



BATS / Direct Edge Integration Plan

On January 31, 2014, BATS completed its merger with Direct Edge. We intend to leverage the best-in-class offerings from both organizations to create a first-class exchange operator that brings enhanced value to you, our Members.

Thus, we are pleased to announce the implementation plan and schedule for integrating the BATS and Direct Edge exchanges, which involves migrating the two Direct Edge exchanges (EDGX and EDGA) to the BATS technology platform. The notice below includes key integration information, including technology highlights, details regarding the BATS/Direct Edge data center strategy, an integration timeline, key transition dates and where to obtain additional information.

The BATS and Direct Edge teams will remain in a continuous dialogue with Members throughout the integration process as your feedback remains critically important to us.

Technology Integration Highlights

➤ **Overview**

- Integration information and updates will be made available on the integration web page at <http://bats.com/edgeintegration>.
- All four equities exchanges – BZX, BYX, EDGA and EDGX – will continue to operate as each exchange meets the diverse needs of our Members and their customers.
- Trading Hours for EDGA, EDGX, BYX, BZX and BATS Options will not change.
- Most Direct Edge order types and routing strategies will be continued on BATS' technology, based on customer demand. More details regarding functionality will be announced with the new technical specifications.

➤ **Data Centers**

- While EDGA and EDGX will remain at the Equinix campus in Secaucus, NJ, both exchanges' matching engines will be moved from the NY4 datacenter to the NY5 datacenter at the conclusion of the technology migration in January 2015.
- In the second quarter of 2015, BYX, BZX and BATS Options will also be relocated to the Equinix NY5 datacenter in Secaucus, NJ.
- In service to our Members, BATS has worked with Equinix to establish preferential pricing for customers who choose to co-locate their equipment with Equinix at NY5 to connect to BATS' exchanges. This "BATS Customer Pricing", the first of its kind by an exchange, will provide customers meaningful discounts and cost certainty regarding the hosting of equipment at the data center where our exchanges operate, making it highly attractive as a principal site.
- All BATS and Direct Edge exchanges will operate on their respective existing technology in their existing datacenters until the technical integration is complete.

➤ **Order Entry and Market Data Feeds**

- Upon completion of the integration, BATS Multicast PITCH and TCP PITCH protocols will be used to provide depth-of-book data for EDGA and EDGX.
- BATS TOP feed will be used to provide top-of-book quotes and aggregate volume by symbol for EDGA and EDGX.
- The current Direct Edge XPRS order entry protocol will be retired at the conclusion of the technology migration in favor of the BATS Binary Order Entry (BOE) protocol. The BATS BOE protocol will be augmented to support order types and routing strategies specific to EDGA and EDGX.
- A FIX translator will be supported for the foreseeable future allowing existing Direct Edge

Members using FIX to ease their transition to the BATS FIX format.

- The SIP Participant IDs for EDGA and EDGX will remain the same before, during, and after the integration.

Details Regarding Data Center Move to Equinix (NY5)

- EDGA and EDGX will remain in their current location at Equinix NY4 until the migration to BATS technology in NY5 in January 2015.
- BZX, BYX, and BATS Options will remain at their current location in Savvis (NJ2) in Weehawken, NJ until the Direct Edge integration is complete. They will move to NY5 in the second quarter of 2015.
- NY5 is a state-of-the-art datacenter that is part of the Equinix Secaucus, NJ campus. It is approximately ½ mile west of NY4 and can be accessed via an Equinix IBX cross-connect from both NY4 and NY2.
- BATS will maintain a network Point-of-Presence (PoP) in NY4 indefinitely so that current Direct Edge Member connections in NY4 can be used to access all BATS/Direct Edge Exchanges without interruption once they are moved to NY5.
- BATS will also maintain a PoP in NJ2 indefinitely so that current BATS Member connections in NJ2 can be used to access all BATS/Direct Edge exchanges once they are moved to NY5 without interruption.
- For Members who wish to co-locate their equipment with Equinix in NY5 in order to connect to BATS, we strongly encourage requesting “BATS Customer Pricing” from Equinix when ordering new or expanding space, power, or services in NY5. This program will provide you with meaningful discounts and significant cost certainty. In planning your data center facilities in 2015 and beyond, this innovative effort to help our Members control their IT infrastructure costs will make BATS’ data center highly attractive to serve as your principal site.
- To ensure a seamless transition to NY5 while preserving the ecosystem in NY4, BATS will engineer connectivity from both BATS/Direct Edge NY4 and NY5 demarcation points to all BATS/Direct Edge matching engines in NY5 to have equal latency for the foreseeable future.

Integration Schedule

Target Date*	Milestone
03/01/14	EDGA/EDGX transaction billing questions addressed by BATS (billing@bats.com – 913.815.7003).
04/04/14	FAQ available regarding exchange-specific functionality for EDGA and EDGX at http://bats.com/edgeintegration .
04/04/14	Updated technical specifications available at http://bats.com/edgeintegration .
05/05/14	Basic connectivity testing available using new EDGA/EDGX certification logical ports accessing the certification environment in NY5.
06/02/14	EDGA/EDGX certification logical ports can be used for heartbeating and functional testing of the BATS technology platform within the certification environment in NY5.
06/30/14	Basic connectivity testing available for new EDGA/EDGX production logical ports accessing the BATS production platform in NY5.
08/04/14	New EDGA/EDGX production logical ports can be used for heartbeating and functional testing of the BATS production platform in NY5.
08/04/14	EDGA/EDGX Members may begin to request access to the BATS Member Web Portal.
09/02/14	Basic connectivity testing available for new EDGA/EDGX DR logical ports in CH4.
09-12/14	Weekend test opportunities in new production environment (<i>specific dates TBD</i>).
4Q14	Daily (Monday-Friday) trading of TEST SYMBOLS ONLY in production in new EDGA/EDGX NY5 production environments.
01/10/15	Final Weekend Test/Dress Rehearsal before go-live of EDGA and EDGX in NY5.
01/12/15	Completion of EDGA and EDGX migration to BATS technology in NY5.
2Q15	BZX, BYX, and BATS Options move to NY5.

* While target dates are subject to change, any updates will be communicated to Members via email and on the BATS (batstrading.com) and Direct Edge (directedge.com) websites, and at <http://bats.com/edgeintegration>.

EDGA/EDGX Final Support Transition Dates

Until the transition date (1/16/2015), Direct Edge Members should use the current Direct Edge support phone numbers.

Additional References

Updated Technical Specifications will be made available per the Integration Schedule. Additional reference information will be posted to <http://bats.com/edgeintegration> when available.

We will be hosting a Customer Integration Call on February 20, 2014 at 10:00 a.m. to discuss the implementation plan and schedule outlined above. Please refer to the [Trade Desk Notice](#) for event details.

Please contact the BATS or Direct Edge Trade Desks or your Director of Sales with any questions. We appreciate your continued support of BATS and look forward to earning more of your business. As always, we are committed to our Members and to Making Markets Better as Your Partner in Trading.

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