

## EXHIBIT 5

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

**Rules of Bats EDGX Exchange, Inc.**

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**CHAPTER XXI. TRADING SYSTEMS**

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Rule 21.19. Bats Auction Mechanism

This Rule governs the operation of the Bats Auction Mechanism (“BAM”). An Options Member may electronically submit for execution an order it represents as agent on behalf of a Priority Customer, broker dealer, or any other person or entity (“Agency Order”) against principal interest or against any other order it represents as agent (an “Initiating Order”) provided it submits the Agency Order for electronic execution into the BAM Auction (“Auction”) pursuant to this Rule. For purposes of this Rule, the term “NBBO” shall mean the national best bid or national best offer at the particular point in time applicable to the reference and the term “Initial NBBO” shall mean the national best bid or national best offer at the time an Auction is initiated.

(a) Auction Eligibility Requirements. All options traded on the Exchange are eligible for BAM. An Options Member (the “Initiating Member”) may initiate an Auction provided:

(1) The Initiating Member must stop the entire Agency Order as principal or with a solicited order at a price in an increment of \$0.01 that is:

(A) if the Agency Order is for less than 50 option contracts and the difference between the NBB and NBO is \$0.01, the Initiating Member must stop the entire Agency Order at one minimum price improvement increment, which increment shall be determined by the Exchange but may not be smaller than \$0.01; or

(B) for any other Agency Order, the Initiating Member must stop the entire Agency Order at the better of the NBBO or the Agency Order’s limit price (if the order is a limit order).

(2) Agency Orders that do not meet the conditions of paragraph (a)(1) above will be rejected.

(3) Agency Orders submitted at or before the opening of trading or when the NBBO is crossed are not eligible to initiate an Auction and will be rejected.

(b) Auction Process. With respect to Agency Orders for less than 50 contracts, only one such Auction may be ongoing at any given time in a series and Auctions in the same series may not queue or overlap in any manner. Auctions for Agency Orders of 50 contracts or more will be allowed to occur at the same time as other Auctions in the same series. Once initiated, an Auction shall proceed as follows:

(1) Auction Period and BAM Auction Notifications.

(A) To initiate the Auction, the Initiating Member must mark the Agency Order for Auction processing, and specify either:

(i) a single price at which it seeks to execute the Agency Order (a “single-price submission”); or

(ii) that it is willing to automatically match as principal or as agent on behalf of an Initiating Order the price and size of all BAM responses and other trading interest (“auto-match”) as follows:

(a) stopping the entire order at a single stop price and auto-matching BAM responses and other trading interest at all prices that improve the stop price to a specified price; or

(b) stopping the entire order at a single stop price and auto-matching all BAM responses and other trading interest at all prices that improve the stop price.

For both single-price submissions and auto-match, if the EDGX BBO on the same side of the market as the Agency Order represents a Priority Customer order on the book, the stop price must be at least \$0.01 better than the booked order’s limit price. Once the Initiating Member has submitted an Agency Order for processing pursuant to this sub-paragraph, such Agency Order may not be modified or cancelled. Under no circumstances will the Initiating Member receive an allocation percentage, at the final price point, of more than 50% of the initial Agency Order in the event there is one competing quote, order or BAM response or 40% of the initial Agency Order in the event there are multiple competing quotes, orders or BAM responses.

(B) When starting an Auction, the Initiating Member may submit the Initiating Order with a designation of “last priority” to the other potential BAM participants (“Last Priority”) which will result in the Initiating Member forfeiting the priority and trade allocation privileges to which it is otherwise entitled pursuant to sub-paragraphs (b)(4)(i) and (b)(4)(ii) below.

(i) If Last Priority is specified, the Initiating Order will only trade if there is not enough interest available to fully execute the Agency Order at prices which are equal to or improve upon the stop price.

(ii) Last Priority will not be applied if both the Initiating Order and the Agency Order are Priority Customer orders.

(iii) Last Priority cannot be designated on an Agency Order specified as auto-match, and thus, is only compatible with single-price submissions.

(iv) Last Priority information will not be available to other market participants and may not be modified.

(C) When the Exchange receives an Agency Order for Auction processing, an auction notification message detailing the side, size, price, and options series of the Agency Order will be sent over the Exchange's Multicast PITCH Feed and Auction Feed. This notification message will not be included in the Exchange's disseminated best bid or offer and will not be disseminated through OPRA.

(D) The Auction will last for a period of time, as determined by the Exchange and announced on the Exchange's website. The Auction period will be no less than one hundred milliseconds and no more than one second.

(E) Any person or entity other than the Initiating Member may submit responses to an Auction, provided such responses are properly marked specifying price, size, side of the market and information identifying the Auction to which the response is targeted.

(F) BAM responses will not be visible to Auction participants, and will not be disseminated to OPRA.

(G) A BAM response with a size greater than the size of the Agency Order will be capped at the size of the Agency Order (i.e., the excess size will be ignored when processing the Auction).

(H) Multiple BAM responses from the same User may be submitted during the Auction. Multiple orders at a particular price point submitted by a User in response to an Auction or resting on the EDGX Options Book will be aggregated together and will be capped at the size of the Agency Order (i.e., the excess size will be ignored when processing the Auction).

(I) BAM responses may be modified or cancelled during the Auction.

(J) BAM responses on the same side of the market as the Agency Order are considered invalid and will be immediately cancelled.

(K) BAM responses cannot cross the price of the Initial NBBO but will be executed, if possible, at the most aggressive permissible price within such Initial NBBO.

(2) Conclusion of Auction. Unless otherwise indicated, an Auction shall conclude with execution processing in accordance with sub-paragraph (b)(4) below. The Auction shall conclude at the earliest to occur of the following times:

(A) At the end of the Auction period;

(B) Upon receipt by the Exchange of a Priority Customer order on the same side of the market and at the stop price of the Agency Order that is to be posted to the EDGX Options Book;

(C) Upon receipt by the Exchange of an unrelated order on the same side of the market as the Agency Order that would cause the Agency Order's stop price to be outside of the EDGX BBO;

(D) At the close of trading; and

(E) Any time there is a trading halt on the Exchange in the affected series, provided, however, that in such instance the Auction will be cancelled without execution.

(3) An unrelated market or marketable limit order (against the EDGX BBO) on the opposite side of the market from the Agency Order received during the Auction will not cause the Auction to end early and will execute against interest outside of the Auction. If contracts remain from such unrelated order at the time the Auction ends, they will be considered for participation in the order allocation process described in sub-paragraph (b)(4) below. This sub-paragraph applies equally to all unrelated orders submitted to the Exchange, including orders marked as Post Only Orders pursuant to Rule 21.1(d)(8).

(4) Order Allocation. At the conclusion of the Auction, the Agency Order will be allocated at the best price(s) with the following priority:

(A) Priority Customer orders shall have time priority at each price level.

(B) The Agency Order shall be allocated after Priority Customer orders as follows:

(i) If the Initiating Member selected the single-price submission option of the Auction, BAM executions will occur at prices that improve the stop price, and then at the stop price with up to 40% of the initial Agency Order allocated to the Initiating Member. However, if

only one other quote, order or BAM response matches the stop price, then the Initiating Member may be allocated up to 50% of the initial Agency Order when executed at such price. Remaining contracts shall be allocated, pursuant to sub-paragraphs (iii) and (iv) below, among remaining quotes, orders and BAM responses at the stop price. Any remaining contracts shall be allocated to the Initiating Member. The allocation will account for Last Priority, if applicable.

(ii) If the Initiating Member selected the auto-match option of the Auction, the Initiating Member shall be allocated an equal number of contracts as the aggregate size of all other quotes, orders and BAM responses at each price point until a price point is reached where the balance of the order can be fully executed, except that the Initiating Member shall be entitled to receive up to 40% (multiple competing quotes, orders or BAM responses) or 50% (one competing quote, order or BAM response) of the initial Agency Order at the final price point (including situations where the stop price is the final price) after Priority Customer interest has been satisfied but before remaining interest. If there are other quotes, orders and BAM responses at the final price point the contracts will be allocated to such interest pursuant to sub-paragraphs (iii) and (iv) below. Any remaining contracts shall be allocated to the Initiating Member.

(iii) For classes designated by the Exchange as eligible for Priority Quote status, Users with resting quotes and orders that were at a price that is equal to the Initial NBBO on the opposite side of the market from the Agency Order ("Priority Quotes") shall have priority up to their size in the Initial NBBO at each price level at or better than such Initial NBBO after Priority Customers and the Initiating Member have received allocations. Priority Quotes and BAM responses will be allocated pursuant to Rule 21.8(c). Priority Quote status is only valid for the duration of the particular Auction.

(iv) After Priority Customers, the Initiating Member and Users with Priority Quotes, if applicable, have received allocations, all other interest will be allocated pursuant to Rule 21.8(c).

(5) Any unexecuted BAM responses will be cancelled.

(6) ISO Orders. If an Auction is initiated for an Agency Order designated as an ISO Order, executions will be permitted at a price inferior to the Initial NBBO.

(7) MTP Modifiers. BAM responses may be designated with the MTP modifier of MTP Cancel Newest. A BAM response with any other MTP modifier will be rejected.

(c) Customer-to-Customer Immediate Crosses. In lieu of the procedures set forth above, an Initiating Member may enter an Agency Order for the account of a Priority Customer paired with an order for the account of a Priority Customer and such paired orders will be automatically executed without an Auction, subject to the following:

(1) The price of the transaction must be priced at or between the EDGX BBO;

(2) A Customer-to-Customer Immediate Cross will not be initiated but will instead be cancelled if there is a resting Priority Customer order on the same side of the market and at the same price as the Agency Order; and

(3) A Customer-to-Customer Immediate Cross will not be initiated if there is a resting Priority Customer order on the opposite side of the market from, and at the same price as, the Agency Order. Instead, the Agency Order will be subject to the Auction process set forth above, and the resting Priority Customer order will participate in such process.

#### Interpretations and Policies

.01 The Auction may be used only where there is a genuine intention to execute a bona fide transaction.

.02 A pattern or practice of submitting orders or quotes for the purpose of disrupting or manipulating BAM Auctions will be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 3.1. It will also be deemed conduct inconsistent with just and equitable principles of trade and a violation of Rule 3.1 to engage in a pattern of conduct where the Initiating Member breaks up an Agency Order into separate orders for the purpose of gaining a higher allocation percentage than the Initiating Member would have otherwise received in accordance with the allocation procedures contained in sub-paragraph (b)(4) above.

.03 Rule 22.12 prevents an Options Member from executing agency orders to increase its economic gain from trading against the order without first giving other trading interests on the Exchange 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 Priority Customer or other person to deny agency orders the opportunity to interact on the Exchange and to realize similar economic benefits as it would achieve by executing agency orders as principal. It would be a violation of Rule 22.12 for an Options Member to circumvent such rule by providing an opportunity for (i) a Priority Customer affiliated with the Options Member, or (ii) a Priority Customer with whom the Options Member has an arrangement that allows the Options Member to realize similar economic benefits from the transaction as the Options Member would achieve by executing agency orders as principal, to regularly execute against agency orders handled by the firm immediately upon their entry as BAM Priority Customer-to-Priority Customer immediate crosses pursuant to paragraph (c) of this Rule.

.04 Subject to a Pilot expiring January 18, 2017, there will be no minimum size requirement for orders to be eligible for the Auction. During this Pilot Period, the Exchange will submit certain data, periodically as required by the Commission, to provide supporting evidence that, among other things, there is meaningful competition for all size orders and that there is an active and liquid market functioning on the Exchange outside of the Auction mechanism. Any raw data which is submitted to the Commission will be provided on a confidential basis.

## CHAPTER XXII. MARKET PARTICIPANTS

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### Rule 22.12. Order Exposure Requirements

With respect to orders routed to EDGX Options, Options Members may not execute as principal orders they represent as agent unless:

- (a) agency orders are first exposed on EDGX Options for at least one (1) second; [or]
- (b) the Options Member has been bidding or offering on EDGX Options for at least one (1) second prior to receiving an agency order that is executable against such bid or offer[.];  
or
- (c) such orders are entered into a BAM Auction pursuant to Rule 21.19.

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