

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

Rules of BATS Y-Exchange, Inc.

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CHAPTER XI. TRADING RULES

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Rule 11.9. Orders and Modifiers

- (a) (No change.)
- (b) Time-in-Force. [Limit o]Orders must have one of the following time-in-force terms.

(1)-(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 Process, as defined in Rule 11.23.

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Rule 11.18 Trading Halts Due to Extraordinary Market Volatility

(a)-(e) (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 Book[be cancelled].

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Rule 11.23. [(Reserved.)]Opening Process

(a) Order Entry and Cancellation before the Opening Process. Prior to the beginning of Regular Trading Hours, Users who wish to participate in the Opening Process may enter orders to buy or sell that are designated as RHO orders. Orders cancelled before the Opening Process will not participate in the Opening Process. Any order that is not designated as RHO will not be eligible for participation in the Opening Process.

(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 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 Post Only Orders, Partial Post Only at Limit Orders, ISOs not modified by Rule 11.23(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) The Exchange will open by attempting to execute all orders eligible for the Opening Process.

(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 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 Book, cancelled, executed, or routed to away Trading Centers in accordance with Rule 11.13(a)(2).

(c) Determining the price of the Opening Process. The price of the Opening Process will be at the midpoint of the NBBO.

(1) When the listing exchange is either the NYSE or NYSE MKT, the Opening Process will be priced at the midpoint of the: (i) first NBBO subsequent to the first reported trade on the listing exchange after 9:30:00 a.m. Eastern Time; or (ii) then prevailing NBBO when the first two-sided quotation is published by the listing exchange after 9:30:00 a.m. Eastern Time 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.

(2) For any other listing market, the Opening Process will be priced at the midpoint of the first NBBO disseminated after 9:30:00 a.m. Eastern Time.

(d) Contingent Open. If the conditions to establish the price of the Opening Process set forth under proposed Rule 11.23(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 Book, routed, cancelled, or executed in accordance with the terms of the order.

(e) Re-Opening After a Halt. While a 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 Post Only Orders, Partial Post Only at Limit 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.

(2) Where neither of the conditions required to establish the price of the Re-Opening Process in paragraph (1) above have occurred, the security may be opened for trading at the discretion of the Exchange. Where the security is opened by the Exchange subject to this discretion, orders will be handled in the same manner described in paragraph (d) above.

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