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**Direct Edge Regulatory Notice #14-05: Notice Regarding Integration of BATS Global Markets Holdings, Inc. Data Agreement and Direct Edge Exchange Data Vendor Agreement, and Amendments to BATS U.S. Market Data Policies**

On January 31, 2014, BATS Global Markets, Inc. ("BATS") and Direct Edge Holdings LLC merged. In accordance with the terms of the transaction agreement, BATS and Direct Edge, Inc., a wholly-owned subsidiary of Direct Edge Holdings, LLC ("Direct Edge"), each became intermediate holding companies, held under a single new holding company. In conjunction with the transaction, the new holding company changed its name to "BATS Global Markets, Inc." ("BGM") and BATS changed its name to "BATS Global Markets Holdings, Inc."

Currently, the receipt and distribution of BATS market data is governed by the BATS Global Markets Holdings, Inc. Data Agreement (the "BATS Data Agreement"), and the receipt and distribution of Direct Edge market data is governed by the Direct Edge Exchange Data Vendor Agreement (the "Direct Edge Data Agreement"). As part of the integration efforts of BATS and Direct Edge, BATS and Direct Edge seek to have recipients of BATS and Direct Edge market data (each a "Data Recipient") governed by a single agreement in an effort to ease the administrative burden on Data Recipients and the combined company, and to simplify the terms and conditions that govern the receipt of market data from both BATS and Direct Edge.

The process outlined below to accomplish this goal is structured such that Data Recipients that are (i) parties only to the BATS Data Agreement or (ii) parties to both the BATS Data Agreement and Direct Edge Data Agreement will not be required to take any action to effectuate the integration of the agreements. While no action is required on the part of any Data Recipient to effectuate the integration of the agreements for these Data Recipients, we kindly ask you to update your records accordingly, and distribute this information to anyone within your organization who transacts with BATS and Direct Edge. **If a Data Recipient is only a party to the Direct Edge Data Agreement, the Data Recipient will be required to sign the new BATS Data Agreement.**

This Notice is being sent to notify each Data Recipient under the BATS Data Agreement and/or Direct Edge Data Agreement of the following actions, each of which shall become effective concurrently as of February 1, 2015 (the "Effective Date"):

- **Step #1 – Assignment of BATS Data Agreement:** Pursuant to Section 18 of the BATS Data Agreement, BATS will assign all of BATS' right, title and interest in and to the BATS Data Agreement to BGM, and BGM will agree to assume all of BATS' duties and obligations under the

BATS Data Agreement. As a result of this assignment and assumption, the BATS Data Agreement will be retitled as the “BATS Global Markets, Inc. Data Agreement”.

- **Step #2 – Partial Assignment of Direct Edge Data Agreement**: Pursuant to Section 16 of the Direct Edge Data Agreement, Direct Edge will assign all of Direct Edge’s right, title and interest in and to (i) the Direct Edge System Description/Data Feed Request; (ii) the Direct Edge Affiliate List; and (iii) the Direct Edge Service Facilitator List (collectively, the “Direct Edge Schedules”) to BGM, and BGM will agree to assume all of Direct Edge’s duties and obligations under the Direct Edge Schedules. Please note that per this partial assignment only the Direct Edge Schedules are being assigned to BGM, and not the Direct Edge Data Agreement itself.
- **Step #3 – Amendment of the BATS Data Agreement and Policies**: Pursuant to Section 22 of the BATS Data Agreement (as assigned to BGM), BGM will amend the BATS Data Agreement to reflect BGM’s ownership of all BATS and Direct Edge exchanges and to incorporate the Direct Edge Schedules. BGM will also amend the U.S. Market Data Policies to reflect the amendments made to the BATS Data Agreement.
- **Step #4 – Termination of the Direct Edge Data Agreement**: Pursuant to Section 11 of the Direct Edge Data Agreement, Direct Edge will terminate the Direct Edge Data Agreement, excluding the Direct Edge Schedules, which will have been assigned previously to BGM and incorporated into the new BATS Data Agreement. In conjunction with the termination of the Direct Edge Data Agreement, the Direct Edge Market Data Requirements will no longer be applicable to Direct Edge Data Recipients. Rather, Direct Edge Data Recipients should refer to the BGM U.S. Market Data Policies, as amended, for certain market data requirements.

### **Amendments to the BATS Data Agreement**

As noted above, effective as of the Effective Date, BGM will be making certain amendments to the BATS Data Agreement (collectively, the “Amendments”) that, in general, reflect BGM’s ownership of all BATS and Direct Edge exchanges and incorporate the Direct Edge Schedules. The Amendments also remove any reference to BATS Trading Limited (operating under the name of BATS Chi-X Europe) because, as of the Effective Date, the receipt, use, pricing, reporting and distribution of European Exchange Data sourced in the U.S. will no longer be governed by the BATS Data Agreement. Rather, the receipt, use, pricing, reporting and distribution of European Exchange Data will be governed by the BATS Trading Limited data recipient agreement and ancillary documents. **If a Data Recipient receiving European Exchange Data is only a party to the BATS Data Agreement, the Data Recipient will be required to sign the BATS Trading Limited data recipient agreement and ancillary documents.**

This Notice is being sent pursuant to Section 22 of the BATS Data Agreement to notify each Data Recipient of the Amendments. Pursuant to the BATS Data Agreement, any use by a Data Recipient of Exchange Data (as defined in the BATS Data Agreement) after the Effective Date shall be deemed acceptance by the Data Recipient of the Amendments.

If your firm has already executed a BATS Data Agreement, there is no need to re-execute a new BATS Data Agreement to become subject to the Amendments. However, if your firm desires to re-execute the

BATS Data Agreement, please submit a new fully-executed copy of the BATS Data Agreement to [marketdata@bats.com](mailto:marketdata@bats.com).

The Amendments amend the title, introductory paragraph, and Section 1 (Definitions), 22 (Entire Agreement; Priority Rules; Amendment; Waiver), and 24 (Affiliates) of the BATS Data Agreement. Except as expressly provided herein, all of the terms and provisions of the BATS Data Agreement are and will remain in full force and effect and will be confirmed and ratified by BGM and Data Recipient upon acceptance by Data Recipient of the Amendments.

- [Exhibit A-1 – Download](#) a clean copy of the BATS Data Agreement, as amended (also available on BATS' website)
- [Exhibit A-2 – Download](#) a marked copy of the BATS Data Agreement, as amended

### **Amendments to the BATS U.S. Market Data Policies**

Effective as of the Effective Date, BGM will be making certain amendments to its U.S. Market Data Policies (the "Policies"), including the following:

- i. integrating the BATS and Direct Edge market data policies into one set of BATS Global Markets, Inc. U.S. Market Data Policies;
- ii. providing guidance regarding attribution requirements and use of BATS Marks in any marketing, publicity or adverting materials related to the business of the Data Recipient;
- iii. eliminating the requirement to report Non-Display device quantities; and
- iv. removing the policies in Section 14 (Policies Covering European Exchange Data Sourced from the U.S.) specific to the receipt, use, pricing, reporting and distribution of European Exchange Data.

Except as expressly provided herein, all of the Policies are and will remain in full force and effect.

- [Exhibit B-1 – Download](#) a clean copy of the Policies, as amended (also available on BATS' website)
- [Exhibit B-2 – Download](#) a marked copy of the Policies, as amended

As part of the integration and effective immediately, please contact BATS Market Data Services at 212.378.8821 or [marketdata@bats.com](mailto:marketdata@bats.com) for information on any BATS or legacy Direct Edge market data product.

If you have questions regarding this notice, please contact [BATS Market Data Services](#) or your [Sales Director](#).