

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

Rules of BATS Exchange, Inc.

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

Rule 1.5 Definitions

Unless the context otherwise requires, for all purposes of these Exchange Rules, terms used in Exchange Rules shall have the meaning assigned in Article I of the Exchange's By-Laws or as set forth below:

(a) – (q) (No change).

(r) Pre-Opening Session

The term "Pre-Opening Session" shall mean the time between [8:00]7:00 a.m. and 9:30 a.m. Eastern Time.

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]7:00 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]7:00 a.m. Eastern Time: BATS Post Only Orders, Partial Post Only at Limit Orders, ISOs, BATS 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]7:00 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 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.

(1) Effective Start Time. An instruction a User may attach to an order to buy or sell which indicates the time upon which the order is to become eligible for execution. At the Effective Start Time, the order will be placed on the BATS Book, routed, cancelled, or executed in accordance with the terms of the order. Orders entered with an Effective Start Time will receive a time stamp at the time the order becomes eligible for

execution. Pursuant to Rule 11.12, orders entered with identical Effective Start Times will retain their priority as compared to each other based upon the time such orders were initially received by the System. An Effective Start Time cannot be combined with BATS Post Only Orders, BATS Market Orders, Minimum Quantity Orders, Intermarket Sweep Orders, or orders that include a Time-in-Force of Immediate-or-Cancel or Fill-or-Kill.

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Rule 11.23. Auctions

(a) (No change.)

(b) *Opening Auction*

(1) Order Entry and Cancellation Before Opening Auction

(A) Users may submit orders to the Exchange starting at [8:00]7:00 a.m., the beginning of the Pre-Opening Session. Any Eligible Auction Orders designated for the Opening Auction will be queued until 9:30 a.m. at which time they will be eligible to be executed in the Opening Auction. Users may submit LOO and MOO orders until 9:28 a.m., at which point any additional LOO and MOO orders submitted to the Exchange will be rejected. RHO market orders will also be rejected between 9:28 a.m. and 9:30 a.m. Users may submit LLOO orders between 9:28 a.m. and 9:30 a.m. Any LLOO orders submitted before 9:28 a.m. or after 9:30 a.m. will be rejected. RHO limit orders submitted between 9:28 a.m. and 9:30 a.m. will be treated as LLOO orders until the Opening Auction has concluded.

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

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

(c) *Closing Auction*

(1) Order Entry and Cancellation Before Closing Auction

(A) Users may submit orders to the Exchange starting at [8:00]7:00 a.m., the beginning of the Pre-Opening Session. Any Eligible Auction Orders designated for the Closing Auction will be queued until 4:00 p.m. at which time they will be eligible to be executed in the Closing Auction. Users may submit LOC and MOC orders until 3:55 p.m., at which point any additional LOC and MOC orders submitted will be rejected. Unlike in the Opening Auction, User submitted Market RHO orders will be accepted immediately prior to the Closing

Auction. Users may submit LLOC orders between 3:55 p.m. and 4:00 p.m. Any LLOC orders submitted before 3:55 p.m. or after 4:00 p.m. will be rejected.

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

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

(d)-(h) (No change.)

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CHAPTER XIV. BATS EXCHANGE LISTING RULES

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Rule 14.6. Obligations for Companies Listed on the Exchange

(a) (No change.)

(b) Obligation to Make Public Disclosure

(1) Disclosure of Material Information

Except in unusual circumstances, an Exchange-listed Company shall make prompt disclosure to the public through any Regulation FD compliant method (or combination of methods) of disclosure of any material information that would reasonably be expected to affect the value of its securities or influence investors' decisions. The Company shall, prior to the release of the information, provide notice of such disclosure to the Exchange's Surveillance Department at least ten minutes prior to public announcement if the information involves any of the events set forth in Interpretation and Policy .01 to this Rule and the public release of the material information is made during the Exchange market hours. If the public release of the material information is made outside of the Exchange market hours, the Exchange Companies must notify the Exchange's Surveillance Department of the material information prior to [7:50]6:50 a.m. ET. As described in Interpretation and Policy .01, prior notice to the Exchange's Surveillance Department must be made through the electronic disclosure submission system available at the Exchange's Web site, except in emergency situations.

(2) Disclosure of Notification of Deficiency

As set forth in Rule 14.12(e), a Company that receives a notification of deficiency from the Exchange is required to make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing receipt of the notification and the Rule(s) upon which the deficiency is based. However, note that in the case of a deficiency related to the requirement to file a periodic report contained in Rule 14.6(c)(1) or (2), the Company is required to make the public announcement by issuing a press release. As described in Rule 14.6(b)(1)

above and Interpretation and Policy .01 below, the Company must notify the Exchange's Surveillance Department about the announcement through the electronic disclosure submission system available on the Exchange's Web site, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during the Exchange market hours, the Company must notify the Exchange's Surveillance Department at least ten minutes prior to the announcement. If the public announcement is made outside of the Exchange market hours, the Company must notify the Exchange's Surveillance Department of the announcement prior to [7:50]6:50 a.m. ET.

(c)-(e) (No changes.)

Interpretations and Policies

.01 Disclosure of Material Information

(a) General Disclosure Requirements

Rule 14.6(b)(1) requires that, except in unusual circumstances, Exchange Companies disclose promptly to the public through any Regulation FD compliant method (or combination of methods) of disclosure any material information that would reasonably be expected to affect the value of their securities or influence investors' decisions. Exchange Companies must notify the Exchange at least ten minutes prior to the release to the public of material information that involves any of the events set forth below when the public release of the information is made during Exchange market hours ([8:00]7:00 a.m. to 5:00 pm. ET). If the public release of the material information is made outside of the Exchange market hours, the Exchange Companies must notify the Exchange's Surveillance Department of the material information prior to [7:50]6:50 a.m. ET. Under unusual circumstances Companies may not be required to make public disclosure of material events; for example, where it is possible to maintain confidentiality of those events and immediate public disclosure would prejudice the ability of the Company to pursue its legitimate corporate objectives. However, the Exchange Companies remain obligated to disclose this information to the Exchange upon request pursuant to Rule 14.6(a).

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(b) Notification to the Exchange's Surveillance Department

Companies must notify the Exchange's Surveillance Department prior to the distribution of certain material news at least ten minutes prior to public announcement of the news when the public release of the information is made during the Exchange market hours ([8:00]7:00 a.m. to 5:00 pm. ET). If the public release of the material information is made outside of the Exchange market hours, The Exchange must notify the Exchange's Surveillance Department of the material information prior to [7:50]6:50 a.m. ET. Except in emergency situations, this notification must be made through the Exchange's electronic disclosure submission system available on the Exchange's Web site. In emergency situations, Companies may instead provide notification by telephone or facsimile. Examples of an emergency situation include: lack of

computer or internet access; technical problems on the Exchange and a material development such that no draft disclosure document exists, but immediate notification to the Exchange's Surveillance Department is important based on the material event.

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(c) Trading Halts

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The Exchange's Surveillance Department is required to keep non-public information, confidential and to use such information only for regulatory purposes. Companies are required to notify the Exchange's Surveillance Department of the release of material information included in the following list of events at least ten minutes prior to the release of such information to the public when the public release of the information is made during Exchange market hours (~~[8:00]~~7:00 a.m. to 5:00 pm. ET):

- (1) Financial-related disclosures, including quarterly or yearly earnings, earnings restatements, pre-announcements or "guidance."
- (2) Corporate reorganizations and acquisitions, including mergers, tender offers, asset transactions and bankruptcies or receiverships.
- (3) New products or discoveries, or developments regarding customers or suppliers (e.g., significant developments in clinical or customer trials, and receipt or cancellation of a material contract or order).
- (4) Senior management changes of a material nature or a change in control.
- (5) Resignation or termination of independent auditors, or withdrawal of a previously issued audit report.
- (6) Events regarding the Company's securities — e.g., defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of security holders, or public or private sales of additional securities.
- (7) Significant legal or regulatory developments. Regulation FD
- (8) Any event requiring the filing of a Form 8-K.

If the public release of the material information is made outside of Exchange market hours, Exchange Companies must notify the Exchange's Surveillance Department of the material information prior to ~~[7:50]~~6:50 a.m. ET. It should also be noted that every development that might be reported to the Exchange in these areas would not necessarily be deemed to warrant a trading halt. In addition to the list of events set forth above, the Exchange encourages Companies to avail themselves of the opportunity for advance notification to the Exchange's Surveillance Department in situations where they believe, based upon their knowledge of the significance of the information, that a temporary trading halt may be necessary or appropriate.

.02 Use of Regulation FD Compliant Methods in the Disclosure of Material Information

Regardless of the method of disclosure that a Company chooses to use, Companies are required to notify the Exchange's Surveillance Department of the release of material information that involves any of the events set forth above at least ten minutes prior to its release to the public

when the public release of the information is made during Exchange market hours (~~[8:00]~~7:00 a.m. to 5:00 pm. ET). If the public release of the material information is made outside of Exchange market hours, Exchange Companies must notify the Exchange's Surveillance Department of the material information prior to ~~[7:50]~~6:50 a.m. ET. When a Company chooses to utilize a Regulation FD compliant method for disclosure other than a press release or Form 8-K, the Company will be required to provide prior notice to the Exchange's Surveillance Department of: 1) the press release announcing the logistics of the future disclosure event; and 2) a descriptive summary of the material information to be announced during the disclosure event if the press release does not contain such a summary.

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Rule 14.11. Other Securities

(a) (No change.)

(b) Portfolio Depository Receipts

(1)-(6) (No change.)

(7) Regular market session trading will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series of Portfolio Depository Receipts, as specified by the Exchange. In addition, the Exchange may designate each series of Portfolio Depository Receipts for trading during a pre-market session beginning at ~~[8:00]~~7:00 a.m. and/or a post-market session ending at 5:00 p.m.

(8)-(10) (No change.)

(c) Index Fund Shares

(1)-(6) (No change.)

(7) Regular market session trading will occur between 9:30 a.m. and either 4:00 p.m. or 4:15 p.m. for each series of Index Fund Shares, as specified by the Exchange. In addition, the Exchange may designate each series of Index Fund Shares for trading during a pre-market session beginning at ~~[8:00]~~7:00 a.m. and/or a post-market session ending at 5:00 p.m.

(8)-(10) (No change.)

(d)-(j) (No change.)

Rule 14.12. Failure to Meet Listing Standards

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

(e) Company Disclosure Obligations

A Company that receives a notification of deficiency, Staff Delisting Determination, or Public Reprimand Letter is required to make a public announcement disclosing receipt of the notification and the Rule(s) upon which the deficiency is based. A Company that receives a notification of deficiency or Staff Delisting Determination related to the requirement to file a periodic report contained in Rule 14.6(c)(1) or (2) is required to make the public announcement by issuing a press release disclosing receipt of the notification and the Rule(s) upon which the deficiency is based, in addition to filing any Form 8-K required by SEC rules. In all other cases, the Company may make the public announcement either by filing a Form 8-K, where required by SEC rules, or by issuing a press release. As described in Rule 14.6(b)(1) and Rule 14.6, Interpretation and Policy .01, the Company must notify Exchange's Surveillance Department about the announcement through the electronic disclosure submission system available on the Exchange's Web site, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during Exchange market hours, the Company must notify the Exchange's Surveillance Department at least ten minutes prior to the announcement. If the public announcement is made outside of Exchange market hours, the Company must notify the Exchange's Surveillance Department of the announcement prior to [7:50]6:50 a.m. ET. The Company should make the public announcement as promptly as possible but not more than four business days following receipt of the notification.

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

(m) Adjudicatory Process: General Information

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

(11) Disclosure of Public Reprimand Letter

A Company that receives an Adjudicatory Body Decision that serves as a Public Reprimand Letter must make a public announcement by filing a Form 8-K, where required by SEC rules, or by issuing a press release disclosing the receipt of the Decision, including the Rule(s) upon which the Decision was based. As described in Rule 14.6(b)(1) and Rule 14.6, Interpretation and Policy .01, the Company must notify the Exchange's Surveillance Department about the announcement through the electronic disclosure submission system available on the Exchange's Web site, except in emergency situations when notification may instead be provided by telephone or facsimile. If the public announcement is made during the Exchange market hours, the Company must notify the Exchange's Surveillance Department at least ten minutes prior to the announcement. If the public announcement is made outside of the Exchange market hours, the Company must notify the Exchange's Surveillance Department of the announcement prior to [7:50]6:50 a.m. ET. The Company should make the public announcement as promptly as possible but not more than four business days following receipt of the Decision.

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