Note: Proposed new language is underlined. Proposed deletions are enclosed in [brackets].

Rules of BATS Y-Exchange, Inc.

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CHAPTER XI.   TRADING RULES

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Rule 11.9.   Orders and Modifiers

(No change.)

    (a)-(f) (No change.)

    (g)   *Price Sliding.* The System will process orders, subject to a User's instructions, pursuant to the "price sliding process," as defined below.

        (1)   Display-Price Sliding.

           (A)-(E) (No change.)

        (2)   Price Adjust.

           (A)   An order eligible for display by the Exchange that, at the time of entry, would create a violation of Rule 610(d) of Regulation NMS by locking or crossing a Protected Quotation of an external market or the Exchange will be ranked and displayed by the System at one minimum price variation below the current NBO (for bids) or to one minimum price variation above the current NBB (for offers) ("Price Adjust").

           (B)   In the event the NBBO changes such that an order subject to Price Adjust would not lock or cross a Protected Quotation, the order will receive a new timestamp, and will be displayed at the price that originally locked the NBO (for bids) or NBB (for offers) on entry. All orders that are re-ranked and re-displayed pursuant to Price Adjust will retain their priority as compared to other orders subject to Price Adjust based upon the time such orders were initially received by the Exchange. Following the initial ranking and display of an order subject to Price Adjust, an order will only be re-ranked and re-displayed to the extent it achieves a more aggressive price.

           (C)   The ranked and displayed price of an order subject to Price Adjust may be adjusted once or multiple times depending upon the instructions of a User and changes to the prevailing NBBO.

(D)   Any display-eligible BATS Post Only Order that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 11.9(c)(6) or adjusted pursuant to the Price Adjust process described in this paragraph (g)(2). Any display-eligible Partial Post Only at Limit Order that locks or crosses a Protected Quotation displayed by the Exchange upon entry will be executed as set forth in Rule 11.9(c)(7) or adjusted pursuant to the Price Adjust process described in this paragraph (g)(2).

(3)   *Display of Orders Subject to Display-Price Sliding and Price Adjust*. In the event the NBBO changes such that display eligible orders subject to display-price sliding and Price Adjust would not lock or cross a Protected Quotation and are eligible to be displayed at a more aggressive price, the System will first display all orders subject to display-price sliding at their ranked price followed by orders subject to Price Adjust, which will be re-ranked and re-displayed as set forth above.

[(F)](4)   *Non-Displayed Order Sliding*. In order to avoid potentially trading through Protected Quotations of external markets, the Exchange offers [display-]price sliding for Non-Displayed Orders that upon entry cross a Protected Quotation of an external market that is functionally equivalent to the handling of displayable orders pursuant to the display-price sliding process except that such orders will not have a displayed price. Non-Displayed Orders that are subject to display-price sliding or Price Adjust are ranked at the locking price on entry. Similarly, in the event the NBBO changes such that a Non-Displayed Order subject to display-price sliding or Price Adjust would cross a Protected Quotation of an external market, the order will receive a new timestamp, and will be ranked by the System at the locking price. In the event a Non-Displayed Order has been re-priced by the System pursuant to this sub-paragraph [(F)](4), such Non-Displayed order is not re-priced by the System unless it is again crossing a Protected Quotation of an external market.

[(2)](5)   *Short Sale Price Sliding*.

(A)-(C)   (No change.)

[(3)](6) *Applicability of Short Sale Price Sliding*. If an order is eligible for either the display-price sliding process or Price Adjust, it will be subject to [both display-price sliding and] short sale price sliding.

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