



BATS Announces BATS Y-Exchange (BYX) Pricing Effective October 15, 2010 and New B2B, TRIM, SLIM, and “One Under” Routing Strategies

Dear BYX Member,

As previously announced, BATS has been approved by the SEC to operate a second national securities exchange called BATS Y-Exchange (BYX). BYX allows BATS to offer members more pricing and routing alternatives. BYX is a pure price/time market, runs the same world-class technology as BATS Exchange (BZX), BATS Options, and BATS Europe MTF, and is identified on the consolidated tapes (SIPs) with the ‘Y’ identifier. The rollout schedule for BYX is:

Friday, 10/01/10:	ZVV~, ZVZZT (TEST Symbols)
Friday, 10/15/10:	AAPL, AMD, DIA, VIA.B, ZVV~, ZVZZT (PRODUCTION Symbols Start)
Monday, 10/18/10:	A-GZZZZZ, VIA.B, ZVV~, ZVZZT
Wednesday, 10/20/10:	A-PZZZZZ, VIA.B, ZVV~, ZVZZT
Friday, 10/22/10:	A-ZZZZZZ (Rollout Complete)

The full technical details on BYX can be found at <http://www.batstrading.com/byx/>.

BYX Pricing Effective October 15, 2010 (subject to filing with SEC)

BYX Members will find it FREE to add displayed liquidity to BYX. Hidden executions \$1 or above will be charged \$.0005/share when adding liquidity.

BYX Members removing liquidity will be **rebated** \$.0003/share for executions \$1 and above. A remove fee of 0.1% of the notional value of the execution will be charged on executions below \$1.

The Standard Smart Order Routing fee will be \$.0028/share, the same as BZX, lower than any other exchange’s smart order routing fee.

See our website for the full proposed [BYX fee schedule](#).

Reminder: BATS released Parallel-D routing, which is now the default routing strategy, in September and has realized improved routing statistics including increased fill rates, decreased market impact, and decreased latency. The BATS website includes a full description of [BATS Parallel routing strategies](#).

New Routing Strategies – B2B, TRIM, SLIM, BYX “One Under”

BYX+ BZX and BZX+BYX (“B2B”)

BYX members wishing to access BATS Exchange (BZX) after removing liquidity on BYX may use the new B2B routing strategy (FIX Tag 9303=Z). Conversely, existing BZX members may also use the B2B routing strategy to access the new BYX exchange after accessing any liquidity on BZX (FIX Tag 9303=J). After routing to the other exchange, non-IOC B2B orders will post on the exchange that initially received the order, either BYX or BZX.

TRIM – Route to Select Lower-Priced Venues

The TRIM routing strategy will access only a select list of lower-priced markets after accessing liquidity on BYX. The only protected markets accessed by TRIM will be BYX, EDGA, NASDAQ BX, NYSE, and, optionally, BZX. This list may change in the future as markets adjust their fees. TRIM may also optionally be combined with DRT to access a multitude of dark pools in addition to the lower-priced protected markets. The TRIM routing strategy may also be selected by BZX members. After accessing the aforementioned away markets, non-IOC TRIM orders will post on the exchange that initially received the order, either BYX or BZX.

SLIM – Route to all Markets while Minimizing Fees

Like TRIM, the SLIM routing strategy is intended to minimize the cost of routing to away markets after accessing BYX or BZX. However, SLIM will route to **all** protected markets in addition to BYX and BZX. It also may be combined with DRT to access numerous dark pools in parallel. The SLIM routing strategy may also be selected by BZX members. After accessing away markets, non-IOC SLIM orders will post on the exchange that initially received the order, either BYX or BZX.

BYX “One Under” Routing

In addition, BATS is extending BZX’s “one under” pricing to BYX with reduced rates for members who use its BYX + NASDAQ, BYX + NYSE Arca, and BYX + NYSE Floor order types. With the substantial remove rebate on BYX and discount to access these away markets, members can dramatically decrease their overall costs.

We appreciate your continued support of BATS and look forward to earning more of your business as we offer a tremendous amount of new flexibility and functionality to the collective members of BZX and BYX. Please contact your Sales Director or the Trade Desk if you have any questions, including how you can better trade on BZX and BYX and take advantage of our aggressive pricing, increased flexibility, new routing strategies, and best-in-class technology.

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