



BATS BZX Exchange Announces Lead Market Maker (LMM) Incentive Program and Credit Tiers Effective October 1, 2015

Overview

Effective **Thursday, October 1, 2015**, BATS will introduce a new Lead Market Maker (LMM) Incentive Program and Credit Tiers for Tape B to the BZX Exchange (BZX) *pending filing with the SEC*.

Lead Market Maker Incentive Program

- A traditional program to reward Lead Market Makers (LMM) will be added in the form of a high rebate for adding displayed liquidity, reduced fees for removing liquidity, and no fee for participating in the closing auction on the BATS BZX Exchange for the Member's registered LMM securities. A LMM will qualify for the following rates on a per registered LMM security and per share basis.

CADV Range	Add Rebate	Take Fee	Closing Auction Fee
< 1MM	(\$0.0045)	\$0.0025	FREE
1 – 5MM	(\$0.0040)		
5MM+	(\$0.0035)		

- If a LMM does not meet the Minimum Performance Standards for a given month, then the fees and credits will revert to standard equities pricing, as provided in the [BZX Exchange's Fee Schedule](#).
- CADV is based on the last 3 months.

Lead Market Maker Credit Tiers for Tape B

- Four new volume tiers will be added so that LMMs can earn higher rebates for adding liquidity in *all* Tape B securities on the BATS BZX Exchange. LMMs are awarded a credit for each BATS listing for which they are a LMM if they meet the Minimum Performance Standards for a given month for the listing.

LMM Credit Tiers				
	Tier 1	Tier 2	Tier 3	Tier 4
LMM Credit Requirement	50	100	150	250
Incremental Tape B Rebate (per Share)	(\$0.0001)	(\$0.0002)	(\$0.0003)	(\$0.0004)

- All rebates are incremental, which means that they are added to any existing Tape B tier rebates that are achieved by the Member. For example, a Member that achieves Volume Tier 5, paying a

rebate of (\$0.0031) when adding liquidity in all Tapes, and also achieves LMM Credit Tier 2 would receive a total rebate of (\$0.0033) when adding liquidity in *all* Tape B Securities.

- The Credit Tiers are not additive to the LMM Incentive Program rebate for registered LMM securities, but the “best case” rebate will be applied for every execution. For example, if the LMM Incentive Program rebate for a registered LMM security is (\$0.0035), but the Member qualifies for a rebate of (\$0.0036) as a result of achieving a Tape B Volume Tier and achieving an incremental LMM Credit Tier, then the (\$0.0036) rebate will be applied to that execution.

More Information

Please contact the [BATS Trade Desk](#) or your [Director of Sales](#) with any questions. We appreciate your continued support of BATS and look forward to earning more of your business.

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