Final Reminder: BATS EDGX Exchange Modifications, Effective July 6, 2015

Overview

As a reminder, BATS Global Markets will implement functionality modifications to the EDGX Exchange (EDGX) effective **Monday, July 6, 2015**. These changes will better align EDGX rules and functionality with the other BATS equity exchanges. BATS will modify the following on EDGX, pending SEC approval:

- **Hidden Orders and Odd Lots**
  - Hidden and Odd Lot orders on EDGX will now be able to rank at their limit prices, subject to re-pricing in accordance with Regulation NMS. Hidden and Odd Lot orders on EDGX are currently re-priced to the midpoint with discretion to the order's limit price.

- **Midpoint Liquidity**
  - Midpoint Match (MPM) will be retired and replaced by Midpoint Peg to encourage more midpoint liquidity on EDGX. Midpoint Peg orders are able to execute at prices better than the NBBO midpoint while MPM orders may only execute at the midpoint. Midpoint Peg orders also support a Post Only option, which is unavailable under the MPM logic.
  - Orders entered with *ExecInst* (FIX Tag 18) = **"I" (Midpoint Match)** will be automatically converted to **"m" (Midpoint Peg No Lock)** on the effective date. Ports that have defaults set to MPM will also be converted to Midpoint Peg No Lock.

- **Price Sliding**
  - Display Price Sliding ("DPS") will be introduced to the EDGX platform, eliminating the need for the Hide Not Slide (HNS) functionality. Please note that Post Only DPS orders are rejected if they lock the local book and will not be re-priced.
  - On the effective date, orders marked with *DisplayIndicator* (FIX Tag 9479) = **"H" (Hide Not Slide)** will automatically be converted to **"S" (Display Price Sliding)**. Ports that have defaults set to HNS will also be converted to DPS.
  - The price sliding default for EDGX will be changed to DPS from Price Adjust.

- **Additional Noteworthy Points**
  - There will be no changes to routing strategies on EDGX.
  - Post Only at Limit orders will not be offered on EDGX.
  - While Members are encouraged to migrate to BOE v2 or FIX v2, FIX Compatibility mode will continue to be supported until further notice.
  - The extended hours session on EDGX will continue to operate until the 8:00 pm ET close.
  - Fee code changes to EDGX:
    - AA, AM, and MT (MPM-related fee codes) will be removed.
    - HI (non-displayed order that received price improvement and adds liquidity) and VI (displayed order subject to price sliding that received price improvement and adds liquidity) will be added.

Testing Opportunities

The new functionality is <mark>currently available</mark> within the EDGX certification environment.

More Information

BATS appreciates your continued business. Please call the BATS Trade Desk or your Director of Sales with any questions regarding this change.

BATS Trade Desk
913.815.7001
tradedesk@bats.com