

BCP/DR Plan Highlights



U.S. Equities/Options Exchanges

Overview

BATS takes pride in the reliability and availability of its systems. Historically, BATS' systems have been up and available more than 99.9% of the time; however, BATS has also spent extensive time and resources toward planning and preparing for system failures, including those that might affect the primary auctions of securities listed on BATS. Redundancies and resiliencies are built into every part of the system, including software, hardware, storage, database and network components. Below are highlights of our Business Continuity Plan (BCP) and Disaster Recovery (DR) plan.

Matching Engine Resiliency

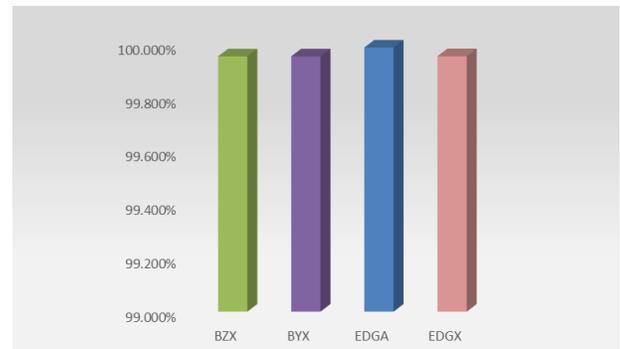
BATS' technology includes rigorously engineered matching engine resiliency to ensure markets operate in a fair and orderly manner, especially for [BATS-listed securities](#). BATS-listed products trade on a dedicated matching engine, and each matching engine has a primary and secondary instance. If the primary instance fails (software or hardware), the secondary instance automatically takes over continuous trading in approximately 45 seconds. This matching engine failover process has handled 50+ matching engine failovers globally in production and each time has worked as designed to prevent undue disruption to trading.

BATS also offers "cancel on disconnect" to Members. This automatically cancels Members' orders on that session if they disconnect. However, our system gives Members the option to persist auction orders through a session disconnect to ensure they participate in the auction even if their session is down. This provides Members maximum flexibility to ensure they are participating in all continuous trading and auction periods they desire, especially in our BATS-listed securities.

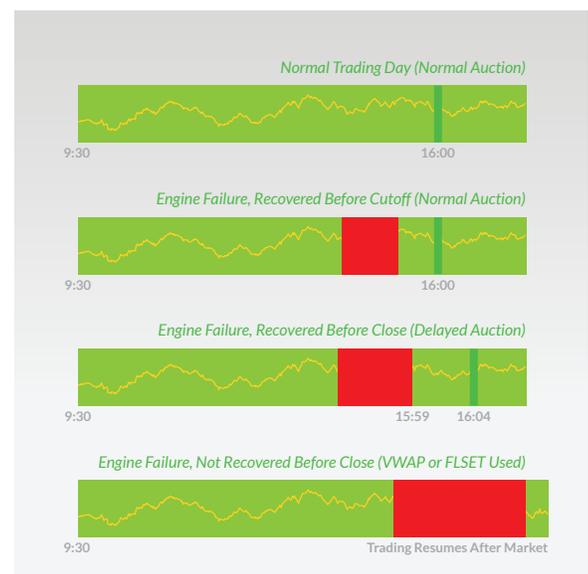
BATS matching engine resiliency also applies during BZX Exchange auction periods. BATS has a detailed auction resiliency matrix that automatically drives matching engine recovery during critical auction periods. BATS will make every effort to failover to the secondary matching engine during these critical periods to conduct the auction.

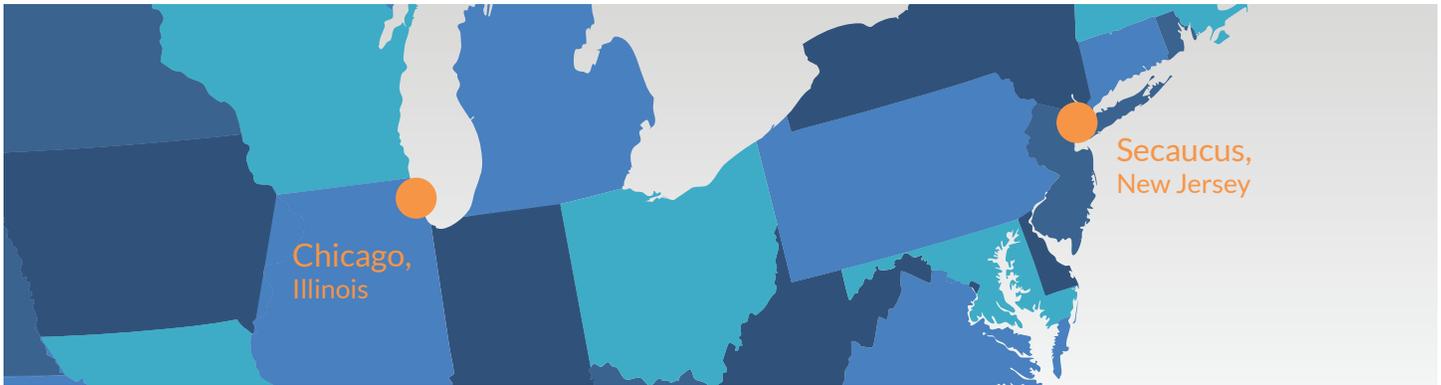
- If the recovery from a matching engine failure is successful before a scheduled auction closing cutoff, the auction will occur on the secondary matching engine at the normally scheduled time.
- If the failover completes after the closing cutoff time but before the close, the closing auction will be postponed to allow for a normal five-minute period after the cutoff to ensure the closing auction is fair and orderly.
- If recovery cannot be completed until after the close, no auction will be conducted but an Official Closing Price will be reported to the consolidated tape for each BATS-listed security. The BATS Official Closing Price will be the price of the Final Last Sale Eligible Trade (FLSET). It will be represented by a sale of condition of "M" (Market Center Official Close).
- Based on Member feedback, *pending filing with the SEC*, BATS is planning to change the calculation of the Official Closing Price when no closing auction is performed to the VWAP price for the security from 15:58 to 16:00 ET. If there are no trades during this period, the FLSET will be used as the Official Closing Price.

Average U.S. Equities Market Uptime
January 2012 - July 2015



BZX Exchange Market Close Scenarios
FLSET and VWAP Calculations





Data Center Locations

Data Center Redundancy

BATS maintains two data centers (primary and secondary) in different parts of the country for geographic diversity. BATS tests its secondary exchange platforms with its Members and other exchanges annually and is able to quickly initiate trading out of its backup data center in the event of an outage at its primary data center. In fact, BATS switched the trading of one of its exchanges (BYX Exchange) to Chicago intraday on September 26, 2013, without issue. To our knowledge, BATS is the first and only exchange operator to have successfully switched to a DR data center intraday on an actual trading day.

With close to 80% of BATS' daily market volume connected to our DR site in Chicago, our members can expect a viable, tested failover site with a critical mass of liquidity from market participants.

Business Continuity

To ensure business continuity of operations in the United States, BATS has a business continuity office space in Kansas City, Missouri, where key operations personnel report to operate the U.S. markets one day each month.

Starting in 2013, on a semiannual basis, the Kansas City headquarters has been taken completely offline for an entire trading day, and all BATS associates in Kansas City report to the business continuity office to ensure readiness.

For more information regarding business continuity, read the [BATS Business Continuity Disclosure](#).

Communications

BATS strives to keep Members well informed during failure scenarios and will seek to provide updates as frequent as every 30 minutes after an initial System Status notice has been distributed through event resolution. Event updates for the BATS Exchanges may be obtained by subscribing to the System Status email distribution list through the BATS Trade Desk. Updates are also viewable in the [U.S. Equities "Exchange Notices" section](#) and the [U.S. Options "Exchange Notices" section](#) on bats.com.

More Information

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

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