

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

Rules of BATS Exchange, Inc.

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CHAPTER XX. Regulation of Trading on BATS Options

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Rule 20.3. Trading Halts

(a) (No changes.)

(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 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 changes.)

Rule 20.4. Resumption of Trading After a Halt

Trading in an option that has been the subject of a halt under Rule 20.3 (Trading Halts) shall be resumed as described in Rule 21.7 upon the determination by the Exchange that the conditions which led to the halt are no longer present or that the interests of a fair and orderly market are best served by a resumption of trading.

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CHAPTER XXI. Trading Systems

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Rule 21.7. Market Opening Procedures

[(a) The System shall open options, other than index options, for trading based on the first transaction on the primary listing market after 9:30 a.m. Eastern Time in the securities underlying the options as reported on the first print disseminated pursuant to an effective national market system plan.]

(a) The Exchange will accept market and limit orders and quotes for inclusion in the opening process (the "Opening Process") beginning at 8:00 am Eastern Time or immediately upon trading being halted in an option series due to the primary listing market for the applicable underlying security declaring a regulatory trading halt, suspension, or pause with respect to such

security (a “Regulatory Halt”) and will continue to accept market and limit orders and quotes until such time as the Opening Process is initiated in that option series (the “Order Entry Period”), other than index options. The Exchange will not accept IOC or WAIT orders for queuing prior to the completion of the Opening Process. Where a User has entered instructions not to cancel its open orders upon a halt pursuant to Rule 20.3(b), such orders will be queued for participation in the Opening Process for a Regulatory Halt or will be cancelled for a halt that is not a Regulatory Halt. Where trading is halted pursuant to Rule 20.3, but it is not due to a Regulatory Halt, there will be no Order Entry Period and trading shall be resumed upon the determination by the Exchange that the conditions which led to the halt are no longer present or that the interests of a fair and orderly market are best served by a resumption of trading. Orders entered during the Order Entry Period will not be eligible for execution until the Opening Process occurs. After the first transaction on the primary listing market after 9:30 a.m. Eastern Time in the securities underlying the options as reported on the first print disseminated pursuant to an effective national market system plan (“First Listing Market Transaction”) or the Regulatory Halt has been lifted, the related option series will be opened automatically as follows:

(1) The System will determine a single price at which a particular option series will be opened (the “Opening Price”) as calculated by the System within 30 seconds of the First Listing Market Transaction or the Regulatory Halt being lifted. Where there are no contracts in a particular series that would execute at any price, the System shall open such options for trading without determining an Opening Price. The Opening Price of a series must be a Valid Price, as determined in paragraph (2) below, and will be:

(A) the midpoint of the NBBO (the “NBBO Midpoint”);

(B) where there is no NBBO Midpoint at a Valid Price, the last regular way print disseminated pursuant to the OPRA Plan after 9:30 a.m. Eastern Time (the “Print”);

(C) where there is both no NBBO Midpoint and no Print at a Valid Price, the last regular way transaction from the previous trading day as disseminated pursuant to the OPRA Plan (the “Previous Close”); or

(D) where there is no NBBO Midpoint, no Print, and no Previous Close at a Valid Price, the Order Entry Period may be extended by 30 seconds or less or the series may be opened for trading at the discretion of the Exchange.

(2) For purposes of this Rule, a NBBO Midpoint, a Print, and a Previous Close will be at a Valid Price:

(A) Where there is no NBB and no NBO;

(B) Where there is either a NBB and no NBO or a NBO and no NBB and the price is equal to or greater than the NBB or equal to or less than the NBO; or

(C) Where there is both a NBB and NBO, the price is equal to or within the NBBO, and the price is less than the following Minimum Amount away from the NBB or NBO for the series:

<u>NBB</u>	<u>Minimum Amount</u>
<u>Below \$2.00</u>	<u>\$0.25</u>
<u>\$2.00 to \$5.00</u>	<u>\$0.40</u>
<u>Above \$5.00 to \$10.00</u>	<u>\$0.50</u>
<u>Above \$10.00 to \$20.00</u>	<u>\$0.80</u>
<u>Above \$20.00 to \$50.00</u>	<u>\$1.00</u>
<u>Above \$50.00 to \$100.00</u>	<u>\$1.50</u>
<u>Above \$100.00</u>	<u>\$2.00</u>

(3) Orders and quotes in the System that are priced equal to or more aggressively than the Opening Price will be matched based on price-time priority and in accordance with BATS Rule 21.8. All orders and quotes or portions thereof that are matched pursuant to the Opening Process will be executed at the Opening Price.

(4) Orders that are not executed during the Opening Process that fit the following criteria will be cancelled: (i) limit orders that are priced equal to or more aggressively than the Opening Price; and (ii) market orders. Where trading in a series is going to be opened for trading pursuant to paragraph (1)(D) above and there is at least one price level at which at least one contract of a limit order could be executed, the System will cancel all orders that are priced equal to or more aggressively than the midpoint of the most aggressively priced bid and the most aggressively priced offer. Limit orders and quotes that are not executed during the Opening Process or cancelled as set forth above shall become eligible for trading on BATS Options immediately following the completion of the Opening Process.

(5) Where no orders are matched at the Opening Price, the System will open the series for trading.

(b) With respect to index options, the System shall open such options for trading at 9:30 a.m. Eastern Time. Where trading in index options is halted for any reason, the System shall open such options for trading upon the determination by the Exchange that the conditions which led to the halt are no longer present or that the interests of a fair and orderly market are best served by a resumption of trading.

[(b) In the event the underlying security has not opened within a reasonable time after 9:30 a.m. Eastern Time, the Exchange shall make an inquiry to determine the cause of the delay. The beginning of trading of options contracts in such security shall be delayed until the underlying security has opened for trading on the primary listing market for such security unless

the Exchange determines that the interests of a fair and orderly market are best served by opening trading in the options contracts.]

(c) [The Exchange may delay the commencement of trading in any class of options in the interests of a fair and orderly market.]The Exchange may deviate from the standard manner of the Opening Process, including adjusting the timing of the Opening Process in any option class, when it believes it is necessary in the interests of a fair and orderly market.

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