

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

**Rules of BATS Exchange, Inc.**

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CHAPTER XI. TRADING RULES

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Rule 11.9. Orders and Modifiers

(No change.)

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

(g) *Price Sliding.* The System will process orders, subject to a User's instructions, pursuant to the "price sliding process," as defined below.

(1) Display-Price Sliding.

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

(D) Any display-eligible BATS 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. [Any] Depending on User instructions, a display-eligible BATS 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 Post Only Order subject to display-price sliding would be ranked at a price at which it could remove displayed liquidity from the BATS Book, the order will be executed as set forth in Rule 11.9(c)[(7)](6) or cancelled.

(E) (No change.)

(2) Price Adjust.

(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 [or the Exchange] will be ranked 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) (“Price Adjust”).

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

(D) Any display-eligible BATS 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 [adjusted pursuant to the Price Adjust process described in this paragraph (g)(2)]~~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 [adjusted pursuant to the Price Adjust process described in this paragraph (g)(2)]~~cancelled~~. Depending on User instructions, a display-eligible BATS 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 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 Book, the order will be executed as set forth in Rule 11.9(c)(6) or cancelled.

(3)-(6) (No change.)

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