process, in which the Exchange matches buy and sell orders that are executable at the midpoint of the NBBO as described in paragraph (c) below. All orders eligible to trade at the midpoint will be processed in time sequence, beginning with the order with the oldest time stamp. Matches will occur until there is no remaining volume or there is an imbalance of orders (the "Opening Match"). All MTP modifiers, as defined in Rule 11.9(f), will be ignored as it relates to executions occurring as part of the Opening Match. An imbalance of orders on the buy side or sell side may result in orders that are not executed in whole or in part. Such orders may, in whole or in part, be placed on the [BATS]BZX Book, cancelled, executed, or routed to other away Trading Centers in accordance with Rule 11.13(a)(2). If no matches can be made, the Opening Process will conclude with all orders that participated in the Opening Process being placed in the [BATS]BZX Book, cancelled, executed, or routed to away Trading Centers in accordance with Rule 11.13(a)(2).

(c) (No change).

(d) Contingent Open. If the conditions to establish the price of the Opening Process set forth under proposed Rule 11.24(c) do not occur by 9:45:00 a.m. Eastern Time, orders will be handled in time sequence, beginning with the order with the oldest time stamp, and will be placed on the [BATS]BZX Book, routed, cancelled, or executed in accordance with the terms of the order.

(e) Re-Opening After a Halt. While a non-[BATS]BZX-listed security is subject to a halt, suspension, or pause in trading, the Exchange will accept orders for queuing prior to the resumption of trading in the security for participation in the Re-Opening Process.

(1) The Re-Opening Process will occur in the same manner described in paragraphs (a)(2) and (b) above, with the following exceptions: (1) non-RHO orders will be eligible for participation in the Re-Opening Process, but IOC, FOK, [BATS]BZX Post Only Orders, and Minimum Quantity Orders will be cancelled or rejected, as applicable, and any ISO that is not IOC or FOK will be converted into a non-ISO and be queued for participation in the Re-Opening Process; and (2) the Re-Opening Process will occur at the midpoint of the: (i) first NBBO subsequent to the first reported trade on the listing exchange following the resumption of trading after a halt, suspension, or pause; or (ii) NBBO when the first two-sided quotation is published by the listing exchange following the resumption of trading after a halt, suspension, or pause if no first trade is reported by the listing exchange within one second of publication of the first two-sided quotation by the listing exchange.

* * * * *

Rule 11.26. Usage of Data Feeds

(a) (No change).

Market Center	Primary Source	Secondary Source
[BATS Y (JBYX[])]	(No change).	(No change).
Chicago Stock Exchange - NYSE MKT	(No change).	(No change).

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CHAPTER XIII. MISCELLANEOUS PROVISIONS

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Rule 13.8. [BATS]Bats Connect

[BATS]Bats Connect is a communication service that provides Members an additional means to receive market data from and route orders to any destination connected to the Exchange's network.

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CHAPTER XIV. BATS BZX EXCHANGE LISTING RULES

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Rule 14.3. General Procedures and Prerequisites for Initial and Continued Listing on the Exchange.

(a) - (d) (No change).

(e) Additional Requirements for [BATS]BZX-Listed Securities Issued by the Exchange or its Affiliates

(1) For purposes of this Rule, the terms below are defined as follows:

(A) “[BATS]BZX Affiliate” means the Exchange and any entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Exchange, where “control” means that one entity possesses, directly or indirectly, voting control of the other entity either through ownership of capital stock or other equity securities or through majority representation on the board of directors or other management body of such entity.

(B) “Affiliate Security” means any security issued by a [BATS]BZX Affiliate, with the exception of Portfolio Depository Receipts as defined in Rule 14.11(b) and Index Fund Shares as defined in Rule 14.11(c).

(2) - (3) (No change).

(4) In the event that the Exchange determines that the [BATS]BZX Affiliate is not in compliance with any of the Exchange’s listing standards, the Exchange shall notify the issuer of such non-compliance promptly and request a plan of compliance. The Exchange shall file a report with the Commission within five business days of providing such notice to the issuer of its non-compliance. The report shall identify the date of the non-compliance, type of non-compliance, and any other material information conveyed to the issuer in the notice of non-compliance. Within five business days of receipt of a plan of compliance from the issuer, the Exchange shall notify the Commission of such receipt, whether the plan of compliance was accepted by the Exchange or what other action was taken with respect to the plan and the time period provided to regain compliance with the Exchange’s listing standards, if any.

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Rule 14.11. Other Securities

(a) - (d) (No change).

(e) Trading of Certain Derivative Securities

(1) (No change).

(A) - (D) (No change).

(i) the procedures and criteria set forth in [BATS]BZX Options Rules 29.6(b) and (c), or

(ii) the criteria set forth in Rules 14.11(e)(12)(B)(iii) and (iv), the index concentration limits set forth in [BATS]BZX Options Rule 29.6, and Rule 29.6(b)(12) insofar as it relates to Rule 29.6(b)(6).

(E) - (H) (No change).

(2) - (3) (No change).

Interpretations and Policies:

.01 - .07 (No change).

.08 Trust Certificates may be exchangeable at the option of the holder into securities that participate in the return of the applicable underlying asset. In the event that the Trust Certificates

are exchangeable at the option of the holder and contain an Index Warrant, then a Member must ensure that the Member's account is approved for options trading in accordance with the rules of the Exchange's options market ("[BATS]BZX Options") in order to exercise such rights.

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CHAPTER XVI. GENERAL PROVISIONS – [BATS]BZX OPTIONS

Rule 16.1. Definitions

(a) (No change).

(1) - (3) (No change).

(4) The terms "[BATS]Bats BZX Exchange" or "Exchange" mean the [BATS]Bats BZX Exchange, Inc.

(5) The terms "[BATS]BZX Exchange Rules" or "Exchange Rules" mean the rules of the Exchange, including those for equities and options.

(6) (No change).

(7) The term "Board" means the Board of Directors of the [BATS]Bats BZX Exchange, Inc.

(8) The term "[BATS]BZX Options" means the [BATS]Bats BZX Exchange Options Market, an options trading facility of the Exchange under Section 3(a)(2) of the Exchange Act.

(9) The term "[BATS]BZX Options Book" means the electronic book of options orders maintained by the Trading System.

(10) The term "rules of [BATS]BZX Options" mean the rules contained in Chapters XVI to XXIX of the [BATS]Bats BZX Exchange Rules governing the trading of options on the Exchange.

(11) The term "[BATS]BZX Options Transaction" means a transaction involving an options contract that is effected on or through [BATS]BZX Options or its facilities or systems.

(12) - (14) (No change).

(15) The term "Clearing Member" means an Options Member that is self-clearing or an Options Member that clears [BATS]BZX Options Transactions for other Members of [BATS]BZX Options.

(16) The term “closing purchase transaction” means a [BATS]BZX Options Transaction that reduces or eliminates a short position in an options contract.

(17) The term “closing writing transaction” means a [BATS]BZX Options Transaction that reduces or eliminates a long position in an options contract.

(18) - (28) (No change).

(29) The term “NBB” means the national best bid, the term “NBO” means the national best offer, and the term “NBBO” means the national best bid or offer as calculated by [BATS]BZX Options based on market information received by [BATS]BZX Options from OPRA.

(30) (No change).

(31) The term “opening purchase transaction” means a [BATS]BZX Options Transaction that creates or increases a long position in an options contract.

(32) The term “opening writing transaction” means a [BATS]BZX Options Transaction that creates or increases a short position in an options contract.

(33) (No change).

(34) The terms “options market close” or “market close” mean the time specified by [BATS]BZX Options for the cessation of trading in contracts on [BATS]BZX Options for options on that market day.

(35) The terms “options market open” or “market open” mean the time specified by [BATS]BZX Options for the commencement of trading in contracts on [BATS]BZX Options for options on that market day.

(36) The terms “Options Order Entry Firm” or “Order Entry Firm” or “OEF” mean those Options Members representing as agent Customer Orders on [BATS]BZX Options and those non-Market Maker Members conducting proprietary trading.

(37) (No change).

(38) The term “Options Member” means a firm, or organization that is registered with the Exchange pursuant to Chapter XVII of these Rules for purposes of participating in options trading on [BATS]BZX Options as an “Options Order Entry Firm” or “Options Market Maker.”

(39) The term “Options Member Agreement” means the agreement to be executed by Options Members to qualify to participate on [BATS]BZX Options.

(40) – (58) (No change).

(59) The terms “Trading System” or “System” mean the automated trading system used by [BATS]BZX Options for the trading of options contracts.

(60) – (63) (No change).

Rule 16.2. Applicability

(a) The Rules contained in Chapters XVI to XXIX herein are the Exchange Rules applicable to the trading of options contracts issued by The Options Clearing Corporation through [BATS]BZX Options, the terms and conditions of such contracts, the exercise and settlement thereof, the handling of orders, and the conduct of accounts and other matters relating to options trading on [BATS]BZX Options.

(b) Except to the extent that specific Rules relating to options trading govern or unless the context otherwise requires, the provisions of the Exchange Rules shall be applicable to Options Members and to the trading of option contracts on [BATS]BZX Options and, for purposes of their application with respect to Options Members and options trading shall be interpreted in light of the nature of options trading and the [BATS]BZX Options market, and the fact that options on [BATS]BZX Options shall be traded electronically through the Trading System. To the extent that the provisions of the Rules relating to options trading contained in Chapters XVI to XXIX are inconsistent with any other provisions of the Exchange Rules, the Rules relating to options trading shall control.

(c) For marketing and other purposes, the Exchange’s options market facility may be referred to as the “[BATS]Bats BZX Options Exchange” or “[BATS]Bats BZX Options.”

CHAPTER XVII. PARTICIPATION ON BATS BZX OPTIONS

Rule 17.1. Options Participation

(a) These Rules establish a new category of [BATS]Bats BZX Exchange member participation called “Options Member.” Only Options Members may transact business on [BATS]BZX Options via the Trading System. Options Members may trade options for their own proprietary accounts or, if authorized to do so under applicable law, and consistent with these Rules and with applicable law and SEC rules and regulations, may conduct business on behalf of Customers.

(b) A prospective Options Member must:

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

(3) be an existing member or become a Member of the Exchange, pursuant to Chapter II (Members of the Exchange), and continue to abide by the requirements of the Chapter II Exchange Rules with respect to participation in [BATS]BZX Options; and

* * * * *

Rule 17.2. Requirements for Options Participation

(a) - (d) (No change).

(e) Every Options Member shall have as the principal purpose of being an Options Member the conduct of a securities business. Such a purpose shall be deemed to exist if and so long as:

(1) the Options Member has qualified and acts in respect of its business on [BATS]BZX Options as either an OEF or an Options Market Maker, or both; and

* * * * *

Rule 17.4. Good Standing for Options Members

(a) (No change).

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

(3) pay on a timely basis such participation, transaction and other fees as the Exchange and/or [BATS]BZX Options shall prescribe.

(b) The good standing of an Options Member may be suspended, terminated or otherwise withdrawn, as provided in Chapter VII (Suspension by Chief Regulatory Officer), if any of the conditions of Rules 17.2 or 17.3 are not met or the Options Member violates any of its agreements with the Exchange and/or [BATS]BZX Options or any of the provisions of the Exchange Rules.

(c) Unless an Options Member is in good standing, the Options Member shall have no rights or privileges of options participation except as otherwise provided by law or Rules, shall not hold himself or itself out for any purpose as an Options Member, and shall not deal with the Exchange and/or [BATS]BZX Options on any basis except as a non-Member.

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CHAPTER XVIII. BUSINESS CONDUCT

* * * * *

Rule 18.2. Conduct and Compliance with the Rules

(a) Each Options Member shall be responsible for ensuring that all arrangements made and systems used in connection with business conducted on [BATS]BZX Options, and the transaction of such business itself, comply with the Options Member's and associated persons' obligations under the Exchange Rules, the Rules of the Clearing Corporation and any other

relevant laws, rules, interpretations and obligations. In accordance with the Rules and in connection with business conducted on [BATS]BZX Options, each Options Member shall:

- (1) have adequate arrangements to ensure that all staff involved in the conduct of business on [BATS]BZX Options are suitable, adequately trained and properly supervised;

* * * * *

Rule 18.4. Prevention of the Misuse of Material Nonpublic Information

- (a) - (e) (No change).
- (f) (No change).
 - (1) (No change).
 - (2) an order being facilitated or submitted to [BATS]BZX Options for price improvement (e.g., Price Improving Orders); or

* * * * *

Rule 18.6. Other Restrictions on Members

Whenever the Exchange shall find that an Options Member has failed to perform on its contracts or is insolvent or is in such financial or operational condition or is otherwise conducting business in such a manner that it cannot safely conduct business with Customers, creditors or the Exchange, the Exchange may summarily suspend the Options Member in accordance with Chapter XXV (Discipline and Summary Suspensions) or may impose such conditions and restrictions upon the Options Member as the Exchange considers reasonably necessary for the protection of the Exchange, [BATS]BZX Options, and the Customers of such Options Member.

Rule 18.7. Position Limits

- (a) (No change).
 - (1) exceed the applicable position limit fixed from time to time by the Chicago Board Options Exchange for any options contract traded on [BATS]BZX Options and the Chicago Board Options Exchange; or
 - (2) exceed the position limit fixed by [BATS]BZX Options from time to time for any options contract traded on [BATS]BZX Options but not traded on the Chicago Board Options Exchange; or
 - (3) exceed the applicable position limit fixed from time to time by another exchange for an options contract not traded on [BATS]BZX Options, when the Options Member is not an options member of the other exchange on which the transaction was effected.

(b) (No change).

Rule 18.8. Exemptions from Position Limits

An Options Member may rely upon any available exemptions from applicable position limits granted from time to time by another options exchange for any options contract traded on [BATS]BZX Options provided that such Options Member (a) provides the Exchange with a copy of any written exemption issued by another options exchange or a written, description of any exemption issued by another options exchange other than in writing containing sufficient detail for the Exchange to verify the validity of that exemption with the issuing options exchange, and (b) fulfills all conditions precedent for such exemption and complies at all times with the requirements of such exemptions with respect to its trading on [BATS]BZX Options.

Rule 18.9. Exercise Limits

(a) (No change).

(1) exceeded the applicable exercise limit fixed from time to time by the Chicago Board Options Exchange for any options contract traded on [BATS]BZX Options and the Chicago Board Options Exchange; or

(2) exceed the exercise limit fixed by [BATS]BZX Options from time to time for any options contract traded on [BATS]BZX Options but not traded on the Chicago Board Options Exchange;

(3) exceeded the applicable exercise limit fixed from time to time by another exchange for an options contract not traded on [BATS]BZX Options, when the Options Member is not an options member of the other exchange on which the transaction was effected.

* * * * *

Rule 18.11. Liquidation Positions

(a) Whenever the Exchange shall find that a person or group of persons acting in concert holds or controls, or is obligated in respect of, an aggregate position (whether long or short) in all options contracts or one or more classes or series traded on [BATS]BZX Options in excess of the applicable position limit established pursuant to Rule 18.7 (Position Limits), it may order all Options Members carrying a position in options contracts of such classes or series for such person or persons to liquidate such positions as expeditiously as possible, consistent with the maintenance of a fair and orderly market.

(b) (No change).

Rule 18.12. Other Restrictions on Options Transactions and Exercises

(a) [BATS]BZX Options may impose such restrictions on transactions or exercises in one or more series of options of any class traded on [BATS]BZX Options as the Exchange in its judgment deems advisable in the interests of maintaining a fair and orderly market in options contracts or in underlying securities, or otherwise deems advisable in the public interest or for the protection of investors.

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

(3) (No change).

(A) - (C) (No change).

(D) [BATS]BZX Options may determine to permit the exercise of American-style, cash settled index options while trading in such options is delayed, halted, or suspended.

(b) Whenever the issuer of a security underlying a call option traded on [BATS]BZX Options is engaged or proposes to engage in a public underwritten distribution (“public distribution”) of such underlying security or securities exchangeable for or convertible into such underlying security, the underwriters may request that [BATS]BZX Options impose restrictions upon all opening writing transactions in such options at a “discount” where the resulting short position will be uncovered (“uncovered opening writing transactions”).

* * * * *

Rule 18.14. Limit on Outstanding Uncovered Short Positions

(a) Whenever it is determined from the reports of uncovered short positions submitted pursuant to Rule 24.2 (Reports of Uncovered Short Positions), viewed in light of current market conditions in options and in underlying securities, that there are outstanding an excessive number of uncovered short positions in options contracts of a given class traded on [BATS]BZX Options or that an excessively high percentage of outstanding short positions in options contracts of a given class traded on [BATS]BZX Options are uncovered, the Exchange may determine to prohibit Options Members from any further opening writing transactions on any exchange in options contracts of that class unless the resulting short position will be covered, and the Exchange may prohibit the uncovering of any existing covered short positions in one or more series of options of that class, as it deems appropriate in the interest of maintaining a fair and orderly market in options contracts or in underlying securities.

(b) (No change).

CHAPTER XIX. SECURITIES TRADED ON [BATS]BZX OPTIONS

Rule 19.1. Designation of Securities

Securities traded on [BATS]BZX Options are options contracts, each of which is designated by reference to the issuer of the underlying security, expiration month, exercise price and type (put or call).

* * * * *

Rule 19.3. Criteria for Underlying Securities

(a) Underlying securities with respect to which put or call options contracts are approved for listing and trading on [BATS]BZX Options must meet the following criteria:

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

(b) In addition, the Exchange shall from time to time establish standards to be considered in evaluating potential underlying securities for [BATS]BZX Options options transactions. There are many relevant factors which must be considered in arriving at such a determination, and the fact that a particular security may meet the standards established by the Exchange does not necessarily mean that it will be selected as an underlying security. The Exchange may give consideration to maintaining diversity among various industries and issuers in selecting underlying securities. Notwithstanding the foregoing, an underlying security will not be selected unless:

(1) - (5) (No change).

(c) - (j) (No change).

(k) Notwithstanding the requirements set forth in paragraphs (b)(1), (b)(2), (b)(4), and (b)(5) above, options may be listed for trading on [BATS]BZX Options if:

* * * * *

Rule 19.4. Withdrawal of Approval of Underlying Securities

(a) If put or call options contracts with respect to an underlying security are approved for listing and trading on [BATS]BZX Options, such approval shall continue in effect until such approval is affirmatively withdrawn by the Exchange. Whenever the Exchange determines that an underlying security previously approved for [BATS]BZX Options Transactions does not meet the then current requirements for continuance of such approval or for any other reason should no longer be approved, the Exchange shall not open for trading any additional series of options of the class covering that underlying security and shall prohibit any opening purchase transactions in series of options of that class previously opened to the extent it deems such action necessary or appropriate; provided, however, that where exceptional circumstances have caused an underlying security not to comply with the Exchange's current approval maintenance requirements, regarding number of publicly held shares of publicly held principal amount,

number of shareholders, trading volume or market price the Exchange may, in the interest of maintaining a fair and orderly market or for the protection of investors, determine to continue to open additional series of option contracts of the class covering that underlying security.

(b) - (f) (No change).

(g) (No change).

(1) - (3) (No change).

(4) such other event occurs or condition exists that in the opinion of the Exchange makes further dealing in such options on [BATS]BZX Options inadvisable.

(h) (No change).

(1) - (4) (No change).

(5) such other event shall occur or condition exist that in the opinion of the Exchange makes further dealing in such options on [BATS]BZX Options inadvisable.

* * * * *

Rule 19.6. Series of Options Contracts Open for Trading

(a) After a particular class of options has been approved for listing and trading on [BATS]BZX Options by the Exchange, the Exchange from time to time may open for trading series of options in that class. Only options contracts in series of options currently open for trading may be purchased or written on [BATS]BZX Options. Prior to the opening of trading in a given series, the Exchange will fix the expiration month, year and exercise price of that series. For Quarterly Options Series and Short Term Option Series, the Exchange will fix a specific expiration date and exercise price, as provided in Interpretations and Policy .04 and .05, respectively.

(b) At the commencement of trading on [BATS]BZX Options of a particular class of options, [BATS]BZX Options will open a minimum of one (1) series of options in that class. The exercise price of the series will be fixed at a price per share, relative to the underlying stock price in the primary market at about the time that class of options is first opened for trading on [BATS]BZX Options.

(c) Additional series of options of the same class may be opened for trading on [BATS]BZX Options when the Exchange deems it necessary to maintain an orderly market, to meet Customer demand or when the market price of the underlying stock moves more than five strike prices from the initial exercise price or prices. The opening of a new series of options shall not affect the series of options of the same class previously opened. New series of options on an individual stock may be added until the beginning of the month in which the options contract

will expire. Due to unusual market conditions, the Exchange, in its discretion, may add a new series of options on an individual stock until five (5) business days prior to expiration.

(d) (No change).

(1) - (3) (No change).

(4) The interval between strike prices of series of options on Fund Shares approved for options trading pursuant to Rule 19.3(i) shall be fixed at a price per share which is reasonably close to the price per share at which the underlying security is traded in the primary market at or about the same time such series of options is first open for trading on [BATS]BZX Options, or at such intervals as may have been established on another options exchange prior to the initiation of trading on [BATS]BZX Options.

(5) (No change).

(e) The Exchange will open at least one expiration month for each class of options open for trading on [BATS]BZX Options.

(f) The interval of strike prices may be \$2.50 in any multiply-traded option class to the extent permitted on [BATS]BZX Options by the SEC or once another exchange trading that option lists strike prices of \$2.50 on such options class.

(g) (No change).

Interpretations and Policies

.01 The interval between strike prices of series of options on individual stocks may be \$2.50 or greater where the strike price is \$25 or less, provided however, that [BATS]BZX Options may not list \$2.50 intervals below \$50 (e.g. \$12.50, \$17.50) for any class included within the \$1 Strike Price Program, as detailed below in Interpretations and Policy .02, if the addition of \$2.50 intervals would cause the class to have strike price intervals that are \$0.50 apart. For series of options on Exchange-Traded Fund Shares that satisfy the criteria set forth in Rule 19.3(i), the interval of strike prices may be \$1 or greater where the strike price is \$200 or less or \$5 or greater where the strike price is over \$200. Exceptions to the strike price intervals above are set forth in Interpretations and Policies .02 and .03 below.

.02 The interval between strike prices of series of options on individual stocks may be:

(a) \$1.00 or greater (“\$1 Strike Prices”) provided the strike price is \$50 or less, but not less than \$1. The listing of \$1 strike prices shall be limited to option classes overlying no more than one hundred fifty (150) individual stocks (the “\$1 Strike Price Program”) as specifically designated by [BATS]BZX Options. [BATS]BZX Options may list \$1 Strike Prices on any other option classes if those classes are specifically designated by other national securities exchanges that employ a similar \$1 Strike Price Program under their respective rules.

(b) To be eligible for inclusion into the \$1 Strike Price Program, an underlying security must close below \$50 in the primary market on the previous trading day. After a security is added to the \$1 Strike Price Program, [BATS]BZX Options may list \$1 Strike Prices from \$1 to \$50 that are no more than \$5 from the closing price of the underlying on the preceding day. For example, if the underlying security closes at \$13, [BATS]BZX Options may list strike prices from \$8 to \$18. [BATS]BZX Options may not list series with \$1 intervals within \$0.50 of an existing strike price in the same series, except that strike prices of \$2, \$3, \$4, \$5 and \$6 shall be permitted within \$0.50 of an existing strike price for classes also selected to participate in the \$0.50 Strike Program. Additionally, for an option class selected for the \$1 Strike Price Program, [BATS]BZX Options may not list \$1 Strike Prices on any series having greater than nine (9) months until expiration.

A security shall remain in the \$ 1 Strike Price Program until otherwise designated by [BATS]BZX Options.

(c) (No change).

.03 - .04 (No change).

.05 After an option class has been approved for listing and trading on [BATS]BZX Options, the Exchange may open for trading on any Thursday or Friday that is a business day (“Short Term Option Opening Date”) series of options on that class that expire on each of the next five (5) Fridays that are business days and are not Fridays in which monthly options series or Quarterly Options Series expire (“Short Term Option Expiration Dates”). The Exchange may have no more than a total of five Short Term Option Expiration Dates. If [BATS]BZX Options is not open for business on the respective Thursday or Friday, the Short Term Option Opening Date will be the first business day immediately prior to that respective Thursday or Friday. Similarly, if [BATS]BZX Options is not open for business on the Friday that the options are set to expire, the Short Term Option Expiration Date will be the first business day immediately prior to that Friday. Regarding Short Term Option Series:

(a) - (f) (No change).

.06 The interval between strike prices of series of options on individual stocks may be \$0.50 or greater beginning at \$.50 where the strike price is \$5.50 or less, but only for options classes whose underlying security closed at or below \$5.00 in its primary market on the previous trading day and which have national average daily volume that equals or exceeds 1,000 contracts per day as determined by The Options Clearing Corporation during the preceding three calendar months. The listing of \$0.50 strike prices shall be limited to options classes overlying no more than 20 individual stocks (the “\$0.50 Strike Program”) as specifically designated by [BATS]BZX Options.

[BATS]BZX Options may list \$0.50 strike prices on any other option classes if those classes are specifically designated by other securities exchanges that employ a similar \$0.50 Strike Program

under their respective rules. A stock shall remain in the \$0.50 Strike Program until otherwise designated by [BATS]BZX Options.

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CHAPTER XX. REGULATION OF TRADING ON [BATS]BZX OPTIONS

Rule 20.1. Access to and Conduct on the [BATS]BZX Options Market

(a) Access to [BATS]BZX Options.

Unless otherwise provided in the Rules, no one but an Options Member or a person associated with an Options Member shall effect any [BATS]BZX Options Transactions.

(b) [BATS]BZX Options Conduct.

Options Members and persons employed by or associated with any Options Member, while using the facilities of [BATS]BZX Options, shall not engage in conduct: (1) inconsistent with the maintenance of a fair and orderly market; (2) apt to impair public confidence in the operations of the Exchange; or (3) inconsistent with the ordinary and efficient conduct of business. Activities that shall violate the provisions of this paragraph (b) include, but are not limited to, the following:

(1) - (8) (No change).

(c) Subject to the Rules, the Exchange will provide access to the Trading System to Options Members in good standing that wish to conduct business on [BATS]BZX Options.

(d) (No change).

* * * * *

Rule 20.2. Surveillance

Personnel from the Exchange shall monitor and surveil options trading on [BATS]BZX Options in order to ensure the maintenance of a fair and orderly market.

Rule 20.3. Trading Halts

(a) (No change).

(b) In the event the Exchange determines to halt trading, all trading in the effected class or classes of options shall be halted and all orders will be cancelled unless a User has entered instructions not to cancel its orders. [BATS]BZX Options shall disseminate through its trading facilities and over OPRA a symbol with respect to such class or classes of options

indicating that trading has been halted. A record of the time and duration of the halt shall be made available to vendors.

(c) No Options Member or person associated with an Options Member shall effect a trade on [BATS]BZX Options in any options class in which trading has been halted under the provisions of this Rule during the time in which the halt remains in effect.

* * * * *

Rule 20.5. Unusual Market Conditions

(a) [BATS]BZX Options staff may determine that the level of trading activities or the existence of unusual market conditions is such that [BATS]BZX Options is incapable of collecting, processing, and making available to quotation vendors the data for the option in a manner that accurately reflects the current state of the market on [BATS]BZX Options. Upon making such a determination, the Exchange shall designate the market in such option to be “fast,” and the Exchange shall halt trading in the class or classes so affected.

* * * * *

Rule 20.6. Nullification and Adjustment of Options Transactions including Obvious Errors (No change).

(a) - (k) (No change).

(l) Appeals.

If an Options Member affected by a determination made under this Rule so requests within the time permitted below, the Obvious Error Panel (“Obvious Error Panel”) will review decisions made by the [BATS]BZX Official under this Rule, including whether an obvious error occurred and whether the correct determination was made.

(1) - (3) (No change).

(4) The Obvious Error Panel may overturn or modify an action taken by the [BATS]BZX Official under this Rule. All determinations by the Obvious Error Panel shall constitute final action by the Exchange on the matter at issue.

* * * * *

Rule 20.7. Audit Trail

(a) Order Identification

When entering orders on [BATS]BZX Options, each Options Member shall submit order information in such form as may be prescribed by the Exchange in order to allow [BATS]BZX

Options to properly prioritize and match orders and report resulting transactions to the Clearing Corporation.

(b) An Options Member must ensure that each options order received from a Customer for execution on [BATS]BZX Options is recorded and time-stamped immediately. The order record must be time-stamped again on execution and also at the time of any modification or cancellation of the order by the Customer. Order records relating to [BATS]BZX Options must contain the following information at a minimum:

(1) - (16) (No change).

(17) such other information as may be required by [BATS]BZX Options.

(c) An Options Member that employs an electronic system for order routing or order management which complies with [BATS]BZX Options requirements will be deemed to be complying with the requirements of this Rule if the required information is recorded in electronic form rather than in written form.

(d) (No change).

Rule 20.8. Failure to Pay Premium

(a) When the Clearing Corporation shall reject a [BATS]BZX Options Transaction because of the failure of the Clearing Member acting on behalf of the purchaser to pay the aggregate premiums due thereon as required by the Rules of the Clearing Corporation, the Options Member acting as or on behalf of the writer shall have the right either to cancel the transaction by giving notice thereof to the Clearing Member or to enter into a closing writing transaction in respect of the same options contract that was the subject of the rejected [BATS]BZX Options Transaction for the account of the defaulting Clearing Member.

(b) Such action shall be taken as soon as possible, and in any event not later than 10:00 A.M. Eastern Time on the business day following the day the [BATS]BZX Options Transaction was rejected by the Clearing Corporation.

CHAPTER XXI. TRADING SYSTEMS

Rule 21.1. Definitions

The following definitions apply to Chapter XXI for the trading of options listed on [BATS]BZX Options.

(a) (No change).

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

(3) a data feed(s) that can be used to display with or without attribution to Options Members' MPIDs Displayed Orders on both the bid and offer side of the market

for price levels then within [BATS]BZX Options using the minimum price variation applicable to that security.

(b) The term “System Securities” shall mean all options that are currently trading on [BATS]BZX Options pursuant to Chapter XIX above.

(c) (No change).

(d) (No change).

(1) - (4) (No change).

(5) “market orders” are orders to buy or sell at the best price available at the time of execution. market orders to buy or sell an option traded on [BATS]BZX Options will be rejected if they are received when the underlying security is subject to a “Limit State” or “Straddle State” as defined in the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act (the “Limit Up-Limit Down Plan”). Any portion of a market order that would execute at a price more than \$0.50 or 5 percent worse than the NBBO at the time the order initially reaches [BATS]BZX Options, whichever is greater, will be cancelled.

(6) - (7) (No change).

(8) “Post Only Orders” are orders that are to be ranked and executed on the Exchange pursuant to Rule 21.8 (Order Display and Book Processing) or cancelled, as appropriate, without routing away to another options exchange except that the order will not remove liquidity from the [BATS]BZX Options Book, other than as described below. A Post Only Order subject to the display-price sliding process under paragraph (h) below will execute against an order resting on the [BATS]BZX Options Book if the value of price improvement associated with such execution equals or exceeds the sum of fees charged for such execution and the value of any rebate that would be provided if the order posted to the [BATS]BZX Options Book and subsequently provided liquidity. A Post Only Order will be subject to the display-price sliding process unless a User has entered instructions not to use the display-price sliding process as set forth in paragraph (h) below.

(9) “Partial Post Only at Limit Orders” are orders that are to be ranked and executed on the Exchange pursuant to Rule 21.8 (Order Display and Book Processing) or cancelled, as appropriate, without routing away to another options exchange except that the order will only remove liquidity from the [BATS]BZX Options Book under the following circumstances:

(A) A Partial Post Only at Limit Order will remove liquidity from the [BATS]BZX Options Book up to the full size of the order if, at the time of

receipt, it can be executed at prices better than its limit price (i.e., price improvement).

(B) Regardless of any liquidity removed from the [BATS]BZX Options Book under the circumstances described in paragraph (A) above, a User may enter a Partial Post Only at Limit Order instructing the Exchange to also remove liquidity from the [BATS]BZX Options Book at the order's limit price up to a designated percentage of the remaining size of the order after any execution pursuant to paragraph (A) above ("Maximum Remove Percentage") if, after removing such liquidity at the order's limit price, the remainder of such order can then post to the [BATS]BZX Options Book. If no Maximum Remove Percentage is entered, such order will only remove liquidity to the extent such order will obtain price improvement as described in paragraph (A) above.

A Partial Post Only at Limit Order will be subject to the display-price sliding process unless a User has entered instructions not to use the display-price sliding process as set forth in paragraph (h) below.

(10) - (12) (No change).

(e) (No change).

(f) (No change).

(1) (No change).

(2) "Immediate Or Cancel" or "IOC" shall mean, for an order so designated, a limit order that is to be executed in whole or in part as soon as such order is received. The portion not so executed immediately on the Exchange or another options exchange is cancelled and is not posted to the [BATS]BZX Options Book. IOC limit orders that are not designated as Book Only Orders and that cannot be executed in accordance with Rule 21.8 on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 21.9.

(3) - (5) (No change).

(g) (No change).

(1) MTP Cancel Newest ("MCN"). An incoming order marked with the "MCN" modifier will not execute against opposite side resting interest marked with any MTP modifier originating from the same Unique Identifier. The incoming order marked with the MCN modifier will be cancelled back to the originating User(s). The resting order marked with an MTP modifier will remain on the [BATS]BZX Options Book.

(2) MTP Cancel Oldest ("MCO"). An incoming order marked with the "MCO" modifier will not execute against opposite side resting interest marked with any

MTP modifier originating from the same Unique Identifier. The resting order marked with the MTP modifier will be cancelled back to the originating User(s). The incoming order marked with the MCO modifier will remain on the [BATS]BZX Options Book.

(3) MTP Decrement and Cancel (“MDC”). An incoming order marked with the “MDC” modifier will not execute against opposite side resting interest marked with any MTP modifier originating from the same Unique Identifier. If both orders are equivalent in size, both orders will be cancelled back to the originating User(s). If the orders are not equivalent in size, the equivalent size will be cancelled back to the originating User(s) and the larger order will be decremented by the size of the smaller order, with the balance remaining on the [BATS]BZX Options Book. Notwithstanding the foregoing, unless a User instructs the Exchange not to do so, both orders will be cancelled back to the originating User(s) if the resting order is marked with any MTP modifier other than MDC and the incoming order is smaller in size than the resting order.

(4) (No change).

(5) MTP Cancel Smallest (“MCS”). An incoming order marked with the “MCS” modifier will not execute against opposite side resting interest marked with any MTP modifier originating from the same Unique Identifier. If both orders are equivalent in size, both orders will be cancelled back to the originating User(s). If the orders are not equivalent in size, the smaller of the two orders will be cancelled back to the originating User and the larger order will remain on the [BATS]BZX Options Book.

(h) Display-Price Sliding.

(1) An order that, at the time of entry, would lock or cross a Protected Quotation of another options exchange will be ranked at the locking price in the [BATS]BZX Options Book and displayed by the System at one minimum price variation below the current NBO (for bids) or to one minimum price variation above the current NBB (for offers) (“display-price sliding”). A User may elect to have the System only apply display-price sliding to the extent an order at the time of entry would lock a Protected Quotation of another options exchange. For Users that select this order handling, any order will be cancelled if, upon entry, such order would cross a Protected Quotation of another options exchange.

(2) - (3) (No change).

(4) Any Post Only Order subject to the display-price sliding process described in this paragraph (h) that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 21.1(d)(8) or cancelled. Any Partial Post Only at Limit Order subject to the display-price sliding process described in this paragraph (h) that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 21.1(d)(9) or cancelled. Any Post Only

Order or Partial Post Only at Limit Order that locks or crosses a Protected Quotation displayed by an external market upon entry will be subject to the display-price sliding process described in this paragraph (h). In the event the NBBO changes such that a Post Only Order subject to display-price sliding would be ranked at a price at which it could remove displayed liquidity from the [BATS]BZX Options Book, the order will be cancelled.

* * * * *

Rule 21.2. Days and Hours of Business

(a) (No change).

(b) Except as set forth in paragraph (a) above or in unusual conditions as may be determined by the Exchange, hours during which transactions in options on individual stocks may be made on [BATS]BZX Options shall correspond to the normal business days and hours for business set forth in the rules of the primary market trading the securities underlying options traded on [BATS]BZX Options.

(c) [BATS]BZX Options shall not be open for business on any holiday observed by the Exchange.

Rule 21.3. Units of Trading

The unit of trading in each series of options traded on [BATS]BZX Options shall be the unit of trading established for that series by the Clearing Corporation pursuant to the Rules of the Clearing Corporation and the agreements of the Exchange with the Clearing Corporation.

Rule 21.4. Meaning of Premium Quotes and Orders

(a) (No change).

(b) Special Cases.

Orders for an options contract for which [BATS]BZX Options has established an adjusted unit of trading in accordance with Rule 21.3 (Units of Trading) shall be expressed in terms of dollars per 1/100 part of the total securities and/or other property constituting such adjusted unit of trading. For example, an offer of “3” shall represent an offer of \$300 for an options contract having a unit of trading consisting of 100 shares of an underlying security plus ten (10) rights.

Rule 21.5. Minimum Increments

(a) The Board may establish minimum quoting increments for options contracts traded on [BATS]BZX Options. Such minimum increments established by the Board will be designated as a stated policy, practice, or interpretation with respect to the administration of this Rule within the meaning of Section 19 of the Exchange Act and will be filed with the SEC as a rule change for effectiveness upon filing. Until such time as the Board makes a change in the

increments, the following principles shall apply: (1) if the options series is trading at less than \$3.00, five (5) cents; (2) if the options series is trading at \$3.00 or higher, ten (10) cents; and (3) if the options series is trading pursuant to the Penny Pilot program one (1) cent if the options series is trading at less than \$3.00, five (5) cents if the options series is trading at \$3.00 or higher, unless for QQQQ, SPY, or IWM where the minimum quoting increment will be one cent for all series regardless of price.

(b) The minimum trading increment for options contracts traded on [BATS]BZX Options will be one (1) cent for all series.

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Rule 21.7. Market Opening Procedures

(a) (No change).

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

(3) Performing the Opening Process. After establishing an Opening Price that is also a Valid Price, orders and quotes in the System that are priced equal to or more aggressively than the Opening Price will be matched based on time priority. Matches will occur until there is no remaining volume or there is an imbalance of orders. All orders and quotes or portions thereof that are matched pursuant to the Opening Process will be executed at the Opening Price. An imbalance of orders on the buy side or sell side may result in orders that are not executed in whole or in part. Such orders will be handled in time sequence, beginning with the order with the oldest time stamp and may, in whole or in part, be placed on the [BATS]BZX Options Book, cancelled, executed, or routed in accordance with Rule 21.9.

(4) Contingent Open. Orders that are not executed during the Opening Process because trading in a series is going to be opened for trading pursuant to paragraph (1)(D) above will be handled in time sequence, beginning with the order with the oldest time stamp and may, in whole or in part, be placed on the [BATS]BZX Options Book, cancelled, executed, or routed in accordance with Rule 21.9.

* * * * *

Rule 21.8. Order Display and Book Processing

All bids or offers made and accepted on [BATS]BZX Options in accordance with the Rules shall constitute binding contracts, subject to applicable requirements of the Exchange Rules and the Rules of the Clearing Corporation.

A System order is an order that is entered into the System for display and/or execution as appropriate. Such orders are executable against marketable contra-side orders in the System. System orders shall be executed through the [BATS]BZX Options Book Process set forth below:

(a) (No change).

(b) Price Improvement — any potential price improvement resulting from an execution in the System shall accrue to the party that is removing liquidity previously posted to the [BATS]BZX Options Book.

(c) [BATS]BZX Options — listed options that are the subject of a trading halt initiated pursuant to Rule 20.3 (Trading Halts), shall open for trading at the time specified by the Exchange pursuant to Rule 20.4. When the System opens, orders shall be added to the [BATS]BZX Options Book in time priority and executed as described above in paragraph (a) above.

(d) (No change).

Rule 21.9. Order Routing

(a) (No change).

(1) Routing to Away Options Exchanges. Orders designated as available for routing will first check the [BATS]BZX Options Book for available contracts for execution pursuant to Rule 21.8 (Order Display and Book Processing). After checking the [BATS]BZX Options Book for available contracts, the System will designate orders as IOCs and will cause such orders to be routed to one or more options exchanges for potential execution, per the entering User's instructions. After the System receives responses to orders that were routed away, to the extent an order is not executed in full through the routing process, the System will process the balance of such order as follows. Depending on parameters set by the User when the incoming order was originally entered, the System will either:

(A) (No change).

(B) post the unfilled balance of the order to the [BATS]BZX Options Book, subject to the display price sliding process as defined in Rule 21.1 (h) or price adjust process as defined in Rule 21.1(i), if applicable;

(C) repeat the process described above by executing against the [BATS]BZX Options Book and/or routing to other options exchanges until the original, incoming order is executed in its entirety;

(D) repeat the process described above by executing against the [BATS]BZX Options Book and/or routing to other options exchanges until the original, incoming order is executed in its entirety, or, if not executed in its entirety and a limit order, post the unfilled balance of the order on the [BATS]BZX Options Book if the order's limit price is reached; or

(E) (No change).

(2) (No change).

(A) - (D) (No change).

(3) (No change).

(A) Aggressive. To the extent the unfilled balance of a routable order has been posted to the [BATS]BZX Options Book pursuant to paragraph (a)(2) above, should the order subsequently be locked or crossed by another accessible options exchange, the System shall route the order to the locking or crossing options exchange if the User has selected the Aggressive Re-Route instruction.

(B) Super Aggressive. To the extent the unfilled balance of a routable order has been posted to the [BATS]BZX Options Book pursuant to paragraph (a)(1) above, should the order subsequently be locked or crossed by another accessible options exchange, the System shall route the order to the locking or crossing options exchange if the User has selected the Super Aggressive Re-Route instruction.

(b) Priority of Routed Orders. Orders that have been routed by the System to other options exchanges are not ranked and maintained in the [BATS]BZX Options Book pursuant to Rule 21.8, and therefore are not available to execute against incoming orders. Once routed by the System, an order becomes subject to the rules and procedures of the destination options exchange including, but not limited to, order cancellation. If a routed order is subsequently returned, in whole or in part, that order, or its remainder, shall receive a new time stamp reflecting the time of its return to the System.

(c) Users whose orders are routed to other options exchanges shall be obligated to honor such trades that are executed on other options exchanges to the same extent they would be obligated to honor a trade executed on [BATS]BZX Options.

(d) [BATS]BZX Options shall route orders in options via [BATS]Bats Trading, Inc. (“[BATS]Bats Trading”), which serves as the Outbound Router of the Exchange, as defined in Rule 2.11 ([BATS]Bats Trading, Inc.). The function of the Outbound Router will be to route orders in options listed and open for trading on [BATS]BZX Options to other options exchanges pursuant to the rules of [BATS]BZX Options solely on behalf of [BATS]BZX Options. The Outbound Router is subject to regulation as a facility of the Exchange, including the requirement to file proposed rule changes under Section 19 of the Act. Use of [BATS]Bats Trading or Routing Services described in paragraph (e) below to route orders to other market centers is optional. Parties that do not desire to use [BATS]Bats Trading for routing or other Routing Services provided by the Exchange must designate orders as not available for routing.

(e) (No change).

(f) **Market Access.** In addition to the Exchange Rules regarding routing to away options exchanges, [BATS]Bats Trading, as defined in Rule 2.11, has, pursuant to Rule 15c3-5 under the Act, implemented certain tests designed to mitigate the financial and regulatory risks associated with providing the Exchange's Members with access to such away options exchanges. Pursuant to the policies and procedures developed by [BATS]Bats Trading to comply with Rule 15c3-5, if an order or series of orders are deemed to be erroneous or duplicative, would cause the entering Member's credit exposure to exceed a preset credit threshold, or are non-compliant with applicable pre-trade regulatory requirements (as defined in Rule 15c3-5), [BATS]Bats Trading will reject such orders prior to routing and/or seek to cancel any orders that have been routed.

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Rule 21.12. Clearing Member Give Up

A User must give up the name of the Clearing Member through which the transaction will be cleared. If there is a subsequent change in identity of the Clearing Member through whom a transaction will be cleared, the User must, as promptly as possible, report such change to [BATS]BZX Options.

Rule 21.13. Submission for Clearance

(a) All options transactions effected on [BATS]BZX Options shall be submitted for clearance to the Clearing Corporation, and all such transactions shall be subject to the Rules of the Clearing Corporation. Every Clearing Member shall be responsible for the clearance of [BATS]BZX Options Transactions of such Clearing Member and of each User that gives up such Clearing Member's name pursuant to a letter of authorization, letter of guarantee or other authorization given by such Clearing Member to such User, which authorization must be submitted to the Exchange.

(b) On each business day at or prior to such time as may be prescribed by the Clearing Corporation, [BATS]BZX Options shall furnish the Clearing Corporation a report of each Clearing Member's matched trades.

Rule 21.14. Message Traffic Mitigation

For the purpose of message traffic mitigation, based on [BATS]BZX Options's traffic with respect to target traffic levels and in accordance with [BATS]BZX Options's overall objective of reducing both peak and overall traffic:

(a) [BATS]BZX Options will periodically delist options with an average daily volume ("ADV") of less than 100 contracts. The Exchange will, on a monthly basis, determine the ADV for each series listed on [BATS]BZX Options and delist the current series and not list the next series after expiration where the ADV is less than 100 contracts. For options series traded solely on [BATS]BZX Options, the Exchange will delay delisting until there is no open interest in that options series.

(b) [BATS]BZX Options will implement a process by which an outbound quote message that has not been sent, but is about to be sent, will not be sent if a more current quote message for the same series is available for sending. This replace on queue functionality will be applied to all options series listed on [BATS]BZX Options in real time and will not delay the sending of any messages.

(c) [BATS]BZX Options will also prioritize price update messages and send out price updates before sending size update messages. This functionality will be applied to all options series listed on the [BATS]BZX Options and in conjunction with the previously described replace on queue functionality will ensure that [BATS]BZX Options quote update messages are the most current and relevant available.

(d) All message traffic mitigation mechanisms which are used on [BATS]BZX Options will be identical to the OPRA “top of the book” broadcast.

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CHAPTER XXII. MARKET PARTICIPANTS

Rule 22.1. Customer Orders and Order Entry Firms

Order Entry Firms (OEFs) are those Options Members representing as agent Customer Orders on [BATS]BZX Options or trading as principal on [BATS]BZX Options.

Rule 22.2. Options Market Maker Registration

Options Members registered as Market Makers have certain rights and bear certain responsibilities beyond those of other Options Members. All Market Makers are designated as specialists on [BATS]BZX Options for all purposes under the Exchange Act or Rules thereunder.

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Rule 22.5. Obligations of Market Makers

(a) (No change).

(1) - (3) (No change).

(4) Make markets that will be honored for the number of contracts entered into [BATS]BZX Options’s system in all series of options in which the Market Maker is registered to trade.

(5) - (7) (No change).

(b) Options Market Makers should not effect purchases or sales on [BATS]BZX Options except in a reasonable and orderly manner.

(c) If the Exchange finds any substantial or continued failure by an Options Market Maker to engage in a course of dealings as specified in paragraph (a) of this Rule, such Options Market Maker will be subject to disciplinary action or suspension or revocation of registration in one or more of the securities in which the Market Maker is registered. Nothing in this Rule will limit any other power of the Board under these Rules, or procedures of [BATS]BZX Options with respect to the registration of a Market Maker or in respect of any violation by a Market Maker of the provisions of this Rule.

Rule 22.6. Market Maker Quotations

- (a) (No change).
- (b) Two-Sided Quotes.

A Market Maker that enters a bid (offer) in a series in which he is registered on [BATS]BZX Options must enter an offer (bid).

- (c) - (d) (No change).
- (e) Options Classes Other Than Those in Which Registered.

A Market Maker shall be considered an OEF under the Rules in all classes of options listed on [BATS]BZX Options. The total number of contracts executed by a Market Maker in series in which it is not registered as a Market Maker shall not exceed twenty-five (25) percent of the total number of all contracts executed by the Market Maker in any calendar quarter.

Rule 22.7. Securities Accounts and Orders of Market Makers

- (a) (No change).
- (b) Reports of Orders.

Each Market Maker shall, upon request and in the prescribed form, report to the Exchange every order entered by the Market Maker for the purchase or sale of (1) a security underlying options traded on [BATS]BZX Options, or (2) a security convertible into or exchangeable for such underlying security, as well as opening and closing positions in all such securities held in each account reported pursuant to paragraph (a) of this Rule. The report pertaining to orders must include the terms of each order, identification of the brokerage firms through which the orders were entered, the times of entry or cancellation, the times report of execution were received and, if all or part of the order was executed, the quantity and execution price.

- (c) Joint Accounts.

No Market Maker shall, directly or indirectly, hold any interest or participate in any joint account for buying or selling any options contract unless each participant in such joint account is an Options Member and unless such account is reported to, and not disapproved by, the Exchange. Such reports in a form prescribed by the Exchange shall be filed with the Exchange before any

transaction is effected on [BATS]BZX Options for such joint account. A participant in a joint account must:

- (1) (4) (No change).

Interpretations and Policies

.01 Reports of accounts and transactions required to be filed with [BATS]BZX Options pursuant to this Rule relate only to accounts in which a Market Maker, as an individual, directly or indirectly controls trading activities or has a direct interest in the profits or losses of such account. Such reports would be required for accounts over which a Market Maker exercises investment discretion as well as a Market Maker's proprietary accounts.

Rule 22.8. Letters of Guarantee

- (a) Required of Each Options Member.

No Options Member shall make any transactions on [BATS]BZX Options unless a Letter of Guarantee has been issued for such Member by a Clearing Member and filed with the Exchange, and unless such Letter of Guarantee has not been revoked pursuant to paragraph (c) of this Rule.

- (b) Terms of Letter of Guarantee.

A Letter of Guarantee shall provide that the issuing Clearing Member accepts financial responsibilities for all [BATS]BZX Options Transactions made by the guaranteed Options Member.

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Rule 22.12. Order Exposure Requirements

With respect to orders routed to [BATS]BZX Options, Options Members may not execute as principal orders they represent as agent unless (a) agency orders are first exposed on [BATS]BZX Options for at least one (1) second or (b) the Options Member has been bidding or offering on [BATS]BZX Options for at least one (1) second prior to receiving an agency order that is executable against such bid or offer.

Interpretations and Policies

.01 This Rule prevents Options Members from executing agency orders to increase its economic gain from trading against the order without first giving other trading interest on [BATS]BZX Options an opportunity to either trade with the agency order or to trade at the execution price when the Options Member was already bidding or offering on the book. However, the Exchange recognizes that it may be possible for an Options Member to establish a relationship with a customer or other person to deny agency orders the opportunity to interact on [BATS]BZX Options and to realize similar economic benefits as it would achieve by executing agency orders as principal. It will be a violation of this Rule for an Options Member to be a party

to any arrangement designed to circumvent this Rule by providing an opportunity for a customer to regularly execute against agency orders handled by the Options Member immediately upon their entry into [BATS]BZX Options.

.02 It will be a violation of this Rule for an Options Member to cause the execution of an order it represents as agent on [BATS]BZX Options against orders it solicited from members and non-member broker-dealers, whether such solicited orders are entered into [BATS]BZX Options directly by the Options Member or by the solicited party (either directly or through another Options Member), if the Options Member fails to expose orders on [BATS]BZX Options as required by this Rule.

.03 (No change).

.04 Prior to or after submitting an order to [BATS]BZX Options, an Options Member cannot inform another Options Member or any other third party of any of the terms of the order.

CHAPTER XXIII. EXERCISES AND DELIVERIES

Rule 23.1. Exercise of Options Contracts

(a) (No change).

(b) Special procedures apply to the exercise of equity options on the last business day before their expiration (“expiring options”). Unless waived by the Clearing Corporation, expiring options are subject to the Exercise-by-Exception (“Ex-by-Ex”) procedure under Clearing Corporation Rule 805. This Rule provides that, unless contrary instructions are given, option contracts that are in-the-money by specified amounts shall be automatically exercised. In addition to the Rules of the Clearing Corporation, the following [BATS]BZX Options requirements apply with respect to expiring options. Option holders desiring to exercise or not exercise expiring options must either:

(1) (No change).

(2) submit a “Contrary Exercise Advice” to [BATS]BZX Options through the participant’s clearing firm as specified in paragraph (d) below.

(c) (No change).

(d) (No change).

(1) A Contrary Exercise Advice may be submitted to [BATS]BZX Options by an Options Member by using the Clearing Corporation’s ENCORE system, a Contrary Exercise Advice form of any other national securities exchange of which the firm is a member and where the option is listed, or such other method as [BATS]BZX Options may prescribe. A Contrary Exercise Advice may be canceled by filing an “Advice

Cancel” with [BATS]BZX Options or resubmitted at any time up to the submission cut-off times specified below.

(2) - (3) (No change).

(e) (No change).

(1) submit to [BATS]BZX Options, a Contrary Exercise Advice, in a manner specified by [BATS]BZX Options, within the time limits specified in paragraph (d) above if the holder intends to exercise the option; or

(2) take no action and allow the option to expire without being exercised.

In cases where the Ex-by-Ex procedure has been waived, the Rules of the Clearing Corporation require that Options Members wishing to exercise such options must submit an affirmative Exercise Notice to the Clearing Corporation, whether or not a Contrary Exercise Advice has been filed with [BATS]BZX Options.

(f) An Options Member that has accepted the responsibility to indicate final exercise decisions on behalf of another Options Member or non-Member broker-dealer shall take the necessary steps to ensure that such decisions are properly indicated to [BATS]BZX Options. Such Member may establish a processing cut-off time prior to [BATS]BZX Options’s exercise cut-off time at which it will no longer accept final exercise decisions in expiring options from option holders for whom it indicates final exercise decisions. Each Member that indicates final exercise decisions through another broker-dealer is responsible for ensuring that final exercise decisions for all of its proprietary (including market maker) and public customer account positions are indicated in a timely manner to such broker-dealer.

(g) Notwithstanding the foregoing, Options Members may make final exercise decisions after the exercise cut-off time but prior to expiration without having submitted a Contrary Exercise Advice in the circumstances listed below. A memorandum setting forth the circumstance giving rise to instructions after the exercise cutoff time shall be maintained by the Options Member and a copy thereof shall be filed with [BATS]BZX Options no later than 12:00 noon Eastern Time on the first business day following the respective expiration. An exercise decision after the exercise cut-off time may be made:

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

(h) In the event [BATS]BZX Options provides advance notice on or before 5:30 p.m. Eastern Time on the business day immediately prior to the last business day before the expiration date indicating that a modified time for the close of trading in equity options on such last business day before expiration will occur, then the deadline to make a final decision to exercise or not exercise an expiring option shall be 1 hour 30 minutes following the time announced for the close of trading on that day instead of the 5:30 p.m. Eastern Time deadline found in paragraph (c) of this Rule. However, an Options Members has until 7:30 p.m. Eastern Time to

deliver a Contrary Exercise Advice or Advice Cancel to [BATS]BZX Options for customer accounts and non-customer accounts where such Options Member employs an electronic submission procedure with time stamp for the submission of exercise instructions. For non-customer accounts, Options Members that do not employ an electronic procedure with time stamp for the submission of exercise instructions are required to deliver a Contrary Exercise Advice or Advice Cancel within 1 hour and 30 minutes following the time announced for the close of trading on that day instead of the 5:30 p.m. Eastern Time deadline found in paragraph (d) of this Rule.

(i) Modification of cut-off time.

(1) [BATS]BZX Options may establish extended cut-off times for decision to exercise or not exercise an expiring option and for the submission of Contrary Exercise Advices on a case-by-case basis due to unusual circumstances. For purposes of this subparagraph (i)(1), an “unusual circumstance” includes, but is not limited to, increased market volatility; significant order imbalances; significant volume surges and/or systems capacity constraints; significant spreads between the bid and offer in underlying securities; internal system malfunctions affecting the ability to disseminate or update market bids and offers and/or execute or route orders; or other similar occurrences.

(2) [BATS]BZX Options with at least one (1) business day prior advance notice, by 12:00 noon Eastern Time on such day, may establish a reduced cut-off time for the decision to exercise or not exercise an expiring option and for the submission of Contrary Exercise Advices on a case-by-case basis due to unusual circumstances; provided, however, that under no circumstances should the exercise cut-off time and the time for submission of a Contrary Exercise Advice be before the close of trading. For purposes of this subparagraph (i)(2), an “unusual circumstance” includes, but is not limited to, a significant news announcement concerning the underlying security of an option contract that is scheduled to be released just after the close on the business day immediately prior to expiration.

(j) (No change).

(k) The failure of any Options Member to follow the procedures in this Rule may result in the assessment of a fine, which may include but is not limited to disgorgement of potential economic gain obtained or loss avoided by the subject exercise, as determined by [BATS]BZX Options.

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CHAPTER XXIV. RECORDS, REPORTS AND AUDITS

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Rule 24.2. Reports of Uncovered Short Positions

(a) Upon request of the Exchange, each Options Member shall submit a report of the total uncovered short positions in each options contract of a class dealt in on [BATS]BZX Options showing:

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CHAPTER XXV. DISCIPLINE AND SUMMARY SUSPENSIONS

Rule 25.1. Suspensions

The provisions of Chapter VII (Suspension by Chief Regulatory Officer), Chapter VIII (Discipline), Chapter IX (Arbitration), and Chapter X (Adverse Action) of the Exchange Rules shall be applicable to Options Members and trading on [BATS]BZX Options.

Rule 25.2. Contracts of Suspended Members

(a) When an Options Member, other than a Clearing Member, is suspended pursuant to the Rules in this Chapter, all open short positions of the suspended Options Member in options contracts and all open positions resulting from exercise of options contracts, other than positions that are secured in full by a specific deposit or escrow deposit in accordance with the Rules of the Clearing Corporation, shall be closed without unnecessary delay by all Options Members carrying such positions for the account of the suspended Options Member; provided that the Exchange may cause the foregoing requirement to be temporarily waived for such period as it may determine if it shall deem such temporary waiver to be in the interest of the public or the other Options Members of [BATS]BZX Options.

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Rule 25.3. Penalty for Minor Rule Violations

The following [BATS]BZX 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”).

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CHAPTER XXVI. DOING BUSINESS WITH THE PUBLIC

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Rule 26.5. Discretionary Accounts

(a) (No change).

(1) (No change).

(2) Every discretionary order shall be identified as discretionary on the order at the time of its entry into [BATS]BZX Options market.

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CHAPTER XXVIII. MARGIN REQUIREMENTS

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Rule 28.1. General Rule

No Options Member or associated person may effect a transaction or carry an account for a Customer, whether an Options Member or non-Member of [BATS]BZX Options, without proper and adequate margin in accordance with this Chapter XXVIII and Regulation T.

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Rule 28.4. Margin Required is Minimum

(a) (No change).

(b) [BATS]BZX Options may at any time impose higher margin requirements with respect to such positions when it deems such higher margin requirements to be advisable.

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CHAPTER XXIX. INDEX RULES

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Rule 29.2. Definitions

(a) - (d) (No change).

(e) The term “current index value” with respect to a particular index options contract means the level of the underlying index reported by the reporting authority for the index, or any multiple or fraction of such reported level specified by [BATS]BZX Options. The current index value with respect to a reduced-value long term options contract is one-tenth of the current index value of the related index option. The “closing index value” shall be the last index value reported on a business day.

(f) - (l) (No change).

(m) The term “reporting authority” with respect to a particular index means the institution or reporting service designated by the Exchange as the official source for (1) calculating the level of the index from the reported prices of the underlying securities that are the basis of the index and (2) reporting such level. The reporting authority for each index approved for options trading on

[BATS]BZX Options shall be Specified (as provided in Rule 29.1) in the Interpretations and Policies to this Rule.

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Rule 29.3. Designation of a Broad-Based Index

(a) (No change).

(b) [BATS]BZX Options may trade options on a broad-based index pursuant to Rule 19b-4(e) of the Securities Exchange Act of 1934, if each of the following conditions is satisfied:

(1) - (10) (No change).

(11) The current index value is widely disseminated at least once every fifteen (15) seconds by OPRA, CTA/CQ, NIDS or one or more major market data vendors during the time options on the index are traded on [BATS]BZX Options;

(12) [BATS]BZX Options reasonably believes it has adequate system capacity to support the trading of options on the index, based on a calculation of [BATS]BZX Options' current ISCA allocation and the number of new messages per second expected to be generated by options on such index;

(13) - (15) (No change).

(c) (No change).

(1) (No change).

(2) The total number of component securities in the index may not increase or decrease by more than ten percent (10%) from the number of component securities in the index at the time of its initial listing. In the event a class of index options listed on [BATS]BZX Options fails to satisfy the maintenance listing standards set forth herein, [BATS]BZX Options shall not open for trading any additional series of options of that class unless the continued listing of that class of index options has been approved by the SEC under Section 19(b)(2) of the Exchange Act.

Rule 29.4. Dissemination of Information

(a) [BATS]BZX Options shall disseminate, or shall assure that the current index value is disseminated, after the close of business and from time-to-time on days on which transactions in index options are made on [BATS]BZX Options.

(b) [BATS]BZX Options shall maintain, or shall assure that the current index value is maintained in files available to the public, information identifying the stocks whose prices are the basis for calculation of the index and the method used to determine the current index value.

Rule 29.5. Position Limits for Broad-Based Index Options

(a) Options Members shall comply with the applicable rules of the Chicago Board Options Exchange with respect to position limits for broad based index options or with the applicable rules of [BATS]BZX Options for broad-based index options traded on [BATS]BZX Options but not traded on the Chicago Board Options Exchange

(b) - (c) (No change).

Rule 29.6. Designation of Narrow-Based and Micro-Narrow-Based Index Options

(a) (No change).

(b) Narrow-Based Index.

[BATS]BZX Options may trade options on a narrow-based index pursuant to Rule 19b-4(e) of the 1934 Act, if each of the following conditions is satisfied:

(1) - (12) (No change).

(c) (No change).

(No change).

(1) - (3) (No change).

(4) In a capitalization-weighted index or a modified capitalization-weighted index, the lesser of the five highest weighted component securities in the index or the highest weighted component securities in the index that in the aggregate represent at least 30% of the total number of stocks in the index each have had an average monthly trading volume of at least 1,000,000 shares over the past six months.

In the event a class of index options listed on [BATS]BZX Options fails to satisfy the maintenance listing standards set forth herein, [BATS]BZX Options shall not open for trading any additional series of options of that class unless such failure is determined by [BATS]BZX Options not to be significant and the Commission concurs in that determination, or unless the continued listing of that class of index options has been approved by the Commission under Section 19(b)(2) of the Exchange Act.

(d) Notwithstanding paragraph (a) above, [BATS]BZX Options may trade options on a Micro Narrow-Based security index pursuant to Rule 19b-4(e) of the 1934 Act, if each of the following condition is satisfied:

(1) (No change).

(2) (No change).

(A) For the purposes of this paragraph (d), an approximate equal-dollar weighted index is composed of one or more securities in which each component security will be weighted equally based on its market price on the index's

selection date and the index must be reconstituted and rebalanced if the notional value of the largest component is at least twice the notional volume of the smallest component for fifty percent or more of the trading days in the three months prior to December 31 of each year. For purposes of this provision the “notional value” is the market price of the component times the number of shares of the underlying component in the index. Reconstitution and rebalancing are also mandatory if the number of components in the index is greater than five at the time of rebalancing. [BATS]BZX Options reserves the right to rebalance quarterly at its discretion.

(B) (No change).

(C) For the purposes of this paragraph (d), a share-weighted index is calculated by multiplying the price of the component security by an adjustment factor. Adjustment factors are chosen to reflect the investment objective deemed appropriate by the designer of the index and will be published by the Exchange as part of the contract specifications. The value of the index is calculated by adding the weight of each component security and dividing the total by an index divisor, calculated to yield a benchmark index level as of a particular date. A share-weighted index is not adjusted to reflect changes in the number of outstanding shares of its components. A share-weighted Micro Narrow-Based index will not be rebalanced. If a share-weighted Micro Narrow-Based Index fails to meet the maintenance listing standards under Subsection (e) of this rule, [BATS]BZX Options will restrict trading in existing option series to closing transactions and will not issue additional series for that index.

(D) [BATS]BZX Options may rebalance any Micro Narrow-Based index on an interim basis if warranted as a result of extraordinary changes in the relative values of the component securities. To the extent investors with open positions must rely upon the continuity of the options contract on the index, outstanding contracts are unaffected by rebalancings.

(3) - (7) (No change).

(8) The current underlying index value will be reported at least once every fifteen seconds during the time the index options are traded on [BATS]BZX Options;

(9) - (12) (No change).

(e) (No change).

(1) - (5) (No change).

(6) The current underlying index value will be reported at least once every fifteen seconds during the time the index options are traded on [BATS]BZX Options;

(7) - (11) (No change).

(12) In an approximate equal-dollar weighted index, the index must be reconstituted and rebalanced if the notional value of the largest component is at least twice the notional volume of the smallest component for fifty percent or more of the trading days in the three months prior to December 31 of each year. For purposes of this provision the “notional value” is the market price of the component times the number of shares of the underlying component in the index. Reconstitution and rebalancing are also mandatory if the number of components in the index is greater than five at the time of rebalancing. [BATS]BZX Options reserves the right to rebalance quarterly at its discretion;

(13) In a modified equal-dollar weighted index [BATS]BZX Options will rebalance the index quarterly;

(14) In a share-weighted index, if a share-weighted Micro Narrow-Based Index fails to meet the maintenance listing standards under paragraph (e) of this Rule, [BATS]BZX Options will not re-balance the index, will restrict trading in existing option series to closing transactions, and will not issue additional series for that index; and

(15) In the event a class of index options listed on [BATS]BZX Options fails to satisfy the maintenance listing standards set forth herein, [BATS]BZX Options shall not open for trading any additional series of options of that class unless such failure is determined by [BATS]BZX Options not to be significant and the Commission concurs in that determination, or unless the continued listing of that class of index options has been approved by the Commission under Section 19 (b)(2) of the 1934 Act.

Rule 29.7. Position Limits for Narrow-Based and Micro-Narrow Based Index Options

(a) Options Members shall comply with the applicable rules of the Chicago Board Options Exchange with respect to position limits for Narrow-Based and Micro-Narrow Based Index Options traded on [BATS]BZX Options and also on the Chicago Board Options Exchange or with the applicable rules of [BATS]BZX Options for industry index options traded on [BATS]BZX Options but not traded on the Chicago Board Options Exchange

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Rule 29.8. Exemptions from Position Limits

An options Member may rely upon any available exemptions from applicable position limits granted from time to time by an Options Exchange for any options contract traded on [BATS]BZX Options provided that such Options Member (a) provides the Exchange with a copy of any written exemption issued by another Options Exchange or a written, description of any exemption issued by another Options Exchange other than in writing containing sufficient detail for the Exchange to verify the validity of that exemption with the issuing Exchange, and (b)

fulfills all conditions precedent for such exemption and complies at all times with the requirements of such exemptions with respect to their trading on [BATS]BZX Options.

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Rule 29.10. Trading Sessions

(a) Days and Hours of Business.

Except as otherwise provided in this Rule or under unusual conditions as may be determined by the Exchange, transactions in index options may be effected on [BATS]BZX Options between the hours of 9:30 a.m. and 4:15 p.m. Eastern time. With respect to options on foreign indexes, the Exchange shall determine the days and hours of business.

(b) Instituting Halts and Suspensions.

Trading on [BATS]BZX Options in any index option shall be halted or suspended whenever trading in underlying securities whose weighted value represents more than twenty percent (20%), in the case of a broad based index, and ten percent (10%) for all other indices, of the index value is halted or suspended. The Exchange also may halt trading in an index option when, in his or her judgment, such action is appropriate in the interests of a fair and orderly market and to protect investors. Among the facts that may be considered are the following:

(1) - (4) (No changes).

(c) - (d) (No change).

(e) Special Provisions for Foreign Indices.

When the hours of trading of the underlying primary securities market for an index option do not overlap or coincide with those of [BATS]BZX Options, all of the provisions as described in paragraphs (b), (c), and (d) above shall not apply except for (b)(4).

(f) (No change).

Rule 29.11. Terms of Index Options Contracts

(a) General.

(1) (No change).

(2) Exercise Prices. [BATS]BZX Options shall determine fixed-point intervals of exercise prices for call and put options.

(3) Expiration Months. Index options contracts may expire at three (3) month intervals or in consecutive months. [BATS]BZX Options may list up to six (6) expiration months at any one time, but will not list index options that expire more than twelve (12) months out.

(4) “European-Style Exercise.” The following European-style index options, some of which may be A.M.-settled as provided in paragraph (a)(5), are approved for trading on [BATS]BZX Options:

(A) - (B) (No change).

(5) (No change).

(A) (No change).

(B) In the event that the primary market for an underlying security is open for trading on that day, but that particular security does not open for trading on that day, the price of that security, for the purposes of calculating the current index value at expiration, shall be the last reported sale price of the security. The following A.M.-settled index options are approved for trading on [BATS]BZX Options:

(i) - (ii) (No change).

(b) Long-Term Index Options Series.

(1) Notwithstanding the provisions of paragraph (a)(3), above, [BATS]BZX Options may list long-term index options series that expire from twelve (12) to sixty (60) months from the date of issuance.

(A) - (B) (No change).

(2) (No change).

(A) - (B) (No change).

(c) (No change).

(1) - (3) (No change).

(4) Notwithstanding any other provision of this paragraph (c), [BATS]BZX Options may open for trading additional series of the same class of index options as the current index value of the underlying index moves substantially from the exercise price of those index options that already have been opened for trading on [BATS]BZX Options. The exercise price of each series of index options opened for trading on [BATS]BZX Options shall be reasonably related to the current index value of the underlying index to which such series relates at or about the time such series of options is first opened for trading on [BATS]BZX Options. The term “reasonably related to the current index value of the underlying index” means that the exercise price is within thirty percent (30%) of the current index value. [BATS]BZX Options may also open for trading additional series of index options that are more than thirty percent (30%) away from the current index value, provided that demonstrated customer interest exists for such series,

as expressed by institutional, corporate, or individual customers or their brokers. Market-makers trading for their own account shall not be considered when determining customer interest under this provision.

(d) - (e) (No change).

(f) Index Level at Expiration. With respect to any securities index on which options are traded on [BATS]BZX Options, the source of the prices of component securities used to calculate the current index level at expiration is determined by the reporting authority for that index.

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Rule 29.12. Debit Put Spread Cash Account Transactions

Debit put spread positions in European-style, broad-based index options traded on [BATS]BZX Options (hereinafter “debit put spreads”) may be maintained in a cash account as defined by Federal Reserve Board Regulation T Section 220.8 by a Public Customer, provided that the following procedures and criteria are met:

(a) - (d) (No change).

(e) The exemption applies to European-style broad-based index options dealt in on [BATS]BZX Options to the extent the underlying value of such options position does not exceed the unhedged value of the qualified portfolio. The unhedged value would be determined as follows: (1) the values of the net long or short positions of all qualifying products in the portfolio are totaled; (2) for positions in excess of the standard limit, the underlying market value (A) of any economically equivalent opposite side of the market calls and puts in broad-based index options, and (B) of any opposite side of the market positions in stock index futures, options on stock index futures, and any economically equivalent opposite side of the market positions, assuming no other hedges for these contracts exist, is subtracted from the qualified portfolio; and (3) the market value of the resulting unhedged portfolio is equated to the appropriate number of exempt contracts as follows — the unhedged qualified portfolio is divided by the correspondent closing index value and the quotient is then divided by the index multiplier or 100.

(f) A debit put spread in [BATS]BZX Options-traded broad-based index options with European-style exercises is defined as a long put position coupled with a short put position overlying the same broad-based index and having an equivalent underlying aggregate index value, where the short put(s) expires with the long put(s), and the strike price of the long put(s) exceeds the strike price of the short put(s). A debit put spread will be permitted in the cash account as long as it is continuously associated with a qualified portfolio of securities with a current market value at least equal to the underlying aggregate index value of the long side of the debit put spread.

(g) - (h) (No change).

(i) If any Options Member carrying a cash account for a spread exemption customer with a debit put spread position dealt in on [BATS]BZX Options has a reason to believe that as a result of an opening options transaction the customer would violate this spread exemption, and such opening transaction occurs, then the Options Member has violated this Rule.

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